NRB Bank

Not Just Another Bank

ANNUAL REPORT 2016

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ANNUAL REPORT 2016

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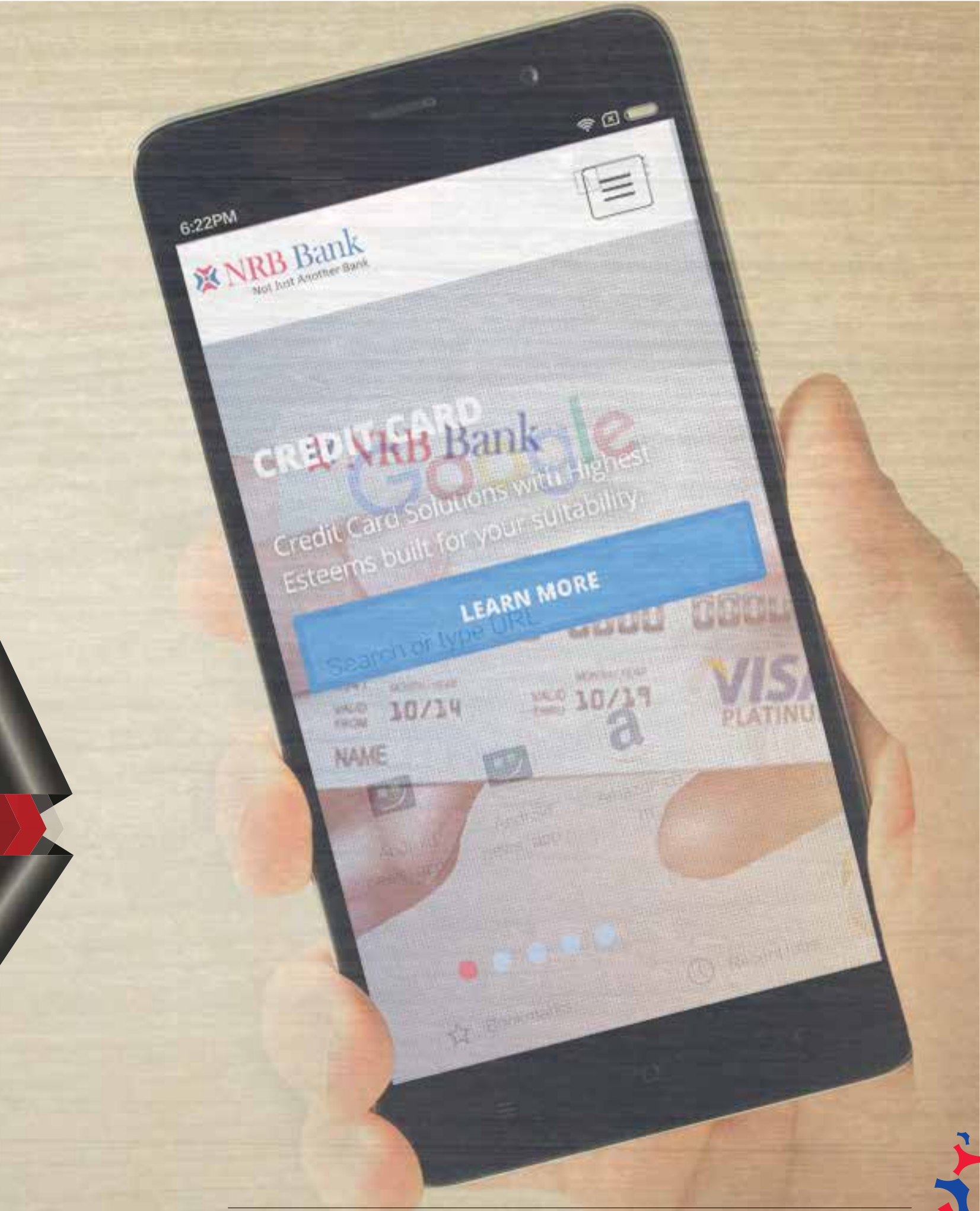
ABOUT US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LETTER OF
TRANSMITTAL

To

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

Dear Sir(s):

Annual Report of NRB Bank Limited for the year ended 31 December 2016.

We are pleased to enclose a copy of the Annual Report along with the Audited Financial Statements and Balance Sheet as at 31 December 2016, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement for the year ended 31 December 2016 together with notes thereon of NRB Bank Limited for your kind information and record.

Best regards,

Sincerely Yours,

A.F.M. Zakaria Huqe
Deputy Company Secretary

DISCLAIMER

This Annual Report 2016 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 117 to 170. 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:** The economy is likely to grow between 6.4% to 6.8% in 2017 and 2018. Slowing exports, falling remittances, weak internal and external demand, restrained industrial activities, rising food inflation and early floods 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.
- **Climate change and natural calamities:** Bangladesh as one of the vulnerable countries to climate change effects and natural disaster lies on an alarming geographical location and risks considerable loss in agricultural sector accounting for a significant portion of GDP.
- **Fraud or financial crime:** Increasing frauds and financial crimes in the banking industry is denting industry confidence. The incidence is a direct outcome of weak corporate governance, control loopholes and IT inefficiencies. NRB Bank is all vigilant to prevent such untoward incident by virtue of strong and effective control system, high ethical practices, good corporate governance and risk management mechanism. However, the Bank cannot rule out any such surprise as the industry closely intertwined with sophisticated financial relationships.

VISION

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

MISSION

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

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

VALUES

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

D	Dynamic	We strive to change and perform to progress
I	Innovative	We foster ideas through finding better ways to improve
G	Global	We empower to create competitive edge to set international standard
I	Integrity	We govern by the principles of ethics and transparency
T	Technocentric	We step ahead of technological advancement

STATEMENT REGARDING
FORWARD LOOKING APPROACH

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

- Changes in the general economic condition resulting from natural calamities and political disturbances;
- Changes in monetary & fiscal policy budget;
- The effect of changes to our credit rating;
- Amendments to, and interpretations of, risk-based capital guidelines and reporting instructions;
- The risk that the Bank's risk management models may not take into account all relevant factors;
- Changing customer demand or preferences for business, including the effects of economic conditions on the business;
- Changes in government policy issues;
- Increase in Tax, VAT on banking services;
- Increase in CRR and SLR of the banks;
- Lending rates to finance essential items;
- Provisioning requirement would change the ROA and ROE;
- Volatility in interest rates and currency values;
- Volatility in capital market arising from speculations;
- Changes in international prices of essential which is putting pressure on foreign exchange market resulting in volatility in the Foreign Exchange market;
- International embargo on certain countries is likely to affect remittances and trade;
- The accuracy and completeness of information of the Bank receives on customers and counterparties;
- The Bank's ability to expand existing distribution channels and to develop and realize revenues from new distribution channels;
- Compliance issues raised by the international forums which are likely to affect the export growth.

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

CORPORATE
DIRECTORY

Formal Inauguration	AUGUST 04, 2013
Total Manpower	467
Registered Office	SIMPLE TREE - ANARKALI, 89 GULSHAN AVENUE GULSHAN – 1, DHAKA-1212, BANGLADESH
Number of branches	25
Website	www.nrbbankbd.com
Number of ATM Booths	25
Auditors	ACNABIN CHARTERED ACCOUNTANTS
Chairman	MOHAMMED MAHTABUR RAHMAN
Managing Director & CEO	MD. MEHMOOD HUSAIN
Tax Consultant	ADN ASSOCIATES
Deputy Company Secretary	A.F.M. ZAKARIA HUQE
Legal Advisor	RAFIQUE-UL HUQ BARRISTER-AT LAW
Authorized Capital	Tk. 10,000,000,000
Credit Rating Agency	CREDIT RATING AGENCY OF BANGLADESH LTD (CRAB)
Paid Up Capital	Tk. 4,000,000,000

COMPANY
MILESTONES

07 February, 2013
Bangladesh Bank issued No Objection Certificate for Registration with Registrar of Joint Stock Companies & Firms (RJSC) as Banking Company.

19 March, 2013
Registrar of Joint Stock Companies & Firms (RJSC) issued Certificate of Incorporation for NRB Bank Limited.

09 April, 2013
The 1st Board Meeting of the Bank was held successfully.

18 April, 2013
Bangladesh Securities Exchange Commission (BSEC) issued Letter of Consent for raising of Paid-Up Capital.

25 April, 2013
NRB Bank Limited received Banking License from Bangladesh Bank.

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

28 May, 2013
NRB Bank Limited was officially Launched at Pan Pacific Sonargaon Hotel, Dhaka, Bangladesh.

01 August, 2013
Bangladesh Bank issued 1st Branch License of 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.

14 September 2013
NRB Bank inaugurated its second branch at Nafi Tower, 53 South Gulshan Avenue, Gulshan-1, Dhaka 1212, Bangladesh.

16 September 2013
NRB Bank inaugurated Sylhet Main Branch in Sylhet.

31 October 2013
NRB Bank Participated in British Bangladeshi Who's Who 2013.

03 November 2013
NRB Bank Participated in Bangladesh Caterers Association Award 2013, held in London, UK.

28 December 2013
NRB Bank inaugurated Chittagong Main Branch in Chittagong.

28 December 2013
NRB Bank inaugurated Joypara Branch, Dohar.

23 March 2014
NRB Bank Launches arrays of Retail Banking products.

25 March 2014
NRB Bank launched 1st offsite ATM at Dhanmondi.

22 June 2014
1st Annual General Meeting of NRB Bank

22 June 2014
NRB Bank Celebrates 1st Anniversary at Pan Pacific Sonargaon Hotel, Dhaka, Bangladesh.

23 June 2014
NRB Bank Call Centre inaugurated

23 June 2014
NRB Bank eBanking inaugurated

14 August 2014
NRB Bank Inaugurated Ashulia Branch

14 August 2014
NRB Bank Inaugurated Hotapara Branch

16 August 2014
NRB Bank launched SME banking.

18 August 2014
NRB Bank Inaugurated Bogra Branch.

31 August 2014
NRB Bank launched VISA EMV Debit Card.

01 November 2014
NRB Bank Launched VISA Credit Card

10 December 2014
NRB Bank Inaugurated Uttara Branch

28 December 2014
NRB Bank inaugurated Panchdona Branch

26 February 2015
NRB Bank inaugurated GEC Branch

12 April 2015
NRB Bank inaugurated Dilkusha Branch

14 June 2015
The 1st Extraordinary General Meeting (EGM) and 2nd Annual General Meeting (AGM) of NRB Bank Limited was held successfully.

15 June 2015
NRB Bank Limited inaugurated Moulovibazar Branch

10 August 2015
NRB Bank Limited inaugurated Satkania Branch

08 September 2015
NRB Bank launched VISA Platinum Credit Card

21 December 2015
NRB Bank Limited inaugurated Atibazar Branch

24 January 2016
NRB Bank Limited inaugurated Chawkbazar Branch

08 February 2016
NRB Bank Limited launched Home Loan for NRB's and My Study Loan

10 May 2016
NRB Bank Limited launched Zazira Branch

26 June 2016
The 3rd Annual General Meeting (AGM) was held successfully

29 August 2016
NRB Bank Limited inaugurated Khulna Branch

30 October 2016
NRB Bank's Gulshan Branch shifted to Classic Tower (Ground Floor) House-1, Road-11, Banani

30 October 2016
NRB Bank's Principal Branch shifted to Simple Tree Anarkali, 89 Gulshan Avenue, Gulshan-1

18 December 2016
NRB Bank's Corporate Head Office shifted to Simple Tree Anarkali, 89 Gulshan Avenue, Gulshan-1

28 December 2016
The 2nd Extra Ordinary General Meeting (EGM) of NRB Bank Limited was held successfully

CORPORATE GOVERNANCE

FROM THE OFFICE OF
THE CHAIRMAN

Bismillahir Rahmanir Rahim

DEAR FELLOW SHAREHOLDERS,

It is a great pleasure and honor for me to welcome you at the 4th Annual General Meeting of NRB Bank Limited. On behalf of the Board of Directors and on my personal behalf, I would like to express my sincere thanks and gratitude to you for your continuous support, co-operation and confidence reposed upon me in achieving excellence in the performance of the Bank. Our financial performance suggests that we continued to deliver excellence for our shareholders. I feel privileged to present the Annual Report of NRB Bank Limited for the year ended December, 2016 before you.

You will be happy to know that by the grace of Almighty Allah we have been maintaining steady growth of business in all areas of operational activities like deposit mobilization, Loan deployment, investment, etc. and maintaining sustainable position in terms of liquidity, capital adequacy, asset quality, management, earnings and profitability. The bank has been able to secure an indispensable position in the banking sector of the country because of its personalized services. Enormous support of our valued customers, prudent guidance & bold leadership of Bank's Board of Directors and relentless efforts of Bank Management have made our journey a success.

GLOBAL ECONOMIC OUTLOOK

The year as a whole was challenging. It was the arduous task for Bank's Board and Management to come across the challenges and to steer the bank in right direction of growth and stability. Developments in the global front during the past couple of years have been observing generally unfavorable for emerging economies in the world. Relatively slower growth in advanced economies and reversal of foreign capital flows affected the emerging markets adversely, thereby hindering their growth prospects.

The picture for emerging market and developing economies (EMDEs) remains much more diverse. Oil prices have increased in recent weeks, reflecting an agreement among major producers to trim supply.

Economic activity in both advanced economies and EMDEs is forecast to accelerate in 2017–18, with global growth projected to be 3.4 percent and 3.6 percent, respectively, again unchanged from the October forecasts. The primary factor underlying the strengthening global outlook over 2017–18 is, however, the projected pickup in EMDEs' growth. As discussed in the October World Economic Outlook (WEO), this projection reflects an important extent a gradual normalization of conditions in a number of large economies that are currently experiencing macroeconomic strains. EMDE growth was estimated at 4.1 percent in 2016, and was projected to reach 4.5 percent for 2017, around 0.1 percentage point weaker than the October forecast. A further pickup in growth to 4.8 percent has been projected for 2018.

According to Global Financial Stability Report (GFSR) of October 2016, short term risks moderated in the past few months as market have shown resilience to a number of shocks. Pressures on emerging market assets have eased, influenced by firmer commodity prices, reduced uncertainty in leading emerging markets, and expectation of lower interest rates in advanced economies. However, medium term risks are rising in a new environment due to unsteady policy and increased political uncertainty.

GLOBAL OUTLOOK IN BUSINESS ENVIRONMENT

The global economic challenge in recent years was to keep the economic growth static and sustainable. However, the slow-down of world economy could not adversely affect the country's economic growth trend in spite of our limited resources, stringent monetary policy, surplus liquidity, lower profitability and absence of quality investment/ credit opportunity. The unhealthy business competitions among the peers were also the big challenges for the Banks and Financial Institutions to march forward in the last couple of years.

Global trade and investment have been weak, limiting the advancement in labour productivity and wages that are required to support sustainable consumption growth. However, fiscal policies, both implemented and proposed, could, if effective, catalyze private economic activity and push the global economy to a modestly higher growth rate of around 3.5% by 2018.

BANGLADESH ECONOMIC OUTLOOK

Notwithstanding global economic challenges, Bangladesh economy experienced positive changes on many fronts which were critically

important for its accelerated growth over the past few years. Economic condition of Bangladesh is currently stable with a positive near-term macroeconomic outlook. Declining inflation, rising reserves, contained fiscal deficit and stable public debt are the positive signal for economic development.

The economy of Bangladesh reflected a resilient performance with GDP growth of 7.1% against targeted 7.0%. The economy did well in containing inflation of food price, particularly rice. Exchange Rate against USD was stable despite fluctuation in other major currencies. Foreign exchange reserve was commendable over USD 32 billion. External trade of the country grew by 5 percent while overall export earnings in 2016 registered a modest 8.0 per cent growth over the previous year with around $35 billion compared to $32 billion in 2015. Import registered around 6.9 per cent growth in 2016.

Export grew by 8.9% while import by 5.5% in FY 2016. Remittances, however, ended up with a negative growth of 3% during the same period. The current account surplus of USD 3.7 billion led to an overall balance of USD 5.0 billion building net foreign assets.

However, it is expected that our domestic economy will perform better from the macroeconomic perspective and inflationary pressures will be kept under reasonable control having no effect on our growth.

BANK'S PERFORMANCE IN FY 2016

In the backdrop of such tremendous competitive and challenging business environment, NRB Bank Limited has completed another successful year of business in 2016 having registered with the commendable and steady growth in all key areas of performance than previous year.

In a relatively stable but difficult business environment, Bank's performance was steady with continuous focus on quality credit growth. Even in the absence of attractive spreads, total advance grew by 13.5%. Deposit growth was sufficient by 30.76% along with significant reduction of high cost deposit and increase of savings & low cost deposit. The advance deposit (AD) ratio was 72.08%. Consequently, NRBBL's operating profit can be termed reasonable as the bank pursued cautious lending approach than reckless expansion of credit in a slow investment scenario to prevent untoward consequences. Cost of Fund and Return on Asset were 6.60% and 3.18% in FY 2016 which were 8.38% and 2.02% in previous year respectively which indicates higher business performance of NRBBL than that of the previous year.

The Capital Management process is constantly reviewed by Senior Management as well as by Board of Directors of the Bank and appropriate decisions are taken from time to time to strengthen our capital base. Risk Management landscape of the Bank underwent changes in tandem with the changes in global markets and regulatory frontiers. Banks put emphasis on Liquidity Coverage Ratio guidelines as an offshoot of Basel III Compliance and began the journey under Basel III Compliance at length with a view to strengthening the capital base.

Bank's capital adequacy at the year-end was 27.44% against regulatory requirement of 10.625%. Total Capital was 4, 834 million in FY 2016 which was 4, 188 million in previous year. The ratio of Non-Performing Loan (NPL) to total advance was around 1.95% which is much lower than the industry average of 9.23%. The followings are summarized position of the Bank's financial highlights in FY 2016:

	Fig. in Million BDT
Total Assets	24,730
Total Deposits	17,466
Total Loans and Advances	12,589
Total Operating Profit	810.43
Earnings per Share (EPS)	1.31

The élite motto of your Bank is "Not Just Another Bank" which is not only an utterance but we literally mean it. We pay the utmost attention and sincere care to our customers in proving the motto. We have a wide range of products and services and continuously redesigning our products with competitive price to meet the customers' demands and satisfaction. We provide a full-fledged banking & financial services to different segments of clients including individuals, small and medium sized companies/entrepreneurs and corporate bodies etc. The Bank recognizes the small and medium enterprises (SMEs) as an important sector in its business strategy. In view of this, it is imperative to operate with the ideal mix of corporate and retail banking in the portfolio

composition with optimum size to maximize the returns so as to scale from these two key areas of core business activities of the Bank. We are always keen to be present with our products & services in different fairs & campaigns arranged from time to time.

CORPORATE GOVERNANCE PRACTICE

Corporate Governance is inevitable for sustainable development of an organization. Operational activities at all levels of NRB Bank Limited have been designed in such a manner that transparency and accountability can be ensured. The duties and responsibilities are appropriately segregated between the Board of Directors and the management to provide sufficient check and balance and flexibility for smooth business operations. The Board of Directors provides policy guidelines and directions to the management, approves strategic and major policy decisions and oversees the higher management to attain business goals of the Bank. Audit Committee reviews the internal control & compliance process, the internal audit reports and related compliances of Bangladesh Bank, while the Risk Management Committee reviews the risk areas and overall risk management process/systems of the Bank. The Statutory Auditors were given absolute freedom in the process of audit and verification of the compliance, risk management and the Financial Statements were prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). Therefore, we are following the best practices of Corporate Governance in our Bank and committed to be the role model in the Banking industry.

CSR ACTIVITIES

Since inception, the Bank has been demonstrating its social responsibility through various CSR programs in the field of education, health and Games & Sports. In addition, Bank as a responsible citizen has always sided with the affected and downtrodden in the form of instant relief, sponsorship and donations round the year under its philanthropic initiatives.

Digital integration of banking with the community has been further gelled during the FY 2016. The Bank has increased online transaction volume substantially with its internet banking products. On line Collections & Payments on account of various utility Service Providers like BRTA and DESCO have been put in place for easing consumer's anguishes. More such endeavors are under way to promote NRB Bank brand and thereby transform the name into a household one.

MESSAGE OF APPRECIATION

Finally, On behalf of the Board, I extend my wholehearted thanks to our valued customers, shareholders, countless patrons, and the management for their unwavering support in making the Bank one of the strongest financial institutions of the country.

Particularly, I would like to express my utmost and invaluable respect to the Government of the People's Republic of Bangladesh, the Central Bank of Bangladesh, the Ministry of Finance, Registrar of Joint Stock Companies & Firms and National Board of Revenue for their very effective guidance, support & role and other regulators for their timely intervention through various policy Guidelines which has been immensely helpful in formulation of bank's own strategies at different critical times of the year. We are also looking forward to receiving their continuous support and co-operation in future and we repeat our promise to always remain disciplined and compliant.

Before I conclude, I hope that the year 2017 will bring unprecedented opportunity for us and we shall be privileged to have all our patrons, well-wishers and stakeholders with us towards our journey with renewed vigor and determination to lead and achieve a brighter, sustainable future.

With warmest regards,

Mohammed Mahtabur Rahman
Chairman

MANAGING DIRECTOR &
CEO'S ROUNDUP

I would like to avail this auspicious opportunity to present a roundup of financial and operating performance of your Bank for the year 2016. By summing up overall activities and performance of the bank keeping in the view all other industry and economic factors, it can be said that we have passed a year of solid performance during 2016.

Our relentless focus on emerging opportunities has enabled the Bank to step forward with a positive growth in challenging environment. We are consistently innovating and adding value through technology-led delivery channels supported by a wide range of product offerings. Our efforts to reach grassroots level for financial inclusion is another endeavor of your bank. 2016 was yet another year of success for NRB Bank Limited where we continued to retain growth in every sector.

CHANGING SCENARIO IN GLOBAL ECONOMY

Global output growth was estimated at about 3 percent (at an annualized rate) for the third quarter of 2016—broadly unchanged relative to the first two quarters of the year. This stable average growth rate, however, masks divergent developments in different country groups. There has been a stronger-than-expected pickup in growth in advanced economies, due mostly to a reduced drag from inventories and some recovery in manufacturing output.

Global output growth is estimated at about 3 percent (at an annualized rate) for the third quarter of 2016—broadly unchanged relative to the first two quarters of the year. This stable average growth rate, however, masks divergent developments in different country groups.

After a lackluster outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. The assumptions underpinning the forecast should be more specific by April 2017 world economic outlook, as more clarity emerges on U.S. policies and their implications for the global economy.

With these caveats, aggregate growth estimates and projections for 2016–18 remain unchanged relative to the October 2016 World Economic Outlook. The outlook for advanced economies has improved for 2017–18, reflecting somewhat stronger activity in the second half of 2016 as well as a projected fiscal stimulus in the United States. Growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened.

BANGLADESH ECONOMY HELD UP WELL

Bangladesh passed a comparatively stable year in terms of economy and politics throughout the year 2016. Bangladesh's fiscal year 2015-16 closed with a number of macroeconomic advantages including lower inflation, declining interest rate, stable exchange rate, manageable fiscal deficit, and augmented foreign exchange reserves.

Domestic demand-driven economic activity remains relatively buoyant, as indicated by credit growth, industrial activity, and import trends. Despite some moderation, garment exports growth has held up well relative to peers. The recent decline in remittance reflects a combination of global and local factors, but mainly driven by weaker economic activity in the Middle East. Recovery in remittance growth can be expected over the near to medium term from oil price stabilization boosting Middle Eastern economies, as also from the recent upsurge in manpower exports from Bangladesh and government's strong initiatives to prevent inward remittance through informal channel. Based on the recent economic indicators and econometric analysis, BB projects GDP growth to be above 7 percent in FY17.

Balancing the upside potential and the risks, BB maintains the current policy stance: repo and reverse repo rates will remain unchanged at 6.75 and 4.75 percent, respectively, to support growth while mitigating inflation risks.

CHALLENGES FOR THE BANKING SECTOR

Challenges for the banking sector in 2016 were mostly homegrown, falling interest rates and lower private sector credit demand which were aggravated by weak governance, poor risk management and control measures. Key

profitability yardsticks of the industry such as Return on Asset (RoA) and Return on Equity (RoE) were on the declining trend. RoA declined slightly from 0.8% at the end of December 2015 to 0.4% at the end of June 2016 whereas RoE decreased to 7.1% at the end of June 2016 from 10.5% at the end of December 2015. Margin came under pressure in the wake of a declining interest rate regime which saw assets being re-priced faster than the liabilities.

STRATEGY AND PERFORMANCE

We tried to enhance our volume of lending to diversify business and increase advance deposit (A/D) ratio of the Bank. We have also strengthened lending effort to SME, Retail and Agriculture Sectors. We have tried to maintain a robust liquidity, acquire retail deposits, make cautious lending and make necessary review of existing portfolio. We made significant achievements in terms of growth of profits, Loans and advances, deposits, branches, capacity building, risk management, financial inclusion and improvement in quality of our portfolio.

We tried to enhance our lending volume to diversified business and increase advance deposit (A/D) ratio of the Bank. We have also strengthened lending effort to SME, Retail and Agriculture Sectors.

All of these have been possible through the able guidance of honorable Chairman, respected members of the Board of Directors and support from shareholders, Depositors, Customers and Regulators. Your Bank maintained a comfortable liquidity, growth in deposits, loans advances and network expansions. We ensured prudent lending, mobilized deposits from retail investors, diversified loans to SMEs and other good credit-worthy enterprises and deliberately kept foreign exchange exposure at manageable level.

ROBUST RESULTS IN CORE BANKING

The year 2016 was rather a difficult year for the banking industry of our country due to falling interest rates and lower private sector credit demand. Despite challenges in the banking sector, NRB Bank Ltd stayed alongside the industry average growth rates in business volumes and the underlying streams of revenue.

I am pleased to say that despite the challenging environment, NRB Bank Ltd has shown the satisfactory results in all fronts of its operation. Total assets increased by 20.4% to BDT 24,730 million, deposits also increased by 30.8% to BDT 17,466 million and loans and advances increased to BDT 12,589 million from BDT 11,092 million in the year 2015 - a positive growth of 13.5%. Bank's net non-funded business also increased by 79.4% to BDT 1839 M in 2016. Operating profit of the bank increased to BDT 810 M from BDT 394 M in 2015. Profit after Tax (PAT) rose to BDT 525 M from BDT 236 M in 2015. Principal strength of the bank, Shareholder's Equity increased to BDT 5,059 M in 2016 registering 13.0% growth compared to last year. The main key indicators of the bank namely; Cost of deposit has come down to 6.60 % from 8.38% in 2015, while Return on Investment (ROI) increased to 8.77% from 8.72% in 2015 and ROA also increased to 3.18% from ROA 2.02% in 2015 .

Margin came under pressure in the wake of a declining interest rate regime which saw assets being re-priced faster than the liabilities. Moving forward, we expect interest rates to be stable in 2017 and provide the impetus for a higher credit growth. As we head into 2017, many commercial projects that were not previously deemed financially viable could gain new life in the favorable interest rate environment. Even though our margins will be leaner, it would be compensated through growth in volume and improved asset quality with borrowers finding their credit obligations more affordable.

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 loan, SME loan, Women entrepreneur loan and Study Loan has received wide acceptance among people. We already have Debit and Credit Card service in collaboration with VISA CARDS.

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 banking 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.

PRIORITY SERVICES FOR NRBs

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. 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 remit 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 how they can contribute to the development of the country.

THANKS AND GRATITUDE

On behalf of the Management, I express my sincere thanks and gratitude to the members of the Board of Directors for their policy guidelines and adequate support to the management to implement those. I also have my appreciation and thanks to the GoB, Ministry of Finance, Honorable Governor and other officials of Bangladesh Bank, RJSC for their continuous help and assistance, valuable guidelines and co-operations provided to the Bank from time to time.

At NRB Bank, we are committed to unlocking a new horizon to the Bangladesh economy by facilitating NRB inward investment to Bangladesh and assisting Bangladeshi enterprises to access international markets. We will always remain focused to deliver service excellence through providing existing & innovative products in cost & time efficient manner, to all of our corporate customers, and also building the bridge between Bangladesh and NRB for overall economic development of Bangladesh.

Md. Mehmood Husain
Managing Director & CEO

BOARD OF DIRECTORS'
Profile

Mohammed Mahtabur Rahman
Chairman

Mr. Mohammed Mahtabur Rahman 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 in the year 1970. He mastered the art of craftsmanship of the Fragrance Industry and surmounts the business to new heights. He is currently the Chairman & Managing Director of Al Haramain Perfumes Group of Companies and the **Chairman of NRB Bank Limited,** which is one of the leading 4th Generation Banks in Bangladesh.

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 **33,000 sq ft** and also established a Factory in the UAE covering an area of over **180,000 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 the markets of Singapore, Indonesia and Brunei.
- **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 facility for production and distribution to capture the entire European & the American markets.
- **Al Haramain Perfumes** showroom was opened in **London** to serve the perfumery needs of all our Customers of UK and Europe.
- **4 Corners Distribution Ltd.** has been established in **London** to facilitate / distribute to our Distributors in the United Kingdom & European Markets.
- **Al Haramain Perfumes Inc**, was established in **New York, USA** to meet the fragrance needs of our customers in the United States of America.
- **Emad Distribution Inc**, has been launched in **Texas, USA** to facilitate/distribute to our Distributors in the United States of America and the South American countries.
- **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 customers/ 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 and the Northern Emirates in UAE.
- **Shaikh 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 Limited, in which he is the **Sponsor/ Director**.
- **The University of Asia Pacific** in which he is the **Trustee,** is one of the leading Universities 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.** in which he is the **Chairman**, is one of the most modern upcoming 250 Bed multi-disciplinary & multi-storeyed Hospital in Sylhet, Bangladesh.
- **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 4 consecutive years from **2012 to 2015** by the Government of the Peoples' Republic of Bangladesh.
- He was also awarded the prestigious **'Bangladesh Bank Remittance Award'** consecutively for 4 years from **2013 to 2016** in recognition of his highest remittance/ investment into Bangladesh.
- He is also the recipient of **Honorary Doctor of Philosophy** in World Peace and Morality Business Administration of the International University of Morality-Thailand, in the year **2014**.

Tateyama Kabir

Vice Chairman

Mr. Tateyama Kabir is a dual citizen of Bangladesh and Japan. He is the President of Kabir Auto Export Co. Ltd. He is one of the most successful exporters of cars from Japan around the world. He is expanding his investments in automobile sector in Bangladesh. He has the potentials to build relationship between Japan and Bangladesh.

Mr. Tateyama Kabir is member of different social and cultural organizations including Dhaka Club, All Community Club and the elite Lion's Club, Owners Association, Youth Club in Japan etc. He is equally active in many community development and social services programmes. He has remained an honourable patron to a good number of educational institutions contributing significantly to the advancement of countries education.

He has completed his Masters in Japanese language from University of Toyama, Japan. He is married to Mrs. Hasina Akther and is blessed with two daughters and one son.

Kamal Ahmed

Vice Chairman

Kamal Ahmed is a sponsor Director of NRB Bank Limited.

He is the Deputy Managing Director of Seamark plc in the UK, Seamark (BD) Ltd and IBCO Food Industries in Bangladesh and Seamark USA Inc in the USA, which are all part of the Seamark Group of Companies headquartered in Manchester, England. The Group employs 4,000 people worldwide with distribution networks in Europe, the USA and Canada.

Kamal takes full control of the Seamark Group in the absence of its Chairman and Chief Executive and is in-charge of the Group's operations, including imports and the running of Seamark's UK factories. He is responsible for all matters relating with production, including the processing and value adding of major seafood and their exports to both Western and Eastern European countries, the Middle East and Russia.

He also oversees the running of the Group's operations in Bangladesh, especially exports resulting in a number of gold medals and trophies for highest exports awarded to Seamark (BD) Limited from the Government of Bangladesh. In 2016, Kamal received from the Prime Minister the national export trophy award for highest exports during the years 2011-2012 and 2012 – 2013.

Seamark UK is also a recipient of an award for its export achievement - the prestigious Queen's Award.

He personally ensures that Seamark continues to set high standards in all aspects of food production in terms of hygiene, the environment and working conditions.

In addition, Kamal oversees the operations of the Group's hospitality sector – the famous Vermilion Restaurant and the newly opened Vermilion Hall, as well as the retail sector – Restaurant Wholesale Cash & Carry.

He always make time lending 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.

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

M Badiuzzaman

Director

Mr. M Badiuzzaman is a versatile and experienced business professional with extensive knowledge and networking capacity to revolutionize business decision-making in international trade, commerce and 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)
- **Chairman, Strategic Enterprises Pvt. Ltd.** (Importer and Consultancy Firm in Bangladesh)
- **Independent Director and Chairman of Audit Committee, Phoenix Insurance Company Ltd,** 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).

Imtiaz Ahmed
Director

Mr. Imtiaz Ahmed, a UK citizen and an NRB, was born in 1960 in Sylhet. He did his Masters in Social Sciences and obtained a Law degree from Dhaka University. After having moved to the UK for further education, he studied Law at the University of London. His growing interest in the philosophy of education led him to study for and obtain a PGCE from the University of East London. He has since been an educator in various London institutions, and lead the Bangladeshi Achievement Project . He was also the Head of Bilingual Teachers in a borough council of London.

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

Mohammed Idrish Farazy
Director

Mr. Mohammed Idrish Farazy the chairman of National Exchange Company, Italy; with his continuous succeeding contributions is known to have grown the seeds of remittance business in Italy.

He has obtained a Bachelor's Degree in Business & Administration from the University of Darul Ihsan, Bangladesh.

In 2006, in recognition to his outstanding and proficient contributions in world of Remittance Business he was awarded the Mother Teresa International award.

Due to his continuous effort he was awarded the prestigious, Bangladesh Bank Remittance Award, in 2014 in recognition of highest remittance into Bangladesh in regards of National Exchange Company, Italy. He also ranked as a Commercially Important Person (CIP) for two consecutive years 2012-13 & 2013-14 by the Government of Bangladesh.

He has played a vastly important role in revolutionizing the Remittance Business Zone in Italy and all around the world; some of his other business affiliations are as follows:

- Chairman, National Exchange Company S.R.L, Italy
- Director, Farazy Hospital and Diagnostics Ltd., Bangladesh
- Director, Popular Travels and Tours, Italy

Iqbal Ahmed OBE

Director

Iqbal Ahmed is the Chairman & Chief Executive of Seamark Group of companies and IBCO Food Industries Limited. He is also the Founder and First Chairman of NRB Bank Limited.

Seamark Group grew from a small family run business to supply seafood and various food products worldwide. Iqbal pioneered the import and export 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 the family business, thus created Iqbal Brothers & Company, now IBCO Limited, importing and distributing frozen seafood and all kinds of frozen food products. As the business grew further, it made sense to Iqbal to create a new company, Seamark which is more reflective of the size and scope of the operation. Seamark's first factory was set up in Manchester and was officially opened by The Rt Hon The Lord Deben, John Selwyn Gummer, the then Minister of Agriculture, Fisheries and Food. In 2000 Iqbal Ahmed established Seamark (BD) Limited in Bangladesh which was inaugurated by HRH Princess Anne.

His 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 for nearly every year between 2002 and 2014.

One of Iqbal Ahmed's 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 healthcare involving rehabilitation, training and community work, including the development of a secondary school and college for 1400 pupils in Sylhet in north east Bangladesh. He has supported and raised funds for the Manchester Children's Hospital Appeal, the Royal Manchester Eye Hospital Appeal and Ahsania Mission Cancer and General Hospital Appeal to name a few. He is the Chairman of UKBCCI (UK Bangladesh Catalyst of Commerce & Industry) which promotes business and entrepreneurship to young people in the UK and Bangladesh. He personally gets involve with his companies' CSR and has formed a charity registered in the UK called the Iqbal Bros Foundation Trust.

He 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. He is a CIP (Commercially Important Person) in Bangladesh since 2009.

In July 2017, Iqbal was awarded by Manchester Metropolitan University an Honorary Degree of Doctor of Business Administration for his outstanding achievements in business and his

significant contribution to the economy and regeneration of Manchester and Bangladesh.

Over the years Iqbal Ahmed has played an active role as member, advisor or director in a number of government committees, ministries and advisory bodies in the UK such SAAG (Southern Advisory Group, Competitiveness Council, BOND (a UKTI initiative), MOSAIC under the Business in the Community, New East Manchester, Ethical Trading Champion's Group, New Enterprise Council and Catalyst UK.

Iqbal Ahmed has the ability to speak with such authority thus regularly sought as a speaker or panel member in international events and Universities such as Bangladesh Investment Summit in Singapore (2014, 2015), World Islamic Economic Forum in Dubai (2014), Inaugural Bangladesh Investment Summit in London (2013), Entrepreneurs Festival Manchester (2013, 2016), University of Dhaka (2015), and University College London (2015)

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, Chiles Chocolate, Gallitos Mexicans, Gallitos Express, 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 27 years.

Naveed Rashid Khan
Director

Mr. Naveed Rashid Khan currently resides in Dubai, U.A.E. There he has established his own organization, Commodity First DMCC, a firm specializing in the Trading of agricultural commodities and agri-inputs like Fertilizers, Fertilizer raw materials, wheat, rice, etc. His company has a global footprint for the Trade & supply of Fertilizers with many markets like ranging from Asia to Europe.

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

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 Crushing 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) at a stretch.

Dato' Engr. Md. Ekramul Haque

Director

Dato' Engr. Md. Ekramul Haque, aged 49 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 26 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.

Abu Taher Mohammed Amanullah

Director

Mr. 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.

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.

Dr. Nesar Ahmed Choudhury

Director

Dr. Nesar Ahmed Choudhury is a General Practitioner and Principal Partner in Manchester in U.K. .He has also been an Undergraduate medical tutor at Manchester Medical School.

Dr. Choudhury is a dual citizen of the UK and Bangladesh. He is the General Secretary of the Bangladesh Medical Association (UK). He is involved in other Bangladesh Welfare Services.

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

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 a previous recipient of the European Society of Ophthalmology Young Ophthalmologist Award. He has completed two Vitreocetinal surgery fellowships in Oxford Eye Hospital and Manchester Royal Eye Hospital, UK.

Over the last 7 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 innovative and successful Diabetic Retinopathy Education Training and Treatment projects based at Chittagong Eye Infirmary and Training Complex and the National Institute of Ophthalmology, Dhaka, Bangladesh. These projects aim to reduce the burden of blindness for the diabetic population in Bangladesh using an international model of diabetic eye screening care.

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

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.

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. He is also the Chairman & CEO of Le Chaina PLC; Director of Klaspad PLC 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.

Md. Mehmood Husain
Managing Director & CEO

Mr. Md. Mehmood Husain is the Managing Director and CEO of NRB Bank Limited. Prior to his new assignment Mr. Husain was the President and Managing Director of Bank Asia.

A post graduate in Economics from the University of Dhaka, he started his banking career in 1984 as the probationary officer with National Bank Ltd.

During 32 years long career he served a number of reputed Banks in various important capacities including Additional Managing Director of Prime Bank Ltd. He has attended numerous professional workshops and seminars at home and abroad.

Mr. Mehmood Husain is a member of Association of Bankers Bangladesh and life member of Bangladesh Economic Association. He is actively associated with various social organizations.

SPONSOR
SHAREHOLDERS

Mohammed
Mahtabur Rahman
UAE

Mr. Tateyama Kabir
Japan

Mr. Kamal Ahmed
UK

Mr. M Badiuzzaman
Singapore

Mr. Imtiaz Ahmed
UK

Mr. Mohammed
Idrish Farazy
Italy

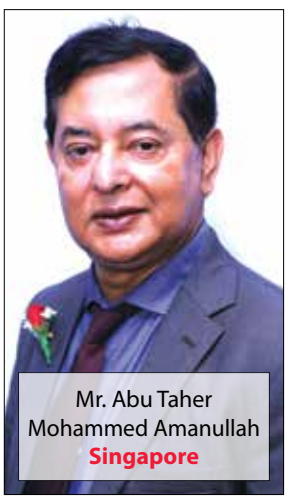
Mr. Iqbal Ahmed OBE
UK

Mr. Khandakar R. Amin
USA

Mr. Naveed
Rashid Khan
UAE

Mr. Mohammed
Jamil Iqbal
UK

Dato' Engr.
Md. Ekramul Haque
Malaysia


Mr. Abu Taher
Mohammed Amanullah
Singapore

Mr. Fazlur Rashid Khan
USA

Mr. Nafih Rashid Khan
UAE

Dr. Nesar Ahmed Choudhury
UK

Dr. Mahiul Muhammed Khan Muqit
UK

Mr. Rabin Paul
UK

Mr. Mohammed Rafique Miah
UK

Mr. Abdul Karim
UAE

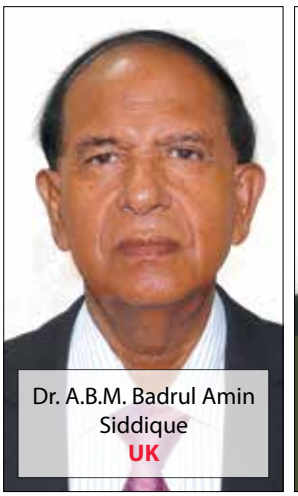
Mr. Bilal Ahmed
UK

Mr. Mohammad Jahangir Farazy
Italy

Mr. Nazrul Islam
Italy

Dr. Quazi Mohafuzal Haque
UK

Dr. Uddin Ahmed Afser
UK



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

Dr. Abul Kashem Mohammed Zakaria
UK

Mr. Mohammed Nazam Uddin
UK

Mr. Emdadur Hifzur Rahman
UK

Mr. Mohammed Enamur Rahman
UK

Mr. Surat Miah
UK

Mr. Rafiqul Islam
UK

Mr. Shabbir Ahmed Choudhury
UK

Mr. Monir Ali
UK

Mr. Ali Ahmed
UK

Mr. Salim Chowdhury
UK

Mr. Gulam Jilani Mahbub
UK

Mr. Helal Rahman
UK

Mr. Misbah
Abu Sadath
UK

Mr. Mohammed
Giash Uddin
UK

Mr. Dulal Ahmed
UK

Mr. Mosharraf Hossain
Canada

Mr. Abdul
Quayum Khalique
UK

Mr. Abdul Muhith
UK

Mr. Abdul Hai
Khalique
UK

Ms. Shahela Ferdush
Rahman
USA

BOARD
COMMITTEES

EXECUTIVE COMMITTEE

Chairman
Mr. M Badiuzzaman

Vice Chairman
Mr. Khandakar R. Amin

Members
Mr. Mohammed Jamil Iqbal
Mr. Mohammed Idrish Farazy
Dato' Engr. Md. Ekramul Haque
Mr. Nafih Rashid Khan

AUDIT COMMITTEE

Chairman
Mr. Imtiaz Ahmed

Vice Chairman
Mr. Naveed Rashid Khan

Members
Mr. Tateyama Kabir
Mr. Rabin Paul
Mr. Mohammed Rafique Miah

RISK MANAGEMENT COMMITTEE

Chairman
Mr. Mohammed Idrish Farazy

Vice Chairman
Mr. Mohammed Jamil Iqbal

Members
Dr. Nesar Ahmed Choudhury
Mr. Tateyama Kabir
Mr. Abu Taher Mohammed Amanullah

Senior

MANAGEMENT

COMMITTEE

Sitting from Left

Imran Ahmed, FCA | Md. Mehmood Husain | Saaduddin Ahmed | Md. Towhidul Islam

Standing from Left

Imteeaz Ahmed | Mahbubuzzaman | Md. Ashraf Uddin Ahmed | A K M Kamal Uddin
Mohammed Shaukat Ali | Badal Kumar Nath, ACA | Rahat Shams

DIRECTOR'S
REPORT

The Board of Directors has the privilege of welcoming you to the 4th 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 2016 and the Auditor's report thereon for your consideration.

GLOBAL ECONOMY

Global growth slowed down in 2016 and was 3.1 percent but this is expected to recover and raise to 3.4 percent in 2017. The forecast, revised down by 0.1 percentages for 2016 and 2017 reflects subdued outlook for advanced economies following the June U.K. vote in favor of leaving the European Union (Brexit) and weaker-than expected growth in the United States. These developments have put further pressure on global interest rates as monetary policy is now expected to remain accommodative for longer. Global output growth was estimated at about 3 percent (at an annualized rate) for the third quarter of 2016 broadly remained relatively unchanged than the first two quarters of the year. This stable average growth rate, however, masks divergent developments in different country groups. There has been a stronger-than-expected pickup in growth in advanced economies, due mostly to a reduced drag from inventories and some recovery in manufacturing output. In contrast, it is matched by an unexpected slowdown in some emerging market economies, mostly reflecting idiosyncratic factors.

Among the advanced economies, activities rebounded strongly in the United States after a weaker first half of 2016. Output remained below potential in a number of advanced economies, notably in the euro-zone. Preliminary third-quarter growth figures were somewhat stronger than previously forecast in some economies such as Spain and the United Kingdom where domestic demand held up better than expected in the aftermath of the Brexit voting. Historical growth revisions indicate that Japan's growth rate in 2016 and in preceding years was stronger than previously estimated.

The picture for emerging market and developing economies remains much more diverse. The growth rate in China was a bit higher than expected supported by continued policy stimulus. But activities were weaker than expected in some Latin American countries currently in recession, such as Argentina and Brazil as well as in Turkey, which faced a sharp contraction in tourism revenues. Activities in Russia were slightly better than expected, in part reflecting firmer oil prices.

Oil price has increased in recent weeks reflecting an agreement among major producers to trim supply. With strong infrastructure and real estate investment in China as well as expectations of fiscal easing in the United States, prices for base metals have also soared. Headline inflation rates have recovered in advanced economies in recent months with the bottoming out of commodity prices but core inflation rates have remained broadly unchanged and generally below target. Inflation ticked up in China as capacity cuts and higher commodity prices have pushed producer price inflation to positive territory after more than four years of deflation.

BANGLADESH ECONOMIC GROWTH

Bangladesh ends 2016 with a record-breaking economic growth. Only a year ago, one could hardly think that 7.11 percent economic growth would be possible in fiscal 2015-16 after political unrest between 2013 and mid-2015. But political stability in 2016 has not only yielded high economic growth but has also given entrepreneurs confidence to do better in the days to come. Now a $220 billion economy is moving forward with mega development projects, including Tk 30,000 crore Padma Bridge, Tk 22,000 crore metro rail, elevated expressway, flyovers, dozens of economic zones and Payra seaport.

Falling interest rates, increasing access to finance and improvement in working conditions at garment factories have made businesses confident of taking new challenges and boosting export earnings. Stock markets, which were bearish since its collapse in December 2010, have begun to make a turnaround, helping nearly 30 lakh investors get their confidence back. Policy reforms, investment in research, mechanization and use of high-yielding crop varieties have driven growth in the agriculture sector.

The outlook for 2017 has become brighter as the number of consumers and businesses as well as government expenditure are set to rise. Still, there are a number of challenges, not only in achieving higher growth but also in sustaining the current growth rate. Static private sector investment, weak institutional capacity, poor governance, deteriorating banking sector and lack of skilled

workforce remain big challenges this year.

According to Economists and businesses analysis 2016 has been a successful year in terms of macroeconomic stability, be it gross domestic product (GDP) growth, per capita income, inflation, export, import or poverty reduction. The apparel industry, which accounted for 80 percent of the total exports worth $34.24 billion in fiscal 2015-16, hopes to earn more this year, riding on its investments in renovating factories and improving working conditions.

Referring to the banking sector, most of the financial institutions are likely to be profitable this year. However, rising nonperforming loans still remain a threat. But despite all these good signs, Bangladesh faces formidable challenges in moving to a higher growth path of 8 percent plus GDP and earn the status of a middle income country.

The foremost challenge lies with the stagnant private investment followed by weak institutional capacity to implement development projects. Though the size of the budget has been increasing steadily, the quality of spending remains a big question to analysts. Though public investment has increased to nearly 7 percent of GDP from 5 percent several years ago, private investment remains static at 22-23 percent for over five years.

Bangladesh Bank statistics show remittance inflow was $12.65 billion from January to November last year, down by 9.31 percent from $13.95 billion in the same period in 2015.

DIVERSIFIED PRODUCTS AND SERVICES

We have designed our retail loan and deposit products keeping in mind of the different customer segment, which have drawn huge attention amongst the target customer segment which have encouraged us to introduce more innovative products and propositions. 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 loan, SME loan, Women entrepreneur loan and Study Loan has received wide acceptance among people. We already have Debit and Credit Card service in collaboration with VISA cards which is highly accepted and appreciated by the users. Among all the fourth generation banks we have come up with best suit of retail and cards products in the market.

Our Bank also believes in network expansion and extending global outreach. We opened 9 new branches in 2016 including 5 rural and 4 urban branches and total branch networks stood 25 at the end of the year 2016. Bank's own ATM networks stood in 2016: 25 including 1,770 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 banking 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 for continuous improvement of technological support will bring efficiency in our operations and thereby ensure customer satisfaction to the extent of highest degree.

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 developed a proposition for the NRB retail customers with complete financial solution called 'My Bangladesh'. We have already established a dedicated desk for NRBs to counsel 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 are 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 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 whereby they can contribute efficiently to the development of the country.

OUR GOALS- 2017

BETTERMENT OF ASSET QUALITY

No doubt, maintaining quality asset is always a big challenge for the banking industry. As such, NRB Bank limited has taken an utmost care to diversify its loan portfolio in order to maintain NPL at a lower level. Apart from that NRB Bank Limited has focused on the NPL management by strengthening monitoring on the possible segment of NPL. We have also setup 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 Bangladesh Bank.
- 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 Agricultural sectors. We also focused on the mobilizing 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 a good impact on the bank's Cost of Deposit. Non-funded business is also another solution to enrich the sound business portfolio mix; these can facilitate bringing down Cost of Fund (COF) of the Bank that will ultimately assist to increase the loan portfolio with 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

2017 and around, we will stay most vigilant about financial scams, irregularities and other operational failures. We will ensure stable and 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 three 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 our banking operations.

SHAREHOLDERS VALUE

All of our actions must lead to an ultimate goal – maximization 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

In 2016, banking sector in Bangladesh travelled through a journey where the sector has experienced several ups and downs in terms of governance, profitability and soundness. Reforms measures have been undertaken in an attempt to improve upon the structural constraints of the sector. Such measures have been driven by objectives such as increasing the capital adequacy of banks, streamlining guidelines for rescheduling of various types of loans, tightening provisions for non-performing loans, strengthening disclosure requirements and improving accounting system. These have undoubtedly improved the soundness of the sector over the years.

TOTAL ASSETS

The Bank's total assets stood at BDT 24,730 million in 2016 from BDT 20,535 million in 2015 registering a growth of 20.43 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 bank 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 1,583 million in 2016 from BDT 1,232 million in 2015 registering a growth of 28.47 percent. The growth in deposits increased the Cash Reserve Requirement of the Bank which is maintained with Bangladesh Bank and its agent(s).

BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

Balance with other banks and financial institutions of the bank stood at BDT 2,284 million in 2016 from BDT 1,927 million in 2015 showing a positive growth of 18.53 percent.

INVESTMENT

Investment of the bank stood at BDT 6,944 million in 2016 from BDT 5,385 million in 2015 registering a growth of 28.95 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 12,589 million in 2016 from BDT 11,902 million in 2015 registering a growth of 13.50 percent. The increase in loans and advances was mainly due to growth in disbursing fresh loans.

LIABILITIES (EXCLUDING EQUITY)

Total liabilities of the bank stood at BDT 19,671 million in 2016 from BDT 16,056 million in 2015 registering a growth of 22.51 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 820 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 17,466 million in 2016 from BDT 13,357 million in 2015 registering a growth of 30.76 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 74.62 percent of the total deposits.

INTEREST INCOME

During 2016, NRB Bank earned BDT 1,724 million as interest income, recording a growth of 24.55 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 2016 was BDT 1,220 million, an increase over 2015 by 10.75 percent. Interest expenses increased due to the increment of deposit volume by 4,109 million and increase of cost of deposit.

INVESTMENT INCOME

Investment income during 2016 was recorded at BDT 1.081 million compared to BDT 776 million of 2015, posting a growth of BDT 305.00 million due to higher investing activities and prudent treasury activities.

Operating Profit of the bank for the year 2016 stood at BDT 810 million despite all the odds against high cost of deposit and significant operating expenditures in recruitment, opening of new branches, ATM booths and IT infrastructure. Profit/(loss) before tax (PBT) of the bank stood at BDT 719 million in 2016 compared to BDT 344 million in 2015.

THANKS AND GRATITUDE

NRB bank limited is ready to face the challenges of the coming years with confidence and professional zeal. We believe that our Bank has the ability to continue delivering superior value added service to the diversified segments of clienteles.

The Board of Directors take this opportunity to express its heartfelt appreciation and debt of gratitude to the Government of the People's Republic of Bangladesh, Ministry of Finance, Bangladesh Bank, Bangladesh Securities & Exchange Commission and Register of Joint Stock Companies and Firms for their cooperation, valuable guidance and advice provided to us from time to time.

The Board of Directors also expresses deep appreciation to the Managements and all Executives, Officers and staff for their relentless efforts to the cause of this institution and also to the clients, sponsors, shareholders, patrons and well-wishers whose continued unflinching support and patronization have enabled us to take this institution to the present growth trajectory.

On behalf of the Board of Directors.

MOHAMMED MAHTABUR RAHMAN
CHAIRMAN, NRB BANK LIMITED

REPORT OF THE AUDIT
COMMITTEE OF THE BOARD

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

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

Composition and Qualifications

In compliance with the section 3.2 (i) of Corporate Governance Notification issued by BSEC on 07 August 2012 and Bangladesh Bank BRPD Circular No.11, dated 27 October 2013, the Audit Committee of NRB Bank Limited was reconstituted by the Board in its 40th Meeting held on 31 July 2016 consisting of the following members:

Name	Status with Bank	Status with the Committee	Educational Qualification
Imtiaz Ahmed	Director	Chairman	Post Graduate
Naveed Rashid Khan	Director	Vice Chairman	Bachelor of Social Science
Tateyama Kabir	Vice Chairman	Member	Post Graduate
Rabin Paul	Director	Member	Higher Secondary Certificate
Mohammed Rafique Miah	Director	Member	Bachelor of Commerce

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

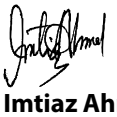
- To guide, approve and review Internal Audit Plan, Internal Audit Process and Procedure, bank management body for ensuring compliance on audit recommendation(s) and scope of development, compliance status of audit recommendation, annual assessment of the performance of audit and inspection activity 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,



Imtiaz Ahmed
Chairman
The Audit Committee of the Board

CEO / CFO
DECLARATION

25 Feburary 2017

Board of Directors
NRB Bank Limited
SimpleTree Anarkali (9Th Floor)
89 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.

In accordance with the notification of Bangladesh Securities and Exchange Commission No. SEC/ CM-RRCD/2006-158/134/Admin/44 dated 07, August, 2012 we declare that for the financial year ended 31 December 2016:

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
- 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

Md. Mehmood Husain
Managing Director & CEO

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 five 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. Mohammed Mahtabur Rahman has been elected from among the Directors and there are clear and defined roles and responsibilities of the Chairman and the Chief Executive Officer. The Chairman of the Board of Directors approves the Agenda for the Board meetings, assisted by the Managing Director and the Company Secretary.

Regular Agenda items include approving credits beyond CEO's authority and aspects of the Bank's corporate strategy, financial performance, core risks and credit policy, corporate governance, CSR and organizational structure, human resources policy, customer and services strategies, procurement policy, etc.

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

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

ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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

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

RESPONSIBILITIES OF THE CHAIRMAN OF THE BOARD

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

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

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

- Provide overall leadership to the Board, supplying vision and imagination, working closely with the CEO.
- Take a leading role in determining the composition and structure of the Board which will involve regular assessment for the followings:
  - size of the Board,
  - interaction, harmony and involvement of the Directors.
- Set the Board's Agenda and plan Board Meetings;
- Chair all Board Meetings, constructive debate towards consensus;

- Ensure that the Board receives appropriate, accurate, timely and clear information;
- Chair the AGM and other Shareholders' Meetings to foster effective dialogue with the Shareholders;
- Ensure that the views of shareholders are communicated to the Board;
- Work with the Chairman of Board Committees;

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

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

BOARD COMMITTEES AND THEIR RESPONSIBILITIES

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

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

EXECUTIVE COMMITTEE (EC)

Appointment and Composition

In Compliance with Section 15B (2) of The Bank Company Act (amended up to 2013) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of the bank has constituted the Executive Committee (EC) of the Board in 2016 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 roles and responsibility elaborated in BRPD Circular no.11, dated 27 October 2017. The Company Secretary acts as the secretary to the committee.

Appointment and Composition

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

Qualification of Members of AC

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

Terms of Reference (ToR) of AC

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

Internal Control & Compliance Division's Access to Audit Committee

The Head of Internal Control & Compliance (ICC)

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

Objectives and Activities of the Audit Committee

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

Meeting of the Audit Committee

The Audit Committee of the bank held 06 (Six) meetings in the year 2016 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 MANAGEMENT COMMITTEE (BRMC)

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 Management Committee (BRMC) of the Board (maximum limit is five members). The BRMC has been formed to reduce probable risks which may arise during implementation of Board approved policies, procedures and strategies. The BRMC 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 BRMC

- It is the responsibility of BRMC 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 BRMC 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 BRMC shall form separate committees at the management level and also monitor their activities.
- BRMC 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. ACNABIN, Chartered Accountants, involved in statutory audit was not involved in any of the followings during the year 2016:

- 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 M/s. ACNABIN.

No partner or employee of M/s. ACNABIN, Chartered Accountants possess any share of the Bank during the tenure of their audit assignment at the Bank.

Effective Anti-Money Laundering and Anti-terrorism Program

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

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

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

Whistle blowing and Anti-Fraud Program

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

HUMAN CAPITAL

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

MANAGEMENT COMMITTEES AND THEIR RESPONSIBILITIES

In an effective CG Structure, bank management has a collective mandate under the leadership of MD & CEO to carry out daily operations in the best interest of the stakeholders. The Management team of NRBBL is headed by the Managing Director & Chief Executive Officer, Mr. Md. Mehmood Husain. Several management committees have been formed to handle the banking operation and identify and manage risk. The committees are SMT, ALCO, RMC, Investment Committee, Credit and Purchase Committee etc. Managing Director leads the three most important Committees, SMT, ALCO and Investment Committee.

SENIOR MANAGEMENT TEAM

SMT 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 SMT 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.

ASSET LIABILITY COMMITTEE

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

- Measuring overall risk appetite of the Bank both in banking book and in trading book.
- Measuring liquidity requirement of the Bank in various time buckets and taking strategic and proactive actions to meet the requirements.
- Monitoring the interest rate risk of the Bank and taking actions to keep the interest rate gap at the desired level.

Monitoring the movement of macro variables and yield curve shift and taking strategy for short, mid and long term interest rate risk management.

PURCHASE COMMITTEE

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

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

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 with the condition
		Complied	Not Complied	
1	Board of Directors			
1.1	Board's Size: Board members shall not be less than 5 (Five) and more than 20 (Twenty)	√		
1.2	Independent Director	Independent Director has Yet to be appointed		
1.3	Qualification of Independent Director (ID)			
1.4	Chairman of the Board and Chief Executive Officer: The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		
1.5	The Directors' of the companies shall include the following additional statements			
1.5(i)	Industry outlook and possible future developments in the industry.	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risks and concerns.	√		
1.5 (iv)	A discussion on Cost of goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	√		
1.5 (vii)	Utilization of proceeds from public issues, right issues and/or through any others instruments.			Not Applicable

Condition No.	Title	Compliance Status (Put in the appropriate column)		Explanation for Non-Compliance with the condition
		Complied	Not Complied	
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. Annual Management shall explain about the variance on their Annual Report.	√		
1.5 (x)	Remuneration to Directors including Independent Directors.	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		
1.5 (xiii)	Appropriate been consistently applied in preparation of the financial the accounting estimates are based on reasonable and prudent judgment.	√		
1.5 (xiv)	International (IAS)/Bangladesh (BAS)/ International Standards Reporting Standards (BFRS), as applicable in Bangladesh, have been followed inpreparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Explanation for Non-Compliance with the condition
		Complied	Not Complied	
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.			Reported Four Years only as Bank completed 4 years operation
1.5 (xix)	If the issuer company has not declared dividend (Cash or stock) for the year, the reasons thereof shall be given.	√		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5 (xxi)	The Pattern of shareholding shall be reported to disclose the aggregate number of share (along with name wise details where stated below) held by:-	√		
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5 (xxi) (b)	Directors, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1.5 (xii) (c)	Executives	√		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1.5 (xxii)	In case the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-	√		
1.5(xxii) (a)	A brief resume of the director;	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional area;	√		
1.5 (xxii) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	√		
2	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			

Condition No.	Title	Compliance Status (Put in the appropriate column)		Explanation for Non-Compliance with the condition
		Complied	Not Complied	
2.1	The company shall appoint a Chief Financial Officer (CFO), a head of Internal Audit (Internal 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.	√		
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.	√		
3	Audit Committee			
3 (i)	The company shall have an Audit Committee as a Sub-committee of the Board of Directors.	√		
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.	√		
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.	√		
3.1	Constitution of the Audit Committee.			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	√		Constituted the Committee as per Bangladesh Bank Circular No 11 dated 27 October 2013
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.			The Board of Directors has formed the Audit Committee and Independent Director has Yet to be appointed.

Condition No.	Title	Compliance Status (Put in the appropriate column)		Explanation for Non-Compliance with the condition
		Complied	Not Complied	
3.1 (iii)	All members of the audit committee should be "Financially literate" and at least1 (one) member shall have accounting or related financial management experience.	√		
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.	√		
3.1 (v)	The company secretary shall act as the secretary of the Committee.	√		
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).	√		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk management process.	√		
3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Explanation for Non-Compliance with the condition
		Complied	Not Complied	
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/ applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/ prospectus.			No Such Event occurred in this period
3.4	Reporting to the Audit Committee.			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		No Such Event occurred in this period
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.			
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.			
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations.			
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.			

Condition No.	Title	Compliance Status (Put in the appropriate column)		Explanation for Non-Compliance with the condition
		Complied	Not Complied	
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.	√		
4	External/Statutory Auditors:			
	The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-			
4 (i)	Appraisal or valuation services or fairness opinions.	√		
4 (ii)	Financial information systems design and Implementation.	√		
4 (iii)	Book-keeping or other services related to the Accounting records or financial statements.	√		
4 (iv)	Broker-dealer services.	√		
4 (v)	Actuarial services.	√		
4 (vi)	Internal audit services.	√		
4 (vii)	Any other service that the Audit Committee determines.	√		
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.	√		

Condition No.	Title	Compliance Status (Put in the appropriate column)		Explanation for Non-Compliance with the condition
		Complied	Not Complied	
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7	√		
5	Subsidiary Company			
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO).			
	The CEO and CFO shall certify to The Board that:-			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
6 (i) (a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:	√		
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.	√		
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.	√		
7	Reporting and Compliance of Corporate Governance:			
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.			Yet to be introduce
7 (ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the Directors' report whether the company has complied with these conditions.	√		

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

Sl. No.	Particulars	Compliance Status
1.	**FORMATION OF BOARD OF DIRECTORS:**	
1.1	**Appointment of New Directors:**	
	Under section 15(4) of the Bank Company Act, 1991 (amended up to 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: a) Personal information of the nominated person; b) Nominated person's declaration; c) 'Declaration for confidentiality' by the nominated person; d) In case of Independent Director, the approval letter from Security and Exchange commission; e) In case of Independent Director, a declaration of the Directors concern f) CIB report of the nominated person; g) Updated list of the Directors.	Complied
1.2	**Vacation of office of Director:**	
	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. 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. 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

Sl. No.	Particulars	Compliance Status
1.4	**Appointment of Alternate Director:**	
	Subject to compliance of section 101 of the Companies Act, 1994, an alternate Director can be appointed to act for a Director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions should be followed: 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. 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. 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. d) As appointment of alternate Director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the Board. e) While in the office, an alternate Director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to Directors according to rules & regulations will also be applicable to the alternate Director.	Complied
2.	**Depositor Director:**	
	As the previous provisions regarding appointment of Depositor Directors of the Bank Company Act, 1991 has been amended; appointment of Director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended upto 2013) bank can consider the tenure of existing depositor Director or may appoint them as independent Director.	Not Applicable
3.	**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. c) Banks should display a list of Directors in the website and update it on a regular basis.	Complied
4.	**Responsibilities of the Board of Directors:** To ensure good governance in the bank management it is essential to have specific demarcation of responsibilities and authorities among controlling bodies over bank affairs. In the Bank Company Act, 1991 (amended upto 2013) the newly included Section 15(kha) & (ga) give responsibility to the Board of Directors for establishing policies for the bank company, for risk management, internal controls, internal audit and compliance and for ensuring their implementation.	Complied

Sl. No.	Particulars	Compliance Status
4.1	**Responsibilities and Authorities of the Board of Directors:**	
	4.1 a) Work-planning and strategic management: i. The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor, at quarterly rests, the development of implementation of the work-plans. ii. The Board shall have its analytical review incorporated in the Annual Report as regards to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO & officers immediate two tiers below the CEO, and have it evaluated from time to time.	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. 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: 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

Sl. No.	Particulars	Compliance Status
	4.1 d) Human resources management and development: i. Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the Board. The chairman or the Directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the Board of Directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the Board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.	Complied
	ii. The Board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The Board shall get these programmes incorporated in its annual work plan.	Complied
	iii. The Board will compose Code of Ethics for every tier and they will follow it properly. The Board will promote healthy code of conducts for developing a compliance culture.	Complied
	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. 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. iii. The Board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.	Complied
	4.1 f) Appointment of Chief Executive Officer (CEO): 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

Sl. No.	Particulars	Compliance Status
4.2	**Meeting of Board:** Board of Directors may meet once or more than once in a month if necessary. But Board of Directors shall meet at least once in every three months. Excessive meetings are discouraged.	Complied
4.3	**Responsibilities of the Chairman of the Board of Directors:**	
	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. 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; 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. c) The Chairman may be offered an office-room, a personal secretary/ assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the Board.	Complied
5.	**Formation of committees from the Board of Directors:**	
	Each bank company can form 1(one) executive committee, 1(one) audit committee and 1(one) risk management committee with the Directors. Board can't form any other permanent, temporary or sub- committee except the above mentioned three committees.	Complied
5.1	**Executive committee:** Executive committee should be formed with the members of the Board to continue the urgent and daily or routine works between the intervals of two Board meetings. Executive committee will perform according to their terms of reference determined by the Board of Directors.	Complied
	5.1 a) Organizational structure: 1. Members of the committee will be nominated by the Board of Directors from themselves; 2. The executive committee will comprise of maximum 07 (seven) members; 3. Members may be appointed for a 03 (three)-year term of office; 4. Chairman of the Board of Directors can be the chairman of executive committee; 5. Company secretary of the bank will be the secretary of the executive committee.	Complied

Sl. No.	Particulars	Compliance Status
	5.1 b) Qualifications of the Members: 1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a Director to the committee; 2. Each member should be capable of making valuable and effective contributions in the functioning of the committee; 3. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	Complied
	5.1 c) Roles and Responsibilities of the Executive Committee: 1. The executive committee can decide or can act in those cases as instructed by the Board of Directors that are not specifically assigned on full Board through the Bank Company Act, 1991 and other laws and regulations. 2. The executive committee can take all necessary decision or can approve cases within power delegated by the Board of Directors. 3. All decisions taken in the executive committee should be ratified in the next Board meeting.	Complied
	5.1 d) Meetings: 1. The executive committee can sit any time as it may deem fit. 2. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary; 3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; 4. All decisions/observations of the committee should be noted in minutes.	Complied
5.2	**Audit Committee:**	
	The Board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the Board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.	Complied
	5.2 a) Organizational structure: 1. Members of the committee will be nominated by the Board of Directors from the Directors; 2. The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent Director; 3. Audit committee will comprise with Directors who are not executive committee members; 4. Members may be appointed for a 03 (three) year term of office; 5. Company secretary of the bank will be the secretary of the audit committee.	Complied

Sl. No.	Particulars	Compliance Status
	5.2 b) Qualifications of the Member: 1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a Director to the committee; 2. Each member should be capable of making valuable and effective contributions in the functioning of the committee; 3. 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. 4. Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee.	Complied
	5.2 c) Roles and Responsibilities of the Audit Committee:	
	i. *Internal Control:*	
	1. 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; 2. Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS); 3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management; 4. Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the Board after reviewing whether necessary corrective measures have been taken by the management.	Complied
	ii. *Financial Reporting:* 1. Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank; 2. Discuss with management and the external auditors to review the financial statements before its finalization.	Complied
	iii. *Internal Audit* 1. Audit committee will monitor whether internal audit working independently from the management. 2. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process; 3. Examine the efficiency and effectiveness of internal audit function; 4. Examine whether the findings and recommendations made by the internal auditors are duly considered by the Management or not.	Complied

Sl. No.	Particulars	Compliance Status
	iv. *External Audit* 1. Review the performance of the external auditors and their audit reports; 2. Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not. 3. Make recommendations to the Board regarding the appointment of the external auditors.	Complied
	v. *Compliance with existing laws and Regulations:* 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
	vi. *Other Responsibilities:* 1. 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; 2. External and internal auditors will submit their related assessment report, if the committee solicit; 3. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.	Complied
	5.2 d) Meetings:	
	1. The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; 2. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary; 3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; 4. All decisions/observations of the committee should be noted in minutes.	Complied
5.3	**Risk Management Committee:** To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.	Complied
	5.3 a) Organizational Structure: Members of the committee will be nominated by the Board of Directors from themselves; 1. The Risk Management Committee will comprise of maximum 05 (five) members; 2. Members may be appointed for a 03 (three) year term of office; 3. Company secretary of the bank will be the secretary of the Risk Management Committee.	Complied

Sl. No.	Particulars	Compliance Status
	5.3 b) Qualifications of the Member: 1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a Director to the committee; 2. Each member should be capable of making valuable and effective contributions in the functioning of the committee; 3. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	Complied
	5.3 c) Roles and Responsibilities of the Risk Management Committee:	
	i) *Risk identification & control policy :* 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
	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
	iii) *Analysis and approval of Risk Management policy:* 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
	iv) *Storage of data & Reporting system:* 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
	v) *Monitoring the implementation of overall Risk Management Policy:* 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

Sl. No.	Particulars	Compliance Status
	vi) *Other responsibilities:* 1. Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form; 2. Comply instructions issued time to time by the controlling body; 3. Internal & external auditor will submit respective evaluation report whenever required by the committee.	Complied
	5.3 d) Meetings: 1. The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; 2. The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary; 3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; 4. All decisions/observations of the committee should be noted in minutes.	Complied
6.	**Training for the Directors:** The Directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.	Complied

CHIEF RISK OFFICER'S REPORT
ON RISK MANAGEMENT

The Risk Management philosophy of the Bank is to take risk by choice rather than by chance. A robust Risk Management framework enables effective and proactive management of various risks, while supporting business growth. Effective Risk Management helps to reduce volatility in earnings and enhances shareholder value.

Some of the major risks Bank takes on in its normal operations are credit risk, market risk and operational risk including information security related risks, liquidity risk, interest rate risk among others. Board of Directors oversees and approves the risk policies and strategies to establish an integrated risk management framework and control system in the Bank. Risk Management Committee (RMC) of the Board oversees management of various risks implicit in business, systems and processes. Executive Risk Management Committee ensures effective implementation of risk policies of Credit, Market and Operational risks respectively. Risk management framework is subject to review and up gradation on an ongoing basis, in tune with Regulatory guidelines and best practices in the industry. Risk Management Division controlled by Chief Risk Officer monitors various risk management functions of our bank.

RISK APPETITE

The risk appetite is an expression of the risks the Bank is willing to take in pursuit of its financial and strategic objectives. The risk appetite thus sets the outer boundaries for risk taking at the Bank. The risk appetite is a top-down process and consists of specific risk appetite statements, which are approved by the Board and reviewed annually.

Linkage of risk appetite with risk management framework

Elements of risk management framework	Linkage to risk appetite
Risk governance	Clear risk appetite statement approved by the board and embodied in risk policy and delegated authorities. This sets the 'tone from the top' and the foundation for the risk culture.
Risk assessment	Frequent risk assessment process to identify new and changing risk landscape in context to risk appetite.
Risk quantification and aggregation	Regular quantification and aggregation of risk to prioritize focus of risk management and control.
Monitoring and reporting	Monitoring and reporting of performance against risk-based limits based on risk appetite.
Risk and control optimization	Framework of controls calibrated in line with risk appetite to optimize cost/benefit.

RISK MANAGEMENT COMMITTEE (RMC) OF THE BOARD

The Board's Risk Management Committee formed in line with Bank- Company Act-1991 (Amendment up to 2013), sec-15 Kha, and subsequent BRPD Circular # 11 dated: 27th October, 2013. Function of the RMC of the Board is to minimize risk regarding strategic planning & implementation and to accomplish Board functions accurately related to risk. RMC guides management on Credit Risk, Foreign Exchange Rate Risk, Internal Control and Compliance Risk, Money Laundering Risk, Information and Technology Risk, Operation Risk, Interest Rate Risk and Liquidity Risk. Duties & Responsibilities of RMC includ risk determination and control strategy, organizational structure, review and approval of risk management guidelines, information storage & reporting process, supervision of overall Risk Management Guidelines implementation and miscellaneous risk related issues.

In the year 2016, 4 (Four) meetings of the Risk Management Committee of the Board (BRMC) were held accordingly which are as follows:

Particulars	Meeting held on
5th BRMC Meeting	26th January, 2016
6th BRMC Meeting	4th May, 2016
7th BRMC Meeting	3rd September, 2016
8th BRMC Meeting	26th December, 2016

EXECUTIVE RISK MANAGEMENT COMMITTEE

A strong management level Risk Management Committee is in place in the bank comprising the Heads of all core risk areas. Regular meetings are arranged and organized by the Risk Management Division (RMD). The committee sits at least once in a month or more as necessary. For all categories of risks, the Executive Risk Management Committee is responsible for formulating policies, monitoring, implementation and reviewing risk reports for presentation to the Board/Board committees as well as implementing Board decisions across the Bank. To be more specific, the Executive Risk Management Committee are responsible for:

- Implementation of risk strategy approved by the Board of Directors;
- Developing policies and procedures for identifying, measuring and controlling risk;
- Providing appropriate resources to evaluate and

control risk;

- Reviewing risk reports on a regular and timely basis; and
- Providing all reports required by the Board and its committees for the effective performance of risk management oversight functions.

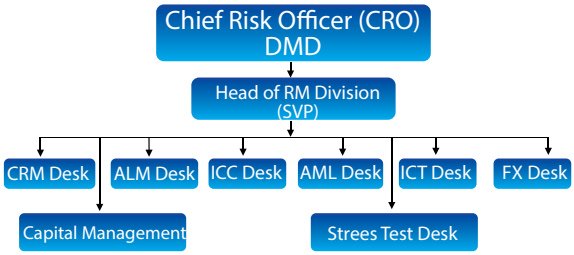
RISK MANAGEMENT DIVISION (RMD)

Risk Management Division (RMD) of the bank is responsible for establishing bank's risk management framework and to ensure that the procedures for identification, monitoring, mitigating and managing risks are in place and Bangladesh Bank risk management guidelines, core risk management guidelines of each area and Basel Accord are being complied effectively. NRB Bank's risk mitigating technique is not to wait for the risk but to take precautionary measures before incident happens. To supplement the stand, RMD is extensively working on capacity building and exchange of ideas about risk management for creating a robust risk awareness and risk management culture within the bank.

RISK MANAGEMENT POLICY

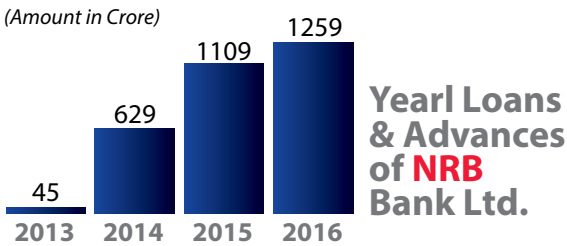
The Risk Management Policy of NRB Bank is based on best practices and it provides a summary of its principles regarding risk-taking and risk management. To provide guidance to various departments with respect to risk management, the Bank has also approved Asset Liability Management (ALM) Policy, Credit Policy, Investment Policy, Liquidity and Contingency Plan, KYC and AML Policy, Operational Risk Management Policy and Risk Based Internal Audit Policy. These policies prescribe various methods for risk identification, measurement, grading, monitoring, reporting, risk control, mitigation techniques and management of problem loans and credit. The policies are reviewed annually by the Board.

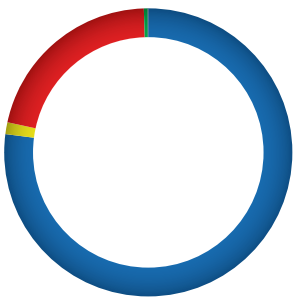
NRB Bank's Present Organogram of Risk Management Division:



CREDIT RISK MANAGEMENT

NRB Bank has a centralized credit risk management division independent of its business functions to manage its credit risk. Appropriate credit approval processes, risk mitigation, post-disbursement monitoring and timely remedial actions are part of credit risk management. To measure credit risk in bank's credit portfolio, bank has put in place a Credit Risk Grading (CRG) System that serves as an indicator of diverse risk factors of counterparty and also for taking credit decisions in a consistent manner. The credit policy provides clear and well defined delegation of loan sanctioning which links risk and exposure amount to level of approval. Segment-wise and borrower category wise exposure limits are fixed and monitored by the bank to address the risk of concentration.

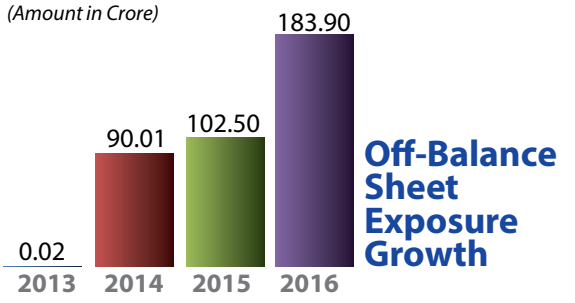


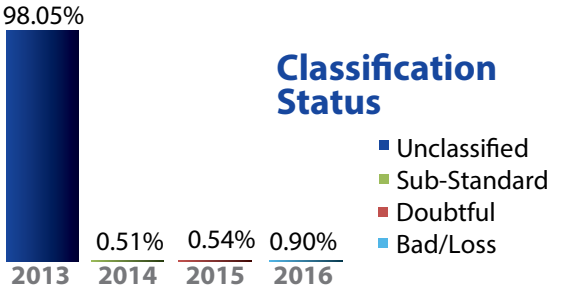


Division Wise Exposure

(Amont in Crore)

Dhaka= Tk. 970
Sylhet=Tk. 17
Chittagong=Tk. 266
Rajshahi=Tk. 5
Barisal=0
Rangpur=0
Khulna= Tk. 1
Mymonsingh=0





Industry Wise Loan Concentration:

Name of Industry	Outstanding *(Amount in Crore)*
Commercial and Trading	171.48
Importer of Commodity	101.72
Construction	30.40
Electronics Goods	68.82
Individuals	105.47
Pharmaceuticals Industries	8.55
Readymade Garments Industry	17.67
Industries for Steel Products	120.25
Textile Mills	240.01
Other	394.56
Total	1258.93

Despite the challenging environment, the Bank has been able to maintain its credit growth and the quality of its portfolio. The Bank's restructured assets are among the lowest in the industry, with the Corporate as well as the Retail Loan Books having remained resilient.

The Bank has been introducing wider range of Retail products, to have larger share of wallet and to meet customers' needs. Such products are governed by structured product programmers specific to the business, which details out the criteria on customer selection and underwriting standards.

Monitoring and Follow-up of Credit: After disbursement, Relationship Manager (RM) regularly follows-up the credit. Monitoring unit under CAD alongside of branch office monitors credit based on due-date-diary. Identification of early alert account and reporting the same to Credit Risk Management are responsibilities of RM. Early alert account is improving by close monitoring of CRM and RM.

MARKET RISK MANAGEMENT

Market is the risk of losses in "on and off-balance sheet" positions arising from the movements in market price as well as the volatilities of those changes, which may impact the Bank's earnings and capital.

The risk may pertain to:

a) Interest rate related instruments (interest rate risk),
b) Equities (equity price risk) and
c) Foreign exchange rate risk (currency risk).

Market Risk for the Bank emanates from its trading and investment activities, which are undertaken both for the customers and on a proprietary basis. The Bank adopts a comprehensive approach to market risk management for its banking book as well as its trading book for both its domestic and overseas operations. The market risk management framework of the Bank provides necessary inputs regarding the extent of market risk exposures, the performance of portfolios vis-à-vis the market risk limits and comparable benchmarks which provides guidance to the business in optimizing the risk-adjusted rate of return of the banks' trading and investment portfolio.

Market risk management is guided by well laid down policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of the Bank. NRB Bank utilizes both statistical as well as non-statistical measures for the market risk management of its trading and investment portfolios. The statistical measures include Stress Test, Scenario analysis while position limits, stop loss limits, trigger limits, gaps and sensitivities (duration) are used as non-statistical measures of market risk management.

In NRB Bank, we have the following structure in place for monitoring the trend and taking appropriate measures to maximize margin and minimize risks:

i. ALCO (Asset Liability Committee) comprising Treasury and other senior management officials meets periodically to review present and anticipated future market trend and takes appropriate decisions on interest rates and investments.

ii. Segregated Treasury offices ensure 'check and balance' between functions.

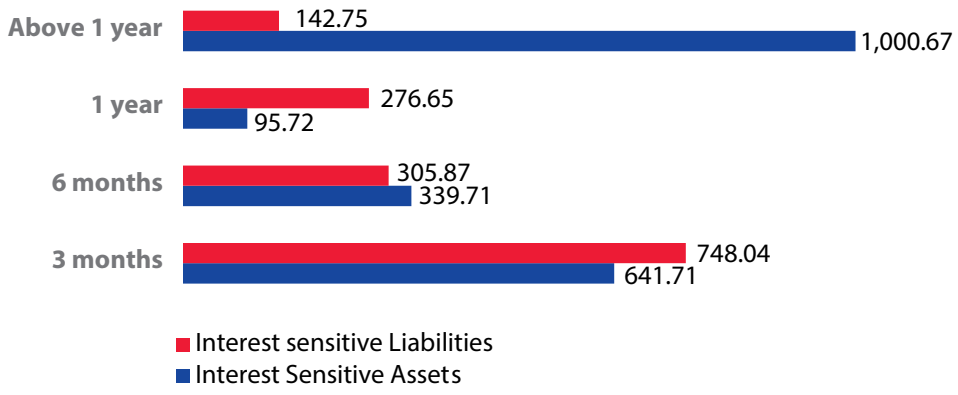
iii. Separate Investment Division having a well-defined policy framework for Capital Market Investment.

iv. For reconciliation of all Nostro Accounts, Banks' market risk objectives are to:

- **a.** Understand and control market risk by setting appropriate limits.
- **b.** Facilitate business growth within a controlled and transparent risk management framework.
- **c.** Minimize non-traded market risk.

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

Simple Sensitivity Analysis



Stress Testing Results for Interest rate, Foreign Exchange and Equity Risk:

Particulars	Minor	Moderate	Major
Shock applied by the bank	1%	2%	3%
i. Interest rate	(2.09)	(4.18)	(6.28)
CRAR after interest rate shock	25.37	23.27	21.18
Shock applied by the bank	5%	10%	15%
ii. Currency Appreciation	(0.06)	(0.12)	(0.18)
CRAR after exchange rate shock	27.40	27.34	27.28
Shock applied by the bank	10%	20%	40%
iii. Equity shock	(0.25)	(0.51)	(1.02)
CRAR after equity shock	27.21	26.95	26.44

Duration Gap Analysis:

Particulars	Amount/ Duration
Weighted average duration of assets	2.09
Weighted average duration of liabilities	0.65
Duration gap	1.57

Impact on earnings due to change in interest rates	Minor shock (1%)	Moderate shock (2%)	Major shock (3%)
Changes in Equity	(35.48)	(70.95)	(106.42)
After shock Equity (CAR)	25.58%	23.56%	21.53%

Particulars	Minor shock (1%)	Moderate shock (2%)	Major shock (3%)
Net profit before provision and tax	82.06	82.06	82.06
Changes in Equity after shock	(35.48)	(70.95)	(106.42)
Adjusted Net Income (Net profit before provision and tax minus negative impact)	46.58	11.11	(24.36)

Capital Requirement for Market Risk:

SL	Details	Amount in Crore
1	Interest rate risk	16.19
2	Equity position risk	12.22
3	Foreign Exchange risk	2.89
4	Commodity	0
	Total	31.30

OPERATIONAL RISK MANAGEMENT

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Operational risk is inherent in the Bank's business activities in both domestic as well as overseas operations and spans a wide spectrum of issues. Operational risk can result from a variety of factors, including (but not limited to) failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and errors committed by employees. The Bank's operational risk is managed through a comprehensive system of internal controls, systems and procedures to monitor transactions, key back-up procedures and undertaking regular contingency planning.

NRB BANK HAS TAKEN FOLLOWING MEASURES TO MITIGATE OPERATIONAL RISK

- Establishing a strong operational risk management culture throughout the Bank.
- Strong operational teams with clear segregation of duties to ensure check and balance and regular reviews by senior management
- Ensure the implementation of all policies, processes and systems effectively at all decision making levels.
- Developing a clear, effective and robust governance structure with well defined, transparent and consistent lines of responsibility.
- To ensure a strong control environment that utilizes policies, processes and systems; appropriate internal controls; and standard risk mitigation and/or transfer strategies.

Capital Requirement for Operational Risk:

Details	Amount in Crore
Total RWA for Operational risk	165.05
Total Capital requirement for Operational risk	16.50

LIQUIDITY RISK MANAGEMENT

Liquidity is a bank's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at reasonable cost and without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the bank's financial condition. The Asset Liability Management Policy of the Bank stipulates a broad framework for liquidity risk management to ensure that the Bank is in a position to meet its liquidity obligations as well as to with stand a period of liquidity stress from bank level factors, market- wide factors or a combination of both.

Liquidity Risk Indicators:

Particulars	Liquidity Ratio of NRB Bank
Cash Reserve Requirement (CRR)	6.91%
Statutory Liquidity Require-ment (SLR)	43.80%
Liquidity Coverage Ratio (LCR)	283.43%
Net Stable Funding Raito (NSFR)	103.75%

MONEY LAUNDERING RISK MANAGEMENT

Considering Money laundering (ML) and Terrorist Financing (TF) as one of the major threats to the stability and the integrity of financial system, and in response to national and international initiatives, NRB Bank Limited has firm commitment not to let the criminals to use the Bank to launder their ill-gotten money or conduct their illegal activities.

For prevention of Money Laundering and Terrorist Financing, the bank has a comprehensive policy which is approved by the Board. The bank has also nominated Chief Anti Money Laundering Compliance officer (CAMLCO) and Deputy CAMLCO at Corporate officer and Branch Anti Money Laundering Compliance officer (BAMLCO) at Branches, who independently would make the bank compliant on AML matters. The regulatory requirements are being complied with and the guidelines are being followed by the bank properly. Branch Anti Money Laundering Compliance officer (BAMLCO) at branches reviews and verifies the transactions of accounts to make Suspicious Transactions Reports (STR), and ensure AML & CFT compliance culture throughout the bank. Training is being conducted continuously for all the officers of the bank to create awareness and develop the skill for ensuring KYC (Know your Clients) compliance and identifying suspicious activities/transactions.

INTERNAL CONTROL AND COMPLIANCE RISK MANAGEMENT

Operational loss may arise from error and fraud due to lack of internal control and compliance. Management through internal control and compliance division, controls operational procedure of the Bank. Internal control and compliance division undertakes periodical and special audit of the branches and departments at Head Office for review of the operation and compliance of statutory requirement. The Audit Committee of the Board subsequently reviews the reports of the internal control and compliance division.

Internal Control & Compliance Process of NRB Bank:

- Departmental Control Function Check List (DCFCL), at the frequencies, i.e., daily, weekly, monthly, quarterly;
- Loan Documentation check List
- Quarterly Operation report (QOR) is needed to be prepared, maintained and reviewed.

In 2016 IC&C Division conducted following No. of Audit:

Summary	No. of Audit
No. of Comprehensive Audit on Branches	16
No. of Comprehensive Audit at Head Office	2
No. of Spot Audits	2

ICT SECURITY RISK MANAGEMENT

The Bank's Information Security Risk Management Policy provides the security framework upon which all subsequent security efforts are based, and to guide the development and maintenance of a comprehensive information security program. It deals with security of information in various forms like spoken, written, printed and electronic or any other medium and handling of information in terms of creation, viewing, transportation, storage or destruction. It contains the principles that direct managerial decision-making and facilitates secure business operations. It is designed to enable management of the Bank to ensure the security of information assets and maintain accountability. It also defines the appropriate and authorized behavior for personnel approved to use the Bank's information assets. The policies and procedures are built around the following principles:

i. Treat Information Security Risk in line with Business, Regulatory & Legal requirements;

ii. Ensure Availability, Integrity, Confidentiality of Information, establish Accountability & provide Assurance;

iii. Focus on People, Process & Technology for implementation;

iv. Focus on Information Security Governance, Assurance & Evolution to ensure suitability, adequacy and effectiveness;

v. Participation of security team during initial stages of system acquisition & development;

vi. Structured approach towards Information Security Awareness;

vii. Organization of Information Security aligned with the Framework.

ENVIRONMENTAL & CLIMATE CHANGE RISK

Environmental and climate change risk refers to the uncertainty or probability of losses that originates from any adverse environmental or climate change events (natural or man-made) and/ or the non-compliance of the prevailing national environmental regulations. This is a facilitating element of credit risk arising from environmental issues. These can be due to environmental impacts caused by and / or due to the prevailing environmental conditions. These increase risks as they bring an element of uncertainty or possibility of loss in the context of a financing transaction. Environmental and climate change risk can hamper the business stability of the borrowers in respect of both- i) profitability and ii) reputation. Consequentially, the extent of risk for the banks will be higher.

Environmental Risk Management (ERM) has been incorporated into the CRM guidelines as per Bangladesh Bank Circular no: 01 dated 30 January 2011 through environmental due diligence checklists. This environmental risk evaluation process enables the bank to judge whether the client is capable of managing the environmental risk in a way that limits the bank's exposure. Banks need to reduce their exposure to credit risks arising from environmental and climate changes issues that lead to lower NPLs. ERM improved borrower's environmental performance implies greater acceptance, particularly in international markets. NRB Bank maintains the following two (2) guidelines for credit approval procedures:

i. Credit Risk Management including Credit Risk Grading as borrower analysis.

ii. Environmental Risk Management due diligence checklists for Environmental Risk Rating (EnvRR).

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ('ICAAP')

The Internal Capital Adequacy Assessment Process ('ICAAP') forms an integral part of the Supervisory Review Process ('SRP') under Pillar 2 of the Basel III Framework. SRP under the Basel III Framework (pillar II) envisages the establishment of appropriate risk and capital management processes in banks and their review by the supervisory authority. ICAAP is a structured approach to assess the risk profile of the Bank and determine the level of capital commensurate with the scale and complexity of operations. Capital planning under ICAAP takes into account the demand for capital from businesses for their growth plans and ensures that the Bank is adequately capitalized for the period ahead and holds sufficient buffers to withstand stress conditions. The ICAAP framework thus assists in aligning capital levels with the risks inherent in the business and growth plans.

STRESS TESTING

NRB Bank prepares Stress Testing Report on Quarterly basis in accordance with Bangladesh

Bank Guidelines. It requires the Bank to undertake rigorous, forward looking assessment of risks by identifying severe events or changes in market conditions which could adversely impact the Bank. Stress testing complements other approaches in the assessment of risk. It is the primary indicator of the Bank's ability to withstand tail events and maintain sufficient levels of capital. It is used to evaluate the financial position of the Bank under a severe but plausible scenario to assist in decision making. It also assists the Bank in improving its risk monitoring processes.

Combined Stress Testing Result of NRB Bank as on 31st December, 2016:

Combined Shock	Minor Shock		Moderate Shock		Major Shock	
	Changes in CRAR	CRAR after Shock (%)	Changes in CRAR	CRAR after Shock (%)	Changes in CRAR	CRAR after Shock (%)
	(3.18)	24.28	(7.67)	19.79	(13.09)	14.36

Saaduddin Ahmed
Chief Risk Officer

DISCLOSURES ON RISK BASED CAPITAL
(Basel III)

Risk is an integral part of banking business in an ever dynamic environment, which is undergoing radical changes both on the technology front and product offerings. The main risks faced by the bank are credit risk, market risk and operational risk. The bank aims to achieve an optimum balance between risk and return to maximize shareholder value. The relevant information on the various categories of risks faced by the bank is given in the ensuing sections. As per pillar-III under Basel-III, this disclosure is intended to give market participants a better idea on the risk profile and risk management practices of NRB Bank Limited.

An Action Plan/Roadmap was issued by Bangladesh Bank for implementation of Basel-III in Bangladesh vide BRPD Circular No: 18 Dated: 21st December, 2014. Bangladesh Bank issued Basel III guidelines applicable with effect from January, 2015. The guidelines provide a transition schedule for Basel III implementation till December, 2019. Upon full implementation, Basel III guidelines target minimum capital to risk weighted assets ratio (CRAR) would be 12.50%.

Action Plan/Roadmap

Action	Deadline
Issuance of Guidelines on Risk Based Capital Adequacy	December, 2014
Commencement of Basel III Implementation process	January, 2015
Capacity Building of bank and Bangladesh Bank officials	January, 2015- December, 2019
Initiation of Full Implementation of Basel III	January, 2020

Phase-in Arrangements

The phase-in arrangements for Basel III implementation will be as follows:

	2015	2016	2017	2018	2019
Minimum Common Equity Tier-1 (CET-1) Capital Ratio	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	--	0.625%	1.25%	1.875%	2.50%
Minimum CET-1 plus Capital Conservation Buffer	4. 50%	5.125%	5.75%	6.375%	7.00%
Minimum T-1 Capital Ratio	5. 50%	5.50%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00	10.625%	11.25%	11.875%	12.50%

The Basel III framework consists of three-mutually reinforcing pillars:

- Pillar 1 (Minimum Capital Requirement) covers the calculation of risk-weighted assets and minimum capital requirement for credit risk, market risk and operational risk.
- Pillar 2 (Supervisory Review Process) intends to ensure that the Banks have adequate capital to address all the risks in their business.
- Pillar 3 speaks of ensuring market discipline by disclosing adequate information to the stakeholders.

The Basel-III norms mainly seek to:

Raise the quality of capital to ensure that the banks are capable to absorb losses on both as going concern and as gone concern basis-

- Increase the risk coverage of the capital framework
- Introduce leverage ratio to serve as a backstop to the risk-based capital measure

- Raise the standards for the supervisory review process and public disclosures etc.

a) Scope of application:

Qualitative Disclosures	
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 (i) that are fully consolidated;(ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	NRB Bank Limited NRB Bank Limited was formally inaugurated on 4th August, 2013 as a Public Limited Company (Banking Company) as under the Companies Act 1994 for carrying out all kinds of banking activities. Presently the Bank is operating its business through head office having 25 branches, 5 DESCO Bill Collection Booth, 4 BRTA Collection Booth and 25 ATM booths all over Bangladesh.
c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not applicable
Quantitative Disclosures	
d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Not applicable

b) Capital Structure:

Qualitative Disclosures	
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 CET 1, Additional Tier 1 or Tier 2.	Regulatory capital, as stipulated by the revised RBCA guidelines by BB, is categorized into two tiers. The total regulatory capital will consist of sum of the following categories: **1)** Tier 1 Capital (going-concern capital): a) Common Equity Tier 1 b) Additional Tier 1 **2)** Tier 2 Capital (gone-concern capital)
	Common Equity Tier 1 Capital: It is called 'Core Capital' comprises of highest quality of capital elements consists of - **i)** Fully Paid-up Capital ii) Statutory Reserve iii) Non-Repayable Share Premium Account iv) General Reserve v) Retained Earnings vi) Minority Interest in Subsidiaries vii) Dividend Equalization Account *Less:* Regulatory adjustments applicable on CET1

Qualitative Disclosures	
	Additional Tier 1: i) Non-cumulative irredeemable preference share ii) Instruments issued by the banks that meet the qualifying criteria for AT1 iii) Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties as specified in Annex-4 of Basel III Guidelines (For Consolidated Reporting) ***Less:*** Regulatory adjustments applicable on AT1
	Tier-2 Capital : It is called 'gone-concern capital' represents other elements which fall short of some of the characteristics of the core capital consists of- **i)** General Provision **i)** All other preference shares **ii)** Subordinated debt **iii)** Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties (For Consolidated reporting only) **iv)** Revaluation Reserves as on 31st December, 2014 (50% of Fixed Assets and Securities and 10% of equities) **v)** Other (if any item approved by Bangladesh Bank) ***Less:*** Regulatory adjustments applicable on Tier-2 capital
	Compliance with Regulatory Requirements by NRB Bank: Conditions for maintaining regulatory capital: The Bank complied with all the required conditions for maintaining regulatory capital as stipulated in the Basel III guidelines as per following details:

Particulars	Status of compliance
The bank has to maintain at least 4.50% of total Risk Weighted Assets (RWA) as Common Equity Tier 1 capital.	Complied
Tier 1 capital will be at least 5.50% of the total RWA.	Complied
Minimum capital to Risk Weighted Asset Ratio (CRAR) will be 10.625% of the total RWA	Complied
Maximum limit of tier-2 capital: Tier 2 capital can be maximum up to 4% of the total RWA or 88.89% of CET-1, whichever is higher.	Complied

Amount in Million

Quantitative Disclosures	
b) The amount of Regulatory capital of NRB Bank Limited under Basel-III for 2016 as below:	
1. Common Equity Tier-1 (Going Concern Capital)	Solo
Fully Paid-up Capital/Capital Deposited with BB	4000.00
Statutory Reserve	218.11
Retained Earnings	488.15
Total Common Equity Tier-1 Capital	4706.27
2. Tier-2 Capital (Gone-Concern Capital)	
General Provision	120.49

Quantitative Disclosures	
Revaluation Reserves (As on 31st December 2014) for Securities up to 50%	12.33
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities (follow Phase-in deductions as per Basel III) Guideline	(4.93)
Total Admissible Tier-2 Capital	127.89
Total Regulatory Capital	4834.16

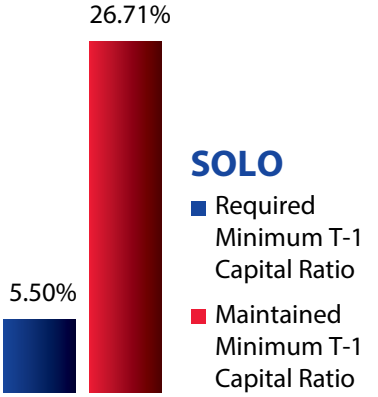
c) Capital Adequacy:

Qualitative Disclosures	
a) A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	The Bank has computed the Capital to Risk Weighted Ratio (CRAR) adopting the following approaches: a. Standardized Approach for Credit Risk to Compute Capital to Risk Weighted Ratio under Basel III, using national discretion for: ◆ Accepting the credit rating agencies as External Credit Assessment Institutions (ECAI) for claims on corporate and eligible SME customers. ◆ Accepting Credit Risk Mitigation (CRM) against the financial securities. b. Standardized (rule based) Approach for Market Risk and c. Basic Indicator Approach for Operational Risk. Besides computing CRAR under the Pillar I requirement, the Bank also undertakes stress testing periodically in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, profitability and capital adequacy. The Bank has a Board approved policy on Internal Capital Adequacy Assessment Process (ICAAP) as stipulated by Bangladesh Bank. The bank conducts Internal Capital Adequacy Assessment Process (ICAAP) on annual basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar- II of Basel guidelines. The adequacy of Bank's capital funds to meet the future business growth is being assessed in the ICAAP document.

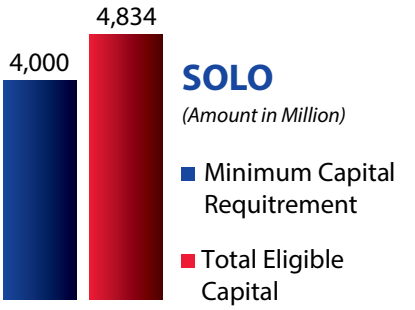
Amount in Million

Quantitative Disclosures	
Capital requirement under following Risk:	
b) Capital requirement for Credit Risk	1283.67
c) Capital requirement for Market Risk	312.99
d) Capital requirement for Operational Risk	165.05
Total Capital Requirement (b+c+d)	1761.71
Minimum Capital Requirement (MCR) Capital Adequacy Ratio (CRAR):	
1. Common Equity Tier 1 (CET 1) Ratio	26.71%
2. Tier 1 Capital Adequacy Ratio	26.71%
3. Tier-2 Capital Adequacy Ratio	0.73%
Capital to Risk-weighted Asset Ratio (CRAR)	27.44%
Capital Conservation Buffer	109.40
Available Capital under Pillar 2 Requirement	834.16
Minimum Capital Requirement (MCR)	4000.00

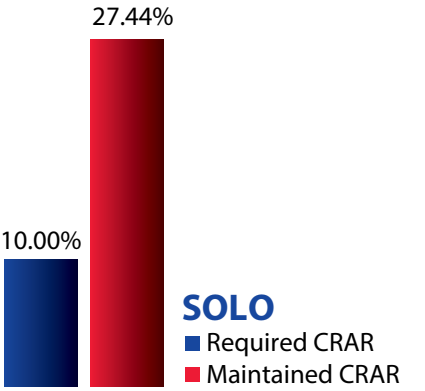
Minimum T-1 Capital Ratio



Eligible Capital:



Capital to Risk-weighted Asset Ratio (CRAR):



d) Credit Risk:

Qualitative Disclosures	a) The general qualitative disclosure requirement with respect to credit risk:

i) Definitions of past due and impaired

Categories	Definition of past due	When started
Continuous Loan	If not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue.	From the following day of the expiry date.
Demand Loan	If not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue.	As above
Fixed Term Loan	In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue.	As above
Short-term Agricultural and Micro-Credit	If not repaid within the fixed expiry date for repayment will be considered past due/ overdue.	After 6 months of the expiry date.

Impaired loan:All classified loan are treated as impaired loans, impaired can be defined as above:

Type of loan	Sub Standard	Doubtful	Bad / Loss
Continuous Loan	3≤O<6	6≤O<9	O≥9
Demand Loan	3≤O<6	6≤O<9	O≥9
Fixed Term Loan (Upto 10.00 Lac)	6≤O<9	9≤O<12	O≥12
Fixed Term Loan (More than 10.00 Lac)	3≤O<6	6≤O<9	O≥9
SAC/MC	12<O≤36	36<O≤60	O>60

Note : O = Overdue, SAC= Short term Agricultural Credit, MC= Micro Credit

	Major Types	Rates of Provision				
		Un- Classified	Classified			
		Standard	SMA	SS	DF	BL
ii) Description of approaches followed for specific and general allowances and statistical methods	House Building and loans for Professionals	2%	2%	20%	50%	100%
	Other than house building and professionals	5%	5%	20%	50%	100%
	Loans to BHs/MBs against share	2%	2%	20%	50%	100%
	Small & Medium Enterprise	0.25%	0.25%	20%	50%	100%
	Short term Agri /Micro Credit	2.5%	-	5%	5%	100%
	All Others	1%	1%	20%	50%	100%
	Off Balance Sheet	1%	-	-	-	-

iii) Discussion of the Bank's Credit risk management policy.	The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Bank's Board. The Policy document defines organization structure, role & responsibilities and, the processes whereby the Credit Risks carried out by the Bank can be identified, quantified & managed within the framework that the Bank considers consistent with its mandate and risk tolerance. Credit Risk is monitored on a bank-wide basis and compliance with the risk limits approved by Board/Risk Management Committee of Board. The Bank has taken earnest steps to put in place best credit risk management practices in the bank. Besides, the bank has framed a policy on Valuation Methodology with the approval by the Board. According to methodology, such securities normally accepted by the Bank to protect the interest. These securities act as mitigation against the credit risk to which the bank is exposed.

Quantitative Disclosures

b) Total gross credit risk exposures broken down by major types of credit exposure:

(Amount in Million)

Major Types	Continuous Loan	Demand Loan	Fixed Term Loan	Short Term Agri. Credit & Micro Credit	Staff Loan	Total
Small & Medium Enterprise Financing	1,498.65	2,672.19	2,083.58	-	-	6,254.42
Consumer Financing	187.23	-	311.16	-	-	498.39
Loans to BHs/MBs/ Sds against Share	-	-	-	-	-	-

Major Types	Continu-ous Loan	Demand Loan	Fixed Term Loan	Short Term Agri. Credit & Micro Credit	Staff Loan	Total
Housing Finance	-	-	30.09	-	-	30.09
Loan for Professionals to setup business (LP)	-	-	-	-	-	-
Short Term Agri. Credit	-	-	-	468.29	-	468.29
Others	637.62	2,896.99	1,608.66	-	-	5,143.27
Staff Loan	-	-	-	-	194.91	194.91
Total exposure	2,323.49	5,569.18	4,033.50	468.29	194.91	12,589.37

c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure of NRBBL:

(Amount in Million)

Geographical Distribution	Amount	Grand Exposure
Urban		
Dhaka	9,324.83	
Chittagong	2,659.23	
Sylhet	137.37	
Rajshahi	54.17	12,183.39
Barishal	-	
Khulna	7.80	
Rangpur	-	
Mymensingh	-	
Rural		
Dhaka	372.47	
Chittagong	3.84	
Sylhet	29.66	
Rajshahi	-	405.97
Barishal	-	
Khulna	-	
Rangpur	-	
Mymensingh	-	
Total		12,589.37

d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure of NRBBL:

(Amount in Million)

Industry Type	Amount
Agriculture	468.29
RMG	118.23

Industry Type	Amount
Textile	2399.11
Ship Building	0.00
Ship Breaking	0.00
Other Manufacturing Industry	2361.95
SME loan	3145.80
Construction	0.00
Power, Gas	0.00
Transport, Storage and Communication	0.00
Trade Service	2732.07
Commercial real estate financing	0.00
Residential real estate financing	164.01
Consumer Credit	890.75
Capital Market	0.00
Non-bank financial Institutions	5.18
Others	304.02
Total Exposure	12,589.37

e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure of NRBBL:

(Amount in Million)

Time band	Continu-ous Loan	Demand Loan	Term Loan	Agricultural Credit	Staff Loan	Total
Up to 1 month	559.21	1,627.19	44.69	205.13	-	2,436.22
1 to 3 months	350.09	1,700.81	2.96	-	-	2,053.87
3 to 6 months	605.60	2,240.30	0.62	61.52	-	2,908.04
6 to 12 months	621.37	0.87	133.32	201.64	-	957.20
1 to 2 years	-	-	138.55	-	0.17	138.72
2 to 3 years	8.45	-	801.74	-	-	810.19
3 to 4 years	117.91	-	724.66	-	-	842.57
4 to 5 years	60.86	-	915.47	-	7.53	983.87
5 to 7 years	-	-	1,250.90	-	21.89	1,272.79
7 to 10 years	-	-	10.18	-	68.84	79.02
Over 10 years	-	-	10.40	-	96.48	106.88
Total	2,323.49	5,569.18	4,033.50	468.29	194.91	12,589.37

f) By major industry or counterparty type of NRBBL:

• Amount of impaired loans and if available, past due loans, provided separately:

(Amount in Million)

Industry	Impaired	Past due
Small & Medium Enterprise Financing	179.98	616.36
Consumer Financing	64.97	8.74
Housing Finance	-	0.13
Loans for Professionals to setup business	-	-
Loans to BHs/MBs/SDs against Shares etc.	-	-
Other Corporate Credit	0.13	512.41
Short Term Agri Credit & Micro Credit	-	-
Staff Loan	-	-
Total	245.08	1137.64

• Specific and General provision (Required)

(Amount in Million)

Sector	General Provision	Specific Provision
Small & Medium Enterprise Financing	15.19	47.87
Consumer Financing	23.17	36.90
Housing Finance	0.60	-
Loans for Professionals to setup business	-	-
Loans to BHs/MBs/SDs against Shares etc.	-	-
Other Corporate Credit	51.43	0.03
Short Term Agri Credit & Micro Credit	11.71	-
Against Off-Balance Sheet	18.39	-
Grand Total	102.49	84.80

• CHARGES FOR SPECIFIC ALLOWANCES AND CHARGE-OFFS DURING THE PERIOD.

(Amount in Million)

Against Classified Loans & Advances	
Provision held on 1 January , 2016	3.80
(-) Fully provided debts written off	0
(-)Recoveries from previously written off debts	0
(+)Provisions made during the year	81.00
Net Charge to the Profit & Loss Account	81.00
Provision held at end of year	84.80

(Amount in Million)

Against Unclassified Loans & Advances	
Provision held on 1 January, 2016	97.71
Provisions made during the year	(1.41)
Provision held at end of year	96.30
Against Special Mention Accounts	
Provision held on 1 January, 2016	2.41
Provisions made during the year	3.38
Provision held at end of year	5.79

General Provision for Off Balance Sheet Exposures	
Provision held on 1 January , 2016	10.25
Provisions made during the year	8.14
Provision held at end of year	18.39

g) Gross Non-Performing Assets (NPAs) of NRBBL:

Gross Non-Performing Assets (NPAs)	245.08
Non-Performing Assets (NPAs) to outstanding loans & advances	
Movement of Non-Performing Assets for NPAs	
Opening balance	22.14
Additions	234.57
Reductions	(11.63)
Closing Balance	245.08
Movements of specific provisions for NPAs	
Opening balance	3.80
Provision made during the period	81.00
Write-off	-
Write back of excess provisions	-
Closing Balance	84.80

e) Equities: Disclosures for Banking Book Position

Qualitative Disclosures:	▪ The general qualitative disclosure requirement with respect to equity risk, including:
Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and	Investment of NRB Bank in equities is divided into two categories: quoted equities (which are traded in the secondary market) and unquoted equities (which are not traded in the secondary market). Since the intent of holding unquoted equities is not trading, the same are considered as banking book equity exposure.

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	Important policies covering equities valuation and accounting of equity holdings in the Banking Book are based on the use of the cost price method for valuation of equities. The primary aim is to invest in these equity securities for the purpose of capital gain by selling them in the 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 to 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 the Board of Directors. Preference is given to purchase of shares of strong companies at face value through placement/ IPO.

Quantitative Disclosure

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.	**Value of Investments in Balance Sheet**	*Amount in Million*
	Shares in Listed Companies (Valuation at average cost price)	571.70
	Fair Market Value of shares in Listed Securities	580.80
◆ The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.		53.10
* Total unrealized gains (losses)		9.10
* Total latent revaluation gains (losses)		Nil
* Any amounts of the above included in Tier – 2 capital.		Nil

◆ 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.

The capital requirements for equity investments as of 31 December 2016 was as under:

(Amount in Million)

Particulars	Amount (MV)	Weight	Capital Charge
Specific Risk	610.80	10%	61.08
General Market Risk	610.80	10%	61.08
Total	1221.60		122.16

f) Interest rate risk in the banking book (IRRBB):

Qualitative Disclosures:	
(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	Interest rate risk is the risk where changes in the market interest rates might affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as also the net-worth of the Bank (economic value perspective). The risk from earnings perspective can be measured as impact in the Net Interest Income (NII) or Net Interest Margin (NIM). Similarly, the risk from economic value perspective can be measured as drop in the Economic value of Equity (EVE). The re-pricing risk arises due to differences in the timing of re-pricing of assets and liabilities as well as the cash flows. The re-pricing gaps affect bank earnings as well as economic value. **Risk management framework:** The Asset Liability Management Committee (ALCO) consisting of Bank's senior management is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Bank (for the assets and liabilities) in line with the Bank's budget and decided risk management objectives. ALCO decides strategies and specifies prudential limits for management of interest rate risk in the banking book within the broad parameters laid down by Board of Directors. These limits are monitored periodically and the breaches, if any, are reported to ALCO. The Bank follows following viewpoints to manage the IRR: a) Earnings perspective: Indicates the impact on Bank's Net Interest Income (NII) in the short term. b) Economic perspective: Indicates the impact on the net- worth of bank due to re-pricing of assets, liabilities and off-balance sheet items. **Risk measurement and reporting framework:** **I. Interest Rate Sensitivity Report:** Measures mismatches between rate sensitive liabilities and rate sensitive assets in various tenor buckets based on re-pricing or maturity, as applicable. **II. Duration Gap Analysis:** A weighted maturity/reprising schedule is used to evaluate the effects of changing interest rates on bank's economic value by applying sensitivity weights to each time band. Such weights are based on estimates of the duration of the assets and liabilities that fall into each time band. **III. Stress Testing:** This analysis is used for measuring the Interest rate risk on its Balance Sheet exposure for estimating the impact on the Capital to Risk Weighted Assets Ratio (CRAR).

Qualitative 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 of measuring IRRBB, broken

down by currency.

(Amount in Mi llion)

Interest Rate Risk in the banking book	Residual maturity bucket			
	3 months	6 months	1 year	Above 1 year
Interest Sensitive Assets (A)	6417.11	3397.09	957.20	10006.69
Interest Sensitive Liabilities (B)	7480.44	3058.72	2766.47	1427.48
GAP (A-B)	-1063.33	338.37	-1809.27	8579.21
Cumulative GAP	-1063.33	-724.96	-2534.23	6044.98

CRAR after Shock:

(Amount in Million)

Magnitude of Shock	Situation-1 1%	Situation-2 2%	Situation-3 3%
Regulatory Capital (After shock)	4482.40	4127.70	3772.90
RWA (After shock)	17,521.80	17,521.80	17,521.80
CRAR (After shock)	25.58%	23.56%	21.53%
Total Assets	24,738.20	24,738.20	24,738.20
Duration Gap in years	1.57	1.57	1.57
Changes in Market value of Equity due to an increase in interest Rate, Δ MVE	(354.76)	(709.53)	(1064.29)

g) Market Risk:

Qualitative Disclosures:	
Views of BOD on trading/ investment activities	There is an approved policy to monitor risks related to changes in market dynamics. The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to obtain the best balance of risk and return whilst meeting customers' requirements.
Methods used to measure Market risk	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. The methodology to calculate capital requirement under Standardized Approach for each of these market risk categories is as follows: **a) Capital charges for interest rate risk=** Capital Charge for General Market Risk **b) Capital charges for Equity Position Risk=** Capital Charge for Specific Risk+ Capital Charge for General Market Risk **c) Capital charges for Foreign Exchange Risk=** Capital Charge for General Market Risk **d) Capital charges for Commodity Position Risk=** Capital Charge for General Market Risk.

Qualitative Disclosures:	
Market Risk Management System	The Treasury Division of the Bank manages market risk covering liquidity, interest rate and foreign exchange risks with oversight from Assets- Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month. The Risk Management Division also reviews the market risk parameters on monthly basis and recommends on portfolio concentration for containing the RWA.
Policies and processes for mitigating market risk:	There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the Bank meets on regular basis to review the prevailing market condition, exchange rate, foreign exchange position and transactions to mitigate foreign exchange risks. Policies and processes for mitigating market risk are mentioned below-
	◆ Risk Management and reporting is based on parameters such as Maturity Gap Analysis, Duration Gap Analysis with the global best practices. ◆ Risk Profiles are analyzed and mitigating strategies/ processes are suggested by the Asset Liability Committee (ALCO). ◆ Foreign Exchange Net Open Position (NOP) limits (Day limit / Overnight limit), deal-wise trigger limits, Stop-loss limit, Profit / Loss in respect of cross currency trading are properly monitored and exception reporting is regularly carried out. ◆ Holding of equities is monitored regularly so that the investment remains within the limit as set by Bangladesh Bank. ◆ Asset Liability Management Committee (ALCO) analyzes market and determines strategies to attain business goals. ◆ Reconciliation of foreign currency transactions.

Quantitative Disclosures:

The Capital requirements for specified risk are as follows:

(Amount in Million)

SL	Market Risk	Capital Requirement
A	Interest Rate Related instruments	161.91
B	Equities	122.16
C	Foreign Exchange Position	28.93
D	Commodities	0
	Total	313.00

h) Operational Risk:

Qualitative Disclosures:	
i) Views of BoD on system to reduce Operational Risk	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It is inherent in all activities arising out of Bank's business and operations and could result in financial losses, litigation, regulatory fines or other damage to the Bank. The severity of impact on the bank, its employee and customers is dependent on the efficacy with which operational risk is managed by the Bank. The goal is to keep operational risk at appropriate levels, in light of the Bank's financial strength, the characteristics of its businesses, the markets in which it operates, and the competitive and regulatory environment in which it operates. The Board of Directors of the Bank defines the risk appetite, sets the risk management strategies and approves the operational risk policies of the Bank. The Bank's risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring by Board Risk Management Committee (BRMC).
ii) Performance gap of executives and staffs	The bank believes that training and knowledge sharing is the best way to reduce knowledge gap. Therefore, it arranges trainings on a regular basis for its employees to develop their expertise. The bank offers competitive pay package to its employees based on performance and merit. It always tries to develop a culture where all employees can apply his/her talent and knowledge to work for the organization with high ethical standards in order to add more value to the company and for the economy.
iii) Potential external events	No potential external events are expected to expose the Bank to significant operational risk.
iv) Policies and Processes for mitigating operational risk:	Internal control mechanism is in place to control and minimize the operational risks. If any controls are found to be ineffective during the course of Risk & Control Self-Assessment, corrective measures are adopted in due course. A monitoring system is also in place for tracking the corrective actions plan periodically. The various Board approved policies viz., Operational Risk Management Policy, Internal Control & Compliance Policy, Internet Banking Security Policy; Policy on KYC & AML; ICT Policy addresses issues pertaining to Operational Risk Management. **In 2016 IC&C Division conducted following No. of audit:**
	No. of Comprehensive Audit on branches — 16
	No. of Comprehensive Audit at Head Office — 2
	No. of Spot audits — 2

v) Approach for calculating capital charge for operational risk	The Bank follows the Basic Indicator Approach (BIA) in terms of BRPD Circular No. 18 dated 21 December 2014 Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III). The BIA stipulates the capital charge for operational risk is a fixed percentage, denoted by α (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula: K = [(GI 1 + GI2 + GI3) α]/n

Quantitative Disclosures:

b)The capital requirements for operational risk

(Amount in Million)

Particulars	RWA	Capital Requirement
Minimum Capital Requirement: Operation Risk	1650.47	165.05

i) Liquidity Ratio:

Qualitative Disclosures:

i) Views of BoD on system to reduce liquidity Risk	The Board of Directors of the bank set policy, different liquidity ratio limits, and risk appetite for liquidity risk management as per regulatory guidelines. The ALM Policy, the most important policy for Liquidity Risk Management is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign with changes in the economic landscape. The ALCO of the Bank formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the ALM Policy.
ii) Methods used to measure Liquidity risk	In the perspective of Bangladesh, identifying and monitoring the driving factors of liquidity risk is viewed from the following aspects: **Regulatory Liquidity Indicators (RLIs):** Cash Reserve Requirement (CRR) Statutory Liquidity Ratio (SLR) Medium Term Funding Ratio (MTFR) Maximum Cumulative Outflow (MCO) Loan Deposit Ratio Liquidity Coverage Ratio (LCR) Net Stable Funding Raito (NSFR) **Bank's own liquidity monitoring tools:** Wholesale Borrowing and Funding Guidelines Liquidity Contingency Plan Management Action Trigger (MAT) Computation of Capital Charge against Liquidity Risk: If annual average of any RLIs of any bank falls below Bangladesh Bank's requirement the bank will be required to maintain additional capital for that RLI (or those RLIs) in SRP.

iii) Liquidity Risk Management System	The Asset Liability Management Committee (ALCO) of the Bank monitors & manages liquidity and interest rate risk in line with the business strategy. ALM activity including liquidity analysis & management is conducted through coordination between various ALCO support groups residing in the functional areas of Balance Sheet Management, Treasury Front Office, Budget and Planning etc.
iv) Policies and Processes for mitigating Liquidity risk	An effective liquidity risk management process will include systems to identify measure, monitor and control its liquidity exposures. Bank has Asset Liability Management Committee (ALCO) to monitor the liquidity risk on a regular basis. Based on the detail recommendation from ALM desk, ALCO take appropriate action to manage the liquidity risk. Also Bank has internal risk control framework which outlines clear and consistent policies and principles for liquidity risk management.

Quantitative Disclosures:	*Amount in Million*
Liquidity Coverage Ratio	283.43%
Net Stable Funding Ratio (NSFR)	103.75%
Stock of High quality liquid assets	6,921.85
Total net cash outflows over the next 30 calendar days	2,442.17
Available amount of stable funding	18,100.27
Required amount of stable funding	17,446.01

j) Leverage Ratio:

Qualitative Disclosures:	
i) Views of BoD on system to reduce excessive leverage	In order to avoid building-up of an excessive on- and off-balance sheet leverage in the banking system, a simple , transparent and non-risk based leverage ratio has been introduced under the Base III framework. Board of Directors of our Bank continuously monitoring the exposure limit of lending, capital strength of our Bank in order to avoid building-up excessive on- and off-balance sheet leverage.
ii) Policies and processes for managing excessive on and off-balance sheet leverage	The leverage ratio is intended to achieve the following objectives: a) constrain the build-up of leverage in the banking sector which could damage the broader financial system and the economy b) reinforce the risk based requirements with any easy-to-understand and non-risk based measure. At the end December 2016, the minimum requirement for leverage ratio was 3% on both solo and consolidated bases. But Higher leverage ratio can decrease the profitability of banks because it means banks can do less profitable lending. However, increasing the leverage ratio means that banks have more capital reserves and can more easily survive a financial crisis. In view of the impact of leverage into the business, our bank management takes decision about future investment. Considering the financial strength, Bank also make Capital planning and business budget to go on a right way.

iii) Approach for calculating exposure	The leverage ratio is a volume-based measure and is calculated as Basel III Tier I capital divided by total on and off-balance sheet exposures. A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level. $\text{Leverage Ratio} = \frac{\text{Tier 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$

Quantitative Disclosures:

Leverage Ratio	18.44%
On balance sheet exposure	24,645.04
Off balance sheet exposure	878.03
Total exposure	25,523.07

k) Remuneration:

NRB Bank is committed to ensuring that its remuneration practices enable the Bank to attract, develop and retain high caliber individuals to deliver the Bank's objectives and drive business growth in a competitive environment. The performance based components of remuneration are designed to encourage behavior that supports the Bank's long-term financial soundness and the risk management frameworks of the Bank.

The qualitative remuneration disclosures are broader in scope and cover all the individuals included whereas the quantitative information relates to senior managers and material risk takers of the NRB Bank Limited, for the financial year ended December 31, 2016.

Qualitative Disclosures	
(a)	**Information relating to the bodies that oversee remuneration:**
	The remuneration issues in NRB Bank are overseen by top Management comprising the Managing Director & CEO, Deputy Managing Directors & CRO and the Head of HR. The primary functions of the Remuneration Committee are to determine, review and propose principles and governance framework for all decisions relating to remunerations of the employees of NRB Bank. While the Human Resources Division is responsible for preparing and recommending reward plans and compensation, the committee's duties are to assess and review these recommendations and submit them to the Board of Directors for approval.
(b)	**Information relating to the design and structure of remuneration process:**
	The key features and objectives of remuneration policy:
	◆ Appropriately compensate Employees for the services they provide to the Bank;
	◆ Attract and retain Employees with skills required to effectively manage the operations and growth of the business;
	◆ Be consistent and appropriate having regard to the performance of the Bank and the relevant Employees;

Qualitative Disclosures	
	◆ Motivate Employees to perform in the best interests of the Bank and its shareholders;
	◆ Motivate Employees to pursue long term growth and success of the Bank within the Board approved control framework;
	◆ Manage the risks associated with remuneration in a manner that supports the Bank's risk management frameworks by applying an appropriate balance between fixed and variable remuneration, reflecting short and long term performance objectives to the Bank's circumstances and goals;
	◆ Apply key short term and long term key performance indicators, including financial and nonfinancial measures of performance, to eligible employees;
	◆ Demonstrate a clear relationship between individual performance and rewards;
	◆ Comply with all regulatory and legal requirements; and
	◆ Provide an appropriate level of transparency.
	In the year 2016, the salary structure of the bank was reviewed by the committee and finally approved by the Board, where the structure was adjusted with the then inflation rate.
	The structure of remuneration arrangements for all employees consists of following components:
	◆ Fixed Remuneration; and
	◆ Performance-based remuneration
	Fixed remuneration: This includes base salary, fixed benefits and superannuation. Base salaries are determined to attract and retain employees with skills required to effectively manage the operations and growth of the business to reflect best market practice for the specific circumstances of the Bank. Fixed remuneration is benchmarked against the financial services industry through the use of external remuneration market surveys, conducted by professional, independent benchmarking organizations.
	Performance-based remuneration: Employee remuneration packages may include a 'variable' component with short term and long term incentive plans.
	Moreover, the employees whose job nature shows risk factors are allowed risk allowances as prescribed in the policy. In addition, employees with compliance and supervisory responsibilities are also provided additional benefits besides their regular pay.
(c)	**Description of the ways in which current and future risks are taken into account in the remuneration processes.**
	The Bank's remuneration practices are carefully managed takes into account the following key risks when implementing remuneration measures:
	◆ Financial Risks
	◆ Compliance Risks

Qualitative Disclosures	
	Risk and compliance requirements represent a gateway to whether an incentive bonus payment is made and the size of the payment. Despite, if the individual does not meet or only partially meets compliance requirements, no award or a reduced award may be made.
(d)	**Description of the ways in which the bank seeks to link performance :**
	◆ **Overview of main performance metrics for the Bank, top level business lines and individuals-**
	The main performance metrics include profits, loan growth, deposit growth, risk metrics (such as quality of assets), compliance with regulatory norms, refinement of risk management processes and customer service. The specific metrics and weightages for various metrics vary with the role and level of the individual.
	◆ **Discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance-**
	The Performance Appraisal Form (PAF) takes into consideration all the above aspects while assessing individual performance and making compensation-related recommendations to the Remuneration Committee regarding the level of increment and performance bonus for employees. The performance assessment of individual employees is undertaken based on achievements vis-à-vis their goal sheets, which incorporate the various aspects/metrics.
(e)	**Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance.**
	The Bank's remuneration system is designed to reward long-term as well as short-term performance, encourage retention and recognize special performance in the organization. The Bank provides reasonable remuneration for short-term performance besides for long-term performance the bank has some deferred payment options (i.e. incentive bonus, gratuity, superannuation etc.)
	In case of following situation remuneration can be adjusted before vesting:
	◆ Disciplinary Action (at the discretion of Enquiry committee)
	◆ Resignation of the employee prior to the payment date.
	At the same time previously paid or already vested variable pay can also be recovered under the case of disciplinary action (at the discretion of the Enquiry Committee and approval of Executive Committee)
(f)	**Description of the different forms of variable remuneration that the bank utilities and the rationale for using these different forms.**
	The main forms of such variable remuneration include:
	◆ Monthly Cash benefits
	◆ Incentive plan for the employees to be paid annually
	The form of variable remuneration depends on the job level of individual, risk involved, the time horizon for review of quality of the assignments performed.

Quantitative Disclosures	
(g)	**Number of Meeting held by the Remuneration Committee during the financial year and remuneration paid to its member.**
	Meeting regarding overseeing remuneration was held on need basis. No fees paid to the Committee Members as remuneration for attending such meetings.
(h)	**Number of employees having received a variable remuneration award during the financial year.**
	In 2016 total 216 number of employees received performance bonus.
	Number and total amount of guaranteed bonuses awarded during the financial year:
	2 numbers of guaranteed festival bonuses amounted BDT 4.65 Million for Senior Management.
	Number and total amount of sign-on award made during the financial year. Nil
	Number and total amount of severance payments made during the financial year. Nil
(i)	**Total amount of outstanding deferred remuneration, split into cash, shares and share-lined instruments and other forms**. Nil
	Total amount of deferred remuneration paid out in the financial year: Nil
(j)	**Breakdown of amount of remuneration awards for the financial year to show.**
	Fixed and Variable:
	Breakdown of Remuneration (Fixed and Variable) is as follows

	(Amount in Million)
Basic Salary	136.54
Allowances	138.64
Festival Bonus	22.82
Gratuity	18.00
Provident Fund Contribution	11.96
Performance Bonus	20.80
Total	348.76

(k) **Quantitative Information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluation of awards) of deferred remuneration and retained remuneration:**

Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.
Nil
Total amount of reductions during the financial year due to ex post explicit adjustments.
Nil
Total amount of reduction during the financial year due to ex post implicit adjustments.
Nil

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 2016. The summary of Rating is presented below:

www.nrbbankbd.com

NRB Bank
Not Just Another Bank

CREDIT RATING

RATING	2017	2016
Long Term	A3	BBB1
Short Term	ST-2	ST-2

A3
(Strong Capacity & High Quality)

ST-2
(Adequate Capacity & Medium Quality

Rated by	**CRAB**
Date of Rating	**June 21, 2017**
Validity	**Up to June 30, 2018**

24 hour call center
09666456000

STAKEHOLDERS' INFORMATION

FINANCIAL
HIGHLIGHTS

BDT Million

Particulars	2016	2015	Change (%)
Performance During the Year			
Net Interest Income	503	282	78.5%
Non Interest Income	1,177	842	39.8%
Operating Income	1,680	1,124	49.5%
Operating Profit/(Loss)	810	394	105.7%
Profit/(Loss) After Tax	525	236	122.6%
Year End Financial Position			
Loan	12,589	11,092	13.5%
Investment	6,944	5,385	28.9%
Deposits	17,466	13,357	30.8%
Eligible Capital (Tier-I & Tier-II)	4,834	4,188	15.4%
Total Asset	24,730	20,535	20.4%
Ratios (%)			
Capital adequacy ratio (as per Basel II)	27.4%	26.1%	1.3%
Non performing loans	1.9%	0.2%	1.7%
Cost to income ratio	51.8%	65.0%	(13.2%)
Channel			
Branch	25	16	56.2%
ATM (Own)	25	20	25.0%
ATM (Shared)	1,770	1,588	11.5%

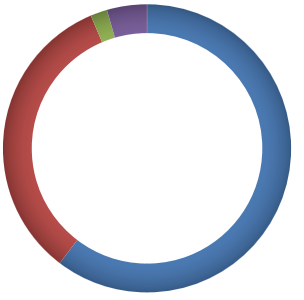
Other Channel Standing in 2016

Call Center (24X7 Contact Center)	: Just a call away to 16568
Internet Banking	: log in from PC or mobile from anywhere in the world

The Board of Directors of NRB Bank Limited in its 54th Board Meeting held on 27th August 2017 have revised mode of dividend as 12% cash dividend instead of 6% cash and 6% stock dividend for the year 2016 as recommended in 48th Board Meeting held on 25th February 2017.

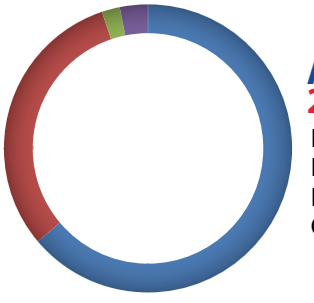
FOUR-YEAR
PROGRESSION OF **NRB** BANK

	Particulars	2016	2015	2014	2013
	Balance Sheet Metric				
	Authorised capital	10,000	10,000	10,000	10,000
	Paid up capital	4,000	4,000	4,000	4,000
Deposit Growth 30.8% from 13,357 M of 2015	Eligible Capital (Tier-I & Tier-II)	4,834	4,188	4,031	4,014
	Deposits	17,466	13,357	7,805	1,885
Loan Growth 13.5% from 11,092 M of 2015	Borrowing	820	1,960	1,392	
	Loans	12,589	11,092	6,292	454
	Credit to deposit ratio	72.1%	83.0%	77.3%	24.1%
Investment Growth 29.0% from 5,385 M of 2015	Investment	6,944	5,385	3,520	93
	Fixed assets	392	348	259	128
	Total assets	24,730	20,535	13,492	5,966
	Income Statement Metric				
	Net interest income (excluding investment income)	503	282	321	170
	Non-interest income	1,177	842	151	1
	Investment income	1,081	776	123	0
	Operating income	1,680	1,124	472	171
	Operating expense	870	730	452	140
Credit Rating Long Term A3 Short Term ST-2	Operating profit/(loss) -before provision and tax	810	394	20	31
	Provision for loans, investment and other assets	91	50	70	3
	Profit/(loss) before tax	719	344	-50	27
	Profit/(loss) after tax	525	236	-66	10
	Credit Quality				
	Non performing / classified loans (NPLs)	245	22	-	-
	Specific provision	81	3.8	-	-
	General provision	2	35	61	3
	NPL to total loans and advance	1.9%	0.2%	0.0%	0.0%



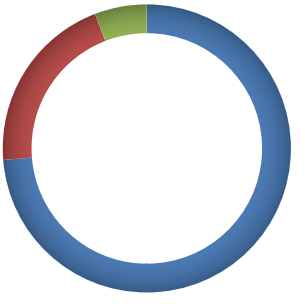
Asset Mix 2016

Loans & Advances 60%
Investments 33%
Fixed Assets 2%
Other Assets 5%



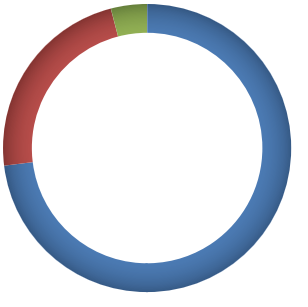
Asset Mix 2015

Loans & Advances 64%
Investments 31%
Fixed Assets 2%
Other Assets 3%



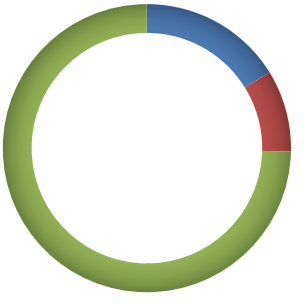
Asset Funding Mix 2016

Deposits 74%
Shareholders' Equity 20%
Other Liabilities 6%



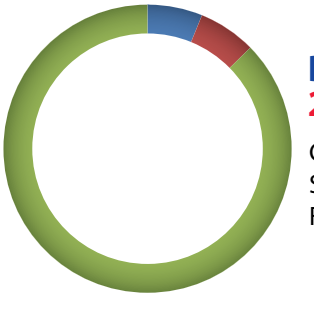
Asset Funding Mix 2015

Deposits 73%
Shareholders' Equity 23%
Other Liabilities 4%



Deposit Mix 2016

Current Deposit 16%
Savings Deposit 9%
Fixed Deposit 75%



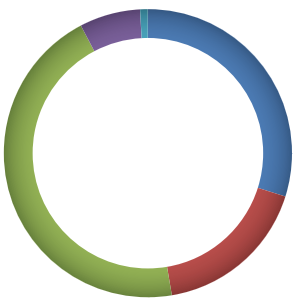
Deposit Mix 2016

Current Deposit 6%
Savings Deposit 7%
Fixed Deposit 87%

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 2016
Wealth creation:	
Income from banking services	2,900,773,806
Less: Cost of services & supplies	2,472,370,217
Value added by banking services	428,403,588
Non-banking income	-
Provision for loans, investments & off balance sheet items	(91,110,581)
Total wealth creation	337,293,007
Wealth distribution	
To employees as salary expenses	348,760,978
To government exchequer as income tax	204,197,374
To expansion & growth	
Retained profit/(loss)	525,285,199
Depreciation	79,642,610
Deferred taxation	(10,165,102)
	594,762,707
Total Value Addition	1,147,721,059



Statement of Value Added and its distribution

To employee as salaries expenses **30.39%**
To government exchequer as income tax **17.79%**
Retained profit/(loss) **45.77%**
Depreciation **6.94%**
Deferred taxation **-0.89%**

ECONOMIC
IMPACT REPORT

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

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

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

Maintaining capital adequacy

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

Regulatory capital requirements are therefore necessary to prevent banks from expanding beyond their ability to manage, to improve the quality of bank's assets, to control the ability of the banks to leverage their growth and to lead to higher earnings on assets, leading to peace of mind of all the stakeholders. The bank keeps a careful check on its capital adequacy ratios.

Maintaining liquidity

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

The capital adequacy computation as at 31 December 2016 is given below:

	31.12. 2016 (Taka)	31.12. 2015 (Taka)
Tier-1 Capital:		
A) Total Common Equity Tier 1 Capital		
Paid up capital	4,000,000,000	4,000,000,000
Share premium	-	-
Statutory reserve	218,114,533	74,251,039
General reserve	-	-
Retained earnings	488,154,649	106,732,944
	4,706,269,182	4,180,983,983
Less: Regulatory adjustments		112,967,985
A) Total Common Equity Tier 1 Capital	4,706,269,182	4,068,015,998
B) Additional Tier 1 Capital:		
Add: Additional Tier 1 Capital	-	-
Less: Regulatory adjustments	-	-
C)Total Tier-1 Capital	4,706,269,182	4,068,015,998
Tier 2 Capital (Gone -Concern Capital)		
Subordinated Bond	-	-
General provision maintained against unclassified loan/investments	102,097,557	100,125,631
General provision on off-balance sheet items	18,389,624	10,249,754
Asset revaluation reserve	-	-
Revaluation reserve of Government securities	12,331,383	12,331,383
	132,818,564	122,706,768
Less: Regulatory adjustments	4,932,553	2,466,277
D) Total Tier 2 Capital	127,886,011	120,240,492
E) Total capital(C+D)	4,834,155,194	4,188,256,490
F) Total Risk weighted assets (RWA)	17,616,988,831	16,042,657,964
G) Required Common Equity Tier 1 Capital	792,764,497	721,919,608
H) Required Tier 1 Capital (5.5% of RWA)	968,934,386	882,346,188
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)	3,913,504,685	3,346,096,390
K) Surplus Tier 1 Capital(C-H)	3,737,334,797	3,185,669,810
G) Surplus total Capital (E-I)	834,155,194	188,256,490
Capital to Risk-Weighted Assets Ratio:		
On Common Equity Tier 1 Capital against standard of minimum 4.5%	26.71%	25.36%
On Tier 1 Capital - against standard of minimum 5.5%	26.71%	25.36%
On total capital - against standard of minimum 10%	27.44%	26.11%

FINANCIAL STATEMENTS

Independent Auditor's 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 2016, 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 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 # 2.1 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 Company Act, 1991 (amended in 2013) 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.

Auditors' 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 the 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 of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2016, 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 # 2.1.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company (Amendment upto 2013) Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

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

(b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
   - i) internal audit, internal control and risk management arrangements of the Bank as disclosed in note # 3.11 to 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;

(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 profit and loss account of the Bank dealt with by the report are in agreement with the books of account;

(e) the expenditure incurred was for the purposes of the Bank's business;

(f) 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;

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

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

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

(j) We have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 1,500 person hours for the audit of the books and accounts of the Bank.

Chartered Accountants
Date : 25 February 2017

NRB Bank Limited

Balance Sheet

As at 31 December 2016

	Notes	31.12.2016 Taka	31.12.2015 Taka
PROPERTY AND ASSETS			
Cash	4	1,582,930,523	1,232,158,263
Cash in hand (including foreign currencies)	4.1	551,507,068	314,838,107
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	4.2	1,031,423,454	917,320,156
Balance with other banks and financial institutions	5	2,284,315,190	1,927,128,907
In Bangladesh	5.1	2,212,520,857	1,852,636,347
Outside Bangladesh	5.2	71,794,333	74,492,560
Money at call and short notice		-	-
Investments	6	6,943,877,096	5,384,905,980
Government	6.1	5,279,185,628	3,852,853,284
Others	6.2	1,664,691,468	1,532,052,696
Loans and advances	7	12,589,367,101	11,092,416,174
Loans, cash credit, overdrafts etc.	7.1	12,586,888,187	11,086,048,229
Bills purchased and discounted	7.2	2,478,914	6,367,945
Fixed assets including premises, furniture and fixtures	8	392,159,040	348,348,777
Other assets	9	937,190,365	549,664,156
Non - banking assets		-	-
Total assets		24,729,839,315	20,534,622,257
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	820,000,000	1,960,000,000
Deposits and other accounts		17,465,634,785	13,356,543,346
Current deposits and other accounts	11.1	2,745,655,693	791,361,409
Bills payable	11.2	77,824,142	31,368,871
Savings bank deposits	11.3	1,609,988,324	863,962,753
Fixed deposits	11.4	13,032,166,627	11,669,850,313
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	12	1,385,115,058	739,563,087
Total liabilities		19,670,749,844	16,056,106,433
Capital/shareholders' equity		5,059,089,471	4,478,515,824
Paid up capital	13.2	4,000,000,000	4,000,000,000
Statutory reserve	14	218,114,533	74,251,039
Other reserve	15	352,820,290	297,531,841
Retained earnings	16	488,154,648	106,732,944
Total liabilities and shareholders' equity		24,729,839,315	20,534,622,257

NRB Bank Limited

Balance Sheet

As at 31 December 2016

	Notes	31.12.2016 Taka	31.12.2015 Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	17	1,838,962,449	1,024,975,439
Acceptances and endorsements		296,793,759	268,471,645
Letters of guarantee		824,271,388	241,204,274
Irrevocable letters of credit		690,530,901	489,892,050
Bills for collection		27,366,401	25,407,470
Other contingent liabilities		-	-
Other commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		1,838,962,449	1,024,975,439

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

Chairman | Director | Director | Managing Director & CEO

This is the balance sheet referred to in our separate report of even date.

Chartered Accountants
Date : 25 February 2017

NRB Bank Limited

Profit and Loss Account

For the year ended 31 December 2016

	Notes	31.12.2016 Taka	31.12.2015 Taka
OPERATING INCOME			
Interest income	19	1,723,870,906	1,384,095,384
Interest paid on deposits and borrowings etc.	20	(1,220,400,726)	(1,101,908,248)
Net interest income		503,470,180	282,187,136
Investment income	21	1,081,002,316	776,173,414
Commission, exchange and brokerage	22	87,682,055	60,894,921
Other operating income	23	8,218,529	5,034,088
		1,176,902,900	842,102,423
Total operating income (a)		1,680,373,080	1,124,289,559
OPERATING EXPENSE			
Salaries and allowances	24	337,976,127	262,976,093
Rent, taxes, insurance, electricity etc.	25	226,042,068	156,242,558
Legal expenses	26	3,001,805	2,656,378
Postage, stamp, telecommunication etc.	27	21,258,873	18,444,575
Stationery, printing, advertisements etc.	28	21,999,332	21,394,198
Chief Executive's salary and fees	29	10,784,851	11,787,071
Directors' fees	30	1,693,291	1,804,546
Auditors' fees	31	327,750	264,500
Depreciation and repair of bank's assets	32	99,699,210	70,933,386
Other expenses	33	147,161,721	184,015,891
Total operating expenses (b)		869,945,028	730,519,196
Profit before provision (c = (a-b))		810,428,052	393,770,363
Provision against loans and advances			
General provision		1,971,926	35,353,111
Specific provision		80,998,785	3,801,995
		82,970,711	39,155,106
Provision for off-balance sheet items		8,139,870	1,248,353
Provision for diminution in value of investments		-	9,438,686
Other provisions		-	-
Total provision (d)	34	91,110,581	49,842,145
Profit before taxation e=(c-d)		719,317,470	343,928,218
Provision for taxation (f)		194,032,272	107,582,054
Current tax	12.4	204,197,374	99,238,083
Deferred tax expense/(income)	12.5	(10,165,102)	8,343,971
Net profit after taxation (g=e-f)		525,285,199	236,346,164
Appropriations:			
Statutory reserve	14	143,863,494	68,785,643
General reserve		-	-
Dividends		-	-
		143,863,494	68,785,643
Retained earnings		381,421,705	167,560,521
Earnings per share (EPS)	37	1.31	0.59

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

Chairman | Director | Director | Managing Director & CEO

This is the profit and loss account referred to in our separate report of even date.

Chartered Accountants

Date : 25 February 2017

NRB Bank Limited

Cash Flow Statement

For the year ended 31 December 2016

	Notes	2016 Taka	2015 Taka
Cash flows from operating activities			
Interest receipts in cash		2,117,125,342	1,804,159,384
Interest payments		(1,231,618,530)	(1,052,366,574)
Dividend receipts		43,454,501	6,987,000
Fees and commission receipts		87,682,055	60,894,921
Cash payments to employees		(348,760,978)	(263,181,531)
Cash payment to suppliers		(6,606,225)	(7,919,938)
Income tax paid		(33,483,080)	(27,041,571)
Receipts from other operating activities	35	8,218,529	5,034,088
Payments for other operating activities	36	(434,935,215)	(309,811,021)
(i) Operating profit before changes in operating assets and liabilities		201,076,400	216,754,757
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers		(1,496,950,927)	(4,800,526,359)
Other assets		(257,837,680)	(118,713,063)
Deposits from customers		4,109,091,439	5,551,716,677
Other liabilities		614,676,078	355,953,132
(ii) Cash generated from operating assets and liabilities		2,968,978,911	988,430,386
Net cash flow from operating activities (a)=(i)+(ii)		3,170,055,311	1,205,185,143
Cash flows from investing activities			
Purchase of trading securities		(1,371,043,895)	(721,776,896)
Proceeds from Sale of trading securities, shares, bonds, etc.		306,695,272	235,663,575
Purchase of shares and bonds		(132,638,773)	(870,753,434)
Purchase of property, plant and equipment		(125,062,873)	(149,303,882)
Net cash used in investing activities (b)		(1,322,050,269)	(1,506,170,637)
Cash flows from financing activities			
Borrowings from other banks, financial institutions and agents		(1,140,000,000)	567,550,000
Dividend paid		-	-
Net (used in)/Cash flows from financing activities (c)		(1,140,000,000)	567,550,000
Net increase in cash and cash equivalents (a+ b +c)		708,005,043	266,564,507
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		3,159,526,370	2,892,961,862
Cash and cash equivalents at end of the year (*)		3,867,531,413	3,159,526,370
(*) Cash and cash equivalents			
Cash in hand (including foreign currencies)		551,507,068	314,838,107
Balance with Bangladesh Bank and its agent bank (s)		1,031,423,454	917,320,156
Balance with other banks and financial institutions		2,284,315,190	1,927,128,906
Money at call and short notice		-	-
Prize bond		285,700	239,200
		3,867,531,413	3,159,526,370

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

Chairman	Director	Director	Managing Director & CEO

NRB Bank Limited

Statement of Changes in Equity

For the year ended 31 December 2016

(Amount in Taka)

Particulars	Paid up capital	Statutory reserve	Other Reserve	Retained earnings	Total
Balance as at 1 January 2016	4,000,000,000	74,251,039	297,531,842	106,732,944	4,478,515,824
Reserve for amortization of HTM securities	-	-	49,277	-	49,277
Reserve for revaluation of HFT securities	-	-	55,239,171	-	55,239,171
Net profit after tax for the year	-	-	-	525,285,199	525,285,199
Transfer to statutory reserve	-	143,863,494	-	(143,863,494)	-
Balance as at 31 December 2016	4,000,000,000	218,114,533	352,820,290	488,154,648	5,059,089,471
Balance as at 1 January 2015	4,000,000,000	5,465,396	24,662,766	(60,827,577)	3,969,300,585
Reserve for amortization of HTM securities	-	-	(679,455)	-	(679,455)
Reserve for revaluation of HFT securities	-	-	273,548,531	-	273,548,531
Net profit after tax for the year	-	-	-	236,346,164	236,346,164
Transfer to statutory reserve	-	68,785,643	-	(68,785,643)	-
Balance as at 31 December 2015	4,000,000,000	74,251,039	297,531,842	106,732,944	4,478,515,824

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

Chairman	Director	Director	Managing Director & CEO

Date : 25 February 2017

NRB Bank Limited

Liquidity Statement (Analysis of maturity of assets and liabilities)

As at 31 December 2016

(Amount in Taka)

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	1,582,930,523	-	-	-	-	1,582,930,523
Balance with other banks and financial institutions	1,334,315,190	550,000,000	400,000,000	-	-	2,284,315,190
Money at call and on short notice	-	-	-	-	-	-
Investments	544,084,132	30,246,330	300,000,000	668,685,456	5,400,861,179	6,943,877,096
Loans and advances	6,037,465,612	956,948,903	1,360,916,984	2,775,345,324	1,458,690,278	12,589,367,101
Fixed assets including premises, furniture and fixtures	-	-	-	-	392,159,040	392,159,040
Other assets	131,541	362,976,923	88,504,640	485,577,260	-	937,190,365
Non banking assets	-	-	-	-	-	-
Total assets (A)	9,498,926,997	1,900,172,156	2,149,421,624	3,929,608,041	7,251,710,496	24,729,839,315
Liabilities:						
Borrowings from other banks, financial institutions and agents	420,000,000	400,000,000	-	-	-	820,000,000
Deposits	3,259,596,472	5,110,748,399	8,163,347,194	526,775,732	405,166,989	17,465,634,785
Provision and other liabilities	559,001,306	232,510,834	19,021,899	5,359,801	569,221,217	1,385,115,058
Total liabilities (B)	4,238,597,778	5,343,259,233	8,182,369,093	532,135,534	974,388,206	19,670,749,844
Net liquidity gap (A - B)	5,260,329,219	(3,443,087,076)	(6,032,947,469)	3,397,472,507	6,277,322,290	5,059,089,471

1.0 The Bank and its activities

1.1 Reporting entity

The NRB Bank Limited ("the Bank") is a private commercial bank (PCB), incorporated as a public limited company in Bangladesh on 19 March 2013 under the Companies Act, 1994. It started its banking businesses from 04 August 2013 under the license issued by Bangladesh Bank. The Bank has currently 25 branches, 25 ATM booths and 1770 shared ATM booths all over Bangladesh. The Bank had no overseas branches as at 31 December 2016.

The registered office of the Bank is located at SimpleTree - Anarkali, 89 Gulshan Avenue, Gulshan – 1, Dhaka, Bangladesh.

1.2 Principal activities

The principal activities of the Bank are to provide a comprehensive range of financial products and services, personal and commercial banking, trade services, and cash management to its customers.

2.0 Basis of preparation of financial statements and significant accounting policies

2.1 Statement of compliance

The financial statements of the Bank as at and for the year ended 31 December 2016 have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Company Act 1991 (amended upto 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 Act 1991 ((amendment) upto 2013), and provisions and circulars issued by Bangladesh Bank shall prevail.

Bank has departed from certain contradictory requirements of BFRSs in order to comply with the rules and regulations of Bangladesh Bank.

i) Presentation of financial statements

BFRS: As per BAS 1 financial statements shall comprise statement of financial position, comprehensive income statement, changes in equity, cash flows statement, adequate notes comprising summary of accounting policies and other explanatory information. As per Para 60 of BAS 1, the entity shall also present current and non-current assets and current and non-current liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) and certain disclosures therein are guided by the 'First Schedule' (section 38) of the Bank Company Act 1991 (amendment upto 2013) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of BB. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

ii) Investments in shares and securities

BFRS: As per requirements of BAS 39 investments in shares and securities generally fall either under 'at fair value through Profit and Loss' account or under 'available for sale' account where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve account respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted and unquoted shares are

revalued at the year-end market price and as per Net Assets Value (NAV) of last audited balance sheet respectively. As per instruction of another DOS circular letter 03 dated 12 March 2015, investment in Mutual Fund (closed-end) is revalued at lower of cost and (higher of market value and 85% of NAV). As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognized at costs.

iii) Revaluation gains/losses on Government securities

BFRS: As per requirement of BAS 39, T-bills and T-bonds fall under the category of 'Held For Trading (HFT)' and 'Held To Maturity (HTM)' where any change in the fair value of HFT securities is recognized in Profit and Loss account, and amortized cost method is applicable for HTM securities and interest income is recognized through the profit and loss account.

Bangladesh Bank: According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009, amortization loss is charged to profit and loss account, mark-to-market loss on revaluation of Government treasury securities (T-bills / T-bonds) categorized as HFT is charged to Profit and Loss account, but any unrealized gain on such revaluation is recognized to revaluation reserve account. T-bills/T-bonds designated as HTM are measured at the year end and losses on amortization are recognized to profit and loss account and gains to revaluation reserve account.

iv) Provision on loans and advances

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 16 dated 18 November 2014, a general provision @ 0.25% to 5% under different categories of unclassified loans (standard/ SMA loans) should be maintained regardless of objective evidence of impairment. And specific provision for sub-standard/doubtful/ bad-loss loans should be made at 20%, 50% and 100% respectively on loans net off eligible securities (if any). Also, a general provision @ 1% should be provided for off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

v) 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 are 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.

vi) Other comprehensive income and appropriation of profit

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 (OCI) statement. BFRSs do not require appropriation of profit to be shown on the face of the statement of comprehensive income.

Bangladesh Bank: The templates of financial statements issued by BB 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. Furthermore, the above templates require disclosure of appropriation of profit on the face of profit and loss account.

vii) Financial instruments – presentation and disclosure

As per BB guidelines, in certain cases financial instruments are categorized, recognized, measured and presented differently from those prescribed in BAS 39. As such some disclosures and presentation requirements of BFRS 7 and BAS 32 cannot be made in these financial statements.

viii) 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 BB circulars/guidelines, when a bank 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 normal sale transaction and the financial assets should be derecognized in the seller's book and recognized in the buyer's book.

ix) 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.

x) Cash and cash equivalent

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

Bangladesh Bank: Some highly liquid assets such as money at call and short notice, T-bills / T-bonds, prize bonds are not prescribed to be shown as cash and cash equivalents rather shown as face item in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with BB and other banks.

xi) Non-banking assets

BFRS: No indication of non banking assets is found in any BFRSs

Bangladesh Bank: As per BRPD circular no 14, dated 25 June 2003, there exists a face item named non banking assets.

xii) Cash flow statement

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

Bangladesh Bank: As per BRPD circular no 14, dated 25 June 2003, cash flow statement is to be prepared following a mixture of direct and indirect method.

xiii) 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.

xiv) Presentation of intangible asset

BFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD circular no. 14 dated 25 June 2003.

xv) 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 circular no 14, dated 25 June 2003, off balance sheet items e. g. L/C, L/G, acceptance should be disclosed separately on the face of the balance sheet.

xvi) 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 cannot 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 securities (T-bills/T-bonds) designated as 'Held for Trading (HFT)' are marked-to-market weekly with resulting gain credited to revaluation reserve account but loss charged to profit and loss account.
- Government treasury securities (T-bills/T-bonds) designated as 'Held to Maturity (HTM)' are amortized yearly with resulting gain credited to amortization reserve account but loss charged to profit and loss account.

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

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

2.5 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the operation the spot exchange rate at the date of the transactions. Monetary assets and liabilities denominated into the functional currency at the sport exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the sport exchange rate at the date that the fair value are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognized in the profit and loss account

2.6 Cash flow statement

Cash Flow Statement is prepared principally in accordance with BAS 7 "Statement of Cash Flows" under direct method as per the guidelines of BRPD circular no. 14 dated 25 June 2003. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the year. It Cash Flows during the period have been classified as operating activities, investing activities and financing activities.

2.7 Reporting period

These financial statements of the bank cover one calendar year from 1 January to 31 December 2016.

2.8 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.

2.9 Statement of changes in equity

Statement of Changes in Equity has been prepared in accordance with BAS 1 "Presentation of Financial Statements" and following the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

Particulars	Basis used
Balance with Other Banks and Financial Institutions	Maturity Term
Investments	Respective Maturity Terms
Loans and Advances	Repayment schedule basis
Fixed Assets	Useful life

Particulars	Basis used
Other Assets	Realization/Amortization basis
Borrowing from Other Banks, Financial Institutions and Agents	Maturity/Repayment terms
Deposits and Other Accounts	Maturity term
Other Liabilities	Payments/Adjustments schedule basis

3.0 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by Bangladesh Bank as the prime regulator.

Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

3.1 Assets and basis of their valuation

3.1.1 Cash and cash equivalents

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

3.1.2 Investments

All investments (other than government treasury securities) are initially recognized at cost, including acquisition charges associated with the investment. Accounting treatment of government treasury securities (categorized as HFT or/and HTM) is given following DOS Circular no. 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009.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 is:

Held to Maturity (HTM)

Investments which are intended to be held till maturity are classified as 'Held to Maturity' (HTM). These are measured at amortized cost at each year end by taking into account any discount or premium on acquisition. Premiums are amortized and discounts are accredited, using the effective or historical yield. Any increase or decrease in value of such investments is booked to equity but decrease to profit and loss account.

Held for Trading (HFT)

These are investments primarily held for selling or trading. 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.

REPO and Reverse REPO

The Bank has been recording transactions of REPO and reverses REPO following DOS circular no. 6 dated 15 July 2010 of BB. In case of REPO of both coupon and non-coupon bearing (T-bills) securities, the Bank adjusts the revaluation reserve account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.

Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which is reported at cost.

Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

Provision for shares against unrealized loss (gain net off) has been made according to DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

Besides, bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year- end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investments".

Investments are stated as per following bases:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. treasury securities - Held for Trading (HFT)	Cost	Fair Value	Loss to Profit and Loss Account, gain to Revaluation Reserve through Profit and Loss Account.
Govt. treasury securities - Held to Maturity (HTM)	Cost	Amortized cost	Increase in value of such investments is booked to equity, decrease to profit and loss account.
Debenture/Bond	Face value	None	None
Shares (Quoted)	Cost	Lower of cost or market value	Loss (net off gain) to profit and loss account but no unrealized gain booking.
Shares (Unquoted)	Cost	Lower of cost or Net Asset Value (NAV)	Loss to profit and loss account but no unrealized gain booking.
Mutual fund (Closed-end)	Cost	Lower of cost and (higher of market value and 85% of (NAV)	Loss (net) to profit and loss account but no unrealized gain booking.
Prize bond	Cost	Cost	None

3.1.3 Loans, advances and provisions

Loans and advances are stated in the balance sheet on gross basis.

Interest is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances is kept in interest suspense account as per BRPD circulars no. 14 dated September 23, 2012 on Master Circular: Loan Classification and Provisioning. Interest is not charged on bad and loss loans and advances as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

Commission and discounts on bills purchased and discounted are recognized at the time of realization.

General provisions @ 0.25% to 5% under different categories on unclassified loans (standard/SMA) and @ 1% on off

balance-sheet exposures, and specific provisions @ 20%, 50% & 100% on classified (substandard/doubtful/bad loss) loans are made on the basis of quarter end review by the management and instructions contained in BRPD Circular no 14, dated 23 September 2012, BRPD Circular no 19, dated 27 December 2012, BRPD Circular no 16, dated 18 November 2014 and BRPD Circular no 8, dated 2 August 2015. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Bank Company Act 1991 (amendment upto 2013), instead of netting off with loans.

Heads	Rates
General provision on:	
Unclassified (including SMA) general loans and advances	1%
Unclassified (including SMA) small and medium enterprise	0.25%
Unclassified (including SMA) Loans to BHs/MBs/SDs against Shares etc.	2%
Unclassified (including SMA) loans for housing finance and on loans for professionals	2%
Unclassified (including SMA) consumer financing other than housing financing and loans for professionals	5%
Short term agri credit and micro credit	2.5%
Off balance sheet exposures	1%
Specific provision on:	
Substandard loans and advances other than short term agri credit and micro credit	20%
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%

3.1.4 Property, plant and equipment

3.1.4.1 Recognition and measurement

All fixed assets are stated at cost less accumulated depreciation as per BAS 16 "Property, Plant and Equipment". Land is measured at cost. The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of the BFRS. The cost of an item of property, plant and equipment is recognized as an asset if, it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

3.1.4.2 Subsequent costs

Subsequent costs are capitalized only when it is probable that the future economic benefits associated with the costs will flow to the entity and cost can be measured reliably. The carrying amount of the replaced portion is derecognized. The costs of day to day servicing of fixed assets, i.e. repairs and maintenance is charged to profit and loss account as expense when incurred.

3.1.4.3 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%

3.1.5 Other assets

As per BRPD circular No. 14 dated 25 June 2003, other assets/item(s) have been shown separately as 'income generating' and 'non income generating' in the relevant notes to the financial statements. Other assets include advance rent, advance for revenue and capital expenditure, stocks of stationary and stamps, security deposits to government agencies an unrealized income receivables etc.

3.2 Liabilities and provisions

3.2.1 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest-bearing borrowings redeemable at call and Bangladesh Bank refinance. These items are brought to financial statements at the gross value of the outstanding balance.

3.2.2 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, bills payable, interest bearing on demand and special notice deposits, savings deposit and fixed deposit. These items are brought to financial statements at the gross value of the outstanding balance.

3.2.3 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognized as per the guidelines of Bangladesh Bank and Bangladesh Financial Reporting Standards (BFRS).

3.2.4 Dividend payments

Interim dividend is recognized only when the shareholders' right to receive payment is established. Final dividend is recognized when it is approved by the shareholders in AGM. However, the proposed dividend for the year 2016 has not been recognized as a liability in the balance sheet in accordance with BAS 10 Events after the Reporting Period. Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.

3.2.5 Provision for loans and advances

Provision for 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, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 16 dated 18 November 2014. Details are stated in Note 13.4 of these financial statements.

3.2.6 Provision for diminution of value of quoted securities

Provision for diminution of value of quoted shares and mutual funds (closed-end), placed under other liability, has been made on portfolio basis (gain net off) following DOS circular No. 04 dated 24 November 2011 and DOS circular letter

no. 03 dated 12 March 2015 respectively. For unquoted shares, provision has been made based on available NAV of respective nos of units. As on the reporting date, the Bank does not hold any open-end mutual fund. Details are stated in Note 13.7 of these financial statements

3.2.7 Provision for off-balance sheet exposures

In compliance with BRPD circular no. 14 dated 23 September 2012 and related earlier circulars, the Bank have been maintaining provision @ 1% against off-balance sheet exposures (mainly contingent assets/liabilities).

3.2.8 Provision for other assets

Provision for other assets is made as per the instructions made in the BRPD circular No. 14 dated 25 June 2001 i.e. 100% provision is required on other assets which are outstanding for one year or more or classified as bad/loss.

3.2.9 Provision for nostro accounts

Provision for unsettled transactions in nostro accounts is made as per FEPD circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005 of Foreign Exchange Policy Department (FEPD) of Bangladesh Bank. On the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

3.2.10 Provision for liabilities and accrued expenses

In compliance with BAS 37, provisions for other liabilities 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

3.3 Share capital and reserves

Authorized capital

Authorized capital is the maximum amount of share capital that the Bank is authorized by its Memorandum and Articles of Association.

Paid-up capital

The paid-up capital represents the amount of bank's capital that has been contributed by ordinary shareholders. The holders of ordinary shares are entitled to receive dividend as recommended by the Board and subsequently approved by the shareholders from time to time in the Annual General Meeting (AGM).

Statutory reserve

In compliance with the provision of Section 24 of Bank Company Act 1991, the Bank transfers at least 20% of its profit before tax "Statutory Reserve Fund" each year until the sum of statutory reserve and share premium equal to the paid up capital of the Bank.

Revaluation reserve

When the value of a government treasury security categorized as HTM increases as a result of amortization, the amount thus increased is recognized directly to equity as 'reserve for amortization'. However, any increase in the value of such securities categorized as HFT as a result of 'mark to market' is booked under equity as 'revaluation reserve' but any decrease is directly charged to profit and loss account as per DOS circular letter no. 05 dated 26 May 2008 & DOS Circular letter no 05, dated 28 January 2009.

3.4 Contingent liabilities

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

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.

3.5 Revenue recognition

Interest income

Interest on unclassified loans and advances is recognized as income on accrual basis, interest on classified loans and advances is 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 and BRPD circular no 16 dated 18 November 2014.

Fees and commission income

Fess and commission income arises on services provided by the Bank and recognized as and when received basis. Commission charged to customers on letters of credit, letters of guarantee and acceptance are credited to income at the time of effecting the transactions except those which are received in advance.

Investment income

Income on investments is recognized on accrual basis. Investment income includes discount on treasury bills and zero coupon bonds, interest on treasury bonds, debentures and fixed deposits with other banks. Capital gain on investments in shares and dividend on investment in shares are also included in investment income.

Dividend income

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established as per BAS 18 'Revenue'.

Foreign exchange gain/ loss

Exchange income includes all gain and losses from foreign currency day to day transactions, conversions and revaluation of non monetary items.

Interest paid on borrowings and deposits

Interest paid on borrowings and deposits are calculated on 360 days basis (except for some treasury instruments which are calculated on 364 days basis) in a year and recognized on accrual basis.

Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the BAS 1 "Presentation of Financial Statements".

3.6 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.

Hospitalization insurance

The Bank operates a health insurance scheme to its confirmed employees, their respective spouses and two children at rates provided in health insurance coverage policy.

Group life insurance

The Bank operates a group life insurance scheme to its confirmed employees at rates provided in group life insurance coverage policy.

3.7 Taxation

The expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

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 on taxable income of the Bank @ 40% (0% on gain of govt. securities, 10% on capital gain of trading shares in Secondary Market and 20% on dividend income) as prescribed in the 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.

3.8 Offsetting

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

3.9 Earnings per Share

Basic earnings per share have 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.

3.10 Reconciliation of books and account

Books of account 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.

3.11 Risk management and other related matters

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

Credit Risk

Credit risk is the risk of loss that may occur from the default of any counterparty to repay in accordance with agreed terms and conditions and/or deterioration of creditworthiness. Board of Directors is the apex body for credit approval of the Bank. However, they delegate authority to the Managing Director & CEO or other officers of the Credit Risk Management (CRM) Division. The Board also sets credit policies to the management for setting procedures, which together has structured the CRM framework in the bank. The Credit Policy Manual (CPM) contains the core principles for identifying, measuring, approving, and managing credit risk in the bank. The policy covers Corporate, Retail, Small and Medium Enterprise (SME) exposures. Policies and procedures together have structured and standardized CRM process both in obligor and portfolio level. There is a comprehensive credit appraisal procedure that covers Industry/Business risk, management risk, financial risk, facility structure risk, security risk, environmental risk, reputational risk, and account performance risk.

The bank follows the criteria for loan classification and provisioning requirement as stipulated in the BRPD circular no 14 dated September 23, 2012 and BRPD circular no 05 dated May 29, 2013. Adequate provision has been kept which is stated in Note 7.3.9 to the financial statements

Liquidity Risk

Responsibility of managing and controlling liquidity of the bank lies with Asset Liability Committee (ALCO) that meets at least once in a month. Asset Liability Management (ALM) desk being primarily responsible for management of liquidity risk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc.

ALCO also monitors concentration of deposits on large institutional depositors which is volatile in nature. In addition to these ratios, Bank prepares structural liquidity profile, maturity profile of term deposit, cash flow modeling, and

contingency funding plan on monthly basis, which are analyzed in ALCO meeting to ensure liquidity at the level acceptable to the bank and regulators.

Market Risk

Risk Management Unit (RMU) is responsible for overall monitoring, control, and reporting of market risk while Treasury Mid Office is an integral part of market risk management which independently evaluates and monitors treasury department's transaction from risk perspective. Overall risk parameters and exposures of the bank are monitored by RMU and periodically reported to Bank Risk Management Committee (BRMC). Market risk can be subdivided into three categories depending on risk factors: Interest Rate Risk, Foreign Exchange Risk, and Equity Price Risk.

Interest rate risk is the risk to earnings or capital of the bank arising from movement of interest rates. The movement of interest rates affects bank's reported earnings and capital by changing:

- Net interest income
- The market value of trading accounts (and other instruments accounted for by market value), and
- Other interest sensitive income and expenses

To manage interest rate risk, ALCO regularly monitors various ratios and parameters. Bank deploys several analysis techniques (e.g. Rate Sensitive Gap Analysis, Duration Gap Analysis) to measure interest rate risk, its impact on Net Interest Income and takes insight about course of actions.

Foreign Exchange Risk

Foreign exchange risk is the risk that a Bank's financial performance or position will be affected by fluctuations in the exchange rates between currencies and implied volatility on foreign exchange options. Bank makes import payment and outward remittance as its outflow, whereas it gets foreign currency inflow as export receipts and inward remittance. Exchange rate risk arises, if, on a particular day, these inflow-outflows don't match and bank runs its position long/short from these customer driven activities. Bank also faces foreign exchange risk if it sources its funding in one currency by converting fund from another currency. Currently, the Bank is facing such transaction exposure in foreign currency for its off-shore banking unit. But these transactions exposure is always hedged.

The bank computes VaR (Value at Risk) on its foreign exchange position arising from customer driven foreign exchange transactions on daily basis. The bank maintains various nostro accounts in order to conduct operations in different currencies. The position maintained by the bank at the end of the day is within the stipulated limit prescribed by the Bangladesh Bank.

Operational Risk

Operational Risk Unit under Internal Control & Compliance Division (ICCD) is primarily responsible for risk identification, measurement, monitoring, control, and reporting of operational risk. Internal Control (audit) Unit of ICCD also conducts risk-based audit at departmental and branch level throughout the year. Besides, 'Bank Risk Management Committee' (BRMC) which reports to MD & CEO also plays a supervisory role.

Operational risks are analyzed through review of Departmental Control Function Check List (DCFCL). This is a self assessment process for detecting high risk areas and finding mitigates of those risks. These DCFCLs are then discussed in monthly meeting of BRMC.

Information and communication technology risk

The bank has a comprehensive IT security policy and procedures which are formally documented and endorsed by

competent authority. To prevent attack from cyber criminals/fraudsters IT division (hereinafter IT) has established standard physical & environmental security measures to all sensitive areas e.g. data centre, Disaster Recovery (DR) site, power rooms, server rooms etc. IT has standard logical security measures e.g. access card, password protected Server, access log, measuring device logs, periodic testing results, etc. to all core devices i.e. server, PC etc., connecting devices i.e. switch, router etc., security devices i.e. firewall, IDS etc., all applications i.e. core banking system, antivirus, firewall, VPN, utilities etc., databases, networks and others. IT has standard design and practice in network connectivity, access, build-up, configuration, monitoring, maintenance and security. IT has Business Continuity Management (BCM) to support and handle any human made or natural incident/disaster; moreover regular backup schedule and retention avoids the risk of data loss based on the criticality of the system.

Internal audit

The Bank has established an independent internal audit function with the head of internal control & compliance (ICC) reporting directly to the chairman of audit committee of the Board. The internal audit team performs risk based audit on various business and operational areas of the Bank on continuous basis. The audit committee and the Board regularly review the internal audit reports as well as monitor progress of previous findings.

Prevention of fraud

Like any other banks and financial institutions, the bank is also exposed to the inherent risk of fraud and hence implemented a number of anti fraud controls and procedures specifically designed to prevent and detect any material instances of fraud or irregularities. As per the requirement of Bangladesh Bank regular reporting's are made on self assessment of various anti fraud controls as well as any incident of fraud and forgeries that have been identified by the Bank. Regular staff training and awareness programs are taken to ensure that all officers and staff of the Bank are fully aware of various fraud risks in their work area and prepared to deal with it.

3.12 Event after the reporting period

All the material events after the reporting period have been considered and appropriate adjustments/disclosures have been made in the financial statements as per BAS 10 'Events after the Reporting Period'. Board's recommendation for dividend distribution is a common item presented in the note 42.

3.13 Related party disclosures

A party is related to the company if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;

(ii) the party is an associate;

(iii) the party is a joint venture;

(iv) the party is a member of the key management personnel of the Company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

3.14 Compliance of Bangladesh Accounting standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)

The Bank has complied the following BASs & BFRSs as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) during the preparation of financial statements as at and for the year ended 31 December 2016.

Sl. No.	BAS No.	BAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied *
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Balance Sheet Date	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchanges Rates	Complied
14	23	Borrowing Costs	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Complied
17	27	Consolidated and Separate Financial Statements	Not Applicable
18	28	Investment in Associates	Not Applicable
19	31	Interest in Joint Venture	Not Applicable
20	32	Financial Instruments: Presentation	Complied *
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent liabilities and Contingent Assets	Complied
25	38	Intangible Assets	Complied
26	39	Financial Instruments: Recognition and Measurement	Complied *
27	40	Investment Property	Not Applicable
28	41	Agriculture	Not Applicable

Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time Adoption of Bangladesh Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance contracts	Not Applicable
5	5	Non-Current Assets Held for Sale and Discontinued Operations	Complied
6	6	Exploration for and Evaluation of Mineral	Not Applicable
7	7	Financial Instruments: Disclosures	Complied *
8	8	Operating Segments	Not Applicable
9	10	Consolidated Financial Statements	Not Applicable
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interest in other Entities	Complied
12	13	Fair Value Measurement	Complied

* Subject to departure disclosed in note no. 2.1.1

* In order to comply with certain specific rules and regulations of the Central Bank (Bangladesh Bank) which are different from BAS/BFRS, some of the requirements specified in these BAS/BFRSs are not applied.

3.15 Approval of financial statements

The financial statements were reviewed by the Audit Committee of the Board of the Bank in its 17th meeting held on 25 February 2017 and was subsequently approved by the Board in its 48th meeting held on the same date

		31.12.2016 Taka	31.12.2015 Taka
4	**Cash**		
	Cash in hand (including foreign currencies) (Note: 4.1)	551,507,068	314,838,107
	Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies) (Note: 4.2)	1,031,423,454	917,320,156
		1,582,930,523	1,232,158,263
4.1	**Cash in hand (including foreign currencies)**		
	Local currency	534,357,931	298,472,492
	Foreign currencies	17,149,137	16,365,615
		551,507,068	314,838,107
4.2	**Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)**		
	Local currency	954,542,930	863,906,699
	Foreign currencies	76,880,524	53,413,457
		1,031,423,454	917,320,156

4.a Cash Reserve Ratio (CRR)

As per section 33 of Bank Company Act, 1991 (amended upto 2013) & MPD circular no. 1 dated 23 June 2014 issued by Bangladesh bank with effect from 24 June 2014, the Bank has maintained CRR of minimum 6.0% on daily basis and 6.5% on bi-weekly basis on weekly average total demand and time liabilities (ATDTL) of the base month which is two months back of reporting month (i.e. CRR of December 2016 is based on weekly average balance of October 2016). Reserve maintained by the bank as at 31 December are as follows:

Average total demand and time liabilities of October 2016 (Excluding inter-bank deposit)	13,962,402,272	11,949,516,346
Daily basis		
Required reserve (6% of ATDTL)	837,744,136	716,970,981
Actual reserve held with Bangladesh Bank*	965,472,565	864,150,525
Surplus / (deficit)	127,728,429	147,179,544

* As per Bangladesh Bank Statements

Bi-weekly basis:
The bank maintained excess cash reserve of Tk. 383,185,036 (Tk. 694,705,052 was in 2015) against minimum requirement of 6.5% (of ATDTL) on bi-weekly basis which is the summation of excess cash reserve maintained over required in the last fortnight (bi-week) of 2016.

4.b Statutory Liquidity Ratio (SLR)

As per section 33 of the Bank Company Act, 1991 (amended upto 2013) & MPD circular no. 2 dated 10 December 2013 issued by Bangladesh bank with effect from 1 February 2014, the bank has maintained SLR of minimum 13% based on weekly average total demand and time liabilities (ATDTL) of the base month which is two months back of the reporting month (i.e. SLR of December 2016 is based on weekly average balance of October 2016). Reserve maintained by the bank as at 31 December are as follows:

Required reserve (13% of ATDTL)	1,815,112,295	1,553,437,125
Actual reserve held (Note: 4.c)	5,888,612,292	4,255,123,356
Surplus / (deficit)	4,073,499,996	2,701,686,231

		31.12.2016 Taka	31.12.2015 Taka
4.c	**Actual reserve held**		
	Cash in hand	551,507,068	314,838,107
	Excess reserve on CRR	57,916,420	87,431,965
	Balance with Sonali Bank (local Currency)	3,175	-
	Unencumbered approved securities (HFT)	3,829,876,204	2,393,518,055
	Unencumbered approved securities (HTM)	1,449,023,724	1,459,096,029
	Unencumbered approved securities (other eligible)	285,700	239,200
		5,888,612,291	4,255,123,356
5	**Balance with other banks and financial institutions**		
	In Bangladesh	2,212,520,857	1,852,636,347
	Outside Bangladesh	71,794,333	74,492,560
		2,284,315,190	1,927,128,907
5.1	**In Bangladesh**		
	In Current Accounts with		
	Trust Bank Limited	5,166,426	5,905,904
	Brac Bank Limited	2,443,667	2,876,148
	Pubali Bank Limited	10,000	-
	Agrani Bank Ltd, Zajira Branch	2,991,675	
	Eastern Bank Limited	9,117,288	5,148,118
		19,729,057	13,930,170
	In Short Term Deposit Accounts with		
	Eastern Bank Limited	96,014,050	123,888,124
	Eastern Bank Limited	-	12,408,899
	The City Bank Limited	-	2,001,626
	Standard Bank Limited	-	407,528
		96,014,050	138,706,177
	In Fixed Deposit Accounts with banks and NBFIs		
	With banks		
	National Bank of Pakistan	250,000,000	250,000,000
	Modhumoti Bank Ltd	-	100,000,000
	BRAC Bank Ltd	196,777,750	-
		446,777,750	350,000,000
	With financial institutions:		
	International Leasing & Financial Services Ltd.	-	-
	People's Leasing & Financial Services Ltd.	100,000,000	400,000,000
	Prime Finance & Investment Ltd.	100,000,000	-
	IIDFC Limited	-	-
	National Finance Limited	150,000,000	50,000,000
	MIDAS Financing Ltd.	-	-
	Bangladesh Industrial Finance Co Limited	-	100,000,000
	Reliance Finance Limited	150,000,000	200,000,000
	Lanka Bangla Finance Ltd	-	-
	Hajj Finance Ltd	100,000,000	-
	Bangladesh Finance & Investment Co Limited	200,000,000	-
	Premier Leasing & Finance Limited	200,000,000	100,000,000

	31.12.2016 Taka	31.12.2015 Taka
First Finance & investment Limited	100,000,000	250,000,000
Fareast Finance & Investment Limited	250,000,000	50,000,000
Union Capital Limited	100,000,000	100,000,000
International Leasing and Finance Ltd	200,000,000	100,000,000
	1,650,000,000	1,350,000,000
	2,212,520,857	1,852,636,347

5.2 Outside Bangladesh

In deposit account (non-interest bearing)

Habib American Bank, New York	23,670,624	46,028,193
United Bank of India	346,510	171,633
United Bank of India	4,989,479	1,783,432
Mizhuo Bank Ltd, Japan	187,997	233,839
Mashreq Bank PSC, New York	37,385,581	24,580,153
Mashreq Bank PSC, UK	621,639	1,120,286
Mashreq Bank PSC ,UK	4,199,002	182,522
AB Bank Limited, Mumbai	393,500	392,502
	71,794,333	74,492,560

(Details are given in Annexure- B)

5.a Maturity grouping of balance with other banks and financial institutions

(according to remaining maturity grouping)

On demand	1,334,315,190	1,077,128,907
In more than one month but not more than three months	550,000,000	400,000,000
In more than three months but not more than one year	400,000,000	450,000,000
In more than one year but not more than five years	-	-
More than 5 years	-	-
	2,284,315,190	1,927,128,907

6 Investments

Government (Note: 6.1)	5,279,185,628	3,852,853,284
Others (Note: 6.2)	1,664,691,468	1,532,052,696
	6,943,877,096	5,384,905,980

6.1 Government (Investment in govt. securities)

Treasury bills	-	-
Treasury bonds	5,278,899,928	3,852,614,084
Prize Bonds	285,700	239,200
	5,279,185,628	3,852,853,284

6.1.1 Treasury bills

Unencumbered		
91 days treasury bills	-	-
182 days treasury bills	-	-
364 days treasury bills	-	-
	-	-

	31.12.2016 Taka	31.12.2015 Taka

6.1.2 Treasury bonds

Unencumbered		
2 years treasury bond	30,246,330	51,730,940
5 years treasury bond	108,085,456	157,403,441
10 years treasury bond	1,038,735,688	869,955,552
15 years treasury bond	1,871,177,530	850,883,085
20 years treasury bond	2,230,654,924	1,922,641,066
	5,278,899,928	3,852,614,084

6.1.3

(i) Disclosure regarding outstanding repo as on 31 December 2016

There is no outstanding reverse repo as at 31 December 2016 with the Bank.

(ii) Disclosure regarding outstanding reverse repo as on 31 December 2016

There is no outstanding reverse repo as at 31 December 2016 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	-	-	-
With other Banks & Financial Institutions	137,451,556	1,398,755,591	160,162,514
Securities purchased under reverse repo:			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	244,634,283	244,634,283	670,231

6.2 Others

Corporate bonds (Note: 6.2.1)	513,000,000	513,000,000
Ordinary Shares and Mutual Funds (Note: 6.2.2)	601,691,468	369,052,696
Preference Share (Note: 6.2.3)	250,000,000	50,000,000
Commercial Paper (Note: 6.2.4)	300,000,000	600,000,000
	1,664,691,468	1,532,052,696

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	26,627,106	5,805,487
Active Fine Chemicals Limited	92,437,720	119,808,800
Apex Footwear Limited	-	2,044,859
Baraka Power Limited	-	3,609,100
Delta Brac Housing	3,121,245	-
Far East Knitting & Dyeing Industries Limited	-	9,387,300

	31.12.2016 Taka	31.12.2015 Taka
Fortune Shoes Limited	100,630	-
Grameenphone Limited	49,089,052	40,598,017
Heidelberg Cement Bd. Limited	10,661,280	12,793,097
IDLC Finance Limited	-	6,243,000
Jamuna Oil Company Limited	39,473,449	10,401,000
Khulna Power Company Limited	41,168,929	15,237,133
Lafarge Surma Cement Limited	-	1,160,900
MJL Bangladesh Limited	33,922,994	4,472,775
Saif Powertec Limited	-	3,557,000
Singer Bangladesh Limited	-	23,569,000
Square Pharmaceuticals Ltd.	5,890,545	42,529,917
Summit Power Limited	7,780,320	6,064,600
The City Bank Limited	-	15,784,000
United Power Generation & Distr.	15,436,815	-
Uttara Finance And Investments Limited	6,421,000	9,631,500
Yakin Polimar Ltd.	114,125	-
	332,245,209	332,697,486
Mutual Funds		
AIMS Ist Mutual Fund	-	22,440,000
AIBL 1st Islamic Mutual Fund	28,806,442	-
GRAMEENS2	64,791,108	-
ICB2NDNRB	27,705,300	-
LR Global Bangladesh Mutual Fund One	44,861,050	13,835,573
MBL1STMF	59,193,150	-
RELIANCE1	3,169,194	-
SEBL1STMF	10,921,800	-
	239,448,044	36,275,573
IPO Application		
Pacific Denims Limited	30,000,000	-
	601,693,252	-
Free fund available	(1,844)	79,637
	601,691,408	369,052,696

(Details are given in Annexure- C)

6.2.3 Preference Share

Union Capital Limited	40,000,000	50,000,000
Summit Narayanganj Power Unit II Limited	10,000,000	-
Summit Barisal Power Limited	50,000,000	-
Doreen Power House & Technologies limited	100,000,000	-
Star Ceramics Limited	50,000,000	-
	250,000,000	50,000,000

		31.12.2016 Taka	31.12.2015 Taka
6.2.4	**Commercial Paper**		
	Bangla Track	-	200,000,000
	Max Infractructure	-	200,000,000
	GPH Isphat Ltd.	-	200,000,000
	KSRM Steel	200,000,000	-
	ECIL	100,000,000	-
		300,000,000	600,000,000
6.a	**Remaining maturity grouping of investments**		
	On demand	544,084,132	369,266,623
	In more than one month but not more than three months	30,246,330	200,000,000
	In more than three months but not more than one year	300,000,000	430,590,652
	In more than one year but not more than five years	668,685,456	541,924,959
	In more than five years	5,400,861,179	3,843,123,746
		6,943,877,096	5,384,905,980
7	**Loans and advances**		
	Loans, cash credit, overdrafts etc. (Note: 7.1)	12,586,888,187	11,086,048,229
	Bills purchased and discounted (Note: 7.2)	2,478,914	6,367,945
		12,589,367,101	11,092,416,174
7.1	**Loans, cash credits, overdrafts etc.**		
	Inside Bangladesh		
	Loans - General	10,005,189,141	9,329,005,488
	Cash credit	-	-
	Overdraft	2,386,788,571	1,659,555,436
	Staff Loan	194,910,475	97,487,305
		12,586,888,187	11,086,048,229
	Outside Bangladesh	-	-
		12,586,888,187	11,086,048,229
7.2	**Bills purchased and discounted**		
	Inside Bangladesh		
	Local bills /documents	2,478,914	6,367,945
	Foreign bills /documents	-	-
		2,478,914	6,367,945

	31.12.2016 Taka	31.12.2015 Taka
7.a Residual maturity grouping of loans and advances		
On demand	6,037,465,612	1,592,103,077
In more than one month but not more than three months	956,948,903	1,173,626,769
In more than three months but not more than one year	1,360,916,984	4,573,230,872
In more than one year but not more than five years	2,775,345,324	3,106,794,878
In more than five years	1,458,690,278	646,660,578
	12,589,367,101	11,092,416,174

7.3 Loans and advances on the basis of significant concentration

7.3.1 Loans and advances to Directors, executives and others

Advance to Directors and their allied concerns	14,753,563	32,130
Advances to CEO & Managing Director	34,256,487	8,671,873
Advances to Other executives and staffs	160,653,989	88,888,150
Advances to Customers	4,120,971,711	3,788,903,370
Industrial loans and advances	8,258,731,352	7,205,920,652
	12,589,367,101	11,092,416,174

7.3.2 Details 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 4,834.16 million as at 31 December 2016.

Number of the clients	20	18
Amount of outstanding loans and advances	5,839,828,751	5,166,812,544
Amount of classified loans and advances	-	-
	5,839,828,751	5,166,812,544

7.3.3 Industry-wise concentration of loans and advances

Commercial and Trading	1,714,779,751	1,303,626,557
Importer of Commodity	1,017,247,690	880,650,995
Construction	304,022,025	430,216,667
Electronics Goods	688,236,963	131,649,542
Individuals	1,054,704,523	749,127,696
Pharmaceuticals Industries	85,453,299	148,208,427
Readymade Garments Industry	176,679,908	108,059,308
Industries for Steel products	1,202,473,380	44,210,527
Textile Mills	2,400,128,906	746,856,700
Others	3,945,640,656	6,549,809,756
	12,589,367,101	11,092,416,174

		31.12.2016 Taka	31.12.2015 Taka
7.3.4	**Sector - wise concentration of loans and advances**		
	Government sector	-	-
	Public sector	1,163,945,046	51,728,784
	Private sector	11,425,422,055	11,040,687,390
		12,589,367,101	11,092,416,174
7.3.5	**Business segment - wise concentration of loans and advances**		
	Corporate	5,611,561,054	5,645,804,826
	SME	6,254,415,339	4,697,483,652
	Consumer	528,480,232	651,567,672
	Executives and staff	194,910,475	97,560,023
		12,589,367,101	11,092,416,174
7.3.6	**Geographical location-wise concentration of loans and advances**		
	Inside Bangladesh		
	Dhaka Division	9,697,298,204	9,281,528,419
	Chittagong Division	2,663,072,211	1,728,913,306
	Sylhet Division	167,026,755	76,395,944
	Rajshahi Division	54,167,414	5,578,504
	Khulna Division	7,802,517	-
		12,589,367,101	11,092,416,174
	Outside Bangladesh	-	-
		12,589,367,101	11,092,416,174
7.3.7	**Security/Collateral-wise concentration of loans and advances**		
	Collateral of movable/immovable assets	7,363,459,373	5,174,183,268
	Local Banks and financial institutions guarantee	-	-
	Government guarantee	-	-
	Foreign bank guarantee	-	-
	Export documents	-	-
	Fixed deposit receipts	1,814,024,297	1,351,659,134
	FDR of other banks	-	-
	Government bonds	-	-
	Personal guarantee	2,553,540,883	1,758,446,799
	Other securities	858,342,548	2,808,126,973
		12,589,367,101	11,092,416,174

	31.12.2016 Taka	31.12.2015 Taka
7.3.8 Classified and unclassified bad loans & advances		
Unclassified		
Standard (Including Staff Loan)	11,992,392,310	10,995,635,897
Special Mention Accounts (SMA)	351,899,698	74,639,981
	12,344,292,008	11,070,275,878
Classified		
Sub-standard	64,303,102	12,063,038
Doubtful	68,081,972	8,937,660
Bad/Loss	112,690,019	1,139,598
	245,075,093	22,140,296
	12,589,367,101	11,092,416,174
7.3.9 Particulars of required provision for loans and advances		
General Provision on unclassified loans and advances		
Loans (excluding SMA)	95,036,170	97,713,181
Special mansion account (SMA)	5,561,387	2,412,450
Required provision on unclassified loans and advances	100,597,557	100,125,631
Total provision maintained for unclassified loans and advances	102,097,557	100,125,631
Excess/(shortage) of provision	1,500,000	-
Specefic provision on classified loans and advances		
Sub-standard	6,031,736	2,276,511
Doubtful	14,013,816	1,354,545
Bad/Loss	64,755,228	170,940
Required provision on unclassified loans and advances	84,800,780	3,801,996
Total provision maintained for unclassified loans and advances	84,800,780	3,801,996
Excess/(shortage) of provision	-	-
Total Required provision for loans and advances	185,398,337	103,927,627
Total provision maintained for loans and advances	186,898,337	103,927,627
Total Excess/(shortage) of provision	1,500,000	-
7.3.10 Particulars of loans and advances		
i) Loans considered good in respect of which the bank is fully secured	561,686,531	6,525,842,402
ii) Loans considered good against which the bank holds no security other than the debtors' personal guarantee	163,778,360	1,758,446,799
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	270,781,709	2,808,126,973

		31.12.2016 Taka	31.12.2015 Taka
iv)	Loans adversely classified; provision not maintained there against	-	-
		996,246,600	11,092,416,174
v)	Loans due by directors or officers of the bank or any of them either separately or jointly with any other persons	209,664,038	97,560,023
vi)	Loans due from companies or firms in which the directors or officers of the bank have interest as directors, partners or managing agents or in case of private companies, as members	14,753,563	-
vii)	Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other person.	209,664,038	97,560,023
viii)	Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members.	14,753,563	-
ix)	Due from banking companies	-	-
x)	Amount of classified loans on which interest has not been charged mentioned as follows:		
	a) (Decrease)/increase of provision (specific)	62,566,288	
	Amount of loan written off	-	-
	Amount realised against the loans previously written off		
	b) Provision kept against loans classified as bad debts	62,737,228	3,801,995
	c) Interest credited to interest suspense account	23,844,651	2,010,942
xi)	Cumulative amount of written off loans		
	Opening Balance	-	-
	Amount written off during the year	-	-
	Closing Balance		
	The amount of written off loans for which law suit has been filed	-	-

8 Fixed assets including premises, furniture and fixtures

Cost:

Computer and Network Equipment	94,540,448	85,256,264
Furniture and fixtures	175,894,475	113,459,545
Vehicle	47,376,226	36,588,970
Machinery and Equipment	94,630,899	77,066,179
Software	158,041,183	134,549,400
Patents	-	110,000
	570,483,231	447,030,358

	31.12.2016 Taka	31.12.2015 Taka
Less: Accumulated depreciation	178,324,191	98,681,580
Written down value at the end of the year	392,159,040	348,348,777

(Details are given in Annexure- A)

9 Other assets

Income generating

Income receivable (Note: 9.1)	378,838,082	249,149,553

Non-income generating

Stationery, stamps, printing materials, etc.	822,515	691,836
Prepaid expenses	7,775,823	9,076,806
Advance rent	272,301,200	125,121,167
Security deposits with other entities	6,378,892	6,175,572
Advance income tax	140,345,243	106,862,162
Advances to vendors	62,514,435	39,741,126
Advances to staff for expenses	3,974,852	353,852
Dividend Receivable	18,648,333	7,442,500
Q-Cash and ATM receivable	1,434,796	629,721
Receivable against Sanchaypatra	43,984,844	4,147,989
Sundry receivables	171,350	271,871
	558,352,283	300,514,603
	937,190,365	549,664,156

9.1 Income receivable: Amount represents interest receivable on Govt. bill/bond, commercial paper/unquoted bond, loans and advances, term placement & balance with other banks .

10 Borrowings from other banks, financial institutions and agents

In Bangladesh (Note: 10.a)	820,000,000	1,960,000,000
Outside Bangladesh	-	-
	820,000,000	1,960,000,000

10.a In Bangladesh

Rupali Bank Ltd	-	200,000,000
Janata Bank Ltd	-	-
Dutch Bangla Bank Ltd	-	290,000,000
Basic Bank Ltd	-	-
SBAC Ltd	-	-
Bangladesh Bank against Assured Liquidity Support	-	-
Bank Asia Ltd	420,000,000	380,000,000
Brac Bank Ltd	-	300,000,000
Modhumoti Bank Ltd	-	300,000,000

	31.12.2016 Taka	31.12.2015 Taka
Marcentile Bank Ltd	-	200,000,000
One Bank Ltd	-	250,000,000
Southeast Bank Ltd	-	40,000,000
NCC Bank Ltd	200,000,000	-
Basic Bank Ltd	200,000,000	-
	820,000,000	1,960,000,000
Outside Bangladesh	-	-
	820,000,000	1,960,000,000

10.b Residual maturity grouping of borrowings from other banks, financial institutions and agents

On demand	420,000,000	1,160,000,000
In more than one month but not more than three months	400,000,000	800,000,000
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	-	-
	820,000,000	1,960,000,000

11 Deposits and other accounts

Current deposits and other accounts, etc. (Note: 11.1)	2,745,655,693	791,361,409
Bills payable (Note: 11.2)	77,824,142	31,368,871
Savings bank deposits (Note: 11.3)	1,609,988,324	863,962,753
Fixed deposits (Note; 11.4)	13,032,166,627	11,669,850,313
Bearer certificates of deposit	-	-
Other Deposits	-	-
	17,465,634,785	13,356,543,346

11.1 Current deposits and other accounts, etc.

Current accounts	2,482,627,443	735,655,397
Foreign currency deposits	90,009,676	24,837,699
Deposit margin on facilities	173,018,574	30,868,313
	2,745,655,693	791,361,409

11.2 Bills payable

Local currency	77,824,142	31,368,871
Foreign currencies	-	-
	77,824,142	31,368,871

11.3 Savings bank deposits

NRB savers	301,858,645	170,548,196
NRB power savers	747,752,697	483,303,693

	31.12.2016 Taka	31.12.2015 Taka
NRB staff	20,915,508	11,403,711
NRB my savings	121,190,964	62,311,982
NRB my study	6,906,606	2,983,549
NRB my salary	34,088,619	16,133,862
NRB my early	55,840,456	37,458,366
NRB pearl	320,152,181	79,766,880
NRB amar shopno	943,660	52,514
NRB isavings	338,987	-
	1,609,988,324	863,962,753

11.4 Fixed deposits

Fixed deposits	11,479,951,975	10,772,854,857
Short term deposits	1,552,214,651	896,995,456
	13,032,166,627	11,669,850,313

11.5 Sector-wise break-up of deposits and other accounts

Government	140,890,120	6,349,869
Other public sector	2,003,158,112	970,545,561
Private sector	15,321,586,554	12,379,647,916
	17,465,634,785	13,356,543,346

11.6 Maturity-wise grouping of deposits and other accounts

On demand	3,259,596,472	1,874,107,770
In more than one month but not more than three months	5,110,748,399	5,404,747,778
In more than three months but not more than one year	8,163,347,194	5,541,458,513
In more than one year but not more than five years	526,775,732	297,212,369
In more than five years	405,166,989	239,016,915
	17,465,634,785	13,356,543,346

12 Other liabilities

Privileged creditors (Note: 12.1)	33,028,662	20,920,853
Interest payable	208,666,184	219,883,987
Interest suspense account	23,844,651	2,010,942
Provision for loans and advances (Note: 12.2)	186,898,337	103,927,626
Provision on off-balance sheet exposures (Note: 12.3)	18,389,624	10,249,754
Provision for diminution of quoted shares	9,438,686	9,438,686
Provision for expenses	65,286,690	31,767,774
Provision for current tax (Note: 12.4)	321,684,710	117,487,336
Deferred tax liability (Note: 12.5)	12,671,046	22,836,148
Q-Cash & ATM payable	7,674,198	3,853,605
Security deposits held	5,359,801	7,707,490

	31.12.2016 Taka	31.12.2015 Taka
Sanchayapatra/bond purchased	69,200,000	51,600,000
Payable against BEFTN	34,110,779	2,801,986
EDF payable	380,212,826	131,356,653
Miscellaneous payable	8,648,864	3,720,246
	1,385,115,058	739,563,087

12.1 Privileged creditors

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

Tax deduction at source	16,369,857	8,708,386
VAT deduction at source	6,094,048	2,735,187
Excise duty	10,564,757	9,477,280
	33,028,662	20,920,853

12.2 Provision for loans and advances

A. General

Balance at the beginning of the year	100,125,631	64,772,520
Add: Provision made during the year		
On general loans and advances	(1,411,655)	33,175,305
On Special Mention Account (SMA)	3,383,581	2,177,806
	1,971,926	35,353,111
Balance at the end of the year	102,097,557	100,125,631

B. Specific

Balance at the beginning of the year	3,801,995	-
Add: Provision made during the year	80,998,785	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	84,800,780	3,801,995
C. Total provision on loans and advances (A+B)	186,898,337	103,927,626

	31.12.2016 Taka	31.12.2015 Taka
12.3 Provision on off-balance sheet exposures		
Balance as at 1 January	10,249,754	9,001,401
Add:	8,139,870	1,248,353
Balance as at 31 December	18,389,624	10,249,754
12.4 Provision for current tax		
Balance as at 1 January	117,487,336	18,249,253
Add: Provision made during the year	204,197,374	99,238,083
	321,684,710	117,487,336
12.5 Deferred tax liability		
Deferred tax liability recognized in accordance with the provision of BAS-12 "Income Taxes", is arrived as follows:		
Balance as at 1 January	22,836,148	14,492,177
Provision made during the year for deferred tax expense/(income)	(10,165,102)	8,343,971
	12,671,046	22,836,148

	Carrying amount on Balance Sheet Date	Tax base	Taxable/ (deductible) temporary difference
31 December 2016			
Fixed assets including premises, furniture and fixtures			
Cost less accumulated depreciation	392,159,041	360,481,427	31,677,614
Net temporary difference			31,677,614
Applicable tax rate			40%
Deferred tax liability			12,671,046
31 December 2015			
Fixed assets including premises, furniture and fixtures			
Cost less accumulated depreciation	348,348,777	291,258,408	57,090,369
Net temporary difference			57,090,369
Applicable tax rate			40%
Deferred tax liability			22,836,148

	31.12.2016 Taka	31.12.2015 Taka

12.a Nostro Reconciliation

	As Per Our Book		As per Their Book	
	Debit USD	Credit USD	Debit USD	Credit USD
Up to three months	36.47	500,832.50	504,200.65	390,875.15
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	-	-	-	-
	36.47	500,832.50	504,200.65	390,875.15

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

13 Share capital

13.1 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

Particulars	2016		2015	
	Value of Share	% of Holding	Value of Share	% of Holding
Shareholders' Group				
Directors	3,012,012,000	75.30	3,162,012,000	79.05
Sponsor Shareholders	837,988,000	20.95	837,988,000	20.95
General Shareholders	150,000,000	3.75	-	-
	4,000,000,000	100.00	4,000,000,000	100.00

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

SL #	Name of the directors	2016		2015	
		% of Shareholding	Number of Shares	% of Shareholding	Number of Shares
1	Mr. Mohammed Mahtabur Rahman	6.25	25,000,000	10.00	40,000,000
2	Mr. Tateyama Kabir	2.50	10,000,000	2.50	10,000,000
3	Mr. Kamal Ahmed	2.50	10,000,000	2.50	10,000,000
4	Mr. Iqbal Ahmed OBE	5.00	20,000,000	5.00	20,000,000
5	Mr. Mohammed Idrish Farazy	2.50	10,000,000	2.50	10,000,000
6	Dato' Engr. Md. Ekramul Haque	4.50	18,000,000	4.50	18,000,000
7	Dr. Mahiul Muhammed Khan Muqit	7.80	31,201,200	7.80	31,201,200
8	Mr. Imtiaz Ahmed	0.50	2,000,000	0.50	2,000,000
9	Mr. Fazlur Rashid Khan	5.00	20,000,000	5.00	20,000,000
10	Mr. Nafih Rashid Khan	5.00	20,000,000	5.00	20,000,000
11	Mr. Naveed Rashid Khan	5.00	20,000,000	5.00	20,000,000
12	Mr. Mohammed Jamil Iqbal	5.00	20,000,000	5.00	20,000,000
13	Dr. Nesar Ahmed Choudhury	0.63	2,500,000	0.63	2,500,000
14	Mr. Abu Taher Mohammed Amanullah	6.00	24,000,000	6.00	24,000,000
15	Mr. M Badiuzzaman	5.00	20,000,000	5.00	20,000,000

	31.12.2016	31.12.2015
	Taka	Taka

SL #	Name of the directors	2016		2015	
		% of Shareholding	Number of Shares	% of Shareholding	Number of Shares
16	Mr. Khalilur Rahman Choudhury	3.00	12,000,000	3.00	12,000,000
17	Mr. Rabin Paul	1.88	7,500,000	1.88	7,500,000
18	Mr. Mohammed Rafique Miah	0.75	3,000,000	0.75	3,000,000
19	Mr. Abdul Karim	5.00	20,000,000	5.00	20,000,000
20	Mr. Khandakar R Amin	1.50	6,000,000	1.50	6,000,000
	Total	75.30	301,201,200	79.05	316,201,200

13.5 Capital to risk weighted assets ratio (BASEL III)

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014.

Tier-1 Capital:

A) Total Common Equity Tier 1 Capital		
Paid up capital	4,000,000,000	4,000,000,000
Share premium	-	-
Statutory reserve	218,114,533	74,251,039
General reserve	-	-
Retained earnings	488,154,648	106,732,944
	4,706,269,182	4,180,983,983
Less: Regulatory adjustments	-	112,967,985
A) Total Common Equity Tier 1 Capital	4,706,269,182	4,068,015,998
B) Additional Tier 1 Capital:		
Add: Additional Tier 1 Capital	-	-
Less: Regulatory adjustments	-	-
C)Total Tier-1 Capital	4,706,269,182	4,068,015,998
Tier 2 Capital (Gone -Concern Capital)		
Subordinated Bond	-	-
General provision maintained against unclassified loan	102,097,557	100,125,631
General provision on off-balance sheet items	18,389,624	10,249,754
Asset revaluation reserve	-	-
Revaluation reserve of Government securities	12,331,383	12,331,383
	132,818,564	122,706,768
Less: Regulatory adjustments	4,932,553	2,466,277
D) Total Tier 2 Capital	127,886,011	120,240,492
E) Total capital(C+D)	4,834,155,193	4,188,256,490
F) Total risk weighted assets (RWA)	17,616,988,831	16,042,657,964
G) Required capital	4,000,000,000	4,000,000,000

	31.12.2016 Taka	31.12.2015 Taka
H) Capital surplus	834,155,193	188,256,490
Capital to Risk-Weighted Assets Ratio/Capital adequacy ratio:		
Common Equity Tier- 1 / core capital to RWA against minimum requirement 4.5%	26.71%	25.36%
Tier- 1 / core capital to RWA minimum requirement 5.5%	26.71%	25.36%
Capital to Risk Weighted Assets against minimum requirement 10%	27.44%	26.11%

14 Statutory reserve

Balance as at 1 January	74,251,039	5,465,396
Add: Addition during the year (20% of pre-tax profit)	143,863,494	68,785,643
	218,114,533	74,251,039

15 Revaluation reserve

HTM securities (Note: 15.1)	60,091	10,814
HFT securities (Note: 15.2)	352,760,199	297,521,028
	352,820,290	297,531,841

15.1 Reserve for amortization of treasury securities (HTM)

Balance as at 1 January	10,814	690,269
Addition during the year	49,277	-
Adjustment made during the year	-	(679,455)
	60,091	10,814

15.2 Reserve for revaluation of treasury securities (HFT)

Balance as at 1 January	297,521,028	23,972,497
Addition during the year	55,239,171	273,548,531
Adjustment made during the year	-	-
	352,760,199	297,521,028

16 Retained earnings

Balance as at 1 January	106,732,944	(60,827,577)
Net profit/(loss) for the year	525,285,199	236,346,164
Transfer to statutory reserve	143,863,494	(68,785,643)
Balance as at 31 December	488,154,648	106,732,944

17 Contingent liabilities

Acceptances and Endorsements	296,793,759	268,471,645
Letters of Guarantee	824,271,388	241,204,274
Irrevocable letters of credit	690,530,901	489,892,050
Bills for Collection	27,366,401	25,407,470
	1,838,962,449	1,024,975,439

		31.12.2016 Taka	31.12.2015 Taka
18	**Income statement**		
	Income:		
	Interest, discount and similar income (Note: 18.1)	2,246,813,871	1,910,935,723
	Dividend income	48,433,335	13,669,500
	Fees, commission and brokerage (Note: 18.2)	68,331,905	42,144,851
	Gains less losses arising from dealing in securities	456,518,949	206,492,857
	Gains less losses arising from investment securities	53,107,067	29,170,718
	Gains less losses arising from dealing in foreign currencies	19,350,150	18,750,070
	Income from non-banking assets	-	-
	Other operating income (Note: 23)	8,218,529	5,034,088
	Profit less losses on interest rate changes	-	-
		2,900,773,806	2,226,197,807
	Expenses:		
	Interest paid on deposits and borrowings, etc. (Note:20)	1,220,400,726	1,101,908,248
	Losses on loans and advances	-	-
	Administrative expenses (Note:18.3)	643,140,696	481,859,628
	Other expenses (Note:33)	147,161,721	188,321,103
	Depreciation on banks assets (Note:32)	79,642,610	60,338,464
		2,090,345,754	1,832,427,444
		810,428,052	393,770,363
18.1	**Interest, discount and similar income**		
	Interest income (Note:19)	1,723,870,906	1,384,095,384
	Interest on treasury bills & bonds	522,942,965	526,840,339
		2,246,813,871	1,910,935,723
18.2	**Fees, commission and brokerage**		
	Commission	68,331,905	42,144,851
	Brokerage	-	-
		68,331,905	42,144,851
18.3	**Administrative expenses**		
	Salaries and allowances (Note:24)	337,976,127	263,480,674
	Rent, taxes, insurance, electricity, etc. (Note:25)	226,042,068	156,242,558
	Legal and professional expenses (Note:26)	3,001,805	2,656,378
	Postage, stamp, telecommunication, etc. (Note:27)	21,258,873	18,444,575
	Stationery, printing, advertisement, etc. (Note:28)	21,999,332	21,394,198
	Managing Director's salary and fees (Note:29)	10,784,851	11,282,490
	Directors' fees & others expenses (Note:30)	1,693,291	5,872,415
	Auditors' fees (Note:31)	327,750	264,500
	Repair of Bank's assets (Note:32)	20,056,599	2,221,840
		643,140,696	481,859,629

		31.12.2016 Taka	31.12.2015 Taka
19	**Interest income**		
	Interest on advances	1,551,578,774	1,145,872,955
	Interest on money at call and short notice	1,492,991	27,282,593
	Interest on balance with other banks	3,905,647	9,879,975
	Interest on placement with other banks and Financial Institutions	166,893,494	201,059,861
		1,723,870,906	1,384,095,384
20	**Interest paid on deposits and borrowings etc.**		
	Interest on deposits	1,054,200,985	940,708,475
	Interest on borrowings	166,199,741	161,199,774
		1,220,400,726	1,101,908,248
21	**Investment income**		
	Interest on Treasury Bill	972,276	13,544,085
	Interest on Treasury Bond	595,917,519	428,096,205
	Interest on bonds-Corporate	61,074,657	63,125,000
	Interest on Commercial Paper	67,909,257	31,035,050
	Gain from trading in Govt. Securities	456,518,949	251,675,309
	Loss on sale of Govt. Securities	(93,927,583)	(45,182,452)
	Loss on revaluation of Treasury Securities	(109,003,161)	(8,960,001)
	Gain on shares traded in secondary market	53,107,067	29,170,718
	Dividend on shares	48,433,335	13,669,500
		1,081,002,316	776,173,414
22	**Commission, exchange and brokerage**		
	Fees and commission	68,331,905	42,144,851
	Exchange gain net off exchange losses	19,350,150	18,750,070
	Brokerage	-	-
		87,682,055	60,894,921
23	**Other operating income**		
	Locker Rent	239,500	148,500
	Rebate received from foreign banks	4,317,842	2,295,657
	Swift charge recoveries	534,432	295,776
	Postage/telex charge recoveries	1,213,690	703,365
	Other earnings	1,913,065	1,590,790
		8,218,529	5,034,088
24	**Salaries and allowances**		
	Basic salary	130,943,479	103,248,983
	Allowances	135,808,177	108,870,379
	Performance bonus	19,800,000	11,581,633
	Festival bonus	22,021,128	15,667,677
	Bank's Contribution to provident fund	11,403,343	9,207,421
	Contribution to gratuity fund	18,000,000	14,400,000
		337,976,127	262,976,093

		31.12.2016 Taka	31.12.2015 Taka
25	**Rent, taxes, insurance, electricity etc.**		
	Rent, rate and taxes	188,213,453	135,279,392
	Insurance premium	16,379,354	8,374,415
	Utilities	21,449,261	12,588,751
		226,042,068	156,242,558
26	**Legal expenses and professional expenses**		
	Legal expenses	-	-
	Other professional expenses	3,001,805	2,656,378
		3,001,805	2,656,378
27	**Postage, stamps, telecommunication etc.**		
	Postage & Courier charges	975,131	578,537
	Telephone	1,976,135	1,611,136
	Swift and Bloomberg charges	4,660,568	2,800,280
	Network link, internet, DC and DR	13,647,039	13,454,622
		21,258,873	18,444,575
28	**Stationery, printing, advertisements etc.**		
	Printing and stationery	6,606,225	7,919,938
	Publicity and advertisement	15,393,108	13,474,260
		21,999,332	21,394,198
29	**Managing Director's salary and allowances**		
	Basic salary	5,597,200	5,045,806
	Allowances	2,827,931	5,365,484
	Performance bonus	1,000,000	-
	Festival bonus	800,000	871,200
	Bank's Contribution to provident fund	559,720	504,581
		10,784,851	11,787,071
30	**Directors' fees and other expenses**		
	Meeting attendance fees	1,192,000	1,162,000
	Other expenses	501,291	642,546
		1,693,291	1,804,546
31	**Auditors' fees**		
	Statutory audit fees	327,750	264,500
		327,750	264,500

		31.12.2016 Taka	31.12.2015 Taka
32	**Depreciation and repair of bank's assets**		
	Depreciation: (Annexure 'A')		
	Furniture and fixtures	15,611,044	10,409,220
	Machinery and equipment	17,205,753	13,255,236
	Computer and network equipment	18,045,233	16,773,915
	Vehicles	9,402,647	6,610,473
	Software	19,377,933	13,289,621
		79,642,610	60,338,464
	Repair of bank's assets		
	Rented premises	1,876,165	992,025
	Machinery and equipment	2,769,450	1,226,315
	Computer and accessories	152,891	3,500
	Software maintenance	15,258,093	8,373,082
		20,056,599	10,594,922
		99,699,210	70,933,386
33	**Other expenses**		
	Car maintenance expenses	27,882,363	21,554,113
	Contractual service expenses	37,867,562	29,208,371
	Card expenses	-	756,000
	Books, periodicals and publications	767,311	1,557,318
	Donation and subscription	9,393,425	7,802,352
	Staff recruitment and training expenses	1,585,074	1,309,724
	Travelling expenses	3,934,969	3,973,795
	Directors' travel and accommodation expenses	17,560,306	4,067,869
	Entertainment	3,162,103	3,023,943
	Business development expenses	6,306,088	1,195,789
	Bank and other regulatory charges	716,505	772,095
	Amortization of pre-operating expenses		77,686,608
	Cash carrying expense	3,493,189	2,571,277
	VISA expenses	4,759,904	3,012,723
	AGM expenses	718,886	270,122
	Loss on sale of shares Traded in Secondary Market	-	18,566,033
	Contract point verification expenses	166,058	228,548
	Miscellaneous expenses	28,847,979	6,459,212
		147,161,721	184,015,891
34	**Provision for loans, investments & off balance sheet items**		
	Provision for bad and doubtful loans and advances	80,998,785	3,801,995
	Provision for unclassified loans and advances	1,971,926	35,353,111
	Provision for off-balance sheet items	8,139,870	1,248,353
	Provision for diminution in value of investments	-	9,438,686
		91,110,581	49,842,145

35 Receipts from other operating activities

Locker Rent	239,500	148,500
Rebate received from foreign banks	4,317,842	2,295,657
Swift charge recoveries	534,432	295,776
Postage/telex charge recoveries	1,213,690	703,365
Other earnings	1,913,065	1,590,790
	8,218,529	5,034,088

36 Payments for other operating activities

Rent, rates and taxes	226,042,068	156,242,558
Legal expenses and professional expenses	3,001,805	2,656,378
Postage and communication charges, etc.	21,258,873	18,444,575
Stationery, printing, advertisements etc.	15,393,108	13,474,260
Directors' fees & other expenses	1,693,291	5,872,415
Miscellaneous expenses	167,546,070	190,807,443
	434,935,215	387,497,629

37 Earnings per share (EPS)

Net profit after tax	525,285,199	236,346,164
Number of ordinary shares outstanding	400,000,000	400,000,000
Earnings per share (EPS)	1.31	0.59

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 40th meeting held on 31 July 2016 re-constituted an Audit Committee. Presently, the Audit Committee members are:

Sl. No.	Name	Status with the Board	Status with the Audit Committee	Educational Qualification
1	Mr. Imtiaz Ahmed	Director	Chairman	Post Graduate
2	Mr. Naveed Rashid Khan	Director	Vice Chairman	Bachelor of Social Science
3	Mr. Tateyama Kabir	Director	Member	Post Graduate
4	Mr. Rabin Paul	Director	Member	Higher Secondary Certificate
5	Mr. Mohammed Rafique Miah	Director	Member	Bachelor of Commerce

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:
11th Audit Committee Meeting held on 21.01.2016
12th Audit Committee Meeting held on 30.03.2016
13th Audit Committee Meeting held on 29.05.2016
14th Audit Committee Meeting held on 24.08.2016
15th Audit Committee Meeting held on 27.10.2016
16th Audit Committee Meeting held on 27.12.2016

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

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

39 Related party disclosures

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

i) Directors' interest in different entities

Name of Directors	Status with the Bank	Name of the firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status
Mr. Mohammed Mahtabur Rahman	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

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
		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
		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
Mr. Tateyama Kabir	Vice Chairman	Kabir Auto Export Co. Ltd. Japan	President
		Ocean Auto Limited, Dhaka, Bangladesh	Proprietor
Mr. Kamal Ahmed	Vice Chairman	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. Iqbal Ahmed OBE	Director	Seamark PLC, United Kingdom	Chairman & Chief Executive
		IBCO Limited, United Kingdom	Chairman & Chief Executive
		IBCO Enterprise, United Kingdom	Senior Partner
		Seamark (BD) Limited, Bangladesh	Chairman & Chief Executive
		IBCO Food Industries Limited, Bangladesh	Chairman & Chief Executive
		Seamark (Holdings) Limited, Bangladesh	Chairman & Chief Executive
		Seamark (USA) Inc., USA	Managing Director
		ManRu Shopping City, Bangladesh	Senior Partner
Mr. Mohammed 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

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
Dato' Eng. Md. Ekramul Haque	Director	BEL Construction SDN BHD KL, Malaysia	Managing Director
		Taufika Energy Co. Ltd., Dhaka, Bangladesh	Managing Director
		Cynzar Energy Services Ltd., Dhaka, Bangladesh	Managing Director
Mr. Fazlur Rashid Khan	Director	Fazlur Rashid Khan Investment, USA	Proprietor
Mr. Nafih Rashid Khan	Director	Commodity First DMCC, Dubai, UAE	Managing Director
		Loch Shipping Intermediary FZE, UAE	Chairman & MD
		Jabbar Jute Mills Ltd. Bangladesh	Director
		Bangladesh Medical Science and Technology Limited, Bangladesh	Director
Mr. Naveed Rashid Khan	Director	Commodity First DMCC, Dubai, UAE	Managing Director
		Gentrade FZE, UAE	Chairman & MD
		Jabbar Jute Mills Ltd. Bangladesh	Director
		Bangladesh Medical Science and Technology Ltd	Director
Mr. Mohammed Jamil Iqbal	Director	Al Anood Perfumes Co., Dubai, UAE	Partner
		M/S. Md. Jamil Iqbal Construction, BD	Proprietor
		JI Stone Supplier, Bangladesh	Proprietor
		New Maitri Stone Crushing, Bangladesh	Proprietor
		Divine Properties Limited, Bangladesh	Chairman
Dr. Nesar Ahmed Choudhury	Director	N.A. Choudhury Limited, U.K.	Director
		Lower Broughton Health Centre, U.K.	Partner
		Brookdale Surgery, U.K.	Partner
Mr. Abu Taher Mohammed Amanullah	Director	Amanco PTE. Ltd., Singapore	Chairman & CEO
		East west Placement Center, Philippines	Chairman & CEO
		EWPCI Testing Center, Philippines	Director
		East West Human Resources Center, BD	Chairman
		East West Training & Contractors Company Limited, Bangladesh	Chairman
		East west Engineering Ltd. Bangladesh	Chairman
Mr. M Badiuzzaman	Director	Tania International PTE. Ltd. Singapore	Managing Director
		Rajib Enterprise PTE. Ltd., Singapore	Managing Director
		Aangan Restaurant, Singapore	Proprietor
		Tania Development PTE. Ltd.Singapore	Managing Director
		Asia Pacific Realty Investment Services, Singapore	Proprietor

Name of Directors	Status with the Bank	Name of the firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status
Mr. Khalilur Rahman Choudhury	Director	KRC Composite Textile Ind. Limited, BD	Managing Director
		Khalil Garments Limited, Bangladesh	Managing Director
		Khalil & Khalil Investment Limited, BD	Managing Director
		ATAIA Trading Corp. Limited, Bangladesh	Managing Director
		KRC CNG & Filling Station, Bangladesh	Proprietor
		Al-Hera Filling Station, Bangladesh	Proprietor
		KRC Industrial Park, Bangladesh	Proprietor
		KRC Rubber Plantation, Bangladesh	Proprietor
Mr. Rabin Paul	Director	Claims Center Limited, U.K.	Director
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. Khandakar R. Amin	Director	Amin Realty Corporation, N.Y. USA	Proprietor
		Hirapur Realty Corporation, N.Y. USA	President
Mr. Md. Mehmood Husain	MD & CEO	Nil	Nil

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

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

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

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

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

40 Auditors work hour

The external auditor of the Bank, M/s ACNABIN., Chartered Accountants worked about 1500 man hour. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

41 General

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

42 Events after the balance sheet date

The Board of Directors of NRB Bank Limited recommended 12% dividend (6% cash and 6% stock) in 48th Board Meeting held on 25 February 2017 for the year 2016. Eligible shareholders will be entitled to get this dividend subject to shareholders' approval in the 4th AGM.

NRB Bank Limited

Schedule of fixed assets

As at 31 December 2016

Annexure-A

(Amount in Taka)

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value
	Balance as at 1 January 2016	Additions during the year	Disposal/ adjustment during the year	Balance as at 31 December 2016		Balance as at 1 January 2016	Charged during the Year	Disposal/ adjustment during the year	Balance as at 31 December 2016	
At Cost										
Tangible Assets										
Furniture and fixture	113,459,545	63,934,930	(1,500,000)	175,894,475	10%	19,537,555	16,331,543	(720,499)	35,148,600	140,745,875
Machinery and equipment	77,066,179	17,564,720	-	94,630,899	20%	19,890,933	17,205,753	-	37,096,686	57,534,213
Computer and network equipment	85,256,264	9,284,184	-	94,540,448	20%	26,380,639	18,045,233	-	44,425,872	50,114,576
Vehicle	36,588,970	10,787,256	-	47,376,226	20%	11,181,038	9,402,647	-	20,583,685	26,792,541
Intangible assets:										
Software	134,549,400	23,491,783	-	158,041,183	12.5%	21,691,415	19,377,933	-	41,069,348	116,971,835
Patents	110,000		(110,000)	-		-	-		-	-
As at 31 December 2016	447,030,358	125,062,873	(1,610,000)	570,483,232		98,681,580	80,363,109	(720,499)	178,324,191	392,159,041
As at 31 December 2015	297,726,477	149,303,882	-	447,030,358		38,343,116	60,338,464	-	98,681,580	348,348,777

NRB Bank Limited

Balance with other banks-Outside Bangladesh (Nostro Account)

As at 31 December 2016

Annexure-B

Name of the Bank	Account type	Currency type	2016			2015		
			FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Habib American Bank, New York	CD	USD	300,770.32	78.70	23,670,624	586,344.17	78.50	46,028,193
United Bank of India	CD	ACU	63,398.72	78.70	4,989,479	2,000.00	85.82	171,633
United Bank of India	CD	ACU EUR	4,228.49	81.95	346,510	22,718.78	78.50	1,783,432
Mizhuo Bank Ltd, Japan	CD	JPY	280,091.00	0.67	187,997	359,035.00	0.65	233,839
Mashreq Bank PSC, New York	CD	USD	475,039.15	78.70	37,385,581	313,121.77	78.50	24,580,153
Mashreq Bank PSC, UK	CD	GBP	6,460.43	96.22	621,639	9,630.93	116.32	1,120,286
Mashreq Bank PSC ,UK	CD	EUR	51,240.84	81.95	4,199,002	2,126.89	85.82	182,522
AB Bank Limited, Mumbai	CD	ACU	5,000.00	78.70	393,500	5,000.00	78.50	392,502
					71,794,333			74,492,561

NRB Bank Limited

Investment in Quoted Shares and Mutual Funds

As at 31 December 2016

Annexure-C

Name of the Company	Face value per share	No. of shares	Cost of holding	Average Cost	Quoted rate per share as on 31.12.2016	Total market value of share as at 31.12.2016	Unrealized gain/(loss)
Quoted Shares							
ACI Limited	10	55,000	26,627,106	484	386	21,202,500	(5,424,606)
Active Fine Chemicals Limited	10	2,350,000	92,437,777	39	43	101,755,000	9,317,223
Delta Brac Housing Finance Corp. Limited	10	30,000	3,121,245	104	102	3,066,000	(55,245)
Fortune Shoes Limited	10	10,063	100,630	10	51	511,200	410,570
Grameenphone Limited	10	150,000	49,089,052	327	284	42,615,000	(6,474,052)
Heidelberg Cement Bangladesh Limited	10	20,000	10,661,280	533	552	11,046,000	384,720
Jamuna Oil Company Limited	10	200,000	39,473,449	197	182	36,320,000	(3,153,449)
Khulna Power Company Limited	10	600,000	41,168,929	69	63	37,500,000	(3,668,929)
MJL Bangladesh Limited	10	300,000	33,922,994	113	120	35,880,000	1,957,006
Square Pharmaceuticals Ltd.	10	25,000	5,890,545	236	249	6,227,500	336,955
Summit Power Limited	10	225,000	7,780,322	35	37	8,325,000	544,678
United Power Generation & Distribution Co.	10	100,000	15,436,815	154	142	14,160,000	(1,276,815)
Uttara Finance and Investments Ltd	10	100,000	6,421,000	64	61	6,130,000	(291,000)
Yeakin Polymer Limited	10	12,555	114,125	9	30	381,672	267,547
Mutual Funds							
AIBL 1st Islamic Mutual Fund	10	3,500,000	28,806,442	8	8	29,050,000	243,558
Grameen One : Scheme Two	10	6,000,000	64,791,108	11	12	73,800,000	9,008,892
ICB AMCL 2nd NRB Mutual Fund	10	3,500,000	27,705,300	8	8	29,400,000	1,694,700
LR Global Bangladesh Mutual Fund One	10	6,500,000	44,861,050	7	7	46,150,000	1,288,950
MBL 1st Mutual Fund	10	8,500,000	59,193,150	7	7	61,200,000	2,006,850
Reliance Insurance Mutual Fund	10	400,000	3,169,194	8	10	3,880,000	710,806
Southeast Bank 1st Mutual Fund	10	1,000,000	10,921,800	11	12	12,200,000	1,278,200
Total			571,693,312			580,799,872	9,106,561

NRB Bank Limited

Highlights on the overall activities

As at 31 December 2016

Annexure-D

Sl No.	Particulars		2016	2015
1	Paid-up capital	Taka	4,000,000,000	4,000,000,000
2	Total capital (Tier-1 & Tier-2)	Taka	4,834,155,193	4,188,256,490
3	Surplus/(Shortage) Capital	Taka	834,155,193	188,256,490
4	Total assets	Taka	24,729,839,315	20,534,622,257
5	Total deposits	Taka	17,465,634,785	13,356,543,346
6	Total loans and advances	Taka	12,589,367,101	11,092,416,174
7	Total contingent liabilities and commitments	Taka	1,838,962,449	1,024,975,439
8	Loans to deposits ratio (total loans/total deposits)	%	72.08%	82.51%
9	Percentage of classified loans against total loans and advances	%	1.95%	0.20%
10	Profit after tax and provision	Taka	525,285,199	119,842,801
11	Classified loans during current year	Taka	245,075,093	22,140,296
12	Provisions kept against classified loans	Taka	84,800,780	3,801,995
13	Provision surplus/(deficit) against classified loans	Taka	-	-
14	Cost of fund (Interest expenses/Average deposits and borrowings)	%	6.60%	8.38%
15	Interest earning assets	Taka	23,779,327,992	19,885,758,877
16	Non-interest earning assets	Taka	950,511,323	648,863,380
17	Return on investment (ROI)	%	8.77%	8.72%
18	Return on assets (ROA) [PAT/ Average assets]	%	3.18%	2.02%
19	Income from investment	Taka	1,081,002,316	776,173,414
20	Earnings per share	Taka	1.31	0.30
21	Net income per share	Taka	1.31	0.30

OTHER INFORMATION

GREEN
BANKING

NRB Bank Ltd., always acknowledges the significance of Green Banking or environmentally responsible Banking which not only improve own standards but also affect socially responsible behavior of other business to save environment. From the beginning of the establishment of the Bank, we started Green Transformation of Internal Operations and introduced Green Banking Products like E-Statement, Internet Banking, and Online Banking in our Bank. Our Management has always stressed upon environment friendly initiatives, such as minimizing paper works both for internal and external communication, carbon emissions, conserve energy and water as much as possible, thus achieving efficiency in a cost-effective manner across the organization.

During the year 2015, we formed Green Banking Unit having responsibility of designing, evaluating, and administering related Green Banking issues of the Banks and issued separate 'Green Banking Policy' as per guidelines of Bangladesh Bank. During 2016, we have issued 'Green Office Guide' to be aligned with our mainstream Banking activities.

Online Banking: Online Banking system is a great way to reduce paper consumption. NRB Bank's Online Banking service is extended to all branches, ATM's booths.

Internet Banking & E-Banking: We have introduced Internet Banking and Electronic Banking services for the customers from almost the beginning of our establishment. Customers can get the access of Internet Banking and Electronic Banking services through Desktop browser, Mobile browser and downloading the Apps. Customers receive following services with the help of Internet Banking and E-Banking-

- View account information from Current, Savings, Fixed Deposit and Term Deposit Account
- View Loan Account information
- View account statement (e-statement)
- Manage cheque books
- View clearing cheque status
- View detailed information of Loan Account disbursement and repayment schedule of the loan
- Transfer funds from their NRBBL accounts to other local bank accounts through BEFTN (BEFTN decreases paper-based payment methods and encourage electronic payment methods for secured, faster & cost-effective transactions.) & RTGS.
- Pay utility, credit cards, internet and mobile bills/top-up instantly.
- Receive e-Statements any time electronically and can check accounts anytime with an active internet connection.
- Get addresses, maps, driving directions, and banking hours for the NRB Bank branches and ATM network locations.
- Get SMS alert service

Phone Banking: The Bank established 24/7 Call Centre to provide improved and enhanced Phone Banking services to the customers over the phone. Phone Banking services helps to reduce the use of paper-based statements and carbon emission as the customers don't need to visit the branches.

Debit & Credit Cards: We provide Debit & Credit cards to our customers which helps to reduce the use of paper and carbon emission in different ways.

LEED CERTIFIED GREEN HEAD OFFICE:

NRB Bank is housed in a Leed (Leadership in Energy and Environmental Design) certified Green Building (Simple Tree Anarkali, 89 Gulshan Avenue, Gulshan-1, Dhaka) with the most efficient utility, energy and resources systems. It is the first LEED certified Core & Shell project in Bangladesh. Here corporate environment responsibilities are embodied through energy efficiency, water conservation and sustainable framework for corporate identities-

Water Efficient Landscaping: The forecourt of our Head Office is established with a landscape that complements 65.83 percent of the roof that are vegetated. Irrigation is largely achieved through captured rainwater and recycled grey water. The project achieves 25 percent reduction in storm water runoff and 41 percent reduction in potable water use while 116 percent of wastewater on site is treated to tertiary standard.

Optimize Energy Performance: In terms of energy consumption the building system achieves 12.57 percent reduction in energy cost. The intelligent use of double low-e, ceramic fritted glazing panel along the west facade maintains the required SHGC (solar heat gain coefficient) value while exhibiting an urban scale artwork along the boulevard. To maximize energy performance and reduce the impact on the environment from excessive energy the building has daylight harvesting, occupant sensing lighting control and energy efficient lighting. As a result, total energy consumption has been reduced by a significant level.

Water Use Reduction: To maximize indoor water efficiency and reduce the burden on the municipal water supply and wastewater systems, the building utilizes low-flow fixtures including water closets and sinks. As a result, the building's calculated water consumption has been reduced significantly.

As a whole NRB Bank Ltd. believes that the long term success and existence of our Bank is directly linked to the health and quality of the natural environment. We endeavor to continuously improve our environmental performance, reduce greenhouse gas emission, carbon footprint, and prevent pollution by adopting and promoting renewable resources, resource efficient products, community outreach, awareness and education.

BRAND & CORPORATE
SOCIAL RESPONSIBILITY

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

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

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

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

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

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

NRB BANK
BRAND & COMMUNICATIONS

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

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

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

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

NRB BANK
RESPONSIBLE BANK

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

CSR is about (i) taking stock of the economic, social, and environmental impacts of a business, (ii) mitigating the negative impacts and bolstering the benign impacts, (iii) taking up action 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 programs and actions go beyond such mandatory compliances into voluntary engagements to promote equitable, sustainable development. Besides the self-evident ethical case, a strong business case for CSR (as investment in a strategic asset or distinctive capability, rather than an expense) is also getting clearer with developing practice; seen as benefiting a business by:

- building reputation, brand value, customer loyalty, employee motivation and retention;

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

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

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

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

Being a good corporate citizen CSR is rooted in four main areas, in which our actions as a Responsible Bank take concrete form to enhancement 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 good of society. We are determined to be a responsible bank. The Banking sector is in a leading position in discharging Corporate Social Responsibilities (CSR) in the country and the CSR practices by banks have become an integral part of their business in recent years. CSR practices by banks not only improve their own standards but also catalyst the socially responsible behavior of other businesses. Banking industry itself can also be benefited from the positive effects of CSR on the society as a whole, particularly on its clients.

As a socially responsible bank, NRB Bank has contributed in different sectors in the year 2016 as part of its CSR activities. Some of the notable ones are: donated BDT 10 lac to Dhaka North City Corporation for CCTV security project successful, donated BDT 75 lakh to the Prime Minister's Relief Fund for under privilege people of the country, donated 5,000 Blanket to PM's Relief Fund for cold hit affected people of the country, etc. Besides these we have served as a responsible bank which is passionate to bring changes in the society.

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

Globally, the notion of Corporate Social Responsibility (CSR) is fast gaining acceptance as the contribution that businesses can and should make voluntarily towards environmentally sustainable and socially equitable development. Besides the usual financial reporting, 'non-financial' or 'sustainability' reporting is accordingly also fast gaining usage.

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.

ÒAvgvi ¯cÓ Account: "আমার স্বপ্ন" 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 2 Lac

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 EarlyAccount: 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.

INFORMATION
TECHNOLOGY @ NRB BANK

Make Customer Happy with compliance. NRB Bank is a techno-centric bank from the beginning. 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.

Bank engaged PWC one of the renowned audit comply for Vulnerability Assessment and Penetration Testing (VAPT). Also doing real-time periodic DR (Disaster Recovery) operation as a part of compliance and smooth service. Arranging training & awareness building program for end users.

Revamp of new website (www.nrbbankbd.com) gives bank a new feel globally. Now customer both local & foreign can easily reachable by this. Ensure strong footprint in social network and 16568 (Short Code) for interactive customer access.

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

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

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

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

Accordant to World Economic Forum "While the use of technology in finance is not new, nor are many of the products and services that are offered by new entrants to the sector, it is the novel application of technology and its speed of evolution that make the current wave of innovation unlike any we have seen before in financial services."

KEY
ACTIVITY 2016

NRB Bank donated BDT 10 lac to Dhaka North City Corporation (DNCC) on 14 January 2016

NRB Bank donated BDT 10 lac to Dhaka North City Corporation on 14th January 2016 as part of Bank's Corporate Social Responsibility (CSR). The Chairman of NRB Bank Ltd, Mr. Iqbal Ahmed OBE handed over the cheque to the Dhaka North City Mayor Mr. Annisul Huq while Mr. Muklesur Rahman, MD & CEO and other high officials of the bank were present. This is to make the CCTV security project successful, initiated by the Dhaka North City Corporation for this area.

NRB Bank Customer Evening at The Westin, Dhaka on 14 January 2016

On the eve of 2016, NRB Bank organized a grand Customer Evening at the ballroom of The Westin Hotel, Dhaka on 13th January 2016 evening. The event was organized in honor to the top Customers of the bank and the industry as well from every sector. The program was hosted by Mr. Iqbal Ahmed OBE, the Honorable Chairman of the bank. Mr. Muklesur Rahman, MD & CEO; Mr. Iqbal U Ahmed, Advisor and other high officials of the bank were also present to greet the customers on the occasion. Sir Fazle Hasan Abed, Founder and Chairman of BRAC; Mr. Nasir A. Choudhury, Founder of Green Delta Insurance; Mr. A K M Farook, Former Ambassador; Mr. Aftabul Islam, Former President – AmCham; Mr. Nurul Aktar – CEO & Director, Energypac Ltd; Ms. Nihad Kabir, Chairperson, BRAC EPL Ltd; Mr. Mohammad Hasan, Director, City Group were amongst the many dignified guests who were present to grace the evening.

Two NRB Bank Director Made CIPs on 19 January 2016

Mr. Mahtabur Rahman, Vice Chairman and Mr. Mohammad Idris Farazi, Director of NRB Bank Limited recognized as commercially important persons (CIPs) by the government for their outstanding contribution to the economy by sending home remittances in 2014, amongst 10 non-resident Bangladeshis (NRBs). Mr. Nurul Islam, Expatriates' Welfare Minister, handed over CIP Cards along with certificates at a function in the city's Probashi Kalyan Bhaban.

NRB Bank opens 16th at Atibazar on 24 January 2016

Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank Ltd formally inaugurated NRB Bank's 16th Branch – Atibazar Branch at Keraniganj, Dhaka on 24th January [Sunday] 2016, while Mr. Rahat Shams, Head of Retail; Mr. Rafiqul Islam, Head of ICC; Mr. Tariq Ahmed, Head of FM; Mr. Mustafizur Rahman, Head of Product; Mr. Wahid Bin Ahmed, Head of SME-S; Mr. Ashraful Alam, Acting Head of IT & ADC Ops; Mr. Imran Siddiqui, Head of Sales; Mr. Md Shajib Rahman, BM – Atibazar Branch; local distinguished guests and other high officials of the bank were also present at the program.

NRB Bank opens 17th at Chawkbazar on 24 January 2016

Mr. Muklesur Rahman, Managing Director & CEO, NRB Bank Ltd formally inaugurated NRB Bank's 17th Branch – Chawkbazar, Dhaka on 24th January [Sunday] 2016, while Mr. Rahat Shams, Head of Retail; Mr. Rafiqul Islam, Head of ICC; Mr. Tariq Ahmed, Head of FM; Mr. Mustafizur Rahman, Head of Product; Mr. Wahid Bin Ahmed, Head of SME-S; Mr. Ashraful Alam, Acting Head of IT & ADC Ops; Mr. Imran Siddiqui, Head of Sales; Mr. Kazi Azizur Rahman, BM – Chawkbazar Branch; local distinguished guests and other high officials of the bank were also present at the program.

Agreement Signing Ceremony between Election Commission and NRB Bank Limited on 04 February 2016

NRB Bank Limited and Bangladesh Election Commission has signed an agreement recently to enable Identity verification services from EC which will authenticate individuals and ensure transparent financial transactions. With the signing of this agreement NRB Bank will be able to verify NID submitted by the account holders for account opening, loans etc.
Mr. Muklesur Rahman – Managing Director and CEO of NRB Bank Limited and Syed Ahmed Musa-Director Operations (NID Project), has signed on the agreement.

Launching Ceremony of Home Loan for NRB's and My Study Loan on 08 February 2016

Muklesur Rahman, Managing Director & CEO of NRB Bank, launches the Bank's Home Loan for Non-resident Bangladeshis (NRBs) and Study Loan for students on 08 February(Mon Day),2016 in Dhaka. Asaduzzaman Khan, Head of NRB Business–Retail Banking, Mustafizur Rahman, Head of Retail Products and Cards and other high officials of NRB Bank Limited were present on the occasion.

Through this product, NRB Bank extend the mortgage facility to NRBs working abroad for the purpose of housing in Bangladesh(With attractive interest rate). NRB Bank Limited is the 2nd bank in Bangladesh to launch this product.

MOU Signing between NRB Bank Limited and US-Bangla Airlines on 17 February 2016

Mr . Muklesur Rahman, Managing Director & CEO, NRB Bank Limited and Mohammed Abdullah Al Mamun, Managing Director, US-Bangla Airlines has signed an agreement on behalf of both the organizations on 17th February in Dhaka.

NRB Bank Limited and Sandhani Life Insurance Co. Ltd. signed an Agreement for BEFTN services on 03 February 2016

NRB Bank Limited and Sandhani Life Insurance Co. Ltd has signed an agreement on 23rd February in Dhaka. Muklesur Rahman, Managing Director & CEO of NRB Bank Limited and Mr. Ahasanul Islam, Managing Directorof Sandhani Life Insurance Co. Ltd. has signed on the agreement on their respective behalf. Zeeshan Hasib, Deputy Managing Director of NRB bank Limited, Col. Wais Huda(Retd.), Chairman -Sandhani Life Finance Ltd and other high officials of both the organizations were present on the occasion.

NRB Bank Limited Participated in the Micro SME Fair 2016 and International Conference on 5-6 March 2016

NRB Bank participated in the Micro SME Fair 2016 held on 5-6 March and International Conference on development of Micro, Small and Medium Enterprises (MSMEs) in Bangladesh: Sharing Asian Experiences organised by South East University. Bangladesh Bank Governor Dr. Atiur Rahman inaugurated the Fair and poses with the NRB Bank's officials. Mr. Wahid Bin Ahmed , Head of SME banking was also present on the occasion.

NRB Bank Limited Participated in the Bangladesh ICT EXPO-2016 from 3-5 March 2016

NRB Bank participated in the Bangladesh ICT EXPO-2016 from March 03-05, organized by ICT Division , Ministry of Telecommunication and Information Technology and BCS, which is held at the Bangabandhu International Conference Centre with the theme 'Meet Digital Bangladesh'.

Inaugural Ceremony of the Foundation Training Course for the Officers of NRB Bank Limited from 13-22 March 2016

Muklesur Rahman, Managing Director and CEO of NRB Bank Ltd, was the Chief Guest of the inaugural ceremony of a foundation training course for the officer of NRB Bank Limited at BIBM, recently poses with the participant.

NRB Bank runs account opening workshops in London and Manchester from 14-27 March 2016

Zeeshan Hasib, Deputy Managing Director of NRB Bank Limited handed over the Cheque Book and ATM Card to the Honourable High Commissioner of Bangladesh in UK.

NRB Bank Limited has organised an account opening workshop in London and Manchester, UK which is started on 14th March and ended on 27th of March. Chairman of NRB Bank Limited Iqbal Ahmed OBE, was present at the inauguration of the workshop. The workshop took place in Bangladesh Welfare Association office in East London.

Deputy Managing Director of NRB Bank, Zeeshan Hasib and Head of Brand and Communications MD. Towfiqul Alam Chowdhury were present and helped the clients at the workshop.

MOU Signing ceremony between NRB Bank Limited and BRAC EPL Stock Brokerage Limited on 18 April 2016

NRB Bank Limited and BRAC EPL Stock Brokerage Ltd has signed an agreement recently in Dhaka. Zeeshan Hasib, Deputy Managing Director of NRB Bank Limited and Sherief M. A Rahman, CEO of BRACEPL Stock Brokerage Limited, has signed on the agreement on their respective behalf. Iqbal U Ahmed, advisor of NRB bank Limited and other high officials of both the organizations were present on the occasion.

NRB Bank Limited Inaugurated DESCO Bill Collection Booth at Tongi on 26 April 2016

Mr. Zeeshan Hasib, Managing Director and CEO (in-charge), NRB Bank Limited and Mr. Md. Rofi Uddain , Executive Director (F & A) of DESCO Head office, has formally inaugurated NRB Bank's Bill Collection Booth for DESCO Bills at Tongi ,West SAQUIB Road ,Cherag Ali, Tongi. Eng. Md Golam Rabbani, Executive Engineer of DESCO, Md. Mahbubur Rashid, Head of Corporate Liability and Head and Brand and Communications -Md.Towfiqul Alam Chowdhury were present on the occasion among other high officials of both of the organization.

MOU signing with Prescription Point Ltd. for Corporate benefit and Privileged services on 05 May 2016

NRB Bank Limited and Prescription Point Ltd. has signed an agreement recently in Dhaka.
Zeeshan Hasib, Acting Managing Director of NRB Bank Limited and Mr. Mobarak Hossain, Chairman, Prescription Point has signed on the agreement on their respective behalf.
Iqbal U Ahmed, advisor of NRB bank Limited and Mr. Khondaker Abu Ashfaque, Managing Director, Prescription Point were present on the occasion along with other high officials of both the organizations.

NRB Bank's New Branch Opening at Zazira on 10 May 2016

NRB Bank Limited formally inaugurated NRB Bank's new branch-Zajira Branch at Shariyatpur ,Zajira on 10th May(Tues Day) 2016, while B.M Mojammel Haque M.P was presented as the chief guest .Vice Chairman of NRB Bank Limited Mohammed Mahtabur Rahman, Director Mohammed Idrish Farazy and acting Managing Director Zeeshan Hasib were presented among other directors -Mr. Tatiyama Kabir, Mr.M. Badiuzzaman , Aminur Rashid Mamun, Sponsor Shareholder- Jahangir Farazy, local M.P ,Mayor and other local distinguished guests.

MOU Signing with DuSai Resort and SPA on 12 May 2016

Mr. Rahat Shams, Head of Retail Banking, NRB Bank Limited and Md. Nasir Uddin Apu, Head of Sales and Marketing, DuSai Resort and SPA signed an agreement recently on customer benefit on behalf of both of the organizations. Md. Towfiqul Alam Chowdhury ,Head of Brand and Communications, NRB Bank Limited were also present among others on the occasion.

NRB Bank Ltd. Holds Managers' Conference 2016 on 28 May 2016

Managers' Conference for the year 2016 of NRB Bank Limited held on Saturday, 28 May 2016 at Lake Shore Hotel, Dhaka. Mr. Iqbal Ahmed OBE, Chairman of NRB Bank Limited inaugurated the conference by cutting the cake. Among others, Vice Chairman Mr. Mohammed Mahtabur Rahman, Directors Mr. Khalilur Rahman Choudhury, Dato' Engr . Md . Ekramul Haque, Mr. M. Badiuzzaman, Mr. Kamal Ahmed, Mr. Tateyama Kabir, Dr. Nesar Ahmed Choudhury, Mr. Abdul Karim, Mr. Fazlur Rashid Khan, Mr. Khandakar R. Amin, Alternative Directors Mr. Aminur Rashid Khan, Mr. Mohammed Jahed Iqbal and Adviser to the Board of Directors Mr. Iqbal U Ahmed attended the conference. Managing Director & CEO (In-Charge) Mr. Zeeshan Hasib, Deputy Managing Director Mr. Saaduddin Ahmed, Members of Management Committee, Mangers of 19 Branches and employees from different department were also present on the occasion.

Agreement Signing Ceremony with Data Fort Limited on 15 June 2016

NRB Bank Limited and Data Fort Limited (Franchisee of Info Fort LLC) has signed an agreement on document archive management services both physical and digital in 15th June 2016. Zeeshan Hasib– Managing Director and CEO(In-Charge) of NRB Bank Limited and M H Khusru ,Managing Director and CEO of Data Fort Limited (Franchisee of Info Fort LLC) has signed the agreement on their respective behalf. Besides them other high officials of both the organization were presented on the occasion.

NRB Bank Ltd. Holds 3rd Annual General Meeting on 26 June 2016

3rd Annual General Meeting (AGM) of NRB Bank Limited was held on 26 June 2016 at Eden Ball Room of Hotel Amari, Dhaka. Mr. Iqbal Ahmed OBE, Chairman of the Bank presided over the meeting. Among others, Vice Chairman Mr. Mohammed Mahtabur Rahman, Chairman of Executive Committee Dato' Engr. Mr. Md . Ekramul Haque, Chairman of Risk Management Committee Engr. Mr. Abu Taher Mohammed Amanullah, , other Board of Directors and Sponsor Shareholders, Managing Director & CEO (In-Charge) Mr. Zeeshan Hasib, Adviser to the Board of Directors Mr. Iqbal U Ahmed and Members of Management Committee of the Bank were also present.

Mohammed Mahtabur Rahman elected as Chairman of NRB Bank Limited on 27 June 2016

Mr. Mohammed Mahtabur Rahman has been unanimously elected as the Chairman of the Board of Directors of NRB Bank Limited in its 39th Board meeting held on 27 June 2016. Prior to his new role, he was the Vice Chairman of the Bank.

NRB Bank Limited and Daffodil International University has signed an MOU on 21 July 2016

"NRB BANK LIMITED and Daffodil International University has signed an MOU dated July 21, 2016. Zeeshan Hasib, Managing Director and CEO (In-Charge) of NRB Bank Limited and Md. Hamidul Haque Khan (Murad) Acting Vice Chancellor of Daffodil International University has signed on the agreement on their respective behalf. Professor Dr. Engr. A.K.M. Fazlul Hoque ,Registrar , Mominul Haque Majumder Director (Finance & Accounts) of Daffodil International University and Md. Mahbubur Rashid, Head of Corporate Liability, Md Towfiqul Alam Chowdhury, Head of Brand and Communications of NRB Bank Limited and other high officials of both the organizations were present on the occasion.

Under this agreement NRB Bank will provide Tuition Fees Collection Service of Daffodil International University (DIU), Dhanmondi Campus. Presently NRB Bank provides such collection services to the Government Organization. The Service will encourage the public & private universities to work together for mutual benefits."

NRB Bank gets Mehmood Husain as Managing Director and CEO on 01 August 2016

Md. Mehmood Husain has joined NRB Bank Limited as the Managing Director and CEO with effect from August 01, 2016. Prior to his new assignment Mehmood Husain was serving as the President and Managing Director of Bank Asia.

NRB Bank donates BDT 75 lakh to PM's Relief Fund on 11 August 2016

Mr. Mohammed Mahtabur Rahman, Chairman of NRB Bank Ltd hands over a cheque of BDT 75 lakh to Honorable Prime Minister Sheikh Hasina as a donation to the Prime Minister's Relief Fund at a function held at Gono Bhaban recently. Mr. Tateyama Kabir, Vice Chairman of the Bank was also present.

Tateyama Kabir elected Vice Chairman of NRB Bank Limited on 17 August 2016

Mr. Tateyama Kabir has been elected as the Vice Chairman of NRB Bank Limited at the recent meeting of the Bank's Board of Directors . He is the founder director of the Bank. Mr. Kabir did his Masters in Japanese language from University of Toyoma, Japan. He started his business career in Japan and established himself as the leading automobile trader. He is the President of Kabir Auto Export Co Ltd, which export Japanese automobiles to a large number of countries around the globe. One of the most successful Nonresident Bangladeshi businessmen Tateyama Kabir is actively involved with many social organizations at home and abroad.

M Badiuzzaman elected Chairman of Executive Committee of NRB Bank Limited on 17 August 2016

Board of Directors of NRB Bank Limited recently elected Mr. M Badiuzzaman as the Chairman of Executive Committee of the Bank.
M Badiuzzaman is a proficient businessman involved with many local and overseas companies. A Graduate from Dhaka University Mr. Zaman holds corporate/ individual membership of Singapore Business Federation (SBF), Singapore, Textile and Fashion Federation (TAFF), Singapore, International Business Forum of Bangladesh (IBFB) and Real Estate and Housing Association of Bangladesh (REHAB).

Imtiaz Ahmed elected Chairman of Audit Committee of NRB Bank Limited on 17 August 2016

Board of Directors of NRB Bank Limited recently elected Mr. Imtiaz Ahmed as the Chairman of Audit Committee of the Bank. .

Imtiaz Ahmed is an educationist. He did his Masters in Social Science and obtained Law degree from the University of Dhaka. Later he obtained PGCE from the University of East London. Imtiaz Ahmed is an enrolled advocate of Bangladesh Supreme Court and a member of Sylhet District Bar Association.

Mohammed Idrish Farazy elected Chairman of Risk Management Committee of NRB Bank Limited on 17 August 2016

Board of Directors of NRB Bank Limited recently elected Mr. Mohammed Idrish Farazy as the Chairman of Risk Management Committee of the Bank.

Mohammed Idrish Farazy is an Italy based remittance businessman. He received the Mother Teresa International Award in 2006 for his outstanding contribution to remittance business. In 2012, he was honored with the CIP status by the Govt. of Bangladesh.

NRB Bank Opens a New Branch in Khulna on 29 August 2016

Alhaj Mohammad Mijanur Rahman M.P formally inaugurated the new branch as the chief guest of the ceremony, organised on the occasion. NRB Bank Limited Chairman Mohammed Mahtabur Rahman, Vice – Chairman Tateyama Kabir, Chairman of EC Committee M Badiuzzaman, Chairman Risk Management Committee Mohammed Idrish Farazy, Chairman Audit Committee Imtiaz Ahmed, Directors Aminur Rashid Khan (Alternative Director), Director Mohammed Jamil Iqbal and Kamal Ahmed, Deputy Managing Director Zeeshan Hasib and Head of Retail Banking Rahat Shams along with other senior officials and local dignitaries were present on the occasion.

BRTA Shatkhira Booth Opening Ceremony on 28 August 2016

Mr. Zeeshan Hasib, Deputy Managing Director, NRB Bank Limited and Mr. Abul Kashem Md. Mohiuddin, Deputy Commissioner (DC) & District Magistrate, Satkhira, Mr. Md. Altaf Hossain, Superintendent of Police, Satkhira, has formally inaugurated NRB Bank's Fee Collection Booth for BRTA at Satkhira , at Satkhira DC office.

Md. Mahbubur Rashid, Head of Corporate Liability was present on the occasion among other high officials of both of the organization.

Noakhali BRTA Fees Collection Booth Opened on 28 September 2016

NRB Bank Limited has inaugurated the BRTA MV Tax & Fees Collection service by setting up collection booth at the district of Noakhali dated September 28, 2016.

The above booth has been inaugurated by the honorable Deputy Commissioner of Noakhali Mr. Badre Munir Ferdouse, and Mr. Jashim Uddin Chowdhury, Additional SP, Mr. Farhanul Islam, Assistant Director BRTA.

Md. Mahbubur Rashid, Head of Corporate Liability was present on the occasion among other high officials of both of the organization.

The BRTA collection service will provide from 9:00 am to 3:00pm and deposit to the nearest correspondent bank Pubali Bank Limited through the help from Bangladesh Police.

NRB Bank Limited Organized Training on Basic Credit on 8 October 2016

NRB Bank Limited arranged a day-long training session on 'Basic Credit' on Saturday 8th October 2016 at the Corporate Head Office of the Bank. The training was inaugurated by Mr. Md. Mehmood Husain, the Honorable MD & CEO of NRB Bank Limited. The participants of the training program were all Branch Managers of Dhaka Region and Relationship Managers and Officers of SME Banking Division.

User Awareness Training on ADC, Core Banking and ICT Security on 29 October 2016

NRB Bank Limited arranged a day-long training session on ADC , Core Banking and ICT Security on Saturday 29th October 2016 at the Corporate Head Office of the Bank. The training was inaugurated by Mr. Saaduddin Ahmed, DMD & CRO and Abu Md. Sabbir Hassan Chowdhury Head of IT of NRB Bank Limited. The participants of the training program were all officers from IT and ADC Operations of Dhaka Regional branches and Relationship Managers and Officers of Retail Banking Division.

NRB Bank's Gulshan Branch Shifted to New Location on 30 October 2016

NRB Bank Limited has recently shifted it's Gulshan Branch to Banani at Classic Tower, House No #1, 1st floor, Road No #11, Block #F, Banani on Sunday, 30 October 2016, while Chairman of NRB Bank Limited Mr. Mohammed Mahtabur Rahman, Mr. Tateyama Kabir, Vice Chairman, Mr. M Badiuzzaman, Chairman of EC Committee, Mr. Mohammed Idrish Farazy, Chairman, Risk Management Committee and Managing Director & CEO Mr. Md. Mehmood Husain were present among other Directors. Mr. Iqbal Ahmed OBE, Dato' Engr. Md. Ekramul Haque, Mr. Mohammed Jamil Iqbal, Khondokar Ruhul Amin, Mr. Kamal Ahmed, Mr. Naveed Rashid Khan Directors of the bank and Iqbal U Ahmed, Mr. Shahedul Alam Khan Alternate Directors and local distinguished guests among other high officials of NRB Bank Limited.

NRB Bank's Principal Branch Shifted to New Location on 30 October 2016

With a vision to be the Bank of choice of the valued customers and considering their conveniences, NRB Bank Limited has recently shifted it's Principal Branch to Simpletree Anarkali, 89, Gulshan Avenue, Gulshan -1, Dhaka. Mr. Mohammed Mahtabur Rahman, Chairman of the Bank formally inaugurated the branch. Mr. Tateyama Kabir, Vice Chairman, Mr. M Badiuzzaman, Chairman of EC Committee, Mr. Mohammed Idrish Farazy, Chairman of Risk Management Committee, Mr. Iqbal Ahmed OBE, Dato' Engr. Md . Ekramul Haque, Mr. Kamal Ahmed, Mr. Mohammed Jamil Iqbal, Mr. Naveed Rashid Khan – Directors of the Bank, Khondokar Ruhul Amin, Mr. Shahedul Alam Khan, Mr. Ali Ahmed, Mr. Iqbal U Ahmed – Alternative Directors, Managing Director & CEO Mr. Md. Mehmood Husain; high officials of the Bank and other local distinguished guests were also present on the occasion.

MOU Signing with The Blazer BD for Corporate Benefit and Privileged Services on 08 November 2016

Mr. Rahat Shams, Head of Retail Banking, NRB Bank Limited and Kazi Rajib Uddin Ahmed Chapol, Managing Director of The Blazer BD has signed an agreement recently on customer benefit on behalf of both of the organizations. Mr. Ahsanul Haque, Executive Director of The Blazer BD and Mir Shafiqul Islam, Head of Cards, NRB Bank Limited were also present among others on the occasion.

By this agreement all NRB Bank's debit and credit card holders & employees will get 15% discount on tailoring and fabrics and additional 5% (i.e. total 20% discount) discount to the child's outfit making (below 7 years).

NRB Bank donates Blanket to PM's Relief Fund 08 December 2016

Mr. M Badiuzzaman, Executive Committee Chairman of NRB Bank Limited and Mr. Md. Mehmood Husain, Managing Director & CEO handed blankets to Honourable Prime Minister Sheikh Hasina as contribution towards the Prime Minister's Relief and Welfare Fund at Prime Minister's Office on December 08, 2016 for the under privileged people of the country.

A Tripartite Deal was signed among SME Foundation, Jute Diversification Promotion Center (JDPC) and NRB Bank on 15 December 2016

The signing ceremony was presided over by the SME Foundation's Chairperson Mr. K M Habib Ullah and the Chief Guest of the Ceremony was the Jute and Textile Secretary, Mr. M. A Qader Sarker. In the signing ceremony, Mr. Md. Mehmood Hossain, Managing Direcor and CEO, NRB Bank Limited ,Mr. Md. Shafiqul Islam, Managing Director, SME Foundation, Ms. Nasima Begum, Executive Director, JDPC signed the deal on behalf of their respective organizations. The senior officials from the both organizations were present on this signing ceremony.

NRB Bank's Chairman honoured with Best CIP Status for consecutive four years on 18 December 2016

Mr. Mohammed Mahtabur Rahman, Chairman of NRB Bank Ltd. and Chairman & Managing Director of Al Haramain Perfumes Group of companies, UAE has received the 'Commercially Important Person' (CIP) award for the fourth consecutive time. Mr. Rahman has clinched the title of the highest remittance sender through proper channel for the year 2015. He received the award from Mr. Nurul Islam B.S.C., Minister for Expatriates' Welfare and Overseas Employment at a ceremony held at the Bangabandhu International Conference Center, Dhaka, Bangladesh on Sunday, 18th December 2016.

MOU Signing with The Peninsula Chittagong for Corporate Benefit and Privileged Services on 21 December 2016

Mr. Mir Shafiqul Islam, Head of Cards, NRB Bank Limited and Mr. Imran Humayun Khan, Head of Sales and Marketing, The Peninsula Chittagong signed an agreement recently on customer benefit on behalf of both the organizations. Under this agreement all NRB Bank Cardholders and Employees will be privileged with 50% discounts on Room Tariff & Banquet Hall Rent and 10% Discount at Laguna Restaurant. Md. Asaduzzaman Khan, Head of NRB Business, NRB Bank Limited was also present among others on the occasion.

NRB Bank Limited signed participating agreement with Bangladesh Bank on 27 December 2016

NRB Bank Limited and Bangladesh Bank has signed participating agreement recently for long-term financing facility under Financial Sector Support Project (FSSP) at A.N.M. Hamidullah Conference Room of Bangladesh Bank. Mr. Md. Mehmood Husain Managing Director & CEO of NRB Bank Limited and Executive Director & Project Director of Financial Sector Support Bangladesh Bank , Mr. Subhankar Saha signed the agreement on behalf of their respective organizations. Deputy Governor of Bangladesh Bank, Mr. S. M. Moniruzzaman and other high officials of NRB Bank Limited were present on the occasion.

2nd Extra Ordinary General Meeting of NRB Bank Limited on 28 December 2016

2nd Extra Ordinary General Meeting (EGM) of NRB Bank Limited was held on 28 December 2016 at Board Room, Corporate Head Office of NRB Bank Limited, Simple tree Anarkali, 89 Gulshan Avenue, Dhaka. Mr. Mohammed Mahtabur Rahman, Chairman of the Bank presided over the meeting. Among others, Mr. Md Mehmood Husain, Managing Director & CEO, Mr. Tateyama Kabir, Vice Chairman, Mr. M Badiuzzaman, Chairman of EC Committee, Mr. Mohammed Idrish Farazy, Chairman of Risk Management Committee, other Board of Directors and Sponsor Shareholders of the Bank were also present.

BRANCH
NETWORK

PRINCIPLE BRANCH
Simple Tree - Anarkali
89 Gulshan Avenue, Gulshan – 1, Dhaka, Bangladesh

BANANI BRANCH
Classic Tower (1st Floor)
House No. : 1, Road: 11, Block: F, Banani, Dhaka-1213

BOGRA BRANCH
Bogra Trade Centre (Ground Floor)
766(ii) Rangpur Road, Datta Bari, Borogola, Bogra-5800

GEC MOOR BRANCH
565/A CDA Avenue (1st Floor)
GEC Circle, East Nasirabad, Chittagong, Bangladesh

JOYPARA BRANCH
Monowara Mansion (1st Floor)
East Lotakhola, Joypara, Dohar, Dhaka1330, Bangladesh.

UTTARA BRANCH
S M Tower (Ground & 1st Floor)
House # 14,Road # 2, Sector # 3 ,
Jashimuddin Avenue , Uttara Model Town, Dhaka1230,Bangladesh.

CHITTAGONG MAIN BRANCH
World Trade Center (2nd Floor)
102-103 Agrabad Commercial Area, Chittagong 4000,Bangladesh

GOALABAZAR BRANCH
Al Murad Plaza (1st Floor)
Goala Bazar, Osmaninagar, Sylhet 3124.

KHULNA MAIN BRANCH
MatriBhasa Bhaban (1st Floor) House # 63, KDA Avenue, Thana - Sonadanga
District-Khulna, Division-Khulna.

ATI BAZAR BRANCH
House # 122, 81 , Bapari Plaza
PO: Shyamlapur Naogaon, Taranagar Union 3 Keranigonj Dhaka.

PALLABAZAR BRANCH
Vill- Palla, Thana: Chatkhil,Noakhali, Chittagong

SATKANIA BRANCH
Ula Miah Market (1st Floor) Keranihat Satkania, Chittagong, Bangladesh

MADHABPUR BRANCH
Sayhum Future Complex (1st Floor)
Madhabpur Bazar, Madhabpur, Habigonj-3331

DILKUSHA BRANCH
PFI Tower (1st Floor)
56-56 Dilkusha C/A, Dhaka-1000

SYLHET MAIN BRANCH
Man Ru Shopping City (Ground Floor)
891 Mir Box Tula Road, Chowhatta, Sylhet 3100, Bangladesh

MOULVIBAZAR BRANCH
Holding No. 985 & 986 (1st Floor)
M Saifur Rahman Road, Moulvibazar, Bangladesh.

PACHDONA BRANCH
Jubayer Tower (1st Floor)
Panchdona Bazar, Narsingdi Sadar, Narsingdi 1603.

HOTAPARA BRANCH
Surma Valley (KRC Commercial and Residential Building, 1st Floor) Holding No. 651, Hotapara, Gazipur Sadar, Gazipur 1740

ASHULIA BRANCH
Ahsan Complex (1st Floor) Holding No.356/1, Bashundhara EPZ Road
Baipile, Ashulia, Savar, Dhaka 1349.

PATENGA BRANCH
2514/3984 Airport Road, (Padma Oil Co. Ltd. , Guptakhal)
Patenga, Chittagong

ZAJIRA Branch
House # 204, North Baiksha Zajira Municipality, Thana-Zajira, District-Shariatpur, Division-Dhaka

CHAWK BAZAR BRANCH
House #16, Water Works Road, Chawk bazar, Dhaka.

BHULTA BRANCH
Rabet al Hasan Shopping Center (1st Floor)
Bhulta, Thana Rupgonj, Narayanganj.

LALDIGHIRPAR BRANCH
Rahman Chamber (1st Floor), Holding No. : 3162 Raza G.C. Road, Ward – 14, Laldighirpar, Bondar Bazar, Sylhet.

HEMAYETPUR BRANCH
1576, Lalon Tower And Shopping Complex (1st Floor),Purbahati,
Bilamalia, Tatul Jhora, Hemayetpur, Savar

ATM
NETWORK

PRINCIPLE BRANCH ATM
Simple Tree - Anarkali
89 Gulshan Avenue, Gulshan – 1, Dhaka

BANANI BRANCH ATM
Classic Tower (Ground Floor)
House No. : 1, Road: 11, Block: F, Banani, Dhaka-1213

BOGRA BRANCH ATM
Bogra Trade Centre (Ground Floor)
766(ii) Rangpur Road, Datta Bari, Borogola, Bogra-5800

GEC MOOR BRANCH ATM
565/A CDA Avenue (Ground Floor)
GEC Circle, East Nasirabad, Chittagong

JOYPARA BRANCH ATM
Monowara Mansion (Ground Floor)
East Lotakhola, Joypara, Dohar, Dhaka1330

UTTARA BRANCH ATM
S M Tower (Ground Floor)
House # 14,Road # 2, Sector # 3 , Jashimuddin Avenue , Uttara Model Town, Dhaka1230

CHITTAGONG MAIN BRANCH ATM
World Trade Center (2nd Floor)
102-103 Agrabad Commercial Area, Chittagong 4000

GOALABAZAR BRANCH ATM
Al Murad Plaza (Ground Floor)
Goala Bazar, Osmaninagar, Sylhet 3124.

KHULNA MAIN BRANCH ATM
House # 63, MatriBhasa Bhaban, KDA Avenue, Thana - Sonadanga
District-Khulna, Division-Khulna.

ATI BAZAR BRANCH ATM
House # 122, 81 , Bapari Plaza PO: Shyamlapur Naogaon, Taranagar Union 3 Keranigonj Dhaka.

PALLABAZAR BRANCH ATM
Vill- Palla, Thana: Chatkhil,Noakhali, Chittagong

SATKANIA BRANCH ATM
Ula Miah Market (1st Floor) Keranihat Satkania, Chittagong

MADHABPUR BRANCH ATM
Sayhum Future Complex (Ground Floor)
Madhabpur Bazar, Madhabpur, Habigonj-3331

DILKUSHA BRANCH ATM
PFI Tower (Ground Floor)
56-56 Dilkusha C/A, Dhaka-1000

SYLHET MAIN BRANCH ATM
Man Ru Shopping City (Ground Floor)
891 Mir Box Tula Road, Chowhatta, Sylhet 3100

MOULVIBAZAR BRANCH ATM
Holding No. 985 & 986 (Ground Floor)
M Saifur Rahman Road, Moulvibazar

PACHDONA BRANCH ATM
Jubayer Tower (Ground Floor)
Panchdona Bazar, Narsingdi Sadar, Narsingdi 1603.

HOTAPARA BRANCH ATM
Surma Valley (KRC Commercial and Residential Building, Ground Floor)
Holding No. 651, Hotapara, Gazipur Sadar, Gazipur 1740

ASHULIA BRANCH ATM
Ahsan Complex (Ground Floor) Holding No.356/1, Bashundhara EPZ Road
Baipile, Ashulia, Savar, Dhaka 1349.

DHANMONDI ATM
House # 24/C (Old 405/C) Road # 16 (Old 27)
Dhanmondi R/A Dhaka – 1209.

ZAJIRA BRANCH ATM
House # 204, North Baiksha Zajira Municipality, Thana-Zajira, District-Shariatpur, Division-Dhaka

CHAWK BAZAR BRANCH ATM
House #16, Water Works Road, Chawk bazar, Dhaka.

BHULTA BRANCH ATM
Rabet al Hasan Shopping Center (1st Floor)
Bhulta, Thana Rupgonj, Narayanganj.

LALDIGHIRPAR BRANCH ATM
Rahman Chamber (Ground Floor), Holding No. : 3162 Raza G.C. Road, Ward – 14, Laldighirpar, Bondar Bazar, Sylhet.

HEMAYETPUR BRANCH ATM
1576, Lalon Tower And Shopping Complex (Ground Floor),Purbahati, Bilamalia, Tatul Jhora, Hemayetpur, Savar

CORRESPONDENT BANKING
(FINANCIAL INSTITUTIONS)

Correspondent banking is an essential component of the global banking system, especially for cross-border transactions. Through correspondent banking relationships, banks can access financial services in different jurisdictions and provide cross-border banking services to their customers, supporting, inter alia, international trade and financial inclusion. Until recently, banks have maintained a broad network of correspondent relationships, but there are growing indications that this situation is being changed. In particular, most of the global banks are reluctant to extend the number of relationships due to stringent AML policy and due diligence perspective.

This strategy also reflects banks' cost-benefit analysis, shaped by the re-evaluation of business models in the new macroeconomic environment and changes in the regulatory and enforcement landscape, notably with respect to more rigorous prudential requirements, economic and trade sanctions, anti-money laundering and combating the financing of terrorism (AML/CFT) and tax transparency. These factors inform banks' risk and reputational cost perceptions. Further pressures to withdraw CBRs may arise where regulatory expectations are unclear, risks cannot be mitigated, or there are legal impediments to cross-border information sharing. These factors operate concurrently, although their relative significance varies case-by-case.

Albeit these facts and being fourth generation bank, NRB bank has successfully accommodated a good number of transactions which require adding confirmation and financing facility through its correspondents. We managed to widen our correspondent network in 40 countries around the world. 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

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

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

NRB Bank
Not Just Another Bank

Registered Office
Simpletree Anarkali, 89 Gulshan Avenue
Gulshan-01, Dhaka-1212, Bangladesh

NOTICE OF THE 4TH ANNUAL GENERAL MEETING

Notice is hereby given to all the Members of NRB Bank Limited that the 4th Annual General Meeting (AGM) of the company will be held on Thursday , 21 September 2017 at 11:00 A.M. at Ranggamati & Jaflong Hall, 14th Floor, Le Meridien, Dhaka, 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229, Bangladesh to transact the following Agenda:

AGENDA

1. To receive, consider and adopt the Profit & Loss Account of the Company for the year ended on 31 December, 2016 and the Balance Sheet as of that date together with Directors' Report and Auditors' Report thereon.
2. To declare dividend for the year ended on 31 December, 2016.
3. To elect/re-elect Directors.
4. To appoint Auditors of the Company for the term until conclusion of the next Annual General Meeting and fixation of their remuneration.
5. 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

30 August 2017

NOTES

1. The "Book Closer"/"Record Date" is on 07 September 2017. The Members (Shareholders) whose names would appear in the Register of Members of the Company as on Record Date will be entitled to the dividend and attend the 4th Annual General Meeting (AGM).
2. 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 (Forty Eight) hours before the time fixed for the Annual General Meeting.
3. Members (Shareholders) are requested to notify the change of address, if any, well in time.

NOTE

NRB Bank
Not Just Another Bank

Registered Office
Simpletree Anarkali, 89 Gulshan Avenue
Gulshan-01, Dhaka-1212, Bangladesh

PROXY FORM

I / We ……

of (address) ……

being a member of NRB Bank Limited, do hereby appoint Mr./Ms. ……

of (address) ……

as my/our proxy to attend and vote for me/us and on my/our behalf at the 4th Annual General Meeting of the Company to be held on Thursday, 21st September 2017 at 11:00 A.M. Ranggamati & Jaflong Hall, 14th Floor, Le Meridien, Dhaka, 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229 , Bangladesh at any adjournment thereof.

Signed this…….. day of …… 2017.

Signature of the Member ……

Revenue Stamp
Tk. 20/-

Folio No. | | | | | | | | |

Number of Shares held | | | | | | | | |

Signature of Proxy ……

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

NRB Bank
Not Just Another Bank

Registered Office
Simpletree Anarkali, 89 Gulshan Avenue
Gulshan-01, Dhaka-1212, Bangladesh

ATTENDANCE SLIP

I/We hereby record my/our attendance at the 4th Annual General Meeting of NRB Bank Limited to be held on Thursday, 21st September 2017 at 11:00 A.M. Ranggamati & Jaflong Hall, 14th Floor, Le Meridien, Dhaka, 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229, Bangladesh.

Name of Member/Proxy……

Folio No. | | | | | | | | |

Number of Shares held | | | | | | | | |

Signature of Member / Proxy ……

Date……

NRB Bank Limited

Corporate Head Office
Simpletree Anarkali
89 Gulshan Avenue, Gulshan
Dhaka-1212, Bangladesh