



ANNUAL REPORT 2018





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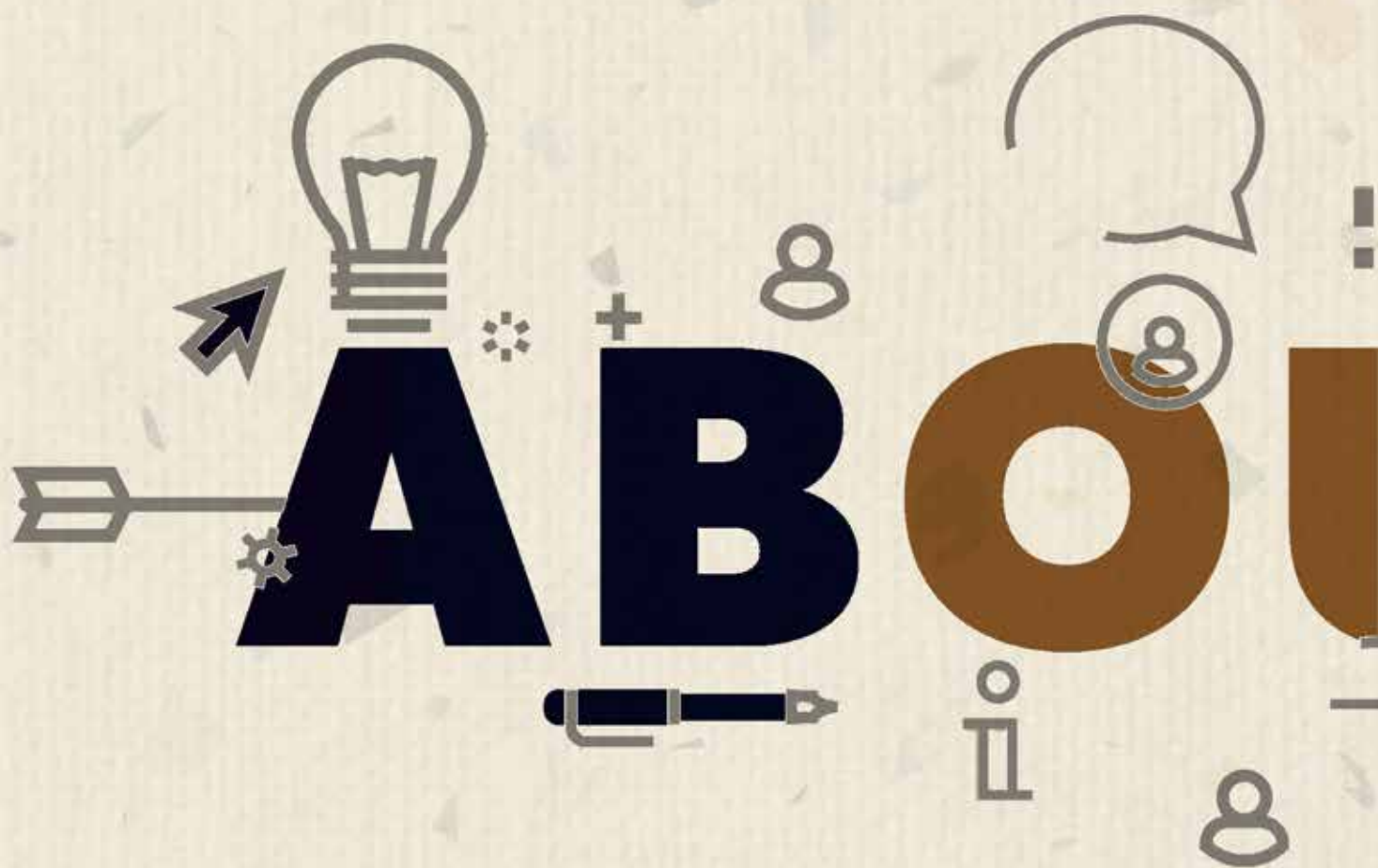
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LETTER OF TRANSMITTAL

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 2018.

We are pleased to enclose a copy of the Annual Report along with the Audited Financial Statements and Balance Sheet as at 31 December 2018, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement for the year ended 31 December 2018 together with notes thereon of NRB Bank Limited for your kind information and record.

Best regards,

Sincerely Yours,



Md. Hasanul Haque
Company Secretary

DISCLAIMER

This Annual Report 2018 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 122 to 176. 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 International Financial Reporting Standards (IFRS) 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 grow projection is likely to be 3.5% for the year 2020. 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

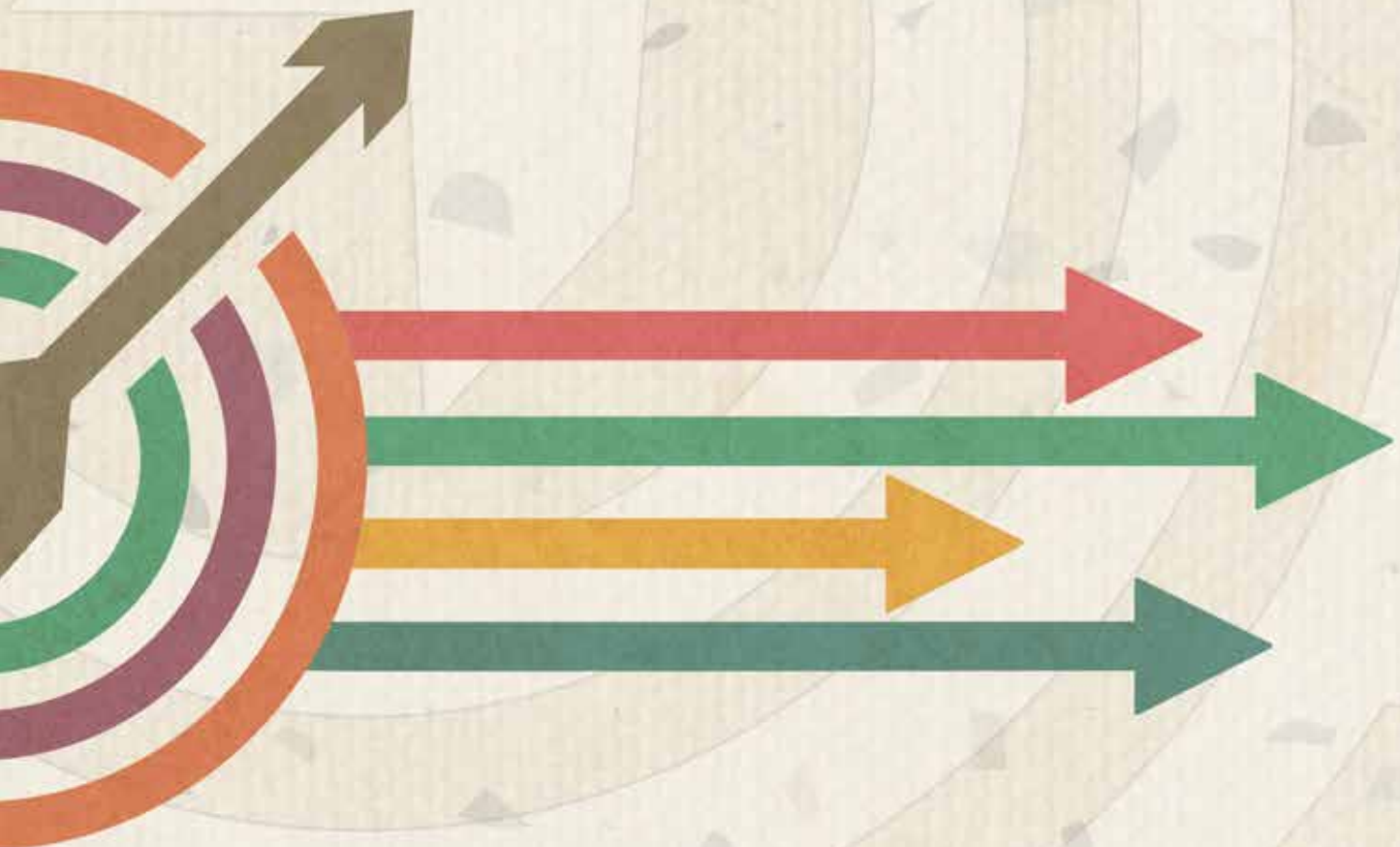
NRB Bank aims to be the preferred provider of targeted financial services as a conduit for investment to and from Bangladesh for our Bangladeshi communities both domestically and internationally, to accelerate the industrialisation of Bangladesh.

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

VALUES

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

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.

NRB Bank

AT A GLANCE

Name of the Company NRB Bank Limited	Authorized Capital BDT 10,000 million	Chairman Mr. Mohammed Mahtabur Rahman
Legal Form Public Limited Company	Paid-up Capital BDT 4,320 million	Vice Chairman Mr. Tateyama Kabir Mr. Kamal Ahmed
Registered Office Simpletree- Anarkali, 89 Gulshan Avenue, Gulshan- 1, Dhaka- 1212, Bangladesh	Total Capital (Tier-i & ii) BDT 5,524 million	Managing Director & CEO Mr. Md. Mehmood Husain
Date of Incorporation 19 March 2013	Total Asset BDT 44,145 million	Deputy Managing Director Mr. Md. Khurshed Alam
Formal Inauguration 04 August 2013	Statutory Reserves BDT 471 million	Chief Operating Officer Mr. Imran Ahmed, FCA, CISA
Company Registration No. C-108030/13	Capital Adequacy 17.22%	Chief Risk Officer (Acting) Mr. Mohammed Shaukat Ali
Bangladesh Bank Permission No. BRPD (P-3)745(61)/2013-1932 April 25, 2013	Earnings Per Share BDT 1.35	Chief Financial Officer Mr. Badal Kumar Nath, FCA
Delivery Channels - No. of Branches 40 - No. of ATMs 39 - No. of Agent Outlets- 26 - Real-time Online Banking - Internet Banking - SMS/Alert Banking - Debit/Credit Card with Global Access - Shared Network across the Country	Net Asset Value Per Share BDT 12.16	Company Secretary Mr. Md. Hasanul Haque
Credit Rating Short Term : ST-2 Long Term : A-	Accounting Year-end December 31	Legal Advisor Mr. Rafique-ul Huq Barrister-at Law
Total Manpower Employee: 844	Credit Rating Agency Credit Rating Agency of Bangladesh Ltd (CRAB)	Auditors ACNABIN, Chartered Accountants
Email info@nrbbankbd.com	Contact Centre (+88) 09666456000 16568	SWIFT Code NRBDBDDH
		Website www.nrbbankbd.com



COMPANY

MILESTONES

2013

07 February

Bangladesh bank issued no objection Certificate for registration with RJSC as Banking Company

19 March

Issued Certificate of Incorporation and RJSC Certificate for Commencement of Business

09 April

Held 1st Board Meeting

18 April

BSEC Issued Letter of Consent for raising of paid-up capital

25 April

Received Banking License from Bangladesh Bank

30 April

Gazetted as Schedule Bank in Bangladesh

28 May

Officially Launched at Pan Pacific Sonargoan Hotel

01 August

Bangladesh bank Issued 1st Branch License

04 August

Inaugurated it's Main Branch

14 September

Held Statutory meeting
Inaugurated it's Gulshan Branch

16 September

Inaugurated it's Sylhet Main Branch

28 December

Inaugurated it's Chittagong Main Branch
Inaugurated it's Joypara Branch

2014

23 March

Launched arrays of retail Banking Products

25 March

Inaugurated 1st offsite ATM at Dhanmondi

22 June

Held 1st Annual General Meeting
Celebrates 1st Anniversary at Pan Pacific Sonargaon Hotel

23 June

Launched it's eBanking
Launched it's Call Centre

14 August

Inaugurated it's Ashulia Branch
Inaugurated it's Hotapara Branch

16 August

Launched it's SME Banking

18 August

Inaugurated it's Bogra Branch

31 August

Launched it's VISA EMV Debit Card

01 November

Launched it's VISA Credit Card

10 December

Inaugurated it's Uttara Branch

28 December

Inaugurated it's Panchdona Branch

2015

26 February

Inaugurated it's GEC Moor Branch

12 April

Inaugurated it's Dilkusha Branch

14 June

Held 1st Extraordinary General Meeting
Held 2nd Annual General Meeting

15 June

Inaugurated it's Moulovibazar Branch

10 August

Inaugurated it's Satkania Branch

08 September

Launched it's VISA Platinum Credit Card

21 December

Inaugurated it's Atibazar Branch

2016

24 January

Inaugurated it's Chawkbazar Branch

08 February

Launched Home Loan
Launched My Study Loan

10 May

Inaugurated it's Zazira Branch

26 June

Held 3rd Annual General Meeting

29 August

Inaugurated it's Khulna Branch

30 October

Gulshan Branch shifted to new location
Principal Branch shifted to new location

28 December

Held 2nd Extra Ordinary General Meeting

2017

02 January

Inaugurated it's Sylhet Main Branch

22 January

Inaugurated it's Pallabazar Branch

01 March

Launched the Card Cheque facility for its Credit Cardholders.

30 July

Inaugurated it's Rajshahi Branch
24 September
Inaugurated it's Rahimanagar Branch

16 October

Inaugurated it's Dhanmondi Branch

17 October

Inaugurated it's Comilla Branch

18 October

Inaugurated it's Mograpara Branch

19 November

Inaugurated it's Sreepur Branch

26 November

Inaugurated it's Shafipur Branch

10 & 17 December

Held 4th Annual General Meeting

20 December

Inaugurated it's Feni Branch

24 December

Inaugurated it's Ghonapara Branch

26 December

Inaugurated it's Pahartali Raozan Branch

27 December

Inaugurated it's Kazirhat Branch

08 June

GEC Moor Branch Shifted to new location

28 June

Held 5th Annual General Meeting

22 July

Inaugurated Bondhu Agent Banking at Balinga Bazar, Sylhet

29 July

Inaugurated own Institute of Learning & Development

23 September

Inaugurated it's Kadomtoli Branch

30 September

Launched SME Loan through agent outlet

13 December

Inaugurated it's Ishwardi Branch

22 December

Inaugurated it's Mirpur Branch

23 December

Inaugurated it's Medical Road Branch

2018

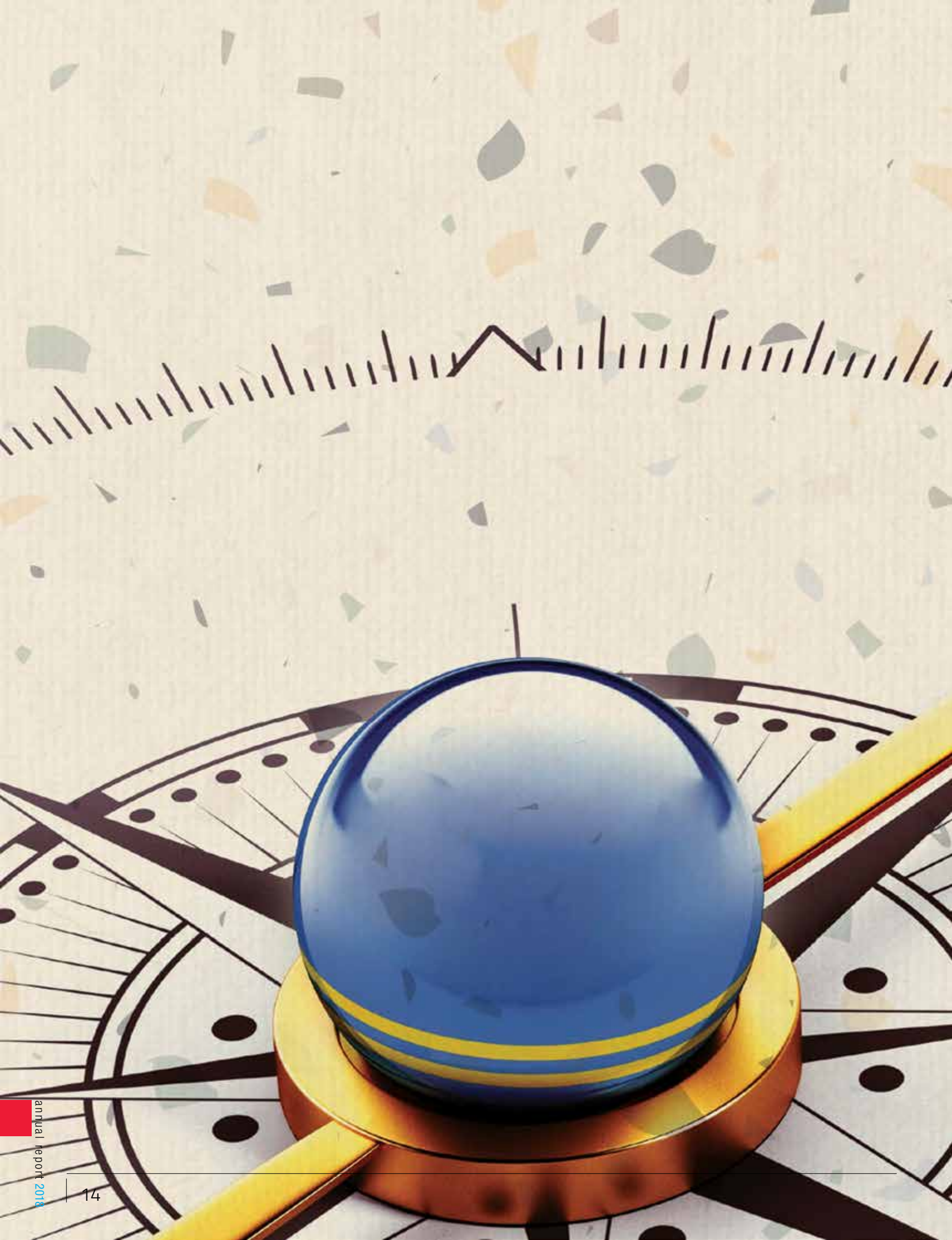
06 May

Bondhu Agent Banking on pilot basis Launched

20 May

Chattogram Main Branch Shifted to new location





CORPORATE GOVERNANCE



FROM THE OFFICE OF THE CHAIRMAN



Bismillahir Rahmanir Rahim

Dear Fellow Shareholders,

It's my privilege to present before you the Annual Report and Audited Financial Statements of the Bank for the year of 2018. While sharing with you the financial performance of 2018, one of the best in recent years, I will touch upon certain economic, business, regulatory and strategic issues that drove the financial performance of the bank last year and the outlook and our aspiration in the year ahead. You will be happy to know that by the grace of Almighty Allah the past year has proven the strategic accuracy of the course we had taken and rewarded us with comparatively better results. At this occasion of 6th Annual General Meeting of NRB Bank, I feel proud to demonstrate our success and growth to our partners whose constant support has made our journey possible and worth taking.



Bangladesh
estimated the
highest GDP
growth of 8.13%
in FY 2018-19

On the occasion of the 6th AGM, I would like to thank our Shareholders, Members of the Board of Directors and its Committees, customers, well-wishers, Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange Limited, Registrar of Joint Stock Companies & Firms and National Board of Revenue for their very effective guidance, support & role and also Members of the Management Team for leading us towards this progress. I would like to take the opportunity of highlighting some of economic perspective and achievements and the goal ahead for the Bank before you.

Economic environment

Worldwide economy and the overall growth of global economy was somewhat moderate in 2018. Among advanced economies, growth was dissatisfied in the euro zone and in the United Kingdom. However, Bangladesh estimated the highest GDP growth of 8.13% in FY 2018-19. Ongoing mega projects and other development activities have fueled the pace of the economic growth. According to Economist Intelligence Unit (EIU), Bangladesh's growth from the fiscal year 2018-19 to 2022-23 will be driven mainly increasing private consumption and gross fixed investment.

Bangladesh economy has shown resilience, despite facing the lingering effects of country-wide flooding in August and the ongoing accommodation of over half a million Rohingya refugees. Besides, the per capita income of the country is also set to grow to \$1,909 in the current fiscal year, up from \$1,751 in the previous fiscal year (FY2017-18). Major boost of growth has come from the industrial sector followed by the services sector. This is a positive sign for the country and banking prospects, as growth in services and industry sectors are regarded as very strong indicators for economic potential. Additionally, the Gross National Income (GNI) in the current fiscal year is expected to reach Tk 26,497,865 Million and the per capita GDP to \$1,827. In FY2017-18, investment to GDP ratio was 31.23%—of which 7.97% was from public investment and 23.26% from private sector investment.

Bank's financial Performance

We found that the year was stable in terms of political activities and favorable atmosphere for business prevailed in the country. This trend is reflected in the indicators such as growth in public investment, agriculture, service, export, import and remittance and decline in inflation rate, and all these portrayed positive impact in Bank's performance. During 2018, we achieved few milestones in terms of balance sheet size and operational activities. In this year, the Management of the Bank focused on its core business area of lending fund to Corporate and SME business houses.

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 loans and advances grew by 42%. Deposit growth was sufficient by 40%.The advance deposit (AD) ratio was 87.60%. 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.

Risk Management landscape of the Bank underwent changes in cycle 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. The followings are summarized position of the Bank's financial highlights in FY 2018:



Figures in BDT Million

Total paid up capital	: 4,320.00
Total capital (Tier I & Tier II)	: 5,523.66
Total assets	: 44,147.82
Total loans and advances	: 32,473.46
Total deposits	: 33,518.59
AD Ratio	: 87.60%
Total Operating Profit	: 909.47
Profit after tax and provision	: 582.15
Income from investment	: 707.44
Return on assets (ROA)	: 1.47%
Return on investment (ROI)	: 13.35%
Earnings per share	: 1.35

In recognition of our honorable Shareholders' support, and considering the Bank's earnings per share in 2018, the Board of Directors recommended a 'Stock Dividend @8.00%' for the year 2018. I am very happy to speak out that there are many positive sides of our performance in the year 2018.

Ethical banking practices and Good governance

The BoD of NRBBL has given the highest priority in establishing and maintaining a good governance and compliance practices for effective functioning of the bank. To ensure sustainable performance and to protect Shareholders' interest, we have established this bank as one of the compliant bank in the industry. We are going ahead slowly but steady growth. Despite absorbing multiple market shocks, the bank stands tall due to its good governance and ethical banking practice. Ethical banking, at its core, is a banking system that follows practices that have a positive environmental and social impact that we practice. We often offer customers an increased level of transparency, so they can see where and how their money is being used.

Bank gives high priority to good governance, which reflects on transparent ownership structure, management and accounting practice. The Board recognizes its role in promoting good governance and in creating a framework of best practices, processes and ethics to observe and promote high ethical standards. The Board's philosophy for better governance

and institutional discipline was escalated to every sphere of Management with a unique pace and rhythm. Board Members were well aware of Anti Money Laundering compliance and vowed zero tolerance against lending frauds, cybercrime and trade based money laundering.

Corporate Governance

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 so that transparency and accountability can be ensured. The duties and responsibilities are appropriately segregated between the Board and the management to provide sufficient check and balance and flexibility for smooth business operations. The Board provides policy guidelines & directions to the management, approves strategic and major policy decisions and oversees the higher management to attain business goals.

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 Financial Statements prepared in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). We strive to practice and follow standard principles in accordance with the guidelines from Bangladesh Bank for ensuring corporate governance and we are in constant efforts for adhering to the rules, regulations and guidelines of regulatory authorities. For the sake of providing strategic support to the Board, different committees namely Executive Committee, Audit committee and Risk Management Committee are active within their respective terms of reference.

Corporate Social Responsibility (CSR)

NRB Bank Limited always tries to serve the humanities. We stand beside the troubled people affected in natural and other calamities across the country and extend financial support to them. We also promote different events of games & sports under our CSR activities. In the last year, we also awarded Scholarship to meritorious but underprivileged students through different samity/ organizations like Chandnaish Samity Dhaka for pursuing their higher studies. We are committed to remain responsible for carrying out our CSR activities within the organization, society and across the country.

Since inception of the Bank, we are committed to the cause of humanity and fulfilling social responsibilities alongside commercial banking operation, which also continued in 2018 with utmost dedication and responsibility spending a total amount of BDT 18.57 million to carry on various CSR initiatives, which was BDT 27 million in the preceding year. The areas of our contribution under the banner of corporate social responsibility are well diversified across different segments as well as geographical areas. The Bank plans to widen its corporate social responsibility activities as it is sensitive to the needs of the nation.

The journey towards greater customer centricity

Advances in technology and communication, combined with the volatile growth in data and information, have given rise to a more empowered global consumer. So, we explore how technology is changing consumer behavior and show how they have opportunity to influence persistency, retention and expectations through improved customer engagement. 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. We are always keen to be present with our products & services in different fairs & campaigns arranged from time to time. We focus on digital solution in order to ensure Omni-channel presence and provide a true contextual banking experience to customers across web, mobile phones, tablets and so forth. We have spread our wings to fly to the doorsteps of our Customers with 42 Branches, 43 own ATMs, and 114 agent outlets in the remote area over the country and also a host of partners and alliances to support our business.

Present Scenario of SMEs

SMEs all over the world have been playing a vital role in promoting economic development, structural change, hunger and poverty reduction, potential contribution to the overall industry, employment generation, achieving millennium development goals, eradication gender inequality and women empowerment. In economic development effort in Bangladesh also, the SME sector plays an important role. SME sector employs 25% of the total labor force. This sector requires lower energy supply, lower infrastructure facilities and imposes less environmental risk as well. They contribute towards better utilization of local resources and skills that might otherwise remain unutilized.

SMEs are considered to be the seedbed for the development of entrepreneurial skills and innovation. The SME sector is the backbone of the economy and this is reflected in our lending portfolio. Over 52.69% of our country lending is to SMEs. With its potential to make a high contribution to the GDP, employment creation, export revenue, poverty alleviation and regional development, a strong SME sector spells good health and prosperity for the entire economy. The Bank has taken a number of initiatives during the year to improve the lives and livelihoods of those concomitant to this important sector.

Industry Outlook & Challenge

Challenges and vulnerabilities of the banking industry are amongst the major newspaper headlines. Especially, the volumes of non-

performing loans (NPL) and governance issues have become key concerns. Even questions are being raised whether confidence in the banking industry is getting eroded. We are very much optimistic that macro-economic fundamentals will continue to remain stable and positive with challenges to face in our journey ahead. We believe that private sector credit will pick up along with the rebounding of infrastructural development and mega projects will necessarily be instrumental to infuse dynamism and will add new dimension in the overall economic activities spurring the economic growth.

NRB Bank Limited was established to be an important player in the financial arena of Bangladesh. During inception of the Bank, we pledged to fulfill its vision and goals. In the coming days, Management of the Bank will show expertise in a number of issues such as prudent fund management, a well-diversified loan portfolio management, growing deposit base, provision of ancillary services, opening more branches in advantageous places of the country, use of modern technology, recruiting, grooming and retaining quality human resources and reviewing our action from time to time. With the investment friendly environment supported by stable political situation; our economy is growing every moment and thus creates new and innovative business opportunities for the Bank.

Looking forward with economic engagement

Being one of the fastest growing economies of the world, Bangladesh economy is expected to expand at a faster pace in 2019 and onward. Despite our country's enormous growth potentials, ADB's comment for our country's banking system is negative due to overall deterioration of asset quality owing to increase in NPLs. To cater growing demand of exclusive financial management service in the country, we have built a strong financial position in the market, established good governance and developed competent team of professionals. We always remain vigilant to evolve with the changed environment and serve our customers in an integrated manner. It is our promise to stay competitive, sustainable and offer solutions that will create value for our stakeholders.

Indeed NRB Bank Limited is mindful of the challenges that prevail on many fronts like changing socio-economic condition, industry competitive environment, regulatory compliances and international business situation etc. We must be striving for creating opportunities out of challenges. We will strengthen our position in the industry in terms of keeping good asset quality, innovative banking products & services, steady growth of profitability, compliance culture and more presence in CSR activities. We will remain compliant in all our activities by means of ensuring better risk management, develop the quality of human resources and improve the Corporate Governance system. We will make the best value for all stakeholders in coming days Insha-Allah.

Note of appreciation and Gratitude

Honorable Shareholders and customers are the source of inspiration of the Bank. I would like to extend my sincere gratitude to the sponsors and members of the BoD for leading the bank in right direction. I convey my sincere appreciation to the BoD for their foresighted supervision and guidance which showed us right path and helped us in overcoming challenges that the bank had to face over the years. I am also grateful to Mr. Md. Mehmood Husain, MD & CEO and Team NRBBL for their dedication, hard work and commitment towards the bank and its customers. I also express thanks and gratitude to the valued customers for their confidence in us, patronization and continued support.



Mohammed Mahtabur Rahman
Chairman of the Board of Directors





MANAGING DIRECTOR & CEO'S ROUNDUP

Dear Shareholders

I am very pleased to avail the opportunity again to present before you the Bank's performance report for the year 2018. The Bank has completed another remarkable year of its journey with substantial attainment. We have made significant advancements in our operational performances in a crucial time. I would like to express my heartfelt thanks & gratitude to our shareholders, valued clients, distinguished patrons and well-wishers for their active and continuous support, co-operation and persistent association with us.

In the year 2018, we continued satisfactory growth in our business portfolio and we were able to reduce the non-performing loan in a good fashion. We grew our loan portfolio with a revised limit framework aimed at reducing concentration risk in the portfolio. We also maintained a healthy deposit profile by maintaining standard deposit-mix. A strong focus on value creation for all our stakeholders drives our growth and performance, and also our long term sustainability. Financial strength and profitability are prerequisites to fulfilling our role and ensuring that we stay relevant to the communities we operate in.

Global Economy

Last year was most heralded 2018 as the year of synchronized global growth. The theme did not really pan out, as US expansion far outstripped that of most developed economies thanks to fiscal stimulus. The US has seen growth decelerate from the heady days of early 2018. It hit 4.2 percent in the second quarter and 3.5 percent in the third. But Atlanta Federal Reserve "nowcast" expects 3 percent growth for the year's fourth quarter, as a slowing brought on by uncertainty around trade policy and soon, dwindling fiscal stimulus. Most economies accept the fiscal tailwind will be a feeble breeze by the second half of 2019. The US could make some headway in its trade dispute with China, but the key issues –Intellectual Property Rights, Forced Technology Transfers and subsidies to the Technology sector - have not been addressed.

The Eurozone, meanwhile, hit peak growth for the current business cycle in the second half of 2017. Growth has slowed since then, falling from 2.5 per cent in the third quarter of 2017 to 1.7 per cent in the same quarter in 2018. This was certainly driven by a sharp slowdown in Germany, caused in part by problems in automotive industry, and a surprise contraction in Italian gross domestic product. A worsening situation could prompt the People's Bank of China to allow the Renminbi to depreciate to offset the impact of tariffs. This would push the US Dollar up, putting a significant squeeze in on emerging market economies that borrow and invoice imports in dollars.

Bangladesh Economy and its Banking Sector

A new year always gives us the chance to turn over a new leaf, and with it, the opportunity to work towards fixing some of the things that many feel are wrong with our country.

Bangladesh's economy expanded by 7.9 percent in the last fiscal year. The positives included some major growth drivers: exports, private spending on infrastructure, remittance and agriculture. Robust export growth of 62.8 per cent propelled the economy forward in 2018. Inward remittance grew a healthy 32.43 per cent and increase in public spending on infrastructure was significant at 54.05 per cent. The overall political stability helped move the economy forward. Remittance hit an all-time high of USD 15.53 billion in 2018, giving a breather to the ongoing foreign exchange crisis.

During the year 2018, DSEX fell 858.88 points, or 13.75 per cent, to 5,385 points, while blue chip stocks lost 17.63 percent to reach 1,880.78 points. Market was sluggish during the year due to political jitters. It did not fall due to any crisis in the market. The peaceful election boosted the confidence of investors and thus market reflected a surge of 79.61 points at the onset of 2019. The New Year would be a positive one for the stock market if the upward movement continues and it gets policy support from regulatory bodies. As it stands, Bangladesh could soon become nothing short of an economic powerhouse, with our RMG sector, the second most sought after in the world, and the diversification of our export has only resulted in expanding our presence on the global stage.

But our successes have not been with regards to the economy alone. We have also witnessed improvements in quality of life as we worked towards meeting UN's Sustainable Development Goals [SDGs] and Millennium Development Goals, succeeded with great result attaining the accolade of being 41st among the world's largest economies in 2019 as analyzed by a London based think tank.

Most of private banks reported hefty operating profit in the just concluded year, helped by the much higher interest rate on lending than that on deposit. The banks have emphasis on mobilizing funds by opening non-interest bearing capital and savings account, which cut down costs and pushed up profits. Banks were subsequently forced to streamline Advance Deposit Ratio that somewhat reduced their financial capacity in the year 2018. Private Sector credit growth hit a three-year low at the end of 2018 due to cautious lending and reluctance of business enterprises to go for expansion ahead of polls. Besides, banks emphasized on recovery towards the end of the year instead of disbursing new loans. Inflation dropped to a 19-month low in December 2018 on the back of a fall in prices of both food and non-food items. In December 2018, inflation stood at 5.35 percent, down two basis point from 5.37 per cent in November. Though the inflation is still running low, it would be a short-term challenge for the new government because of volatility in the financial market.

Financial Performance

Amidst the prevailing economic condition of the country, NRB Bank Limited made a moderate progress and our operating profit grew by 6.5%. We hope to continue to deliver our best in the upcoming years as well. In 2018, our loans & advances grew by 42%, while deposit grew by 40%. We, at NRB Bank, ensured our level best to add value to the real economy of Bangladesh by helping small, medium and large businesses grow.

Our efforts were focused towards improving the deposit mix targeting to reduce the cost of fund. Simultaneously, efforts were on to maintain assets quality and look for diversified sectors with emphasis on non-funded business.

Consequently the Bank had been able to maintain a strong position in all key areas of operations. An abridged summary of our financial performance together with the last year's comparison are presented below.

Particulars	Million in BDT		Growth in %
	2018	2017	
Paid up capital	4,320.00	4,000.00	8%
Total Assets	44,147.82	34,940.08	26%
Total Deposits	33,518.59	23,933.48	40%
Total Loans & Advances	32,473.46	22,920.91	42%
Operating Profit	909.46	853.66	7%
Net profit after tax	582.15	442.92	31%
kReturn on Assets	1.47%	1.48%	-0.01%
Return on investment	13.35%	5.70%	7.65%
EPS (Earnings Per Share)	1.35	1.11	
Credit Rating	Long Term A-	Long Term A3	
	Short Term ST-2	Short Term ST-2	

Technology up-gradation for digital banking services

In terms of digitalization, Information and Communication Technology has become an inevitable part of today's modern business and its operation. The Bank successfully up-graded its IT & ADC platform and installed the core banking software "Flexcube" and currently all branches of our Bank are running under core banking solutions enabling them to provide real time on-line banking services to its clients. The bank has been maintaining a modern Data Center (DC) in order to secure its information through Disaster Recovery Center (DRC) to make sure that bank will not lose any data in case of any disaster.

We have strong focus to systematically automate and streamline all aspects of the operations and facilitate seamless integration among key business processes. Our investment in technology is making our business simpler, safer, and easier for our customers to use. And, this facility allows the customer to bank from anywhere, anytime with total security and confidentiality. Besides, we are determined to keep our commitment towards combating against financial and cyber-crime and continue to invest heavily in improving our standard in the industry.

Our Customer Services

As our motto "Not Just Another Bank", we always believe in better customer services to prove it. Our business can only thrive if our customers feel that we are helping them in meaningful ways. We are here to help our clients— whether they are local or international companies fostering trade and investment, or individual customers who seek assistance in managing their wealth. We strive to earn and maintain our customers' trust by constantly adhering to the highest Ethical standards. Everything we do in NRBBL should be in our customers' interest and create economic value. This inspires the structure of our products, the delivery of our services and the principles that run through our business. We have made tangible changes in our Customers' service experience.

Our innovative products and Services

We introduced and redesigned some asset and liability products in 2018 for our Retail and SME Customers. We have launched many innovative products and services during the year, many of which are customized to meet the requirements of our customers. Our innovative products and Services are;

- a) Deposits products: Pearl Account especially for women, Power saver account, Amar shopno account (for underprivileged people), my early account and my future DPS for children of age below 18 and investment savings account for the resident Bangladeshi investors for capital market purpose beyond general deposits products.
- b) Loans products: Quick Cash, my loan, my study loan.
- c) SME products: NRB Pashe, NRB Prerona, NRB Proshar, and NRB young entrepreneur
- d) NRB Agent Banking: NRB bank has already introduced 26 agent outlets in 2018 for agent banking services and almost 270 agent outlets will be set up in 2019.

We have over 77 thousand customers, who recognize the brand as a reliable partner. We continue to improve our services, understand their needs, provide innovative solutions and build long-term relationships based on trust and transparency.

Our Sustainable growth

Looking at our 2018 business outcomes, you can see that we remained spot-on to our committed growth strategy. We grew by focusing on serving our customers and clients holding on to our manifesto "Not Just Another Bank" and managing risk at the same time. We also are focused on achieving growth that is sustainable. Sustainability has three key components: Being the best place to work for our Team, sharing our success, and operational excellence. To share our success, we focus on environmental, Social and Governance [ESG] activities, Corporate Governance practices, our philanthropy, in addition to many other activities. Banks need to help businesses activities in a socially responsible way. This includes a number of things, such as supporting businesses that cut carbon emissions and make the transition to the Green Economy; financing innovation in Green Technology; encouraging businesses to operate in a new way that support local communities, respect human rights and encourages inclusive growth, and so on.

In our quest of bringing the unbanked population into the financial system, enabling them to

benefit from our services and products, we have established Agent Banking. As a franchisee-based operating model, this carries the benefit of low-cost, high-impact and scalable banking representative of the true spirit for including the segments which are excluded from it. Within a short span of time, we have been able to sign up 114 number of Agent outlets. Notably, we provide an undiluted "Bondhu Agent Banking" experience to our agent banking customers with aspiration of creating a 'laddering' effect under which the Bank hopes to expand along with the growth of these customers.

Taking care of Communities

NRB Bank Limited is quite conscious about its social responsibility. We are serving the Humanity through different welfare activities giving emphasis on Health, Habitat & Education. The Bank evaluates the environmental effects of projects in investment process and the projects found detrimental to the environment are not approved for financing. Our involvement in charities, scholarship program and other philanthropic events enable us to address important community concerns, build and maintain relationships and play a role in the society beyond simply that of wealth creation. More and more welfare activities and Institutional Development Programs will be drawn in future, Insha-Allah to the cause of serving our communities and the country as a whole. There is much more we accomplished to serve community which earned commendation from people from all walks of life. We have distributed cloths and essentials to the distressed community like flood affected people, cold-hit people, Rohinyghas, etc. to ease their life.

Human Resources Training and Development

Our employees are integral part to our commitment in order to uphold trust and pride in the customers. We continued to focus on investing in staff training, learning and development with intention to improve the skills of its employees and to drive the bank towards delivering best of the performances. We had been able to set-up a full-fledged Training Academy namely The Institute of Learning and Development (ILD). A good number of officials of the Bank took part in different training programs/seminars, workshops both at home and abroad besides in-house training courses, workshops and seminars on every aspects of Banking throughout the year. To keep the employees motivated, performance rewards, promotions, accelerated promotions and incentives etc. are awarded on a regular basis.

NRB Bank's Agent Banking footsteps

I am very pleased to inform you that, after starting NRB Bank Agent Banking operation on 6th May, 2018, we have already inaugurated 114 Agent Outlets (both Individual and UDC-based) till reporting at different Upazillas of Brahmanbaria, Gazipur, Sylhet, Manikgonj, Bogura, Jashore, Chadpur, Rangpur, Tangail and Rajshahi Districts.

Though we still have to go a long way and consider it as just the beginning, the growth we have already achieved in a short span of time is a remarkable one. NRB Bank Limited crafted a unique Agent Banking Model with technology based banking concept ensuring appropriate security with real-time banking for customers who stay in far flung area. In 2019, NRB Bank is going to establish more agent outlets with strong commitment of bringing unbanked people within the fold of banking system.

Looking forward

The year 2018 was a demanding year in many respects and an evidence to the talent and professionalism of all my colleagues who successfully met its challenges along the way. Despite challenging market conditions, we are committed to our goals. We remain cautious about the downside risks of the current economic environment, global trade tensions and the future movement of interest rates. We will be proactive in managing costs and investment for revenue growth where necessary, but we will not take short-term decisions over long-term interests of the business. We always have forward-looking perspective to furnish needs of our customers and actively seek



opportunities to achieve competitive advantage. We have an excellent team, a shared set of priorities and proven track record of good performance and with all these, we do look forward to yet another year of success.

OUR STRATEGIES FOR 2019

In order to be successful in the backdrop of this rapidly changing competitive sector, we have prepared ourselves befittingly. Our strategy is to continue the business steadily for a sustainable growth. Better management of our exposure in corporate/commercial business and diversification of portfolio are our main focus. Among others the following are our priorities for 2019 -

- ◆ The pairing between branches/agent banking networks and corporate office & IT backbone will be intertwined more harmoniously to give our customer service of a self-encoding character.
- ◆ In Q1 estimated growth of lending will be kept lower than deposit growth to be able to increase our investment portfolio in treasury instrument for future tax free capital gain.
- ◆ Bank will continue to put its endeavor on attaining lower cost of deposit and higher yield on advance. Improvement of product mix will be at the forefront of 2019 business strategy.
- ◆ Branch networks will continue to heavily pursue SME business along with retail business as RM. Corporate Head Office will facilitate the efforts by providing necessary resources and revenue sharing.
- ◆ Branch network expansion will be further slowed down to reduce operational cost and reduce downward pressure of bank's operating profit. A maximum of 4 (Four) branches (2 urban and 2 rural) will be opened in 2019 following previous year's strategy. i.e. only those potential areas will be considered which are not overbanked but growth potential is enormous.
- ◆ Rapid expansion of Agent Banking outlets will be given greater priority in 2019; other expansion models (e.g. kiosk) will also be in progress.

- ◆ More service focused training/workshops will be imparted to the employees to significantly improve overall service standard for customer delight.
- ◆ Being a tech savvy 4G Bank, Fintech solutions & Digital marketing will be exploited consistently to attract new generation customers.
- ◆ Emphasize on emerging corporate houses including Trading, Supply Chain, Agro-based Finance, Distributorship Business, Transport, Plastic Industries, Healthcare, Pharmaceuticals, Electronic, and Power & Energy etc. will be given. Almost 38% budget has been allocated on the emerging corporate segment out of total corporate exposure in order to maximize revenue and diversify risk.
- ◆ Segment wise previous years' business strategy in case of large corporate business will also be pursued for continuation and development of our business. Business in the areas of Construction Contracts, Infrastructure Development, Government Projects and Working Capital Finance in the Spinning, Steel Mills, Cement, Food and Poultry Industries will also be pursued this year.
- ◆ Non-Funded business through Re-financing scheme and export based import are the priorities of the year 2019. Emphasize on a particular segment will make an equilibrium between export and import of the bank and will not necessarily include the fund requirement.
- ◆ Corporate Liability will offer coordinated marketing in association with Retail and Branch RMs to book bigger chunk of Deposits from cash rich large depositors while paying full attention to deposit mix improvements.

Acknowledgment and appreciation

I take this opportunity to thank all of our customers for their support, cooperation and confidence in us. I am also grateful to our regulators, especially the Bangladesh Bank for their dynamic leadership and prudential guidance and support extended to us in course of our operations. Besides, my appreciation and thanks to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), and Registrar of Joint Stock Companies and Firms for their continuous support, assistance, guidance and cooperation provided to the Bank from time to time. I like to mention here and extend my thanks to the NRBBL team for their passion and effort for attaining our corporate vision, mission and strategic objectives and, at the same time, ensuring that our core value remains consistent. My sincere note of gratitude goes to our dynamic Board of Directors for their valuable and judicious policy support and timely decisions to steer the Bank for being the best corporate citizen.

I am honored to work with an organization of such widespread legacy built on trust and respect and hopeful that together we will continue to work hard to attain the business targets and achieve our corporate objectives in the year 2019 and beyond.



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 holy 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 sqft and also established a Factory in the UAE covering an area of over 180,000 sqft, which grew into a state-of-the-art manufacturing unit using automatic & semi-automatic ultra-modern machineries including 'Agilent' quality control equipment in the R&D Department. The quality conscious Al Haramain Perfumes, has been accredited by the authorities with Dual ISO Certificates in QMS (ISO 9001:2015) & 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 at Jamuna Future Park and also opened exclusive showroom at the Bashundhara City Shopping Complex in Dhaka, catering to the perfumery needs of Bangladesh customers/markets.
- ◆ 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 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.
- ◆ NRB CIP Association in which he is the President, was formed to represent and protect the interests of NRB CIPs spread all over.

Awards

- ◆ He was ranked the top Commercially Important Person (CIP) for 5 consecutive years 2012, 2013, 2014, 2015 and 2016 by the Government of the Peoples' Republic of Bangladesh.
- ◆ He was also awarded the prestigious 'Bangladesh Bank Remittance Award' consecutively for 5 years 2013, 2014, 2015, 2016 and 2017 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.

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 is 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 Director.
- ◆ The University of Asia Pacific in which he is the Trustee, is one of the leading Universities in Bangladesh.



Tateyama Kabir

Vice Chairman

Mr. Kabir is Vice Chairman of the Board and also a member of the Executive Committee of the Board of Directors of NRB Bank Limited.

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. He is also the Managing Director of Sumday Development Company Ltd. and the proprietor of Ocean Auto located in 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 country's 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

Mr. Kamal Ahmed is Vice Chairman of the Board and also a member of the Audit Committee of the Board of Directors of NRB Bank Limited.

Mr. Kamal is the Deputy Managing Director of Seamark plc in the UK, IBCO Limited (UK), IBCO Enterprise (UK), Seamark (BD) Ltd and IBCO Food Industries in Bangladesh, Seamark (Holdings) Ltd, ManRu Shopping City 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.

He 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 related 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, Mr. 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.

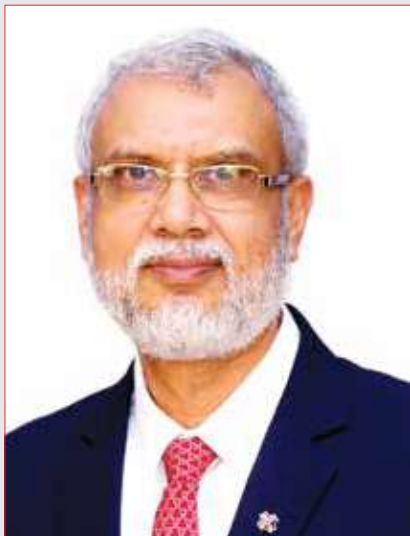
He personally ensures that Seamark continues to set high standards in all aspects of food production in terms of hygiene, the environment and working conditions.

In addition, Mr. 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 makes 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.

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





**M
Badiuzzaman**

Director

Mr. M Badiuzzaman is the Chairman of Executive Committee and a member of Risk Management Committee of the Board of Directors of NRB Bank Limited.

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:

- ◆ Chairman, Advance Homes Pvt. Ltd., Bangladesh (Residential and Commercial Real-Estate Development and Consultancy in Bangladesh)
- ◆ Chairman, Strategic Enterprises Pvt. Ltd., Bangladesh (Importer and Consultancy Firm 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)

- ◆ Executive Chairman, Pay Union BD limited, Bangladesh (3rd party payment processor and switch)

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), Real Estate and Housing Association of Bangladesh (REHAB), Dhaka Chamber of Commerce and Industry (DCCI) and Indian Importers of Chambers of Commerce & Industry (IICCI BD).



**Imtiaz
Ahmed**

Director

Mr. Ahmed is the Chairman of Audit Committee of the Board of Directors of NRB Bank Limited.

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 is the Chairman of Risk Management Committee of the Board of Directors of NRB Bank Limited.

Mr 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 of his outstanding and proficient contributions in the 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, 2015, 2016 and 2017 in recognition of highest remittance into Bangladesh in regards of National Exchange Company, Italy. He was also ranked as a Commercially Important Person (CIP) for two consecutive years 2012-13 & 2013-14 by the Government of Bangladesh.

He has been playing 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
- ◆ Chairman, Popular Travels and Tours, Italy
- ◆ Director, Farazy Hospital and Diagnostics Ltd, Bangladesh



**Iqbal
Ahmed OBE DBA**

Director

Founder and First Chairman
NRB Bank Limited

Chairman and Chief Executive
Seamark Group of companies and IBCO Food
Industries 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) in 1976, 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 in 1993 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 2016.

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 Burunga Iqbal Ahmed High School and College for 1400 students in Sylhet. 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, which is currently fund raising for the Rohingya refugees.

He has founded and currently chaired Masjid ul Aqsa Islamic Centre, a Mosque and centre built for the community, where they can pray and hold religious and cultural studies.

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.



In October 2017, Iqbal was awarded an Honorary Fellowship Award from University Campus Oldham for his outstanding work in the community.

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 and overseas 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, Catalyst UK and Bridge2Bangladesh (B2B).

He is an advisor to the Board of Trade, by invitation from the Rt Hon Dr Liam Fox MP, Secretary of State for International Trade and President of the Board of Trade, to provide advice on promoting British exports, boosting inward investments and delivering successful trade mission abroad.

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).

He was personally invited by Michael Bloomberg to be a founding delegate of Bloomberg's New Economy Forum held in Singapore in 2018.

February 2017 saw the Publication of Iqbal Ahmed's autobiography entitled, King Prawn – Dreaming Big and Making It Happen, the story of the entrepreneurial genius.



**Khandakar
R. Amin**

Director

Mr. Khandakar R. Amin is the Vice Chairman of the Executive Committee of the Board of Directors of NRB Bank Limited. He is the Chairman of Sonaimuri Upazilla Parishad of Noakhali District.

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

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

Father Reality Corporation, Surma Reality Corporation, Amin Reality Corporation, Hirapur Reality Corporation, Indian Spice (Indian Restaurant), India Place (Indian Restaurant), Chile's Chocolate, (Mexican Restaurant), Gallitos Expreess (Mexican Restaurant) and Gallitos Mexicans (Restaurant).

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

Hotel New York (Residential), KH Carbon Factory, Khandakar Aquaculture Ltd., Amin CNG Filling Station, Amin Gas Station, Cafe New York and Dhaka New York Agro Fishers. Ltd. 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 28 years.



**Naveed
Rashid Khan**

Director

Mr. Naveed Rashid Khan is the Vice Chairman of the Audit Committee of the Board of Directors of NRB Bank Limited.

He holds a Bachelor's of Social Science in Economics and Business Finance from Brunel University, London, United Kingdom. Mr. Khan is a second generation entrepreneur in his family business whose entity is one of the largest Commodity Trading Houses in Asia, dealing in Fertilizer and Fertilizer raw materials, and food grains such as rice, wheat and sugar.

Mr. Khan founded his own company, Commodity First DMCC in Dubai, UAE, and is now established there specialized in trading with new markets such as Europe, Africa, Nepal, India and Sri Lanka. His company is also highly involved in supplying Fertilizers to the Bangladesh market both to the public and private sector.

Mr. Khan is a keen traveler and has been fortunate enough to study in Bangladesh, Malaysia, Australia and the United Kingdom. This has enabled him to develop a practical knowledge of the global world today and the importance of reaching out to international markets to be successful.

In his private time, Mr. Khan is a keen enthusiast in natural photography and has attained several diploma certifications from Alliance Francaise, Dhaka in this field. He has also participated in various Photography Exhibitions.

He is a member of the Baridhara Society and also Gulshan Club.



**Mohammed
Jamil Iqbal**

Director

Mr. Iqbal is the Vice Chairman of Risk Management Committee of the Board of Directors of NRB Bank Limited.

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 Supplier 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 Akakhajana (Borobari), Beanibazar, Sylhet. Having obtained graduation he engaged himself in various types of business. He is a member of the Sylhet Chamber of Commerce and Industry. He is associated with various socioeconomic activities.

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.



**Nafih
Rashid Khan**

Director

Mr. Nafih Rashid Khan is a member of the Executive Committee of the Board of Directors of NRB Bank Limited.

An astute entrepreneur, Mr. Nafih Rashid Khan prides himself for being a primary part of the establishment, Deshi Group, since his early age. Its associated 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 (Honors) from the University of Edinburgh, Scotland.



Dr. Nesar Ahmed Choudhury

Director

Dr. Nesar Ahmed Choudhury is a member of the Risk Management Committee of the Board of Directors of NRB Bank Limited.

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

Dr. Choudhury is a dual citizen of the UK and Bangladesh. He is the former General Secretary of the Bangladesh Medical Association (UK), Ex-Governor of Mersey Vale Primary School, Heaton Mersey, Stockport UK and Director of N.A. Choudhury Limited. He is involved in other Bangladesh Welfare Services.

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



Mohammed Rafique Miah

Director

Mr. Rafique Miah is a member of the Executive Committee of the Board of Directors of NRB Bank Limited.

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

He established Bangla Town Cash and Carry in 1994 which is well-known in the Bangladeshi community in UK. Mr. Rafique Miah is the Chairman of Bangladeshi Importers Association in the UK. He is also the Chairman of Banglatown group of company; Managing Director of Le Chaina PLC; Director of Klaspad PLC; Director of Greenline Wholesale Ltd; honorary president of Tower Hamlets Cricket Club and Director of British Bangladeshi Chamber of Commerce.

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



Abdul Karim

Director

Mr. Abdul Karim is a Member of the Board of Directors of NRB Bank Limited.

Mr. Karim is an experienced businessman in the field of perfume industry. He started his business career by developing an interest towards the 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 to and from around the globe. He now holds the position of Managing Director of the company.

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



**Mohammed
Jahed Iqbal**

Director

Mr. Mohammed Jahed Iqbal is a member of the Executive Committee of the Board of Directors of NRB Bank Limited.

Mr. Mohammed Jahed Iqbal is a successful NRB entrepreneur and possesses excellent business background. He comes of a noble Muslim family of Beanibazar, Sylhet. Having obtained graduation he engaged himself in various types of businesses.

Mr. Iqbal is the owner of M/S. Md. Jahed Iqbal, M/S. J I Trading & Co. and the Managing Director of Jamil Iqbal Ltd. which is one of the largest construction companies of Bangladesh. He is also a Director of Jahed Iqbal Ltd. UK and a partner of Desert Star Trading LLC, UAE. He is also associated with various socioeconomic activities in Bangladesh and abroad.



**Humayen
Kabir Khan**

Director

Mr. Humayen Kabir Khan is a Member of the Board of Directors of NRB Bank Limited.

A young, energetic and promising entrepreneur Mr. Humayen is an able successor of his father Late Mr. Fazlur Rashid Khan who was a sponsor director of the Bank. While contributing to the Bank as one of its Directors, he is steering the business of his late father skilfully aiming towards bringing them to new heights.

Currently, he is associated with following organizations:

- ◆ Manager, 36 Wireless One LLC
- ◆ Manager, Big Citi Management
- ◆ Owner, Khan and Son Property LLC
- ◆ President and Owner, Estate of Fazlur Khan



**Ali
Ahmed**

Director

Mr. Ali Ahmed is a Director and a Member of Audit Committee of the Board.

He is successful entrepreneur and businessman running his enterprises abroad. He has major contribution in remitting foreign currency in the county alongside different social welfare activities for the betterment of the society. He is contemplating to invest in Bangladesh as a contribution to the economic development of the country.

Currently he is associated with following organizations:

- ◆ Director, Mirravale Holdings Ltd.
- ◆ Director, BJ Brown Business Ltd.
- ◆ Director, AAB Estate Ltd.
- ◆ Director, AA Express Food Dist Ltd.





Md. Abdul Jalil Chowdhury

Independent Director

Mr. Abdul Jalil Chowdhury is an Independent Director of NRB Bank Limited and also a member of Executive Committee and Risk Management Committee of the Board of Directors of NRB Bank Limited.

A postgraduate in Physics from Rajshahi University, he started his career in 1977 as Probationary Officer in Janata Bank Limited and retired as Additional Managing Director from Mercantile Bank Limited in 2016.

During his 39 years of long service period, he served a number of reputed Banks i.e. Janata Bank Limited, National Bank Limited, Southeast Bank Limited and lastly Mercantile Bank Limited in various capacities.



Md. Motior Rahman

Independent Director

Mr. Md. Motior Rahman is an Independent Director of NRB Bank Limited and also a member of Audit Committee of the Board of Directors of the Bank.

A postgraduate in Accounting from Dhaka University, he started his Banking career in 1973 as Probationary Officer in Pubali Bank Limited and retired as Managing Director from Jamuna Bank Limited in 2012.

During his 40 years of long service period, he served a number of reputed Banks i.e. Pubali Bank Limited, Islami Bank Bangladesh Limited, Prime Bank Limited and lastly Jamuna Bank Limited in various capacities.



Md. Mehmood Husain

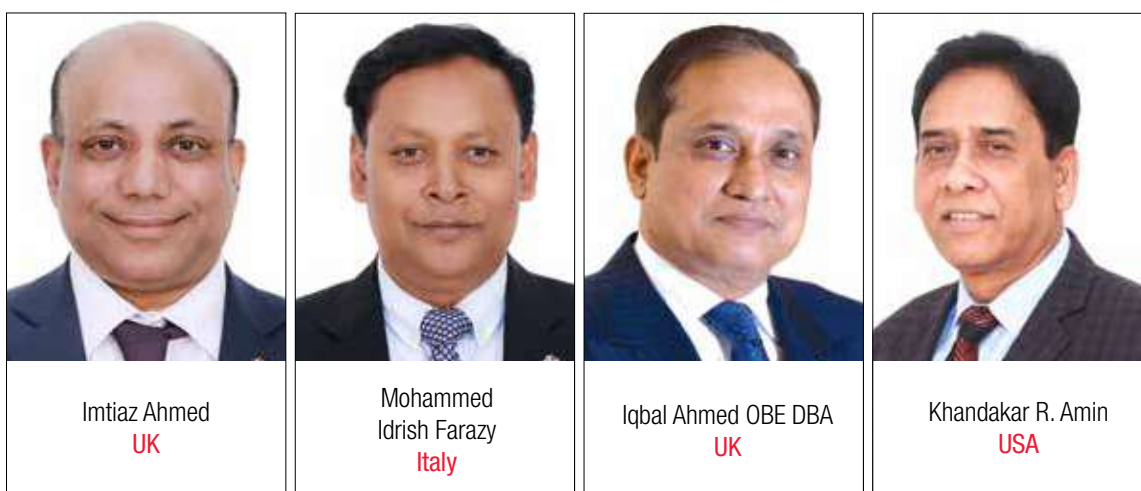
Managing Director & CEO

Mr. Md. Mehmood Husain is the Managing Director and CEO of NRB Bank Limited. Prior to his joining the Bank 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 a probationary officer with National Bank Ltd. During 35 years of his banking career he served a number of reputed Banks in various important capacities including Additional Managing Director of Prime Bank Ltd. He attended numerous professional trainings, workshops and seminars at home and abroad.

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

SPONSORS & SHAREHOLDERS







Mohammed
Nazam Uddin
UK



Emdadur
Hifzur Rahman
UK



Mohammed
Enamur Rahman
UK



Surat Miah
UK



Rafiqul Islam
UK



Shabbir Ahmed
Choudhury
UK



Rabin Paul
UK



Monir Ali
UK



Dr. Abul Kashem
Mohammed Zakaria
UK



Gulam Jilani
Mahbub
UK



Helal Rahman
UK



Misbah
Abu Sadath
UK





Mohammed
Giash Uddin
UK



Dulal Ahmed
UK



Mosharraf Hossain
Canada



Mahiul Muhammed
Khan Muqit
UK



Abdul
Quayum Khalique
UK



Abdul Muhith
UK



Abdul Hai
Khalique
UK



Abu Taher
Mohammed Amanullah
Singapore



Shahela Ferdush
Rahman
USA



Mohammed
Emadur Rahman
UAE



Bayzun N
Chowdhury
UAE



Mohammed
Ehsanur Rahman
UAE



Mohammed Ashfaqur
Rahman
UAE



Nasrat Khalil Choudhury
USA



Ehsanuzzaman
Singapore



Aminur Rashid Khan
UAE



Dr. Anower Farazy
Italy



Navil Aman Moushum
Singapore



Najib Zaman
Singapore



BOARD COMMITTEES

EXECUTIVE COMMITTEE



Chairman

Mr. M Badiuzzaman

Vice Chairman

Mr. Khandakar R. Amin

Members

Mr. Tateyama Kabir
Mr. Nafih Rashid Khan
Mr. Mohammed Rafique Miah
Mr. Mohammed Jahed Iqbal
Mr. Md. Abdul Jalil Chowdhury



AUDIT COMMITTEE



Chairman

Mr. Imtiaz Ahmed

Vice Chairman

Mr. Naveed Rashid Khan

Members

Mr. Kamal Ahmed
Mr. Ali Ahmed
Mr. Md. Motior Rahman





RISK MANAGEMENT COMMITTEE

Chairman

Mr. Mohammed Idrish Farazy

Vice Chairman

Mr. Mohammed Jamil Iqbal

Members

Mr. M Badiuzzaman

Dr. Nesar Ahmed Choudhury

Mr. Md. Abdul Jalil Chowdhury



Senior MANAGEMENT TEAM



Sitting from Left

Imran Ahmed, FCA | Md. Towhidul Islam | Md. Khurshed Alam | Md. Mehmood Husain

A K M Kamal Uddin Mohd. Jamil Hossain

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Standing from Left

Badal Kumar Nath, FCA | Mohammed Golam Nakib | Md. Ashraf Uddin Ahmed | Imteeaz Ahmed
Mohammed Shaukat Ali



The Board of Directors of NRB Bank Limited has the pleasure of presenting Director's Report, Audited Financial Statements for the year ended on December 31, 2018 together with Auditors' Report to the Shareholders on the occasion of 6th AGM of the Bank. An overview of the global and Bangladesh economy during 2018 and outlook for 2019 has been provided as part of humble presentation to our valued shareholders.

The Board has reviewed the business and financial performance of the Bank during the year and highlighted all the major drivers behind our performance to give you a genuine insight about the Bank's performance and continuous growth in the competitive industry. A brief overview of the performances of the world and Bangladesh economy during 2018 and outlook for 2019 are also included in this report.

World Economic Review

After strong growth in 2017 and early 2018, global economic activity witnessed a notable sloth in the second half of last year, reflecting a confluence of factors affecting major economies. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and car production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Elsewhere, natural disasters hurt activity in Japan. Trade tensions increasingly took a toll on business confidence and, so, financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets in the spring of 2018 and then in advanced economies later in the year, weighing on global demand. Conditions have eased in 2019 as the US Federal Reserve signaled a more accommodative monetary policy stance and markets became more optimistic about a US-China trade deal, but they remain slightly more restrictive than in the fall.

World Economic Outlook 2019 and beyond:

Emerging Economies

A variety of different scenarios could play out by 2022, but for next year global economic growth should remain resilient, but escalating trade tensions between the United States and the rest of the world-especially China - represent the main downside risk to the global economic outlook. Moreover, economic momentum in the U.S. is set to ebb due to the fading impact of tax cuts, which could have a knock-on effect on other countries which rely heavily on the U.S. for trade, including many emerging markets. Moreover, the Federal Reserve will likely continue to tighten its monetary stance to keep inflation in check, which will tighten global financial conditions and could trigger further emerging-market capital outflows and currency depreciation. Analysts expect the global economy to grow 3.2% in 2019, while in 2020, the global economy is seen decelerating to 2.9% growth, as tailwinds start to wane. Among those famous emerging markets, next year, the Asia region will likely feel the pinch from rising trade disputes, cooling growth in China and financial volatility, although growth will still be the envy of most other regions. Eastern Europe will likely lose some steam on slowing growth in the EU—a key trading partner—and a sharp slowdown in Turkey. Latin America should gain steam next year thanks to improving dynamics in Argentina and Brazil. Despite higher oil prices, mounting geopolitical risks and a sharp recession in Iran will dent growth prospects in the Middle East and North Africa, while the economic recovery in Sub-Saharan Africa will gather steam in 2019 due to stronger performances by heavyweights Nigeria and South Africa.

Global economic activity continues to firm up. Global output have grown by 3.7 percent in 2017, which is 0.1 percentage point faster than projected in the fall and ½ percentage point higher than

in 2016. The pickup in growth has been broad based, with notable upside surprises in Europe and Asia. Global growth forecasts for 2018 and 2019 have been revised upward by 0.2 percentage point to 3.9 percent. The revision reflects increased global growth momentum and the expected impact of the recently approved U.S. tax policy changes.

Emerging Market and Developing Economies

In China, necessary domestic regulatory tightening to rein in debt, constrain shadow financial intermediation, and place growth on a sustainable footing contributed to slower domestic investment, particularly in infrastructure. Spending on durable consumption goods also softened, with automobile sales declining in 2018 following the expiration of incentive programs for car purchases. These developments contributed to slower momentum over the year, with further pressure from diminishing export orders as US tariff actions began to take hold in the second half of the year. As a result, China's growth declined from 6.8 percent in the first half of 2018 to 6.0 percent in the second half of the year. The resulting weakening in import demand appeared to have impacts on trading partner exports in Asia and Europe. Elsewhere across emerging market economies, activity moderated as worsening global financial market sentiment in the second half of 2018 compounded country-specific factors. Needed policy tightening to reduce financial and macroeconomic imbalances took effect in Argentina and Turkey; sentiment weakened and sovereign spreads rose in Mexico, following the incoming administration's cancellation of a planned airport for the capital and backtracking on energy and education reforms; and geopolitical tensions contributed to weaker activity in the Middle East.

Advanced Economies

The euro area slowed more than expected as a combination of factors weighed on activity across countries, including (1) weakening consumer and business sentiment; (2) delays associated with the introduction of new fuel emission standards for diesel-powered vehicles in Germany; (3) fiscal policy uncertainty, elevated sovereign spreads, and softening investment

in Italy; and (4) street protests that disrupted retail sales and weighed on consumption spending in France. Growing concerns about a no-deal Brexit also likely be weighed on investment spending within the euro area.

Following a notable uptick in 2017, euro area economies' exports softened considerably, in part because of weak intra-euro-area trade, which exacerbated poor sentiment across the currency area. Elsewhere in advanced economies, activity weakened in Japan, largely due to natural disasters in the third quarter. One exception to the broader pattern was that momentum in the United States remained robust amid a tight labor market and strong consumption growth, but investment appeared to soften in the second half of the year. A common influence on sentiment across advanced and emerging market and developing economies has been high policy uncertainty in the wake of policy actions and difficulties in reaching agreement on contentious issues. The extended truce in the US–China trade dispute has provided a welcome respite in an otherwise turbulent policy backdrop that included Brexit negotiations, discussions over the Italian budget, changes in Mexican policy direction under the new administration, the US federal Government shutdown, and US policy on Iran.

Bangladesh Economy and its Outlook

Bangladesh's journey is like few others in history, and has always, at the end of the day, banked on people, their hard work, their resilience. What cannot be denied is what Bangladesh has achieved over the past years, despite the obstacles which have stood in our way, especially when it comes to our economy. As it stands, Bangladesh could soon become nothing short of an economic powerhouse, with our RMG sector the second most sought after in the world, and diversification of our exports has only resulted in expanding our presence on the global stage. One of the major achievements of the economy has been a 7.9 percent economic growth in 2018 riding on strong private consumption and strong remittance inflows. Like previous years, major boost of growth has come from the industrial sector followed by the services sector. Other sector of the economy pharmaceuticals are coming of age and only if peace is ensured can we look forward to further economic progress. Though average inflation has been around 5.54 percent, food inflation is showing an increasing rate in recent months.

Imports grew much faster than export in FY 2018. Export grew by 6.4% (1.7% in FY 2017) while the growth of import was 25.2% (9% in FY 2017) in FY 2018. Among the major export items, agricultural products, cotton and cotton products, knitwear, home textile, jute goods, chemical products, woven garments and footwear products experienced a higher growth in FY 2018. Import payments for food grains, milk and cream, capital machinery, clinker, fertilizer, textile and textile articles, iron, steel and other base metals etc. rose in FY 2018 compared to FY 2017. Remittances posted 17.3% increase to reach USD14.9 billion in FY 2018 after declining for two consecutive years.

The overall balance of payments, for the first time since FY 2011, turned into a USD 885 million deficit in FY 2018, compared to USD 3,169 million surplus in FY 2017. This resulted from an increase in the current account deficit from USD 1,331 million in FY 2017 to USD 9,780 million in FY 2018.

Gross international foreign exchange reserve stood at USD 32.94 billion at the end of FY 2018, representing around 5 months of prospective imports. Bangladesh Bank increased foreign exchange flexibility in line with the market forces while avoiding excessive volatility in foreign exchange market. Exchange rate depreciated by 3.6% in FY 2018 due to higher demand for dollar following the declining trend of net foreign assets and high import growth. In FY 2018 Bangladesh Bank sold foreign currency amounting to USD 2.31 billion to avoid excessive fluctuations.

Economy and business review 2019

Bangladesh Bank's (BB) second half yearly (H2, FY 2019) monetary policy stance has been formulated to accommodate GDP growth target of 7.8% and to fix a monetary growth path aiming at average inflation rate within 5.6%. This would require a monetary program that limits broad



money, domestic credit and private sector credit growth ceilings at 12.0%, 15.9% and 16.5% respectively by June 2019. Balancing inflation and output risks, given the near-term domestic and global inflation and growth outlook and the associated risks, repo and reverse repo rates will be maintained at current levels of 6% and 4.75% respectively.

According to BB projections for FY 2019, robust export growth and moderation of imports are expected to continue, improving the current account dynamics. BB projects export growth at 14%, remittance growth at around 11% and import growth at 7.5% in FY 2019. The projected import growth, favorable global commodity prices and high base, would provide sufficient space to import capital and intermediate goods to support the growth momentum. Current account deficit is expected to moderate to below 2% of GDP, in line with the sustainable norm for an emerging market economy at Bangladesh's current phase of development. Higher exchange rate flexibility could provide additional support to the ongoing moderation of the current account deficit.

Bangladesh Bank has long prioritized various measures, initiatives and programs to nudge finance to address the long-term investment needs of the society and by avoiding short-termism and risks that often jeopardized financial stability across countries. Promoting financial inclusion, creating more and better jobs (including micro, small and medium enterprises, agriculture, and green initiatives) and protecting the environment shall remain critical for Bangladesh in achieving the Sustainable Development Goals by 2030 and in successfully completing the middle income transitions.

Banking Sector in 2018

Though global economy is going to slow down, most of the Banks of our country made higher operating profits in 2018 amid swelling bad loans in the country's banking sector. The majority of the Banks managed to attain higher operating profit in the just concluded year, helped by much higher interest rate on lending than that on deposits. The Banks were under compelling situation to streamline Advance Deposit Ratio that reduced their financial capacity to disburse loans in an indiscriminate way at the onset of 2018. The sector mainly focused on mobilizing funds by opening non-interest bearing capital and Savings account, which eventually cut down costs and propelled

the profit growth. The spread between the weighted average interest rate on advance and deposits of banks increased to 4.23 per cent while that of NBFIs decreased to 2.70 per cent at the end of December 2018 as compared to November 2018. The weighted average Call Money Rate in the Inter-Bank Money market was 4.09 per cent in December 2018 which remained unchanged up to January 2019. Default loans was the most talked-about issue in the country's Banking Sector in 2018. It is slated to reach new heights as default loans are nearly hitting Taka 100,000 crore for the first time in the country's 48 – year history. On the other hand, Loan rescheduling soared about 30 per cent to Taka 10,963 crore in the first nine months of 2018, fuelling further fears for the sector. Between 2012 and 2017, banks rescheduled loans amounted to Taka 89,515 crore. Piling up of rescheduled loans seems to be a matter of concern though the banks are expected to be cooperative in assisting viable customers to sustain during difficult times by keeping their loans performing on a sound and logical footing.

Banking sector going through challenges

Over the last few years, our banking industry has brought about changes to have positive impact on the economy as well as customers' lifestyle by streamlining banking processes, improved customer service, product innovations in the areas of mobile and agent banking, small and micro enterprise financing, green banking, school banking, and financial inclusion through small deposit mobilization, launching technology-driven payment and financing services, internet banking apps, adapting to new technology and capacity development. But still we have to overcome the challenges of poor corporate governance, unpredictable market behavior, financial crime, and escalation in non-performing loans. But, the sector demonstrated resilience amidst challenges and with effective leadership, good governance, proper risk management, the investment environment will make this sector more vibrant in the coming days.

Capital Market Outlook

Banking and capital markets are intertwined for the progress of the economy. Until recent time the market appeared heading for stability after the 2010 fizz but uncertainty might set in anytime despite Bangladesh Bank's proactive efforts in stabilizing the capital market and at the same time taking steps for reining in the banking sector's capital market exposures within global best practice and norms linked to their capital bases.

Private Sector Credit Growth

Private sector credit growth hit a three-year low at the end of 2018 due to cautious lending and reluctance by businesses to go for expansion ahead of polls. In November, credit growth stood at 14 per cent year-on-year, down from 14.70 in the previous month as Bangladesh Bank data suggests. Private sector credit growth remained sluggish due to lack of demand from businesses amid uncertainty ahead of national election. Besides, banks emphasized on recovery towards the end of 2018 instead of resorting to disbursements. It is expected that Central Bank will check aggressive lending by keeping the credit growth ceiling unchanged in their upcoming monetary policy.

Inflation scenario

Inflation dropped to a 19 – month low in December 2018 on the back of a fall in prices of both food and non-food items. In December 2018, inflation stood at 5.35 per cent, down two point basis from 5.37 per cent in November. Analyst had warned that electoral expenditure would put pressure on inflation but practically it remained static at the end. According to BBS data, food inflation was slightly down to 5.28 per cent in the end of December 2018 from 5.29 a month ago. Non-food inflation fell four basis points to 5.45 per cent from 5.49 per cent in November 2018. The government has targeted to keep inflation within 5.6 per cent in the current fiscal year 2018-19 albeit, it would be a short-term challenge for the new government because of volatility in the financial market.

Exports and Imports

The country's export earnings increased by 2.18 per cent year-on-year to USD 3.43 billion in December 2018 riding on high volume shipment of garment items. In the six months to December 2018, overall Export earnings grew by 14.42 percent year-on-year to USD 20.49 billion, which is 9.13 per cent higher than the period's target of USD 18.78 billion. In the period, garment shipment

– which typically contributes over 82 per cent of country's export earnings - grew by 15.65 per cent year –on-year to USD 17.08 billion. The country shipped goods USD 34.66 billion in 2018 and is aiming to earn USD 37.50 billion in the 2019. The efforts for factory remediation improved workplace safety to a great extent, which brightened Bangladesh's image abroad.

Besides, political stability for a long time played an important role for smooth and timely shipment of goods. Custom based Import during July to September 2018 stood higher by USD 1.51 billion or 11.48 per cent and stood at USD 17.70 billion against USD 13.18 billion of July to September, 2017. Fresh opening of import LCs during July to September 2018 increased by 0.35 per cent and stood at USD 14.75 billion compared to USD 14.70 billion of July-September 2017.

Bangladesh in many global reports:

Published by Economic think-tanks around the world.

In many reports published on the eve of 2019 by Economic think-tanks around the world particularly highlighting the outlook of Bangladesh's Economy 2019, manifests a rosy picture; as these reports forecast that Bangladesh's growth from the fiscal year 2018-19 to 2022-23 will be driven mainly by strong increases in private consumption and gross fixed investment.

Bangladesh's GDP is expected to grow by 7.9% in 2019, making it the second best performing economy in 2019, according to forecast data by London based Economist Intelligence Unit (EIU). The report further predicted that Bangladesh will experience a real GDP growth of 7.7% per year during the period, bolstered by increases in private consumption and investment and amid accommodative monetary policy.

UN's report published on January 22, 2019 on World Economic Situation and Prospects unveiled that Bangladesh will be the third fastest growing economy in the world in terms of achieving high Gross Domestic Product (GDP) in 2019. Highlighting the economies of Bangladesh and India, it said economic growth is expected to be supported by private consumption and, in some cases, investment demand, even as monetary policy stances tighten in some economies.

Despite the increase observed for inflation figures throughout 2018 due to the depreciation

of domestic currencies and higher oil prices, inflation is expected to accelerate only moderately or to remain stable in most economies in the near term.

Trade deficit narrows amid rise in exports

Trade deficit narrowed 12% in the first five months of the fiscal year riding on rise in exports and slowdown in imports. At the end of November 2018, Trade deficit stood at USD 6.65 billion, down from USD 7.60 billion a year earlier. The development came as a relief for the government, which has sufficient breathing space at this moment to run the economy. Trade deficit hit an all-time high of USD 18.25 billion in last fiscal year.

Corporate Banking

To meet the diverse financial needs of the corporates, the Bank provides a broad spectrum of products and services. With expertise, innovation and customization, the Bank simplifies the complexities of the financial world for the clients and helps them attaining their desired objectives. The prime focus is on building and maintaining long-term mutually beneficial relationship with the clients, and being a part of their journey towards development and growth.

NRB Bank has always been supporting the Corporates through a wide range of conventional Corporate Banking Products and Services along with cutting edge solutions through a focused approach. On many occasions, NRB Bank's innovative and insightful support has transformed corporate customers into market leaders. It has a proven track record as a book runner, mandated lead arranger and underwriter of Syndicated loans. Due to the long experience and flexible handling, the Bank can offer clients tailored loans and facilities as well as a complete service for complex transactions through Syndication. As an unwavering financial partner with substantial underwriting capacity, the Bank offers clients the necessary services to raise capital and debt from the market.

Retail Banking Business

NRBBL always emphasizes on developing flexible and customized retail products on sophisticated technology platform for its diversified products and services. The Bank with its expanded branch network, efficient workforce, Direct Sales Executives and Alternate Delivery Channels (ADCs) is facilitating the banking services at the doorstep of the customer.

NRB Bank Retail Product Line;

Asset Products

The bank has a wide range of asset products to meet customer demands. The broad categories under Consumer Credit Schemes are:

- ◆ Personal Loan
- ◆ Auto Loan
- ◆ Home Loan for renovation, construction and apartment purchase
- ◆ Secured Loan

Liability Products

The bank has wide variety of deposit products in its product line to satisfy the consumers of different segments. Pearl Account especially for women, Power saver account, Amar shopno account (for underprivileged people), my early account and my future DPS for children of age below 18 and investment savings account for the resident Bangladeshi investors for capital market purpose are also there beyond general deposits products.

SME Business:

SME is one of the most significant contributors in attaining graduation of our country from Least-Developed Country to Developing country. SME financing uplifts our economy in a sustainable form through diversified portfolio, financial inclusion and employment generation. NRB Bank has strengthened its SME segment in parallel to accommodate the financial need of this thrust sector. We are giving special emphasize in manufacturing industries, women-led units and service oriented business initiatives. The bank has disbursed Loans to a large number of SME clients of various sectors/segments. NRB Bank is strengthening its business focus especially on SME Businesses



which will further enrich the SME portfolio of the Bank. In addition to the regular Deposit and Loan Products, we have introduced tailor-made products to cater to the need of SME Clients and widen its distribution network throughout the country.

School Banking

Since the inception of School Banking, NRB Bank launched School Banking Program and the Bank successfully participated all school Banking conferences and seminars organized by Bangladesh Bank in different divisions of the country. NRBBL is operating attractive school banking accounts named after Student Banking titled “My Early Account” that can make banking easy and affordable for students because our student banking gives them a simple, straight forward features and time saving services to fit their needs as a modern citizen.

Alternate Delivery Channel

NRB Bank has established a wide network of ATMs across the country covering both urban and rural areas. The Bank's Card Division has so far introduced Visa Debit Cards, Credit Cards, ATMs, SMS Banking, and Internet Banking with a 24-hour call center.

Automated Teller Machines (ATMs)

NRB Bank now has a larger ATM network with 38 ATMs located across the country. The increase of ATMs is changing the conventional banking trend and ATMs are becoming a major banking channel of choice for customers. We have already implemented Online Bills Collection of DESCO. Any Visa Card cardholder around the globe can enjoy the NRB Bank ATM facilities. NRB has also joined the National Payment Switch of Bangladesh (NPSB). Through this arrangement, any member bank's cardholder can withdraw money from NRB Bank's ATMs as well as our cardholders can withdraw money from other NPSB member banks' ATMs.

Green Finance: Sustainable Finance

As climate change has become the burning issue over the last decade, NRBBL management is fully aware of the risk and also taking necessary steps to have an optimistic outcome on this issue. Complying with Bangladesh Bank's green banking policy, NRB Bank is financing environment friendly projects (such as renewable energy projects, clean water supply projects, waste treatment plant, solid waste disposal plant etc.) to ensure ecological balance.

From the very beginning of its journey NRB Bank Ltd. adopted CSR and Green Banking practices and activities which are the key areas of Sustainable Finance. Each year the Bank contributes substantial amount of money towards CSR activities. Since 2017, we have started direct Green Financing in environment friendly Brick manufacturing projects. From the inception of our Bank, top priority sectors of lending include SME and Agricultural sector. Almost 50% of our total loans fall under SME category. Every year, we fulfill Agricultural and Rural Credit disbursement target and receive appreciation from Bangladesh Bank. We have already started Agent Banking activities which has major impact in financial inclusion of underprivileged and rural people. As a whole, we are committed towards establishing Sustainable Finance in the country through integrating sustainability factors, i.e. environmental, social and economic considerations into our core banking activities and services.

Preparation of Financial Statements

The financial statements prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity. These statements have been prepared in accordance with the “First Schedule (Section-38) of the Bank Company Act 1991, BRPD circular # 14 dated 25 June 2003, the rules and regulations issued by Bangladesh Bank, International Financial Reporting Standards (IFRS) as adopted by the ICAB in the name of Bangladesh Financial Reporting Standards (BFRS), the Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange's listing regulations and relevant rules & regulations applicable in Bangladesh. The financial statements of 2018 have been reviewed by the Audit Committee of the Board of Directors of the Bank and then referred to the Board of Directors for its consideration. The external auditors, ACNABIN, Chartered Accountants appointed by the shareholders, have certified the fairness of the financial statements for the year ended 31 December 2018.

Maintaining proper books of account

NRB Bank maintained proper books of accounts for its financial transactions occurred during the year 2018. The transactions are recorded as per guidelines stipulated by the Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS) as applicable for the bank. The books of accounts have also been reviewed by the external auditors, ACNABIN, Chartered Accountants.

Appropriate Accounting policies

Appropriate accounting policies have been consistently applied, except for the changes disclosed in the financial statements in preparation of the statements and that the accounting estimates are based on reasonable and prudent judgment. Bank records financial transactions on accrual basis with required disclosures and also prepared the financial statements accordingly.

Follow up of IAS & IFRS in preparation of financial statements

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements. However, in case if requirement for provisioning and Circulars issued by Bangladesh Bank differs with those of other regulatory authorities and accounting standards, Circulars issued by Bangladesh Bank has prevailed. As such the Bank has departed from certain requirements of BFRS in order to comply with the rules and regulations of Bangladesh Bank which are disclosed in notes to the financial statements.

Appointment of Auditors

M/s. ACNABIN, Chartered Accountants successfully conducted the audit of NRB Bank for the year 2016, 2017 and 2018. As per provision of Bangladesh Bank Circular, they are not eligible for reappointment. As per recommendation of the Audit Committee of the Board and the Board of Directors, appointment of new Auditors will be placed before the shareholders in the 6th Annual General Meeting for their approval.

Retirement and Re-Election of Directors

In the 6th Annual General Meeting, election and re-election of Directors will be held as per Companies Act 1994, Bank Companies Act 1991, Bangladesh Bank's Circular, Articles of Association of the Bank and other prevailing rules & regulations.

Related Party Transactions

The Directors and other key Management personnel are very much cautious to avoid any conflicts of interest in conformity with the prevailing rules and regulations. Related party transactions, when undertaken, are carried out on an arm's length basis without any special benefit to the related party. All such transactions have been approved by competent authority in compliance with Bangladesh Bank's BRPD circular # 04 dated 23 February 2014. All related party transactions have been incorporated in Note-39 of the financial statements.

Meeting of the Board

During the year 2018, the number of the meetings held by the Board of Directors was 12 (twelve) and that of the Executive Committee was 10 (ten). The Audit Committee of the Board of Directors held 5 (five) meetings and the Risk Management Committee of the Board sat for 4 (four) meetings during the period under report.

Remuneration of Directors

The Directors' Remuneration for the year ended 31 December 2018 has been given in Note 30 of the financial statements.

Dividend

The Board of Directors of the Bank has recommended 'Stock Dividend @8.00%' to the Shareholders for the year ended on 31 December 2018 subject to approval of Bangladesh Securities and Exchange Commission and Shareholders in the 6th Annual General Meeting (AGM) of the Bank.

Annual General Meeting (AGM)

6th Annual General Meeting of the Bank will be held on Sunday, 23 June 2019 at 11:00 a.m. at The Westin Dhaka, Main Gulshan Avenue, Plot 01, Road 45, Gulshan-2, Dhaka-1212 Bangladesh. The Financial Statements were adopted in the 77th Meeting of the Board of Directors held on 16 May 2019 for the presentation to and approval of the Shareholders in the AGM.

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.

NRBBL is a 'Not Just Another Bank' Trademark

Together with you and our great team of banking excellence, we dream to build NRB Bank as a Supremacy Brand in the country and even beyond across the border. Convincingly, a supremacy brand carries enough strength to weather difficult times. The Board of Directors of NRB Bank aspires to honor your dream to make the Bank 'The First Choice of the Customers' is the closest distant future.

Thanks and Gratitude

On behalf of the Board of Directors, we convey our sincerest gratitude and deepest respect to our respected shareholders for their investment. The Board of Directors take this opportunity to express its heartfelt appreciation and gratitude to the Ministry of Finance, Bangladesh Bank, Bangladesh Securities & Exchange Commission and Register of Joint Stock Companies and Firms for their valuable guidance, cooperation and advices that they provided to us from time to time. The Board of Directors also expresses deep appreciation to the Management and all Executives, Officers and other members of staff for their relentless efforts to the cause of betterment of this bank and also to the clients, sponsors, shareholders, patrons and well-wishers whose continued and steady support and patronization have enabled us to bring this institution to its 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 67th Meeting held on 29 August 2018 consisting of the following members:

Name	Status with Bank	Status with the Committee	Educational Qualification
Mr. Imtiaz Ahmed	Director	Chairman	Post Graduate
Mr. Naveed Rashid Khan	Director	Vice Chairman	Bachelor of Social Science
Mr. Kamal Ahmed	Vice Chairman	Member	Graduate of Business Management
Mr. Ali Ahmed	Director	Member	Business Diploma
Mr. Md. Motior Rahman	Independent Director (Appointed on 23 January 2019)	Member	M.Com.(Accounting), Dhaka University

The Company Secretary acts as the Secretary of the Audit Committee of 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



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/CMRRCD/2006-158/134/Admin/44 dated 07, August, 2012 we declare that for the financial year ended 31 December 2018:

i. We have reviewed the financial statements for the year and that to the best of our Knowledge and belief:

- ◆ these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ◆ these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;

ii. There are, to the best of our 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, FCA
Chief Financial Officer



Md. Mehmood Husain
Managing Director & CEO

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 a reputable organization 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, conflicts of interest among Management, Stakeholders, Directors and Shareholders are the primary focus of most of the elements 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 are 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 20 (twenty) Directors among whom 19 (nineteen) are Non-Executive Directors including the Chairman & 02 (two) Independent Directors and 1 (one) is Managing Director & CEO (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 field and they also hold very responsible positions in public life. Directors have declared their respective interests and directorships at the time of joining the Board and also their dealings in Bank's securities are on full disclosure and arm's length basis. The Board meets at least once every Month. For smooth running of the Bank as well as for effective day-to-day management, they have delegated certain powers to the Managing Director. All essential management issues are discussed in the meetings of the Board and decisions are made on the basis of management opinion and exchange of views.



Meetings of the Board of Directors

The Board of Directors meets on regular basis: usually once in a month but emergency meetings are called when deemed necessary. Management provides information, references and detailed working papers for each agenda to all Directors well ahead of the date scheduled for meeting. Chairman of the Board of Directors allocates sufficient time for the Directors to consider each agenda item in a prudent way and allow them to freely discuss, inquire, and express opinions on the items of interest so that they can fulfill their duties to the best of their abilities. In 2018, a total of 12 meetings of the Board of Directors were held.

Responsibilities of Chairman and Chief Executive Officer

Roles of the Chairman of Board of Directors and the Managing Director are clearly spelled out in writing and have been agreed by the Board. The Chairman supervises the operation and effectiveness of the Board of Directors. As the Chief of the Board, he approves the agenda for the Board meetings with the assistance of the Managing Director and the Company Secretary. He further ensures that there is effective communication with stakeholders and promotes compliance with the highest standards of corporate governance. On the other hand, the Managing Director is responsible for implementation of agreed strategy and holds delegated authority from the Board for the day-to-day management of Bank business. Being the Head of Management Team, he is accountable to the Board and its Committees to run and manage the Bank in accordance with prescribed policies, principles and strategies adopted by the Board and guidelines from the Central Bank, BSEC and other regulatory bodies. In NRBBL, the corresponding responsibilities of the Chairman and the Managing Director imply that the Management of the Bank handles daily affairs of the Bank as a separate entity from the Board of Directors and both work in the common interests of the Bank and its stakeholders. Difference of opinion is settled in a harmonious way towards achieving more of Bank's goal together.

Benefits provided to the Directors and the Managing Director

As per Bangladesh Bank BRPD Circular No. 11 dated October 27, 2013, banks in the country can only provide the following facilities to the Directors:

- ◆ The Chairman of the Board of Directors may be provided with car, telephone, office chamber and private secretary.
- ◆ Directors are entitled to fees and other benefits for attending the Board/ Executive Committee/ Audit Committee/ Risk Management Committee meetings (Notes to the Financial Statements, note # 30)
- ◆ Managing Director is paid salaries and allowances as per approval of the Board and Bangladesh Bank (Notes to the Financial Statements note # 29)

NRBBL is compliant with the Bangladesh Bank Circulars and Guidelines in respect of the above.

Functions of the Board

The Board of Directors has the responsibility to the shareholders for overall guidance and control of the Bank. Among its key responsibilities, the Board approves all policies and strategies formulated by the Bank Management as well as ratify all decisions/approvals made by other Committees of the Board including the Executive Committee (EC) of the Board. The Board, while discharging its responsibilities, is committed to high standards of governance designed to protect the interests of shareholders along with all other stakeholders with highest level of integrity, transparency and accountability. The Directors of the Board are confident that they did their best in protecting stakeholders from the impacts of the difficult circumstances confronted during the year, as set out in the Directors' Report. The Board has initiated a fundamental review of risk governance with a view to being better equipped to anticipate financial market and economic discontinuities and trends in the future. This is monitored by a Committee of Directors and supported by independent Risk Management Division (RMD) of the Bank. The Board is committed to implementing the recommendations that emerge from the review of the Committees concerned.

Independence of Non-Executive Directors

All the Non-Executive Directors enjoy full freedom to carry out their respective responsibilities. They attend Board meetings regularly and participate in the deliberations and discussions effectively. They actively involve 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 Risk Management Committee of the Board of Directors mainly to oversee and guide the operations, performance and strategic directions of the Bank.

Executive Committee of the Board (EC)

In accordance with Bangladesh Bank instruction, the Board of Directors of NRB Bank has formed Executive Committee with 7 (seven) members. The Executive Committee is responsible for the review of the policies and guidelines issued by Bangladesh Bank in terms of credit and other operations of the banking industry. The Committee supervises the degree of execution of the policies and guidelines entrusted with the management. In the normal course of business, the EC of the Board approves the credit proposals in line with approved policy of the Board. Management is advised to exercise due diligence of the credit policy and risk management at the time of assessing credit proposals. The EC in its continuous efforts guides the Management to develop uniform and minimum acceptable credit standards for the Bank.

Audit Committee of the Board (BAC)

The Board Audit Committee meets the external auditor and provides them the recommendations on the overall audit plan. They also discuss the auditor's interaction with the Management and the Management's response as well as corrective actions taken. They review the quarterly financials and approve Quarterly, Half Yearly and Annual financial reports of the Bank. The Audit Committee also meets the Head of Internal Control & Compliance of the Bank to review their charter, scopes of work and the organization structure. The inspection reports from regulators are also presented to the Audit Committee for their review and action. The Board Audit Committee of NRB Bank consists of 5 (five) Directors and is constituted with the members not included in the Executive Committee of the Board. Company Secretary is the member secretary to the committee.

The Board Audit Committee assists the Board in carrying out its responsibilities relating to:

- ◆ integrity of the financial statements and any related formal announcements;
- ◆ overseeing the relationship between the Board and its external auditors;
- ◆ review of the Bank's internal controls, including financial controls;
- ◆ assessment of the effectiveness of the internal audit, compliance and risk management functions;
- ◆ review of the internal and external audit plans and subsequent findings;
- ◆ ensure compliances of accounting policies namely Bangladesh Accounting Standards (BAS);
- ◆ review of the internal and external auditors' report;
- ◆ obligations under applicable laws and regulations including Securities and Exchange Commission Guidelines; and
- ◆ review of the effectiveness of the services provided by the external auditors and other related matters.

NRB Bank Board Audit Committee held 05 (five) meetings in 2018 and had thorough discussions and review session with the CEO, Head of

Internal Control & Compliance, External Auditors etc. Highlights of the Audit Committee activity during the year 2018 are appended in the Report of the Audit Committee at page no 50-51.

Risk Management Committee of the Board (RMC)

According to Bank Company Act, 1991 (Amendment up to 2018) and BRPD Circular No. 11 dated October 27, 2013, the Bank has constituted Risk Management Committee (RMC). RMC has been formed by the Board essentially to play an effective role in reducing ensued and potential risks in the process of implementation of bank's strategy and work-plan as devised by the Board of Directors. The Committee, in addition, ensures efficient execution of related responsibilities of the Board. The RMC has the responsibility of oversee as regards, whether proper risk mitigation processes/ methods are being applied and required capital and provisions are maintained by management after it has duly identified and measured credit risk, foreign exchange risk, internal control & compliance risk, money laundering risk, ICT risk, operating risk, interest risk, liquidity risk and other risks. Risk Management Committee of NRB Bank consists of 5 (five) members chosen from the Board. The Company Secretary of the Bank acts as the secretary to the Committee. All the committee members have honesty, integrity and ability to invest adequate time in affairs of the Committee. All of the members of RMC have adequate insight about banking business, bank operation, various risks along with knowledge about their own duties and responsibilities. Risk Management Committee has the following responsibilities:

- ◆ To design mechanism to determine and control risks
- ◆ To prepare organizational structure
- ◆ To review and approve risk management policy
- ◆ To implement data preservation and reporting system
- ◆ To supervise the status of implementation of all risk management principles
- ◆ To ensure compliance on directives issued from regulatory bodies from time to time.

NRB Bank Risk Management Committee (RMC) held 04 (four) meetings in 2018 and had thorough discussions and review session with the CEO and CRO on various risk related issues.

Appointment of External Auditors and the purview of their activities

As per recommendation of the Board of Directors, the shareholders of the Bank in the 5th AGM held on 28 June 2018 approved the appointment of M/s. ACNABIN, Chartered Accountants as the statutory auditors of the Bank for the year 2018. In compliance with the provision 4 of BSEC guidelines, the External Auditors were not engaged in any of the following services during the year 2018:

- ◆ 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 services.
- ◆ Actuarial services.
- ◆ Internal audit services.
- ◆ Any other service that the Audit Committee of the Board determined.

Internal Control & Compliance

The Directors acknowledge their responsibility for building the systems of internal control and for reviewing their effectiveness at regular interval. Such systems are designed to control, rather than eliminate the risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss. The losses could stem from the nature of the Bank's business in undertaking a wide range of financial services that inherently entail varying degrees of risk. The Bank has established a comprehensive framework to document and test its internal control structures and procedures conforming to the requirements of regulatory bodies. The Bank's overall control systems include:



- ◆ A clearly defined organizational structure with defined authority limits and reporting mechanisms to senior management and to the Board of Directors;
- ◆ Establishment of Committees with duties and responsibilities in core policy areas;
- ◆ A complete set of policies and procedures related to financial controls, asset and liability management (including major risks in financial managements);
- ◆ Code of Conduct setting out the standards of behaviour expected of all levels of directors, officers and employees; and
- ◆ Regular reporting by business divisions/ units that helps assess the progress against business objectives to be monitored, trends to be evaluated and variances to be acted upon.

The controls as outlined above are rooted within the operations of the Board and reviewed by Bank's Internal Audit. The review focuses the areas of greater risk as identified by risk analyst. The Directors confirm that the Board, by properly engaging the Committees, has reviewed the effectiveness of internal control for the year ended 31 December 2018. This process ensured an internal control system to the tune of best financial reporting practice throughout the financial year and up to the date of the signing of these financial statements. There was an assessment of the ongoing process for the identification, evaluation and management of individual risks and of the role of the various committees and Bank's risk management actions and the extent to which various significant challenges are understood and addressed.

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.

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.

Election / Re-election of Directors

Election and Re-election of Directors are held as per Companies Act 1994, Bank Company Act 1991, Bangladesh Bank's Circulars and other prevailing rules & regulations.

The Community

In our sustainability planning, we recognize the importance of contributing to the society and the community as ardently as possible. We are aware that Bank's financed projects pose no adverse impacts on environment. Clients are also made aware of environmental compliance along with other regulatory compliance, such as, credit rating. Specific allocation (10% of Bank's net profit) is made for CSR initiatives every year to optimize values for the community and the habitat.

The Government

NRB Bank is always tax compliant as a responsible corporate business house. The Bank makes payment of corporate tax on time and sometimes even before the time it takes effect. The Bank deducts excise duty, withheld tax and VAT on time from employee's salary, as well as customers and vendors, and deposits to Government Treasury on time. During 2018, NRBBL paid advance corporate tax of BDT 98.81 million while deposited withheld tax of BDT 316.58 million, VAT of BDT 82.24 million and Excise Duty of BDT 27.02 million.

Related Party Transactions

The Bank in its normal course of business, conducted financial transactions with some entities or persons that fall within the purview of 'Related Party' as contained in BAS 24 (Related Party Disclosures) and as defined in Bangladesh Bank BRPD circular 04, dated 23.02.2014. A statement of Related Party Transactions has been given at page no.167-172 of the Report (Notes to the Financial Statement, note # 39).

Compliance Status on Corporate Governance Guidelines

Bangladesh Securities and Exchange Commission (BSEC) has introduced a new checklist for Compliance Status of Corporate Governance Guidelines vide Notification dated 03 June 2018 for the Companies listed with Stock Exchanges. Bank's Status of compliance is appended below:

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under condition no. 9)

(Annexure C)

Condition No.	Title	Compliance Status (√ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors:			
1 (1)	Size of the Board of Directors : The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1 (2)	Independent Directors:			
1 (2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		NRB Bank has complied relevant provision of the Bank companies Act 1991 relating to appointment of Independent Directors as per Section 15(9) of the Act.
1 (2)(b)	Independent Directors means a Director:			
1 (2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1 (2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1 (2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1 (2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1 (2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		



Condition No.	Title	Compliance Status (√ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1 (2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1 (2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies;	√		
1 (2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1 (2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		
1 (2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1 (2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1 (2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Kṛvúvbx AvBb, 1994 (1994 mṭbi 18bs AvBb)(Companies Act, 1994).	√		
1 (3)	Qualification of Independent Director:			
1 (3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1 (3)(b)(i)	He or she shall be a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1 (3)(b)(ii)	He or she shall be a Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		
1 (3)(b)(iii)	He or she shall be a Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√		

Condition No.	Title	Compliance Status (√ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (3)(b)(iv)	He or she shall be a University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
1 (3)(b)(v)	He or she shall be a Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1 (3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1 (3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			No such event occurred
1 (4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
1 (4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1 (4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1 (4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1 (4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1 (4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1 (5)	The Directors' Report to Shareholders shall include the following additional statements or disclosures:			
1 (5)(i)	An industry outlook and possible future developments in the industry;	√		
1 (5)(ii)	The segment-wise or product-wise performance;	√		
1 (5)(iii)	Risks and concerns including internal and external risks factors, threat to sustainability and negative impact on environment, if any;	√		
1 (5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1 (5)(v)	Discussion on continuity of any extra-ordinary activities and their implications (gain or loss);	√		
1 (5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1 (5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any others instruments;			N/A



Condition No.	Title	Compliance Status (√ has been Put in the appropriate column)		Remarks (if any)
		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 Share Offer, Direct Listing, etc.;			N/A
1 (5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A
1 (5)(x)	A statement of remuneration paid to the Directors including Independent Directors;	√		
1 (5)(xi)	A statement that 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)	A statement that proper books of account of the issuer company have been maintained;	√		
1 (5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1 (5)(xiv)	A statement that International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1 (5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1 (5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1 (5)(xvii)	A statement that there is no significant doubt 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 shall be disclosed;	√		
1 (5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1 (5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1 (5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1 (5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1 (5)(xxii)	The total number of Board meetings held during the year and attendance by each Director;	√		
1 (5)(xxiii)	Pattern of shareholding disclosing the aggregate number of shares (along with name wise details where stated below) held by:-			
1 (5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties;	√		
1 (5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children;	√		

Condition No.	Title	Compliance Status (√ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (5)(xxiii)(c)	Executives (top 5 (five) salaried employees of the company, other than stated in 1 (5)(xxiii)(b); and	√		
1 (5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company;	√		
1 (5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1 (5)(xxiv)(a)	A brief resume of the director;	√		
1 (5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	√		
1 (5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1 (5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1 (5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1 (5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1 (5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five year's explaining reasons thereof;	√		
1 (5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1 (5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1 (5)(xxv)(f)	Risks and concerns issues related to the financial statements explaining such risks and concerns mitigation plan of the company; and	√		
1 (5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1 (5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	√		
1 (5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		Auditors to be appointed in the upcoming AGM to comply the condition as per Annexure-B.



Condition No.	Title	Compliance Status (√ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (6)	Meetings of the Board of Directors : The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code;	√		
1 (7)	Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer:			
1 (7)(a)	The Board shall lay down a Code of Conduct based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No.6, for the Chairperson of the Board, other Board members and Chief Executive Officer of the Company;	√		
1 (7)(b)	The Code of Conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior, confidentiality, conflict of interest, compliance with laws, rules and regulations, prohibition of insider trading, relationship with environment, employees, customers and suppliers and independency.	√		
2	Governance of Board of Directors of Subsidiary Company:			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3 (1)	Appointment:			
3 (1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3 (1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3 (1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3 (1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		

Condition No.	Title	Compliance Status (√ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3 (1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
Requirement to attend Board of Directors' Meetings:				
3 (2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
3 (3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3 (3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3 (3)(a)(ii)	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;	√		
3 (3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3 (3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee: For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee; and	√		
4 (ii)	Nomination and Remuneration Committee.			N/A
5	Audit Committee:			
5 (1)	Responsibility to the Board of Directors:			
5 (1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	√		
5 (1)(b)	The Audit Committee shall assist the Board 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;	√		
5 (1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5 (2)	Constitution of the Audit Committee:			
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		



Condition No.	Title	Compliance Status (√ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5 (2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before 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 shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5 (2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5 (3)	Chairperson of the Audit Committee:			
5 (3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;			Under consideration
5 (3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5 (3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
5 (4)	Meeting of the Audit Committee:			
5 (4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	√		
5 (4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5 (5)	Role of Audit Committee (the Audit Committee shall):			
5 (5)(a)	Oversee the financial reporting process;	√		
5 (5)(b)	Monitor choice of accounting policies and principles;	√		
5 (5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5 (5)(d)	Oversee hiring and performance of external auditors;	√		
5 (5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		

Condition No.	Title	Compliance Status (√ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5 (5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5 (5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5 (5)(h)	Review the adequacy of internal audit function;	√		
5 (5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5 (5)(j)	Review statement of all related party transactions submitted by the management;	√		
5 (5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5 (5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5 (5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds 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: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			N/A
5 (6)	Reporting of the Audit Committee:			
5 (6)(a)	Reporting to the Board of Directors			
5 (6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5 (6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5 (6)(a)(ii)(a)	Report on conflicts of interests;			No such matter to report
5 (6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such matter to report
5 (6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such matter to report
5 (6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such matter to report



Condition No.	Title	Compliance Status (√ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5 (6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such matter to report
5 (7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	Nomination and Remuneration Committee (NRC).			N/A
7	External or Statutory Auditors:			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7 (1)(i)	Appraisal or valuation services or fairness opinions;	√		
7 (1)(ii)	Financial information systems design and implementation;	√		
7 (1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7 (1)(iv)	Broker-dealer services;	√		
7 (1)(v)	Actuarial services;	√		
7 (1)(vi)	Internal audit services or special audit services;	√		
7 (1)(vii)	Any service that the Audit Committee determines;	√		
7 (1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7 (1)(ix)	Any other service that creates conflict of interest.	√		
7 (2)	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; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company:			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	√		
8 (2)	The company shall keep the website functional from the date of listing.	√		

Condition No.	Title	Compliance Status (√ has been Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance:			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.		√	Auditors to be appointed in the upcoming AGM.
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.		√	
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance as per BRPD Circular No. 11 dated 27 October 2013.

SL No.	Particulars	Compliance Status
	Formation of Board of Directors:	
1	The newly amended Section 15 of the Bank Company Act, 1991 (Amended upto 2018) includes provisions for prior approval of Bangladesh Bank before the appointment of new bank directors, as well as dismissal, termination or removal of any director from the post; director's fit & proper criteria; maximum number of directors; appointment of independent directors; appointment of maximum 2(two) members from a family as director; etc.	Complied
	Appointment of New directors:	
1.1	Under section 15(4) of the Bank Company Act, 1991 (amended upto 2018), every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing directors should furnish all required documents along with the application:	Complied
	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.	
1.2	b) If the office of a director is vacated by a notice under the section 17 of BCA, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of BCA, 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution.	Complied
	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.	



SL No.	Particulars	Compliance Status
1.3	Removal of Directors from office: <p>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.</p>	Not Applicable
1.4	Appointment of Alternate Director: <p>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:</p> <ol style="list-style-type: none"> 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. 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. 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. 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. 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: <p>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 2018) bank can consider the tenure of existing depositor director or may appoint them as independent director.</p>	Not Applicable
3	Information regarding Directors: <p>Banks are advised to take the following steps regarding director information:</p> <ol style="list-style-type: none"> Every bank should keep an updated list of bank directors, Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director. 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: <p>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 2018) 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.</p>	Complied

SL No.	Particulars	Compliance Status
4.1	Responsibilities and Authorities of the Board of Directors:	
4.1(a)	<p>Work-planning and strategic management:</p> <p>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.</p> <p>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.</p>	Complied
4.1(b)	<p>Credit and risk management:</p> <p>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.</p> <p>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.</p>	Complied
4.1(c)	<p>Internal control management:</p> <p>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.</p>	Complied
4.1(d)	<p>Human resources management and development:</p> <p>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.</p> <p>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.</p> <p>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.</p>	Complied



SL No.	Particulars	Compliance Status
	Financial management:	
4.1(e)	<p>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.</p> <p>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.</p> <p>iii. The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.</p>	Complied
	Appointment of Chief Executive Officer (CEO):	
4.1(f)	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
	Other responsibilities of the Board:	
4.1(g)	The board should follow and comply with the responsibilities assigned by Bangladesh Bank.	Complied
	Meeting of Board:	
4.2	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
	Responsibilities of the Chairman of the Board of Directors:	
4.3	<p>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.</p> <p>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.</p> <p>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.</p>	Complied
	Formation of committees from the Board of Directors:	
5	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
	Executive committee:	
5.1	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

SL No.	Particulars	Compliance Status
	Organizational structure:	
5.1(a)	<ul style="list-style-type: none"> i. Members of the committee will be nominated by the board of directors from themselves; ii. The executive committee will comprise of maximum 07 (seven) members; iii. Members may be appointed for a 03 (three)-year term of office; iv. Chairman of the Board of Directors can be the chairman of executive committee; v. Company secretary of the bank will be the secretary of the executive committee. 	Complied
5.1(b)	Qualifications of the Members: <ul style="list-style-type: none"> i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee; iii. 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
	Roles and Responsibilities of the Executive Committee:	
5.1(c)	<ul style="list-style-type: none"> i. 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 ii. The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors. iii. All decisions taken in the executive committee should be ratified in the next board meeting. 	Complied
5.1(d)	Meetings: <ul style="list-style-type: none"> i. The executive committee can sit any time as it may deem fit. ii. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary; iii. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; iv. All decisions/observations of the committee should be noted in minutes. 	Complied
	Audit Committee:	
5.2	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



SL No.	Particulars	Compliance Status
5.2(a)	Organizational structure: <ol style="list-style-type: none"> Members of the committee will be nominated by the board of directors from the directors; The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent director; Audit committee will comprise with directors who are not executive committee members; Members may be appointed for a 03 (three) year term of office; Company secretary of the bank will be the secretary of the audit committee. 	Complied
5.2(b)	Qualifications of the Member: <ol style="list-style-type: none"> Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee ; Each member should be capable of making valuable and effective contributions in the functioning of the committee; To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. 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	
5.2(c)(i)	Internal Control: <ol style="list-style-type: none"> Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities; Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS); Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management; Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management. 	Complied
5.2(c)(ii)	Financial Reporting: <ol style="list-style-type: none"> Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank; Discuss with management and the external auditors to review the financial statements before its finalization. 	Complied

SL No.	Particulars	Compliance Status
	Internal Audit:	
5.2(c)(iii)	<ol style="list-style-type: none"> 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
5.2(c)(iv)	External Audit: <ol style="list-style-type: none"> 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
5.2(c)(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
5.2(c)(vi)	Other Responsibilities: <ol style="list-style-type: none"> 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. 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
5.2(d)	Meetings: <ol style="list-style-type: none"> 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



SL No.	Particulars	Compliance Status
	Organizational Structure:	
5.3(a)	<ol style="list-style-type: none"> Members of the committee will be nominated by the board of directors from themselves; The Risk Management Committee will comprise of maximum 05 (five) members; Members may be appointed for a 03 (three) year term of office; Company secretary of the bank will be the secretary of the Risk Management Committee. 	Complied
5.3(b)	Qualifications of the Member: <ol style="list-style-type: none"> Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; Each member should be capable of making valuable and effective contributions in the functioning of the committee; To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. 	Complied
5.3(c)	Roles and Responsibilities of the Risk Management Committee:	
5.3(c)(i)	Risk identification & control policy : Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.	Complied
5.3(c)(ii)	Construction of organizational structure: The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.	Complied
5.3(c)(iii)	Analysis and approval of Risk Management policy: Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.	Complied
5.3(c)(iv)	Storage of data & Reporting system: Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.	Complied
5.3(c)(v)	Monitoring the implementation of overall Risk Management Policy: 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
	Other responsibilities:	
5.3(c)(vi)	<ol style="list-style-type: none"> Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form; Comply instructions issued time to time by the controlling body; Internal & external auditor will submit respective evaluation report whenever required by the committee. 	Complied
5.3(d)	Meetings: <ol style="list-style-type: none"> The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary; To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; All decisions/observations of the committee should be noted in minutes. 	Complied
6	Training for the Directors: The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.	Complied



Annexure 01
[As per condition no. 1(5)(xxii)]

Meeting of the Board of Directors of NRB Bank Limited held during the year 2018 and their attendance

Sl.	Directors	Designation	No. of Meeting	No. of Attendance	% of Attendance
1	Mr. Mohammed Mahtabur Rahman	Chairman	12	11	91.67%
2	Mr. Tateyama Kabir	Vice Chairman	12	12	100.00%
3	Mr. Kamal Ahmed	Vice Chairman	12	09 (1 meeting was attended by his Alternate Director)	75.00%
4	Mr. M Badiuzzaman	Director	12	12 (1 meeting was attended by his Alternate Director)	100.00%
5	Mr. Imtiaz Ahmed	Director	12	11	91.67%
6	Mr. Mohammed Idrish Farazy	Director	12	11	91.67%
7	Mr. Iqbal Ahmed OBE DBA	Director	12	05	41.67%
8	Mr. Khandakar R. Amin	Director	12	06	50.00%
9	Mr. Naveed Rashid Khan	Director	12	07	58.33%
10	Mr. Mohammed Jamil Iqbal	Director	12	04	33.33%
11	Mr. Nafih Rashid Khan	Director	12	12 (All meetings were attended by his Alternate Director)	100.00%
12	Dr. Nesar Ahmed Choudhury	Director	12	04	33.33%
13	Mr. Mohammed Rafique Miah	Director	12	06	50.00%
14	Mr. Abdul Karim	Director	12	07	58.33%
15	Mr. Mohammed Jahed Iqbal	Director	12	11	91.67%
16	Mr. Humayen Kabir Khan	Director (Since 27.05.2018)	07	05 (3 meetings were attended by his Alternate Director)	71.42%
17	Mr. Ali Ahmed	Director (Since 28.06.2018)	07	07	100%
18	Mr. Md. Abul Jalil Chowdhury	Independent Director (Since 03.06.2018)	07	07	100%

Pattern of Shareholding

The pattern of shareholding of NRB Bank Limited as on 31 December 2018 as per Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018:

- a) Shareholding by Parent/Subsidiary/Associated Companies and other related parties : Nil
- b) Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their Spouses and Minor Children are as follows :

Status as of 31 December 2018:

(i) Shares held by Directors and their Spouses

Sl.	Directors	Status	No. of Shares	Name of Spouse	No. of Shares
1	Mr. Mohammed Mahtabur Rahman	Chairman	21,600,000	Mrs. Bayzun N Chowdhury	3,240,000
2	Mr. Tateyama Kabir	Vice Chairman	10,800,000	Mrs. Hasina Akther	NIL
3	Mr. Kamal Ahmed	Vice Chairman	10,800,000	Mrs. Nasrin Sultana Kamal	NIL
4	Mr. M Badiuzzaman	Director	19,416,000	Mrs. Nasreen Zaman	NIL
5	Mr. Imtiaz Ahmed	Director	2,160,000	Mrs. Aktar Nasim Ahmed	NIL
6	Mr. Mohammed Idrish Farazy	Director	2,500,000	Mrs. Tahmina Akter Mitu	NIL
7	Mr. Iqbal Ahmed OBE DBA	Director	21,600,000	Mrs. Salma Iqbal	NIL
8	Mr. Khandakar R. Amin	Director	8,640,000	Mrs. Shapali Khandakar	NIL
9	Mr. Naveed Rashid Khan	Director	21,600,000	Mrs. Farjana Kazi	NIL
10	Mr. Mohammed Jamil Iqbal	Director	19,980,000	Mrs. Shireen Khanom	NIL
11	Mr. Nafih Rashid Khan	Director	19,980,000	Mrs. Aniq Hoque Khan	NIL
12	Dr. Nesar Ahmed Choudhury	Director	2,700,000	Mrs. Shajna Choudhury	NIL
13	Mr. Mohammed Rafique Miah	Director	1,080,000	Mrs. Asma Miah	NIL
14	Mr. Abdul Karim	Director	21,600,000	Mrs. Afia Begum	NIL
15	Mr. Mohammed Jahed Iqbal	Director	11,340,000	Mrs. Sebina Akter Chowdhury	NIL
16	Mr. Humayen Kabir Khan	Director	2,160,000	---	---
17	Mr. Ali Ahmed	Director	5,940,000	Mrs. Jamila Begum Ahmed	
18	Mr. Md. Abul Jalil Chowdhury	Independent Director	NIL	Mrs. Shaheda Chowdhury	NIL

(ii) Shares held by:

Chief Executive Officer	: Nil
Company Secretary	: Nil
Chief Financial Officer	: Nil
Head of Internal Audit	: Nil
Spouses of above Executives	: Nil

- c) Shareholding by other Executives and Spouse : Nil
- d) Shareholders holding ten percent (10%) or more voting interest in the company : Nil



CHIEF RISK OFFICER'S REPORT

ON RISK MANAGEMENT

Banking is the business of managing risks and the objective of risk management is to balance the trade-off between risk and return and ensure optimum risk adjusted return on the invested capital. It entails the identification, measurement, monitoring and management of risks across the various business lines of the Bank. Risk is managed through a framework of policies and principles approved by the Board of Directors and supported by an independent risk management function that ensures that the Bank operates within its risk appetite. The risk management function attempts to anticipate vulnerabilities at the transaction level or at the portfolio level, as appropriate, through quantitative or qualitative examination of the embedded risks. The Bank continues to focus on refining and improving its risk measurement systems not only to ensure compliance with regulatory requirements, but also to ensure better risk adjusted return and optimal capital utilization keeping in view the business objectives.

Goal of the Risk Management System

The Bank understands that taking on risks is essential in the financial sector, and that businesses in this industry are susceptible to risks. The Bank has not set a goal of avoiding all risks. However, it attempts to achieve an optimal balance between profitability and operating risks in the long-term. In this situation, the Bank only adopts risks in those areas in which the Bank has a clear cut competitive advantage. In the remaining areas, the Bank, as much as possible, minimizes risks and is guided by the principle of economic expediency. The Bank's management team considers effective risk management to be the foundation of financial stability and a key competitive advantage for the Bank – determining its profitability and share price. The basic goals of risk management are avoiding bankruptcy and maximizing the Bank's long-term share price. The basic criteria for judging the effectiveness of the risk management system is that the Bank does not need support from the State or shareholders during periods of financial and economic crisis. The Bank is subjected to the following risks: credit risks, liquidity risks, operating risks and market risks.

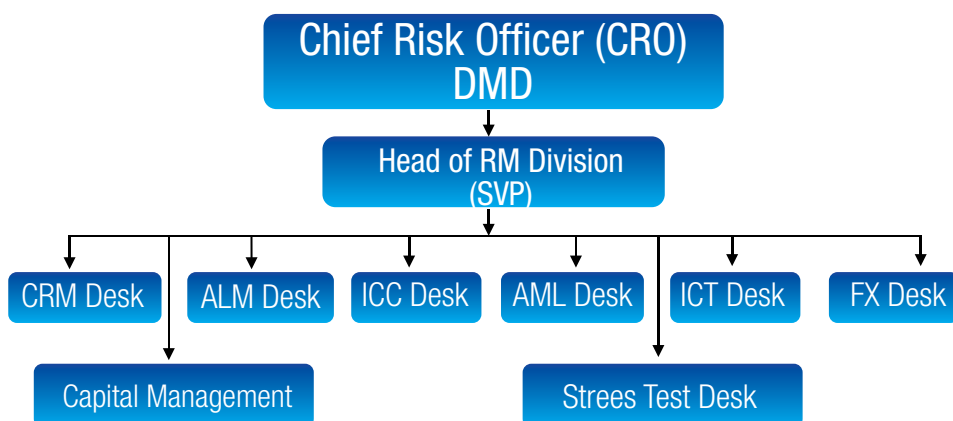
Risk Management Process:

Steps	Activity
Communicate and Consult	This is the preparatory step that aims to identify the responsible persons involved in risk assessment (including identification, analysis and evaluation) and also the persons engaged in the treatment, monitoring and review of risk.
Establishment of context	<p>This is another preparatory step that closes to starting the formal risk management process. Before risk can be clearly understood and dealt with, it is important to understand the context in which it exists.</p> <p>The steps to assist establishing the context within which risk will be identified are:-</p> <ul style="list-style-type: none">a)-Establish the internal contextb)-Establish the external contextc)-Establish the risk management context

Steps	Activity
Risk Identification	<p>The next step is to identify possible risks that may affect, either negatively or positively, the objectives of the business and the activity under analysis.</p> <p>There are two main ways to identify banking risks:-</p> <p>a. Identifying retrospective risks:</p> <p>Retrospective risks are those that have previously occurred, such as incidents or accidents.</p> <p>Methods of identifying retrospective risks include:</p> <ul style="list-style-type: none"> ◆ Audit reports ◆ Various risk reports ◆ Regular reports ◆ Hazard or incident logs or registers ◆ Customer complaints ◆ Changes in regulations ◆ Past employee survey/exit interview ◆ Media reports (Print or electronic) ◆ Bangladesh Bank inspection report <p>b. Identifying prospective risks:</p> <p>Prospective risks are those that have not yet happened, but might happen sometime in the future.</p> <p>Methods for identifying prospective risks include:</p> <ul style="list-style-type: none"> ◆ Brainstorming with staff or external stakeholders ◆ Researching the economic scenario (macro or micro both local and global) ◆ Conducting interviews with the relevant people and/or organizations ◆ Undertaking surveys of staff or clients to identify anticipated issues or problems or risks ◆ Reviewing policy, process, systems
Analysis of the risks	<p>The risk analysis step assists in determining which risks have a greater consequence or impact than others.</p> <p>It is important to consider the consequences and the likelihood of risk in the context of the size, complexity, objective of the activity of a banking company is pursuing. It is important to note that the likelihood/frequency and also the impact/consequence will vary to analysis the risk.</p>
Evaluation of the risks	<p>Risk evaluation step involves comparing the level of risk found during the analysis process with previously established risk criteria, and deciding whether these risks require treatment. The result of a risk evaluation is a prioritized list of risks that require further action. This step is about deciding whether risks are acceptable or need treatment.</p>

Steps	Activity
Treatment of risks	<p>Risk treatment step is about considering options for treating risks, evaluating those options, preparing the risk treatment plans and implementing those plans to achieve the desired outcome.</p> <p>Options for risk treatment:</p> <ol style="list-style-type: none"> 1- Avoid the risk 2- Change the likelihood of the occurrence 3- Change the consequences 4- Share the risk 5- Retain/Accept the risk supported by the Capital Adequacy as per Basel III
Monitoring and review of risks:	Risks need to be monitored periodically to ensure changing circumstances do not alter the risk priorities. Very few risks will remain static, therefore the risk management process needs to be regularly repeated, so that new risks are captured in the process and effectively managed.

NRB Bank's Present Organogram of Risk Management Division:



Risk Management Committee (RMC) of the Board:

In accordance with Bank Company (Amendment) Act, 2013 and related BRPD Circular No: 11 dated October 27, 2013, a Risk Management Committee has been formed by the Board of Directors to play an effective role in reducing ensued and potential risks in the process of implementation of bank's strategy and work-plan as devised by the board of directors as well as efficient execution of related responsibilities of the board. Risk Management Committee oversees whether proper risk mitigation processes/methods are being applied and required capital and provisions are maintained by management after they have duly identified and measured credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, ICT risk, operating risk, interest risk, liquidity risk and other risks.

Following are the members of Risk Management Committee of Board of Directors at present:

SL	Name	Position in the Committee
1	Mr. Mohammed Idrish Farazy	Chairman
2	Mr. Mohammed Jamil Iqbal	Vice Chairman
3	Mr. M Badiuzzaman	Member
4	Dr. Nesar Ahmed Choudhury	Member
5	Mr. Md. Abdul Jalil Chowdhury	Member

In the year 2018, 4 (Four) meetings of the Risk Management Committee of the Board (BRMC) were held accordingly which are as follows:

Particulars	Meeting held on
13 th BRMC Meeting	26 th February, 2018
14 th BRMC Meeting	26 th June, 2018
15 th BRMC Meeting	30 th October, 2018
16 th BRMC Meeting	22 nd November, 2018

Roles and Responsibilities of RMC of the Board:

- ◆ Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management;
- ◆ Monitoring implementation of risk management policies & process to ensure effective prevention and control measures;
- ◆ Ensuring construction of adequate organizational structure for managing risks within the bank;
- ◆ Supervising the activities of Executive Risk Management Committee (ERMC) ;
- ◆ Ensuring compliance of Bangladesh Bank instructions regarding implementation of core risk management;
- ◆ Ensuring formulation and review of risk appetite, limits and recommending these to Board of Directors for their review and approval;
- ◆ Approving adequate record keeping & reporting system and ensuring its proper use;
- ◆ Holding at least 4 meetings in a year (preferably one meeting in every quarter) and more if deemed necessary;
- ◆ Analyzing all existing and probable risk issues in the meeting, taking appropriate decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow up of the decisions for proper implementation;
- ◆ Submitting proposal, suggestions & summary of BRMC meetings to board of directors at least on quarterly basis;
- ◆ Complying with instructions issued from

time to time by the regulatory body;

- ◆ Ensuring appropriate knowledge, experience, and expertise of lower-level managers and staff involved in risk management;
- ◆ Ensuring sufficient & efficient staff resources for RMD;
- ◆ Establishing standards of ethics and integrity for staff and enforcing these standards;
- ◆ Assessing overall effectiveness of risk management functions on yearly basis.

Executive Risk Management Committee (ERMC):

A strong management level Risk Management Committee is in place in the bank comprising the Heads of all core risk areas and related stakeholders. Executive Risk Management Committee holds monthly meeting where risk management initiatives, capital management and risk sensitivities issues are discussed in details on the basis of information and data on the risk profile of the Bank. A copy of the Minutes of the Meeting is placed to the regulatory body along with the Monthly Risk Management Report (MRMR). The minutes is also submitted to senior management for information and guidance. During 2018, twelve meetings were held on time and reports submitted to all concerned. Executive Risk Management Committee suggests indicative risk mitigation measures to ensure minimum risk with qualified capital adequacy.

The Executive Risk Management Committee are responsible for:

- ◆ Identifying, measuring and managing bank's existing and potential risks through detailed risk analysis;
- ◆ Holding meeting at least once in a month based on the findings of risk reports and taking appropriate decisions to minimize/control risks;
- ◆ Ensuring incorporation of all the decisions in the meeting minutes with proper dissemination of responsibilities to concerned divisions/departments;
- ◆ Minimizing/controlling risks through ensuring

proper implementation of the decisions;

- ◆ Reviewing risks involved in new products and activities and ensuring that the risks can be measured, monitored, and controlled adequately;
- ◆ Submitting proposals, suggestions & summary of ERMC meetings to CEO, BRMC on regular basis;
- ◆ Implementing the decisions of BRMC and board meetings regarding risk issues;
- ◆ Assessing requirement of adequate capital in line with the risk exposures and ensuring maintenance of the same through persuading senior management and board;
- ◆ Determining risk appetite, limits in line with strategic planning through threadbare discussions among the members;
- ◆ Contributing to formulation of risk policies for business units;
- ◆ Handling "critical risks" (risks that require follow-up and further reporting);
- ◆ Following up reviews and reports from BB and informing BRMC the issues affecting the bank's operation.
- ◆ Ensuring arrangement of Annual Risk Conference in the bank.

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 Capital Adequacy under Basel Accord are being complied effectively. NRB Bank's risk mitigating technique is not to wait for the risk to manifest 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.

The main functions of the department include, but not limited to, the following:

- ◆ Managing the process for developing risk policies and procedures;
- ◆ Coordinating with business users/units to prepare functional specifications;
- ◆ Preparing and forwarding risk reports; and
- ◆ Assisting in the implementation of all aspects of the risk function.

Role of Risk Management Division:

- ◆ Collecting and analyzing data/information for identifying risks and making appropriate recommendations for risk mitigation;
- ◆ Preparing risk management reports, arranging monthly meeting of ERMC and preparing meeting minutes, disseminating the decisions to the concerned department/divisions, monitoring and follow up of implementation status;
- ◆ Ensuring timely submission of risk management reports, meeting minutes, compliance report and other documents to Bangladesh Bank;
- ◆ Assisting BRMC/ERMC by providing risk issues that are needed to be addressed;
- ◆ Designing bank's overall risk management strategy;
- ◆ Ensuring significant contribution in establishing sophisticated risk management infrastructure with a sufficiently robust data-base, data architecture and information technology;
- ◆ Conducting, developing and overseeing Stress Testing activity;



- ◆ Assisting senior management in formulating strategic planning considering bank's risk exposures and industry as a whole;
- ◆ Supporting the board, BRMC and ERM in formulation, review and approval of the enterprise wide risk governance framework which includes the bank's risk culture, risk appetite, risk limits, and MAT;
- ◆ Monitoring on ongoing basis the risk-taking activities and risk exposures in line with the board approved risk appetite, risk limit and corresponding capital or liquidity needs (i.e. capital planning)
- ◆ Taking initiatives for interim review of risk appetites on request of other related departments and informing the board of directors and BRMC time to time about the status of risk exposures as compared to appetite;
- ◆ Establishing an early warning or trigger system for breaches of the bank's risk appetite or limits;
- ◆ Communicating views of the board and senior management throughout the bank;
- ◆ Taking initiatives for establishing enterprise/ comprehensive risk management policies and procedures with the approval of the board;
- ◆ Monitoring concerned departments in formulating and reviewing related risk management policies and procedures;
- ◆ Monitoring compliance of irregularities found in core risk inspection reports of BB;
- ◆ Adopting proper financial protection measures through risk transfer, risk avoidance, and risk retention programs;
- ◆ Taking appropriate steps to control or mitigate risk exposures and ensure reporting the same to senior management and BRMC.

Specific component of Risk Management process are detailed below:

Credit Risk Management:

Lending is a continuous activity in the Bank with due focus on identification, measurement, monitoring and control of credit risk. Credit risk arises due to uncertainty in counterparty's ability

to meet its obligations in accordance with agreed terms. The goal of credit risk management is to maximize Bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. The effective management of credit risk at the individual customer level transactions as well as at the portfolio level is a critical component of a comprehensive approach to risk management and essential to the long-term success of the Bank.

The credit risk management policy provides framework for credit risk management system in the bank and embodies in itself the areas of risk identification, risk measurement, risk grading techniques adopted by the bank, documentation practice and the system adopted for management of problem loans. The credit risk management policy deals with short term implementation as well as long term approach to credit risk management to achieve desired business goals. The credit risk management 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. The Bank's credit risk management is structured with Executive Committee (EC) of Board at the apex level and Credit Risk Management Committee (CREDCO) at the executive level are responsible for overall credit risk management in the Bank. The committees periodically review the risk profile, evaluate the overall risk faced by the Bank and develop policies and strategies for identifying and managing credit risk at individual exposure level as well as portfolio level in sync with the bank's credit risk management policy designed in accordance with regulatory guidelines.

Credit audit system and loan review mechanism function independently of the credit processing and credit approval system thereby ensuring effective loan monitoring and management of credit risk & operational risk in the loan portfolio.

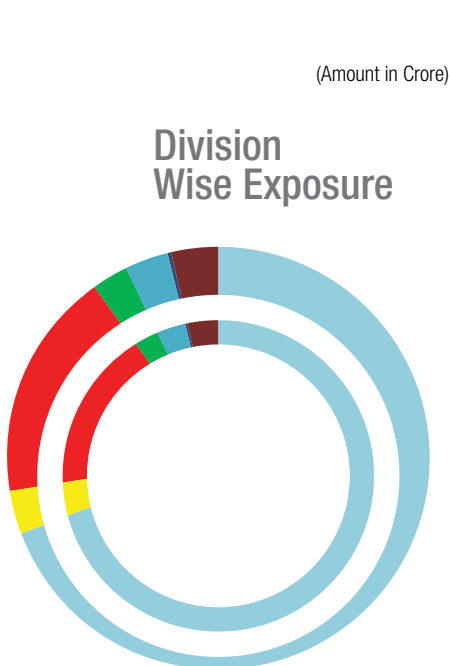
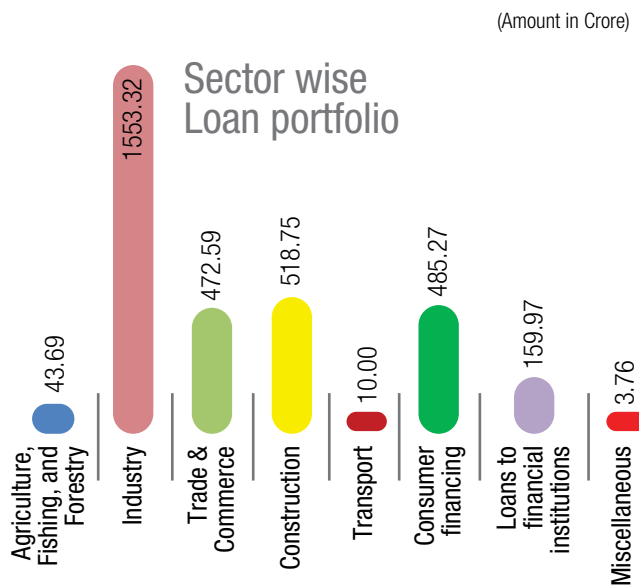
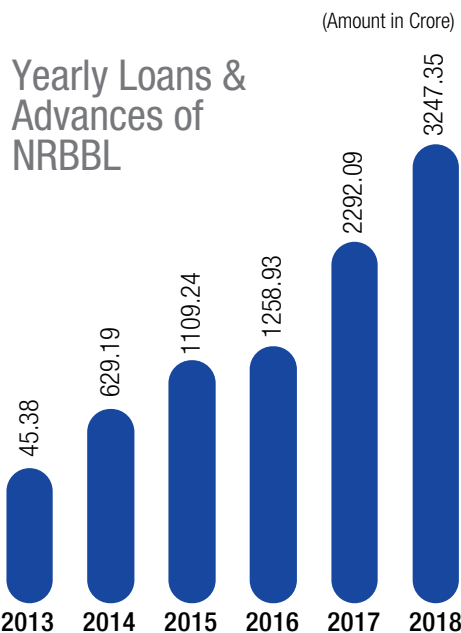
Market Risk Management:

Market risk is the potential of losses to income or the value of assets, liabilities and equity arising from changes in market prices. Such market prices may include reference interest rates, foreign exchange rates, traded prices of equity shares, prices of precious metals and other commodities etc.

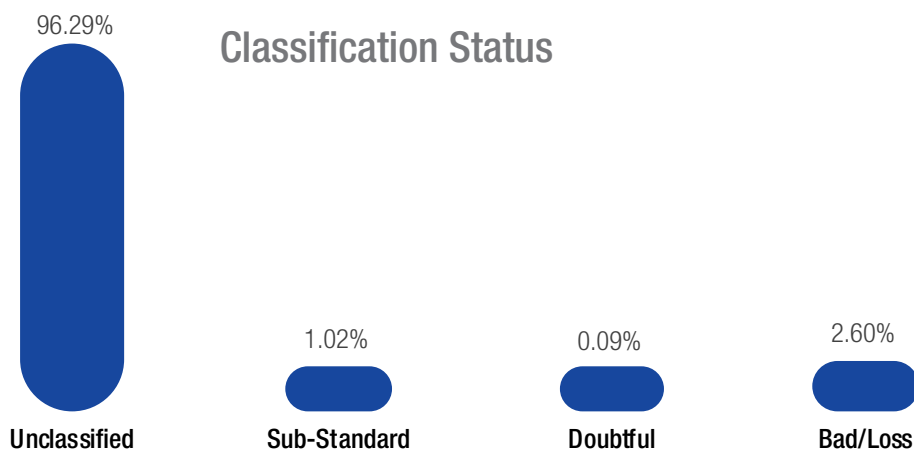
NRB Bank has an integrated, straight-through processing and state-of-the-art treasury management system for enabling better risk management. To measures liquidity, currency, and interest rate risks through various metrics, viz. Liquidity Gap Analysis, Dynamic Cash Flow Analysis, Liquidity Coverage Ratio, along with other Liquidity Ratios and Market Value of Equity, Sensitivity Analysis, among others using robust internal risk models. NRB Bank regularly conducts stress testing to monitor the Bank's vulnerability towards extreme, but plausible unfavorable shocks. Bank also monitors and controls its risk, using various internal and regulatory risk limits, which are set according to a number of criteria, including economic scenario, business strategy, management experience, peer analysis and the Bank's risk appetite. The risk reporting mechanism in the Bank comprises disclosures, and reporting to the various management committees, viz. Investment Committee, Asset Liability Management Committee (ALCO) among others.

Market risk may pertain to:

1. Interest rate related instruments (interest rate risk),
2. Foreign exchange rate risk (currency risk) and
3. Equities (equity price risk)



Dhaka= Tk. 2247.20
 Sylhet= Tk. 111.32
 Chattogram= Tk. 568.78
 Rajshahi= Tk. 93.08
 Khulna= Tk. 109.01
 Rangpur= Tk. 1.75
 Barisal= 0
 Mymensingh= Tk. 116.21



1. Interest Rate Risk:

Interest rate risk is the exposure of a bank's financial condition to adverse movements in interest rates. Change in interest rates affect a bank's earnings by changing its net interest income and the level of other interest sensitive income and operating expenses. Changes in interest rates also affect the underlying value of the bank's assets, liabilities, and off-balance-sheet instruments, because the present value of future cash flows change when interest rates change.

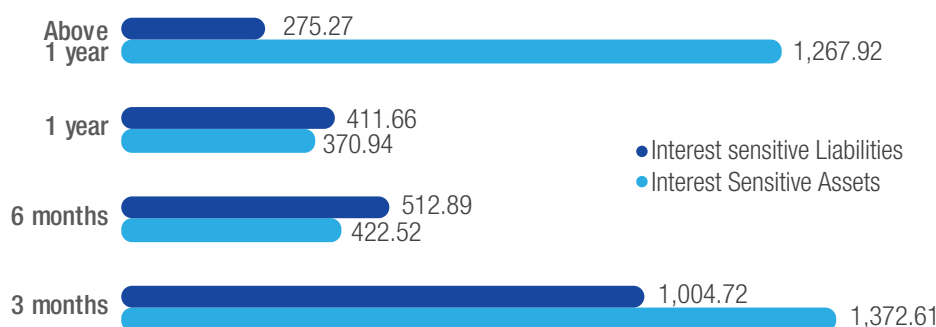
To manage interest rate risks, the Bank uses the following tools:

- Identifying and softening the interest rate risks on Bank products;
- Estimating interest rate risks, conducting gap-analysis and completing stress-testing;
- Establishing and controlling the observance of limits on the Bank's potential losses, connected with shifts in the profitability curve;

Transformation price formation system, which makes it possible for the Bank to operationally react to changing market conditions.

Simple Sensitivity Analysis

(Amount in Crore)



2. Foreign Exchange Risk:

Foreign exchange risk represents the current or prospective risk to earnings and capital arising from adverse movements in the exchange rates in relation to foreign currency transactions or assets denominated in foreign currency. The foreign currency risk for NRB Bank arises from proprietary positions taken by the Treasury and transactions undertaken to meet the requirements of customers.

To control currency risks, the Bank utilizes the following tools:

- ◆ Establishing and controlling the observance of limits on currency risks: stop-loss limits, limits on the volume of open positions, limits on the volume of potential bank losses.
- ◆ System indicators for early warnings about potential financial market crises;

3. Equity Price Risk:

Equity risk is the risk that the individual's equity/debt investments will depreciate because of stock market dynamics causing one to lose money. The Bank is conscious of systematic and unsystematic risks of the equity portfolio. NRB Bank has a limit structure to monitor and minimize the equity risk in the trading portfolio.

To control Equity price risks, the Bank uses the following instruments:

- ◆ Establishing and controlling the observance of equity price risk limits: stop-loss limits, limits on the volume of open positions, limits

on the volume of the Bank's potential losses, connected with changes in the Equity price risk factor.

- ◆ System indicators for early warnings about potential financial market crisis;

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

Particulars	Minor	Moderate	Major
Shock applied by the bank	1%	2%	3%
Interest rate	(0.89)	(1.77)	(2.66)
CRAR after interest rate shock	15.38	14.50	13.61
Shock applied by the bank	5%	10%	15%
Currency Appreciation	(0.04)	(0.08)	(0.13)
CRAR after exchange rate shock	16.23	16.19	16.15
Shock applied by the bank	10%	20%	40%
Equity shock	(0.16)	(0.32)	(0.65)
CRAR after equity shock	16.11	15.95	15.62

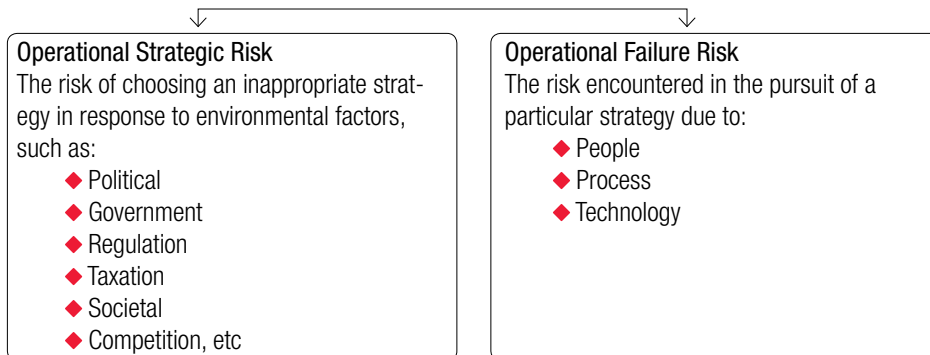
Operational Risk Management:

Operational risk is defined as the risk of unexpected losses due to physical catastrophe, technical failure and human error in the operation of a bank, including fraud, failure of management, internal process errors and unforeseeable external events.

The bank has segment wise Risk Management policies to manage the operational risk in an effective, efficient and proactive manner. All Policies aim at assessing and measuring the magnitude of risks, monitoring and mitigating them through well-defined framework and governance structure.

Board of Directors and Senior Management of NRB Bank Limited has established an organizational culture that places high priority on the agenda to ensure effective operational risk management and adherence to sound operating controls. Senior Management transforms the strategic direction given by the Board through operational risk management policy. In addition, the management has focused on reinforcement of segregation of responsibilities and establishing accountability as well as transparency in its different spheres of business activities through written procedures, regular training and awareness programs.

Operational Risk Cause Factors



Capital Requirement for Operational Risk:

Details	Amount in Crore
Total RWA for Operational risk	308.39
Total Capital requirement for Operational risk	30.83

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.

Liquidity Risk Management:

As part of the liquidity management and contingency planning, the Bank assesses potential trends, demands, events and uncertainties that could result in adverse liquidity conditions. The Bank's Asset Liability Management (ALM) Policy defines the gap limits for the structural liquidity and the liquidity profile is analyzed on both static and dynamic basis by tracking cash inflow and outflow in the maturity ladder based on the expected occurrence of cash flow. The Bank undertakes behavioral analysis of the non-maturity products, namely CASA, Cash Credit and Overdraft accounts on a regular basis to ascertain the volatility of balances in these accounts. The renewal pattern and premature withdrawals of Term Deposits and drawdowns of unveiled credit limits are also captured through behavioral studies. The liquidity profile is estimated on an active basis by considering the growth in Deposits, Advances and investment obligations. The concentration of large deposits is monitored on a periodic basis. Emphasis has been placed on growing Retail deposits and avoid as far as possible bulk deposits.

Contractual maturity of assets and liabilities, liquidity ratios to include adherence to regulatory requirements and monthly liquidity forecasts generated from the ALM system are reviewed at ALCO meetings. Furthermore liquidity stress tests are carried out to assess the impact of extreme events. Based on analyzing the current and forecast environmental state, the Bank selected a target scenario

and based on evaluating its influence on the Bank's liquidity, the required level of liquidity reserves is determined; An early warning indicator system exists for the liquidity crisis.

Results from inadequate liquid assets to meet bank's obligation Indicators:

- ◆ Noticeable risks in any product line/area.
- ◆ Concentration in assets or liabilities.
- ◆ Credit quality deterioration.
- ◆ Assets funded by inappropriate deposits.
- ◆ Reduction in earnings or projection.
- ◆ Large size of off-balance sheet exposure

Internal Control and Compliance Risk Management:

Internal Control and Compliance risk refers to the gap of internal system to highlight a control breach either because of non-inclusion in sampling or due to failure to detect within the sample. Losses arising out of lapse of internal compliances will be considered under operational risk. Internal control is the process, guided by a company's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of the objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations, and internal policies. Internal controls are the policies and procedures established and implemented alone, or in concert with other policies or procedures, to manage and control a particular risk or business activity, or combination of risks or business activities, to which the company is exposed to or in which it is engaged. A sound internal control function plays an important role in contributing to the effectiveness of the internal control system. NRB Bank has a board approved Internal Control and Compliance Policy.

Better internal controls allow a business to engage safely in more profitable activities that would be too risky for a competitor without those checks. The contribution of ICC is well understood in the event of a financial crisis where the banks that survive are those with a strong corporate culture, corporate governance and the system of ICC.

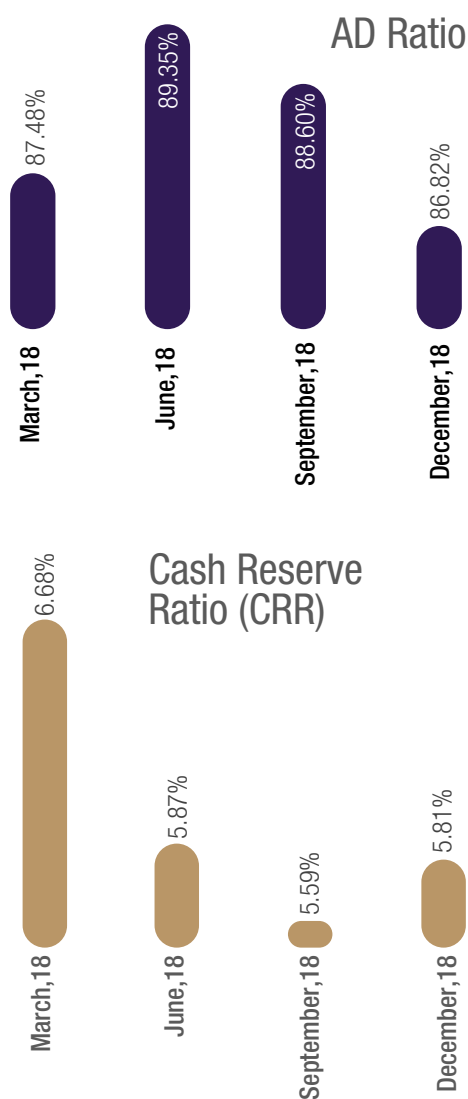


Internal Control and Compliance Department

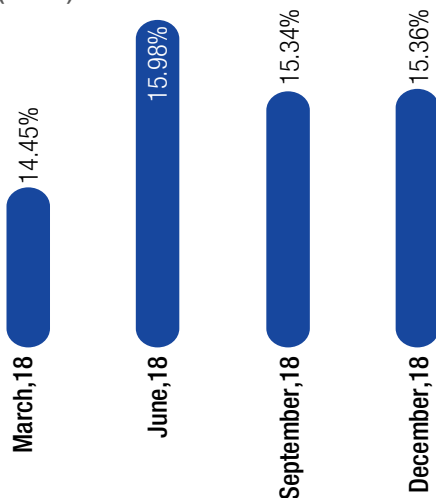
Internal Audit | Compliance Unit | Monitoring Unit

In 2018 internal Audit under IC&C Division conducted following no. of Audits:

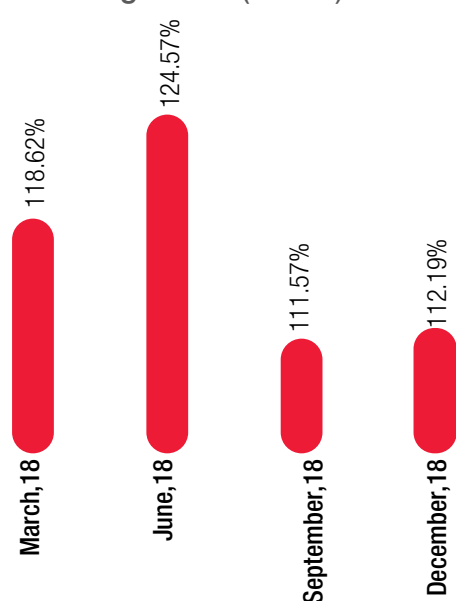
Summary	No. of Audit
No. of Comprehensive Audit on Branches	33
No. of Comprehensive Audit at Head Office	1
No. of IT Audit	1



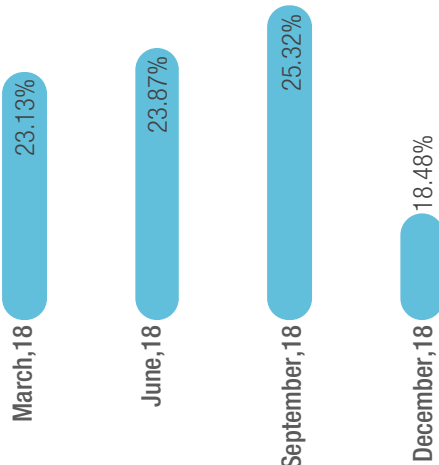
Statutory Liquidity Ratio (SLR)



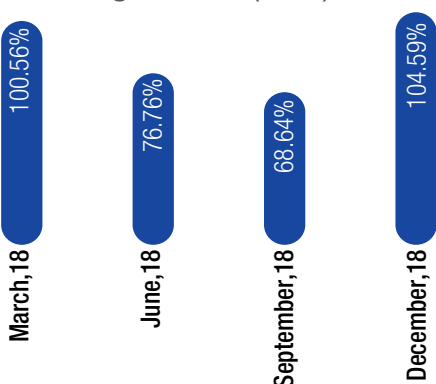
Net Stable Funding Ratio (NSFR)



Maximum Cumulative Outflow (MCO)



Liquidity Coverage Ratio (LCR)



ICT Security Risk Management:

Banking is changing rapidly. Traditional models and approaches are getting challenged by new players. Customers are demanding high level of digitization. Every day the landscape is shifting. Our Bank has taken several initiatives to keep pace with the changes. An integral part of NRB Bank's risk management endeavor is its strong "ICT Security Policy" and its adherence to these principles. These policies define responsibilities and requirements for protecting information and information systems. They also define hardware, network, and related communication technologies and their use in providing financial services. Also Segregated job descriptions and responsibilities to minimize IT Risk; Need based trainings are being conducted time to time to grip the IT Risk in an efficient manner. NRBBL protects and secures its data in various ways. Data is kept in secured place prescribed by the Bank's policy.

NRBBL procured and implemented state of the art Hardware, Software and system in its data center and Disaster Recovery Site keeping in mind future scalability, efficiency, fault tolerance and high availability. The environmental security features of the data center and DRS have been

provided high priority. The network system of the Bank has been reconfigured with latest technologies for highest availability, efficiency and security.

NRB Bank has taken necessary following stages to implement the process of ICT Security risk assessment:

- a) Adopt a lifecycle approach;
- b) Evaluate and analyze the risks;
- c) Identify informational assets and their values;
- d) Identify threats and vulnerabilities to information security;
- e) Plan the means and methods to minimize information risks;
- f) Establish multi-layered boundary defenses with help of R&D team to deploy a security wall between the untrusted external network and the trusted internal network;
- g) Plan for a proper disaster management related to IT services;
- h) Establish an IT governance framework inside the bank;
- i) Control measures implantation;
- j) IT risks monitoring and control;
- k) Build a risk- aware culture and develop skills of manpower ;
- l) Managing IT risk using the effective, efficient and right tools;

Money Laundering & Terrorist Financing Risk Management:

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. In line with the international standards and initiatives, Bangladesh has passed Money Laundering Prevention Act (MLPA), 2002. Afterwards several amendments were made and this year a new Money Laundering Prevention (Amendment) Act, 2015 has been passed. The Government has also enacted Anti-Terrorism (Amendment) Act (ATA) in 2013 aiming to combat terrorism and terrorism financing and this Act was also amended in 2012. Both the Acts have empowered Bangladesh Financial Intelligence Unit (BFIU), Bangladesh Bank (BB) to perform the anchor

role in combating ML/TF through issuing instructions and directives for reporting agencies and building awareness in the financial sectors.

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 Head Office 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.

Environmental & Social Risk Management:

From the perspective of the financial sector, the role of Environmental and Social (E&S) Risk Management is aimed at reducing the Probability of Default (PD) for banks and Financial Institutions (FIs) in their credit/investment stemmed from environmental and social risk factors as well as ingraining the sustainability in the core business model of them. Bangladesh bank has circulated "Guidelines on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions in Bangladesh" as on February 08, 2017. New standards and codes of conduct have been developed towards Environment and Social Risk Management (ESRM) within the bank to promote corporate accountability and transparency on the impacts of businesses on environment and society. They are as follows:

1. Introduction of Exclusion List to screening every loan proposal of agriculture, retail, trade, microfinance, SME, corporate finance and project finance to determine the applicability of Environmental and Social Due Diligence (ESDD).
2. Sectors in SME are specified so that Environmental and Social Risk is no way ignored.
3. Bank prepared itself to finance a significant portion of its portfolio in 52 products which are solely targeted to improve the environment.
4. Bank is committed to avoid financing to those borrowers who are High-Risk-rated.

Internal Capital Adequacy Assessment Process:

NRB Bank conducts a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) exercise as a consultative exercise involving business/operational and risk units of the Bank, on an annual basis. The Risk Management strategy of the Bank is laid down in the ICAAP document. The Risk units perform identification and assessment of risks through discussions with business units to identify all relevant material risks in their sphere of operation to which the Bank is, or may be exposed to, based on forward-looking strategic business plans and projection. The consolidation of the material risks from all business verticals provides a comprehensive view of risks for the Bank, as part of the ICAAP and form the 'Risk Universe' for the Bank. The ICAAP is an integral part of the management and decision making process in the Bank. The main aspects of a rigorous SRP are as follows:

- ◆ Board and senior management oversight,
- ◆ Sound capital assessment,



- ◆ Comprehensive assessment of risks,
- ◆ Monitoring and reporting and
- ◆ Internal control review.

Besides the Credit Risk, Market Risk and Operational Risk under Pillar-1 bank has to assess additional capital under Pillar-2 Supervisory Review Process for the following risk areas:

SL. No.	Name	Designation
1	Residual Risk	<ul style="list-style-type: none"> ◆ Error in documentation ◆ Error in valuation of collateral
2	Concentration Risk	<ul style="list-style-type: none"> ◆ Credit Concentration Risk ◆ Market Concentration Risk
3	Liquidity Risk	<ul style="list-style-type: none"> ◆ Cash Reserve Requirement (CRR): ◆ Statutory Liquidity Ratio (SLR), ◆ Medium Term Funding Ratio (MTFR), ◆ Maximum Cumulative Outflow (MCO), ◆ Advance Deposit Ratio (ADR) ◆ Liquidity Coverage Ratio (LCR), ◆ Net Stable Funding Ratio (NSFR).
4	Reputation Risk	<ul style="list-style-type: none"> ◆ Credit Rating conducted by ECAs ◆ Internal Fraud ◆ External Fraud ◆ Non-Payment or Delayed payment of accepted bills
5	Strategic Risk	<ul style="list-style-type: none"> ◆ CAMELS rating ◆ Operating expenses ◆ Classified loans ratio ◆ Recovery of classified loan ◆ Written-off loans ◆ Interest waiver ◆ Cost of fund
6	Settlement Risk	<ul style="list-style-type: none"> ◆ Issues of foreign trade settlement ◆ All types of receivables that have not been realized or have been realized lately
7	Evaluation of Core Risk Management	<ul style="list-style-type: none"> ◆ Ratings of Core Risks implementation
8	Environmental & Climate change Risk	<ul style="list-style-type: none"> ◆ Damage of assets due to adverse change of environment
9	Other Material Risk	<ul style="list-style-type: none"> ◆ Other risks that may jeopardize bank's assets or income

Stress Testing:

Stress Testing, which is a key aspect of the ICAAP and the risk management framework, provides an insight on the impact of extreme but plausible scenarios on the Bank's risk profile and capital position. Based on the stress testing framework, the Bank conducts stress tests on its various portfolios and assesses the impact on its capital ratios and the adequacy of capital buffers for current and future periods. The Bank periodically assesses and refines its stress testing framework in an effort to ensure that the stress scenarios capture material risks as well as reflect market conditions and operating environment. The business and capital plans and the stress testing results of certain key group entities are integrated into the ICAAP.

Combined Stress Testing Result of NRB Bank as on 31st December, 2018:

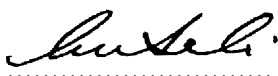
Combined Shock	Minor Shock		Moderate Shock		Major Shock	
	Changes in CRAR	CRAR after Shock (%)	Changes in CRAR	CRAR after Shock (%)	Changes in CRAR	CRAR after Shock (%)
	(2.99)	13.28	(8.73)	7.54	(15.06)	1.22

After applying combined shock, Capital to Risk Weighted Asset Ratio (CRAR) of the Bank falls to 13.28%, 7.54% and 1.22% respectively against minor, moderate and major shock.

Effective risk management is essential for ensuring sustainable organizational performance and aptly balancing growth and risk considerations. At NRB Bank, growth plans are duly supported by a comprehensive and integrated risk management framework which ensures that risk considerations form a critical input in business decisions. Through board approved policies, governance structures and clearly defined tools and techniques, the Bank's risk management framework sets the context for setting standards and establishing appropriate risk practices across the Bank.

Risk Appetite Statement:

Risk appetite is an expression of the maximum level of risk that bank is prepared to accept in order to achieve the business objectives. Risk Appetite statement is prepared according to the Bangladesh Bank DOS Circular letter no. 13 dated 9th September, 2015 and subsequent letter no . DOS(RMMS)1154/1/2018-878 dated 28th February, 2018. NRBBL reviews in details of Strategic Planning/ Long Term Business Planning, Financial soundness, Trend of last couple of years, Capital Adequacy, Liquidity position, Goodwill, Adequacy and experience of employee, Potential future risk etc. to prepare this report. Besides this above all Risk appetite statement is finalized by RMD together with the review of respective Division/Department and Business Units. The Risk Appetite Framework of NRB Bank Limited for 2018 has been approved in 64th Board of Directors meeting held on April 22, 2018.



Chief Risk Officer (Acting)



DISCLOSURES ON RISK BASED CAPITAL

(Basel III)

Market Discipline, the third pillar of Basel II complements the regulatory capital and supervisory review pillars, with requirement of sufficient transparency to stakeholders to make their own assessments about the risk profile of banks. This pillar requires banks to comply as per Bangladesh Bank guideline “Risk Based Capital Adequacy” Revised Regulatory Capital Framework for banks in line with Basel III published on 21st December, 2014 by providing sufficient qualitative and quantitative disclosures on audited material information at a regular basis.

Implementation of Basel III:

Basel III refers to the latest capital and liquidity standards prescribed by the Bank for International Settlements (BIS). Bangladesh has entered into the Basel III regime effective from January 01, 2015. Bangladesh Bank (BB) amended its capital standard which was based on Basel II and circulated new regulatory capital and liquidity guidelines in line with Basel III of BIS. This new capital and liquidity standards has great implications for banks. The guidelines provide a transition schedule for Basel III implementation up to 2019. Upon full implementation, Basel III guidelines target minimum capital to risk weighted assets ratio (CRAR) would be 12.50%, minimum Tier-1 Capital ratio would be 6.00%.

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

- ◆ Pillar 1 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: Ensure market discipline by disclosing adequate information to the Stakeholders.

Phase-in Arrangements

The phase-in arrangements for Basel III implementation are 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%
Leverage Ratio	3%	3%	3% Readjustment	Migration to Pillar 1	
Liquidity Coverage Ratio	≥100%	≥100%	≥100%	≥100%	≥100%
Net Stable Funding Ratio	>100%	>100%	>100%	>100%	>100%

Components of Disclosure:

Disclosure is organized as per Bangladesh Bank requirement in the following components:

1. Scope of Application
2. Capital Structure
3. Capital Adequacy
4. Credit Risk
5. Equities: Disclosures for Banking Book Positions
6. Interest Rate Risk in the Banking Book
7. Market Risk
8. Operational Risk
9. Leverage Ratio
10. Liquidity Ratio
11. Remuneration

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).	<p>NRB Bank Limited</p> <p>NRB Bank Limited was formally inaugurated on 4th August, 2013 as a Public Limited Company (Banking Company) under the Companies Act 1994 for carrying out all kinds of banking activities. Presently the Bank is operating its business through Corporate Head Office having 40 branches, 9 DESCO Bill Collection Booths and 41 ATM booths all over Bangladesh.</p>
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
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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.

As per Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel III) introduced by Bangladesh Bank, 'Common Equity Tier-1 (CET 1)' Capital of NRBBL consists of (i) Paid-up Capital, (ii) Statutory Reserve and (iii) Retained Earnings.

NRB Bank does not have 'Additional Tier 1 (AT 1)' Capital since it did not issue any instrument that meets the qualifying criteria for Additional Tier 1 Capital.

Tier-2 Capital consists of (i) General Provision (ii) Revaluation Reserves as on 31st December, 2014 (50% of Fixed Assets instruments) subject to regulatory adjustment/deduction i.e. 80% for 2018.

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 6.00% of the total RWA.	Complied
Minimum capital to Risk Weighted Asset Ratio (CRAR) will be 11.875% 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

Quantitative Disclosures

b) The amount of Regulatory capital of NRB Bank Limited under Basel-III for 31st December, 2018 as below:

1. Common Equity Tier-1 (Going Concern Capital)	Solo
	Amount in Million
Fully Paid-up Capital/Capital Deposited with BB	43,20.00
Statutory Reserve	4,70.69
Retained Earnings	4,60.65
Less: Regulatory Adjustment for Tier-1 Capital	(110.79)
Total Common Equity Tier-1 Capital	5,140.56
2. Tier-2 Capital (Gone-Concern Capital)	
General Provision	380.64
Revaluation Reserves 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	(9.87)
Total Admissible Tier-2 Capital	383.10
Total Regulatory Capital	5,523.66

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.
- Assessing regulatory capital in relation to overall risk exposures of a bank is an integrated and comprehensive process. The Bank focuses on strengthening risk management and control environment rather than increasing capital to cover up weak risk management and control practices. NRBBL has been generating most of its incremental capital from retained profit. Besides meeting regulatory capital requirement, the Bank maintains adequate capital to absorb material risks foreseen. Therefore, the Bank's Capital to Risk Weighted Assets Ratio (CRAR) remained consistently within the comfort zone during 2018. The surplus capital maintained by NRBBL will act as buffer to absorb all material risks and to support the future activities. To ensure the adequacy of capital to support the future activities, the bank assesses capital requirements periodically considering future business growth.

The Bank has computed the Capital Adequacy Ratio adopting the following approaches:

- a. Standardized Approach for Credit Risk to Compute Capital to Risk Weighted Ratio under Basel III, using Bangladesh Bank's prescription 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.

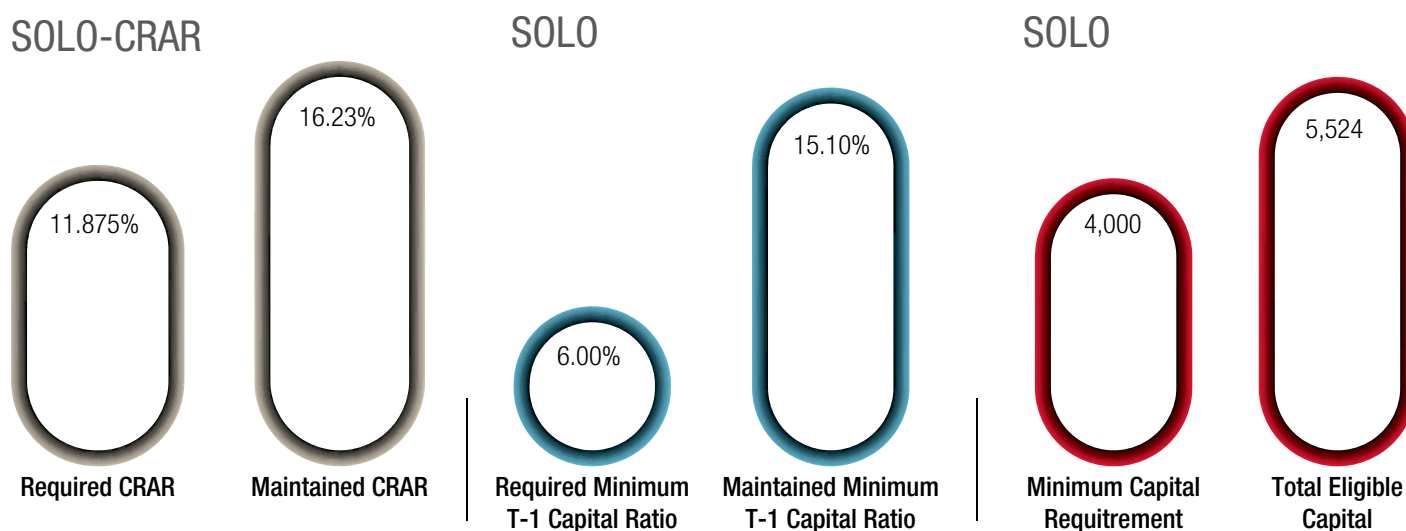
Risk Management Division (RMD) under guidance of the SRP team/ERMC (Executive Risk Management Committee), is taking active measures to identify, quantify, manage and monitor all risks to which the Bank is exposed to.

Quantitative Disclosures

Capital requirement under following Risk:	Amount in Million
b) Capital requirement for Credit Risk	2915.97
c) Capital requirement for Market Risk	179.39
d) Capital requirement for Operational Risk	308.39
Total Capital Requirement (b+c+d)	3,403.75
Minimum Capital Requirement (MCR) Capital Adequacy Ratio (CRAR):	
1. Common Equity Tier 1 (CET 1) Ratio	15.10%
2. Tier 1 Capital Adequacy Ratio	15.10%



3. Tier-2 Capital Adequacy Ratio	1.13%
Capital to Risk-weighted Asset Ratio (CRAR)	16.23%
Capital Conservation Buffer (1.875%)	638.20
Minimum Capital Requirement (MCR)	4,000.00



d) Credit Risk:

Qualitative Disclosures	a) The general qualitative disclosure requirement with respect to credit risk:
i) Definitions of past due and impaired	<p>As per relevant Bangladesh Bank guidelines, the bank defines the past due and impaired loans and advances for strengthening the credit discipline and mitigating the credit risk of the Bank. The impaired loans and advances are defined on the basis of (i) Objective/ Quantitative Criteria and (ii) Qualitative judgment.</p> <p>For this purpose, all loans and advances are grouped into four (4) categories, namely-</p> <p>(a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan and (d) Short-term Agricultural & Micro Credit.</p> <p>Definition of past due/overdue:</p> <p>i. Any 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;</p> <p>ii. Any 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 from the following day of the expiry date;</p> <p>iii. 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 from the following day of the expiry date.</p> <p>iv. The Short-term Agricultural and Micro-Credit if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date. However, a continuous loan, demand loan or a term loan which will remain overdue for a period of 02 (two) months or more, will be put into the "Special Mention Account (SMA)", the prior status of becoming the loan into impaired/classified/ nonperforming.</p>

Definition of impaired / classified /non-performing loans and advances are as follows:

Continuous loan is classified as follows:

Substandard: If it is past due /overdue for 3 (three) months or beyond but less than 6 (six) months;

Doubtful: If it is past due / overdue for 6 (six) months or beyond but less than 9 (nine) months;

Bad/Loss: If it is past due / overdue for 9 (nine) months or beyond.

Demand loan is classified as follows:

Substandard: If it remains past due / overdue for 3 (three) months or beyond but not over 6 (six) months from the date of expiry or claim by the Bank or from the date of creation of forced loan;

Doubtful: If it remains past due / overdue for 6 (six) months or beyond but not over 9 (nine) months from the date of expiry or claim by the Bank or from the date of creation of forced loan;

Bad/Loss: If it remains past due / overdue for 9 (nine) months or beyond from the date of expiry or claim by the Bank or from the date of creation of forced loan.

Fixed Term Loans are classified are as follows:

In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'past due or overdue installment'. In case of Fixed Term Loans: -

Substandard: If the amount of past due installment is equal to or more than the amount of installment(s) due within 03 (three) months, the entire loan will be classified as "Sub-standard".

Doubtful: If the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loan will be classified as "Doubtful".

Bad/Loss: If the amount of 'past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loan will be classified as "Bad/Loss".

In case of any installment (s) or part of installment (s) of a Fixed Term Loan amounting up-to Taka 10 lacs is not repaid within the due date, the classification is as under:

Substandard: If the amount of past due installment is equal to or more than the amount of installment (s) due within 6 (six) months, the entire loan will be classified as 'Sub- standard';

Doubtful: If the amount of past due installment is equal to or more than the amount of installment (s) due within 9 (nine) months, the entire loan will be classified as 'Doubtful';

Bad/Loss: If the amount of past due installment is equal to or more than the amount of installment (s) due within 12 (twelve) months, the entire loan will be classified as 'Bad/Loss'.

Short-term Agricultural and Micro-Credit is classified as follows:

The Short-term Agricultural and Micro-Credit will be considered irregular if not repaid within the due date as stipulated in the loan agreement. If the said irregular status continues, the credit will be classified as 'Substandard ' after a period of 12 months, as 'Doubtful' after a period of 36 months and as 'Bad/Loss' after a period of 60 months from the stipulated due date as per the loan agreement.



ii) Description of approaches followed for specific and general allowances and statistical methods	Loan Type	Rates of Provision				
		Un- Classified		Classified		
		Standard	SMA	SS	DF	BL
	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.	<p>The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Bank's Board of Directors. 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.</p> <p>Credit Risk is monitored on a bank-wide basis and compliance with the risk limits approved by Board/Risk Management Committee of Board.</p> <p>NRB 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.</p>					

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	Total
Small & Medium Enterprise Financing	2,641.70	6,051.85	4,648.08	13,341.63
Consumer Financing	1,240.56	0.00	1,115.39	2,355.95
Loans to BHs/MBs/Sds against Share				0
Housing Finance			544.73	544.73
Loan for Professionals to setup business (LP)				0
Others	4,033.49	7,947.85	3,510.85	15,492.19
Short Term Agri. Credit				436.86
Staff Loan				302.10
Total exposure	7,915.75	13,999.70	9,819.05	32,473.46

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	20,825.65	30,649.98
Chittagong	5,546.78	
Sylhet	1,076.99	
Rajshahi	930.8	
Khulna	1,090.12	
Barishal	-	
Rangpur	17.52	
Mymensingh	1,162.12	
Rural		
Dhaka	1,646.32	1,823.49
Chittagong	140.97	
Sylhet	36.2	
Rajshahi	-	
Khulna	-	
Barishal	-	
Rangpur	-	
Mymensingh	-	
Total	32,473.46	

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	436.86
Food & allied industries	1,243.55
Tobacco	0
Readymade garments	951.67
Textiles	3,009.81
Ship breaking & ship building	257.98
Basic metal & steel engineering	1,202.77
Non-metallic mineral products	396.30
Pharmaceuticals industry	150.26
Chemical & chemical products	443.62
Rubber & plastic industries	942.18
Leather & leather products	513.71
Wood, furniture & fixtures	205.82



Industry Type	Amount
Paper & paper products	147.49
Electronic goods & machineries	1,582.21
Power & gas	469.81
Other manufacturing industries	2,147.26
Construction & commercial real estate	5,194.66
Transport & communication	100.03
IT & telecommunication	1,060.03
Medical services	15.16
Hotel & restaurant services	30.42
Printing & publishing industries	43.58
Other service industries	719.60
NBFIs	554.09
Trade & commerce	4,718.70
Consumer credit	3,310.05
Credit card	1,240.56
Staff loan	302.10
Others	1,083.18
Total	32,473.46

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

(Amount in Million)

Time band	Continuous Loan	Demand Loan	Term Loan	Agricultural Credit	Staff Loan	Total
Up to 1 month	1,919.53	4,228.65	1.23	195.89	0.00	6,345.30
1 to 3 months	1,433.80	3,999.81	5.82	74.91	0.00	5,514.34
3 to 6 months	1,180.32	2,941.32	29.82	73.49	0.25	4,225.2
6 to 12 months	1,908.23	1,093.42	615.20	92.58	0.00	3,709.43
1 to 2 years	377.11	1,244.35	916.30	0.00	3.76	2,541.52
2 to 3 years	76.74	7.01	1,398.87	0.00	9.63	1,492.25
3 to 4 years	483.16	485.14	2,703.77	0.00	18.60	3,690.67
4 to 5 years	536.87	0.00	1,752.93	0.00	59.23	2,349.03
5 to 7 years	0.00	0.00	1,418.54	0.00	46.08	1,464.62
7 to 10 years	0.00	0.00	588.57	0.00	34.80	623.37
Over 10 years	0.00	0.00	387.99	0.00	129.76	517.75
Total	7,915.74	13,999.7	9,819.04	436.87	302.11	32,473.46

f) wBy 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	1104.25	1,589.35
Consumer Financing	88.69	146.39
Housing Finance	0	2.03
Loans for Professionals to setup business	6.23	0
Loans to BHs/MBs/SDs against Shares etc.	0	0
Other Corporate Credit	6.61	1,711.62
Short Term Agri Credit & Micro Credit	0	0.07
Staff Loan	0	0.34
Total	1205.78	3,449.8

◆ Specific and general provision (Required)

(Amount in Million)

Sector	General Provision	Specific Provision
Small & Medium Enterprise Financing	31.31	235.71
Consumer Financing	76.98	59.53
Housing Finance	5.45	0
Loans for Professionals to setup business	0	0
Loans to BHs/MBs/SDs against Shares etc.	0	0
Other Corporate Credit	154.86	0.20
Short Term Agri Credit & Micro Credit	4.37	0
Against Off-Balance Sheet	107.67	0
Grand Total	380.64	295.44

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

Against Classified Loans & Advances	Amount in Million
Provision held on 1 January , 2018	183.81
(-) Fully provided debts written off	
(-)Recoveries from previously written off debts	
(+)Provisions made during the year	111.62
Net Charge to the Profit & Loss Account	
Provision held at end of year	295.44
Against Unclassified Loans & Advances	Amount in Million
Provision held on 1 January, 2018	182.38
Add: Provisions made during the year:	



On General Loans and Advances	76.28
On Special Mention Account (SMA)	14.30
Provision held at end of year	272.96
General Provision for Off Balance Sheet Exposures	Amount in Million
Provision held on 1 January , 2018	85.82
Provisions made during the year	21.85
Provision held at end of year	107.67

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

(Amount in Million)

Gross Non-Performing Assets (NPAs)	
Non-Performing Assets (NPAs) to outstanding loans & advances	3.71%
Movement of Non-Performing Assets for NPAs	
Opening balance	563.33
Additions	691.87
Reductions	(49.42)
Closing Balance	1205.78
Movements of specific provisions for NPAs	
Opening balance	183.81
Provision made during the period	111.62
Write-off	-
Write back of excess provisions	-
Closing Balance	295.44

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 such as Subordinated Bond, Commercial Paper etc). 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.
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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)	768.00
	Fair Market Value of shares in Listed Securities	653.97
♦ The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.		85.27
* Total unrealized gains (losses)		(114.03)
* 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 st December 2018 was as under:			(Amount in Million)
	Particulars	Amount	Weight	Capital
		(MV)		Charge
	Specific Risk	653.97	10%	65.40
	General Market Risk	653.97	10%	65.40
	Total	1,307.95		130.79

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.
- The Executive Level Committee - Asset Liability Management Committee (ALCO) has the overall responsibility of managing the interest rate risk in the banking book of the Bank. ALCO fixes the deposit and lending rates of the Bank and directs the investment activities of the Bank in line with its interest rate view. Limits are fixed from both Earnings and Economic Value Perspective and adherence monitored on a monthly basis.
- 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 assets and rate sensitive liabilities in various tenor buckets based on re-pricing or maturity, as applicable.
 - II. Duration Gap Analysis: A weighted maturity/repricing 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).

Quantitative Disclosures:

- (b)** The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method of measuring IRRBB, broken down by currency.

(Amount in Million)

Interest Rate Risk in the banking book	Residual maturity bucket			
	3 months	6 months	1 year	Above 1 year
Interest Sensitive Assets (A)	13,726.10	4,225.20	3,709.42	12,679.21
Interest Sensitive Liabilities (B)	10,047.20	5,128.91	4,116.65	2,752.65
GAP (A-B)	3,678.91	(903.71)	(407.23)	9,926.55
Cumulative GAP	3,678.91	2,775.20	2,367.97	12,294.52

CRAR after Shock:

(Amount in Million)

Magnitude of Shock	Minor 1%	Moderate 2%	Major 3%
Regulatory Capital (After shock)	5149.62	4776.29	4402.95
RWA (After shock)	32,789.62	32,789.62	32,789.62
CRAR (After shock)	15.71%	14.57%	13.43%
Total Assets	44,166.85	44,166.85	44,166.85
Duration Gap in years	0.95	0.95	0.95
Changes in Market value of Equity due to an increase in interest Rate, Δ MVE	-373.34	-746.67	-1120.00

g) Market Risk:

Qualitative Disclosures:

Views of BOD on trading/ investment activities	<p>The Board approves all policies related to market risk, set limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance assets growth and trade related transactions.</p> <p>The market risk covers the followings risks of the Bank's balance sheet:</p> <ul style="list-style-type: none"> i) Interest rate risk; ii) Equity price risk; iii) Foreign exchange risk; and iv) Commodity price risk.
Methods used to measure Market risk	<p>Standardized approach has been used to quantify 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:</p> <ul style="list-style-type: none"> a) Capital charges for interest rate risk= <ul style="list-style-type: none"> Capital Charge for General Market Risk b) Capital charges for Equity Position Risk= <ul style="list-style-type: none"> Capital Charge for Specific Risk+ Capital Charge for General Market Risk c) Capital charges for Foreign Exchange Risk= <ul style="list-style-type: none"> Capital Charge for General Market Risk d) Capital charges for Commodity Position Risk= <ul style="list-style-type: none"> Capital Charge for General Market Risk



Market Risk Management System	<p>To manage the interest rate risk, ALCO regularly monitors various ratios and parameters. Of the ratios, the key ratios that ALCO regularly monitors are Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and Maximum Cumulative Outflow (MCO), Liquid asset to total assets, Volatile liability dependency ratio and Short term borrowing to Liquid assets ratio. ALCO also regularly monitors the interest rate sensitive gap and duration gap of total portfolio.</p> <p>To manage foreign exchange risk of the bank, the bank has adopted the limit set by Bangladesh Bank to monitor foreign exchange open positions. Foreign exchange risk is computed on the sum of net short positions or net long positions, whichever is higher.</p> <p>The Risk Management Division also reviews the market risk parameters on monthly basis and recommends on portfolio ratios for containing the RWA.</p>
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 ALCO 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.

Quantitative Disclosures:

The Capital requirements for specified risk are as follows:		(Amount in Million)
SL	Market Risk	Capital Requirement
A	Interest Rate Related instruments	14.83
B	Equities	130.79
C	Foreign Exchange Position	33.76
D	Commodities	0
	Total	179.38

h) Operational Risk:

Qualitative Disclosures:

i) Views of BoD on system to reduce Operational Risk	<p>Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events. It includes legal risk but excludes strategic and reputation risk. Operational risk is inherent in the Bank's business activities in day to day operations.</p> <p>As a part of continuous surveillance, the Senior Management Team (SMT), Risk Management Division, Internal Control and Compliance Division regularly reviews different aspects of operational risk. The analytical assessment was reported to the Board/ Risk Management Committee/Audit Committee of the Bank for review and formulating appropriate policies, tools & techniques for mitigating operational risk.</p>
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 event is expected to expose the Bank to significant operational risk. The Bank has a separate Operational Risk Policies at different operational units addressing specific issues involving Operational Risk.

i) Policies and Processes for mitigating operational risk:	<p>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., Risk Management Policy, Internal Control & Compliance Policy, Policy on ML & FT; ICT Security Policy addresses issues pertaining to Operational Risk Management.</p> <p>In 2018 IC&C Division conducted following No. of audit:</p> <table> <tr> <td>No. of Comprehensive Audit on branches</td><td>33</td></tr> <tr> <td>No. of Comprehensive Audit at Head Office</td><td>1</td></tr> <tr> <td>No. of IT Audit</td><td>1</td></tr> </table>	No. of Comprehensive Audit on branches	33	No. of Comprehensive Audit at Head Office	1	No. of IT Audit	1
No. of Comprehensive Audit on branches	33						
No. of Comprehensive Audit at Head Office	1						
No. of IT Audit	1						
v) Approach for calculating capital charge for operational risk	<p>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:</p> $K = [(GI_1 + GI_2 + GI_3)]/n$						

Quantitative Disclosures:

b) The capital requirements for operational risk

(Amount in Million)		
Particulars	RWA	Capital Requirement
Minimum Capital Requirement: Operation Risk	3083.89	308.39

i) Liquidity Ratio:

Qualitative Disclosures:

i) Views of BoD on system to reduce liquidity Risk	<p>NRB Bank has proficient Board of Directors that has always been giving utmost importance to minimizing the liquidity risk of the bank. In order to reduce liquidity risk strict maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Reserve (SLR) is also being emphasized on a regular basis. As per Basel-III requirement, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are also maintained under the guidance of our honorable Board of Directors.</p> <p>The Board of Directors of the Bank sets policy, different liquidity ratio limits, and risk appetite for liquidity risk management as per regulatory guidelines. The Asset Liability Management (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.</p>
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ii) Methods used to measure Liquidity risk	<p>Liquidity measurement involves assessing all of a bank's cash inflows against its outflows to identify the potential for any net shortfalls including funding requirements for off balance sheet commitments.</p> <p>An important aspect of measuring liquidity is making assumptions about future funding needs, both in the very short-term and for longer time periods. Another important factor is the critical role a bank's reputation plays in its ability to access funds readily and at reasonable terms. Several key liquidity risk indicators monitored on a regular basis to ensure healthy liquidity position are as follows:</p> <p>Regulatory Liquidity Indicators (RLIs):</p> <ul style="list-style-type: none"> Cash Reserve Requirement (CRR) Statutory Liquidity Ratio (SLR) Medium Term Funding Ratio (MTFR) Maximum Cumulative Outflow (MCO) Advance Deposit Ratio (AD Ratio) Liquidity Coverage Ratio (LCR) Net Stable Funding Ratio (NSFR) <p>Bank's own liquidity monitoring tools:</p> <ul style="list-style-type: none"> Wholesale Borrowing and Funding Guidelines Liquidity Contingency Plan Management Action Triggers (MAT) Liquid Asset to Total Deposit Ratio Liquid Asset to Short Term Liabilities, etc. <p>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.</p>
iii) Liquidity Risk Management System	<p>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, Treasury Mid-Office, Finance & Accounts etc.</p>
iv) Policies and Processes for mitigating Liquidity risk	<p>An effective liquidity risk management process will include systems to identify measure, monitor and control its liquidity exposures.</p> <p>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.</p>

Quantitative Disclosures:

Liquidity Coverage Ratio	104.59%
Net Stable Funding Ratio (NSFR)	112.19%
Stock of High quality liquid assets	6621.02
Total net cash outflows over the next 30 calendar days	8098.34
Available amount of stable funding	34191.12

j) Leverage Ratio:

Qualitative Disclosures:

i) Views of BoD on system to reduce excessive leverage	<p>Banks are highly leveraged organizations which facilitate leverage for others. Leverage, in simple terms, it is the extent to which a bank funds its assets with borrowings rather than capital. More debt relative to capital means a higher level of leverage.</p> <p>Banks have a range of financial incentives to operate with high leverage. But it creates risk when it crosses a certain point. Therefore, the Board views that sound prudential controls are needed to ensure that the organization maintains a balance between its debt and equity. The Board also believes that the bank should maintain its leverage ratio on and above the regulatory requirements which will eventually increase the public confidence on the organization.</p>
ii) Policies and processes for managing excessive on and off-balance sheet leverage	<p>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.</p> <p>At the end December 2018, the minimum requirement for leverage ratio was 3% on both solo and consolidated bases. But a larger 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.</p> <p>In view of the impact of leverage into the business, our Bank Management takes decision about future investment. Considering the financial strength, the bank also prepares capital planning and business budget to go on a right way.</p>
iii) Approach for calculating exposure	<p>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.</p> <p>A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level.</p> $\text{Leverage Ratio} = \frac{\text{Tier 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$

Quantitative Disclosures:

Leverage Ratio	10.40%
On balance sheet exposure	43,852.38
Off balance sheet exposure	5,702.40
Total exposure	49,443.99

k) Remuneration:

NRB Bank is committed to ensure 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 management and material risk takers of the NRB Bank Limited, for the financial year ended December 31, 2018.



Qualitative Disclosures

(a) Information relating to the bodies that oversee remuneration:

At the management level, primarily the Human Resources Management Division oversees the 'remuneration' in line with its Human Resources Management strategy/policy under direct supervision and guidance of the Top Management of the Bank.

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.

They also oversee performance oriented incentives, perquisites, other financial options etc. to attract, motivate and retain employees and review compensation packages/pay structure in comparison to that of other Banks to enjoy competitive advantages in this industry.

(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;
- ◆ 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 2018, 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 and fixed benefits. 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 like increment and performance.

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 taking into account the following key risks when implementing remuneration measures:

- ◆ Financial Risks
- ◆ Compliance Risks

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 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 Annual Performance Appraisal (APA) 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. performance bonus, provident fund, gratuity 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 Disciplinary Committee and approval of Management)

(f) Description of the different forms of variable remuneration that the bank utilizes 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 2018, total 21 number of Senior Management received performance bonus.
Number and total amount of guaranteed bonuses awarded during the financial year :
2 numbers of guaranteed festival bonuses amounted BDT 7.64 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 :

Details	SVP & Above	Other
No of Employees	21	584
(Amount in Million)		
Basic Salary		236.38
Allowances		229.24
Festival Bonus		38.38
Gratuity		0.62
Provident Fund Contribution		23.15
Performance Bonus		26.73

- (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 EMERGING Credit Rating Ltd. (ECRL) on the basis of Audited Financial Statements as on 31 December 2017. The summary of Rating is presented below:



CREDIT RATING

RATING	2018	2017
Long Term	A-	A3
Short Term	ST-2	ST-2



Rated by	EMERGING Credit Rating Ltd.
Date of Rating	July 01, 2018
Validity	Up to June 30, 2019



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STAKEHOLDERS' INFORMATION



FINANCIAL

HIGHLIGHTS

BDT Million

Particulars	2018	2017	Change (%)
Performance During the Year			
Net Interest Income	1,253	751	66.9%
Non Interest Income	1,057	1,274	-17.0%
Operating Income	2,310	2,025	14.1%
Operating Profit/(Loss)	909	854	6.5%
Profit/(Loss) After Tax	582	443	31.4%
Year End Financial Position			
Loan and Advances	32,473	22,921	41.7%
Investment	5,644	4,953	14.0%
Deposits	33,519	23,933	40.1%
Eligible Capital (Tier-I & Tier-II)	5,524	4,942	11.8%
Total Asset	44,148	34,940	26.4%
Ratios (%)			
Capital adequacy ratio (as per Basel III)	17.22%	18.4%	-11.8%
Non performing loans	3.71%	2.46%	50.9%
Cost to income ratio	60.6%	57.8%	4.9%
Channel			
Branch	40	36	11.1%
ATM (Own)	39	35	11.4%
ATM (Shared)	2,270	2,100	8.1%

Other Channel Standing in 2018

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

FIVE-YEAR

PROGRESSION OF NRB BANK

BDT Million

Particulars		2018	2017	2016	2015	2014
Balance Sheet Metric						
Deposit Growth 40.05% from 23,933 M of 2017	Authorised capital	10,000	10,000	10,000	10,000	10,000
	Paid up capital	4,320	4,000	4,000	4,000	4,000
	Eligible Capital (Tier-I & Tier-II)	5,524	4,942	4,834	4,188	4,031
Loan Growth 41.67% from 22,921 M of 2017	Deposits	33,519	23,933	17,466	13,357	7,805
	Borrowing	3,003	4,614	820	1,960	1,392
	Loans and Advances	32,473	22,921	12,589	11,092	6,292
	Credit to deposit ratio	87.6%	81.2%	72.1%	83.0%	77.3%
	Investment	5,644	4,953	6,944	5,385	3,520
	Fixed assets	441	439	392	348	259
	Total assets	44,148	34,940	24,730	20,535	13,492
Income Statement Metric						
	Net interest income (excluding investment income)	1,253	751	503	282	321
	Non-interest income	1,057	1,274	1,177	842	151
	Investment income	707	1,046	1,081	776	123
	Operating income	2,310	2,025	1,680	1,124	472
	Operating expense	1,401	1,172	870	730	452
“Credit Rating” Long Term A- Short Term ST-2	Operating profit/(loss) -before provision and tax	909	854	810	394	20
	Provision for loans, investment and other assets	253	247	91	50	70
	Profit/(loss) before tax	657	606	719	344	(50)
	Profit/(loss) after tax	582	443	525	236	(66)
Credit Quality						
	Non performing / classified loans (NPLs)	1,206	563	245	22	-
	Specific provision	295	184	85	3.8	-
	General provision	273	182	102	100	65
	NPL to total loans and advance	3.71%	2.46%	1.9%	0.2%	0.0%





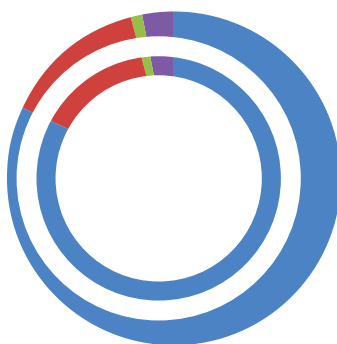
Asset Funding Mix 2018

Deposits	81.5%
Shareholders' Equity ¹	2.8%
Other Liabilities	5.8%



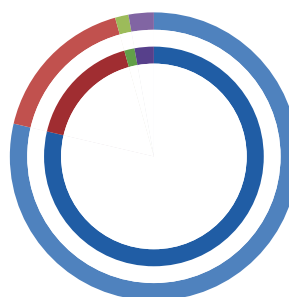
Asset Funding Mix 2017

79% Deposits
15% Shareholders' Equity
6% Other Liabilities



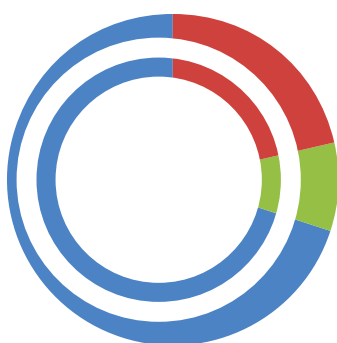
Asset Mix 2018

Loans and Advances	82%
Investments	14%
Fixed Assets	1%
Other Assets	3%



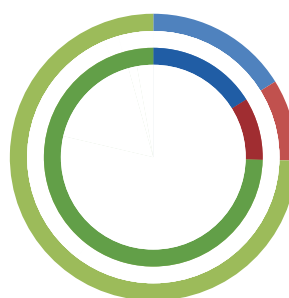
Asset Mix 2017

78% Loans and Advances
17% Investments
1% Fixed Assets
3% Other Assets



Deposit Mix 2018

Current Deposit	21.5%
Savings Deposit	8.5%
Fixed Deposit	70.0%



Deposit Mix 2017

21% Current Deposit
11% Savings Deposit
68% Fixed Deposit

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 2018
Wealth creation:	
Income from banking services	4,606,532,595
Less: Cost of services & supplies	2,939,818,717
Value added by banking services	1,666,713,877
Non-banking income	-
Provision for loans, investments & off balance sheet items	(252,915,658)
Total wealth creation	1,413,798,219
Wealth distribution	
To employees as salary expenses	643,626,221
To government exchequer as income tax	181,906,525
To expansion & growth	
Retained profit/(loss)	582,155,071
Depreciation	113,619,642
Deferred taxation	(107,509,240)
	588,265,473
Total Value Addition	1,413,798,219



45.52% To employee as salaries expenses
 12.87% To government exchequer as income tax
 41.18% Retained profit/(loss)
 8.04% Depreciation
 -7.60% Deferred taxation



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 2018 is given below:

	2018 (Taka)	2017 (Taka)
Tier-1 Capital:		
A) Total Common Equity Tier 1 Capital		
Paid up capital	4,320,000,000	4,000,000,000
Share premium	-	-
Statutory reserve	470,693,317	339,382,846
General reserve	-	-
Retained earnings	460,654,030	329,809,430
	5,251,347,346	4,669,192,276
Less: Regulatory adjustments	110,788,623	-
A) Total Common Equity Tier 1 Capital	5,140,558,723	4,669,192,276
B) Additional Tier 1 Capital:		
Add: Additional Tier 1 Capital	-	-
Less: Regulatory adjustments	-	-
C) Total Tier-1 Capital	5,140,558,723	4,669,192,276
Tier 2 Capital (Gone -Concern Capital)		
Subordinated Bond	-	-
General provision maintained against unclassified loan/investments	272,963,747	182,378,526
General provision on off-balance sheet items	107,672,527	85,815,672
Asset revaluation reserve	-	-
Revaluation reserve of Government securities	12,331,383	12,331,383
	392,967,657	280,525,581
Less: Regulatory adjustments	9,865,106	7,398,830
D) Total Tier 2 Capital	383,102,551	273,126,751
E) Total capital(C+D)	5,523,661,274	4,942,319,027
F) Total Risk weighted assets (RWA)	33,943,582,935	26,923,995,819
G) Required Common Equity Tier 1 Capital	1,527,461,232	1,211,579,812
H) Required Tier 1 Capital (6% of RWA)	2,036,614,976	1,615,439,749
I) Required total capital		
(11.25% 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)	3,613,097,491	3,457,612,464
K) Surplus Tier 1 Capital(C-H)	3,103,943,747	3,053,752,527
G) Surplus total Capital (E-I)	1,523,661,274	942,319,027
Capital to Risk-Weighted Assets Ratio:		
On Common Equity Tier 1 Capital against standard of minimum 4.5%	16.09%	17.34%
On Tier 1 Capital - against standard of minimum 6.0%	16.09%	17.34%
On total capital - against standard of minimum 11.25%	17.22%	18.36%





FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the shareholders of NRB Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NRB Bank Limited, which comprise the balance sheet as at 31 December 2018, the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of NRB Bank Limited as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2.1.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs 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 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.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the

audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) 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:

- (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
- (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities (other than matters disclosed in these financial statements);
- (iii) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (iv) the records and statements submitted by the branches have been properly maintained in the financial statements;
- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) the expenditures incurred were for the purpose of the Bank's business for the year;
- (vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1,750 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka,
28 April 2019



ACNABIN
Chartered Accountants



Balance Sheet

AS AT 31 DECEMBER 2018

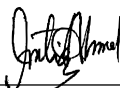
PROPERTY AND ASSETS	Notes	31.12.2018 Taka	31.12.2017 Taka
Cash	4	2,477,068,239	2,593,192,121
Cash in hand (including foreign currencies)	4.1	619,425,293	545,916,638
Balance with Bangladesh Bank and its agent bank(s)(including foreign currencies)	4.2	1,857,642,946	2,047,275,483
Balance with other banks and financial institutions	5	2,101,864,793	3,208,154,343
In Bangladesh	5.1	1,917,446,008	3,185,780,844
Outside Bangladesh	5.2	184,418,785	22,373,499
Money at call and short notice		-	-
Investments	6	5,644,173,511	4,953,018,727
Government	6.1	4,143,947,816	3,374,533,063
Others	6.2	1,500,225,695	1,578,485,664
Loans and advances	7	32,473,459,905	22,920,907,531
Loans, cash credit, overdrafts etc.	7.1	32,358,230,291	22,903,735,905
Bills purchased and discounted	7.2	115,229,614	17,171,626
Fixed assets including premises, furniture and fixtures	8	440,714,062	438,873,065
Other assets	9	1,010,537,129	825,941,133
Non - banking assets		-	-
Total assets		44,147,817,639	34,940,086,920
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	3,003,095,329	4,614,037,715
Deposits and other accounts		33,518,594,580	23,933,484,680
Current deposits and other accounts	11.1	6,931,742,405	4,649,946,451
Bills payable	11.2	267,142,987	162,292,400
Savings bank deposits	11.3	2,862,283,877	2,662,962,119
Fixed deposits	11.4	23,457,425,311	16,458,283,710
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	12	2,374,736,163	1,723,194,298
Total liabilities		38,896,426,073	30,270,716,693
Capital/shareholders' equity		5,251,391,566	4,669,370,227
Paid up capital	13.2	4,320,000,000	4,000,000,000
Statutory reserve	14	470,693,317	339,382,846
Other reserve	15	44,219	177,951
Retained earnings	16	460,654,030	329,809,430
Total liabilities and shareholders' equity		44,147,817,639	34,940,086,920

PROPERTY AND ASSETS	Notes	31.12.2018 Taka	31.12.2017 Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	17	11,241,688,588	8,581,567,216
Acceptances and endorsements	17.1	1,594,059,219	1,440,562,683
Letters of guarantee	17.2	7,297,256,241	4,754,760,624
Irrevocable letters of credit	17.3	1,875,937,279	2,231,154,287
Bills for collection	17.4	474,435,849	155,089,622
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		11,241,688,588	8,581,567,216

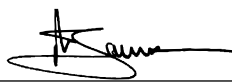
The annexed notes form an integral part of these financial statements.



Managing Director & CEO



Director



Director



Chairman

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

Dhaka,
28 April 2019


ACNABIN
Chartered Accountants



Profit and Loss Account

FOR THE YEAR ENDED 31 DECEMBER 2018

OPERATING INCOME	Notes	2018 Taka	2017 Taka
Interest income	19	3,549,330,885	2,139,473,152
Interest paid on deposits and borrowings etc.	20	(2,296,120,534)	(1,388,549,734)
Net interest income		1,253,210,351	750,923,418
Investment income	21	707,440,314	1,045,989,346
Commission, exchange and brokerage	22	335,680,404	215,899,361
Other operating income	23	14,080,992	12,358,893
		1,057,201,710	1,274,247,600
Total operating income (a)		2,310,412,061	2,025,171,018
OPERATING EXPENSE			
Salaries and allowances	24	626,866,221	477,805,053
Rent, taxes, insurance, electricity etc.	25	296,643,186	256,128,167
Legal and professional expenses	26	4,364,997	3,174,208
Postage, stamp, telecommunication etc.	27	27,159,894	24,735,774
Stationery, printing, advertisements etc.	28	44,136,427	38,354,662
Managing Director's salary and fees	29	16,760,000	16,760,000
Directors' fees	30	3,127,689	4,474,789
Auditors' fees	31	400,000	402,500
Depreciation and repair of bank's assets	32	155,162,807	149,329,008
Other expenses	33	226,322,826	200,342,574
Total operating expenses (b)		1,400,944,047	1,171,506,735
Profit before provision (c = (a-b))		909,468,014	853,664,283
Provision against loans and advances			
General provision		90,585,221	80,280,969
Specific provision		111,623,623	99,011,926
Provision for off-balance sheet items		21,856,855	67,426,048
Provision for diminution in value of investments		28,607,958	603,776
Other provisions		242,000	-
Total provision (d)	34	252,915,658	247,322,718
Profit before taxation e=(c-d)		656,552,356	606,341,565
Provision for taxation (f)		74,397,285	163,418,470
Current tax	12.6	181,906,525	173,858,261
Deferred tax income	9.3.3	(107,509,240)	(10,439,791)
Net profit after taxation (g=e-f)		582,155,071	442,923,095
Appropriations:			
Statutory reserve	14	131,310,471	121,268,313
General reserve		-	-
		131,310,471	121,268,313
Retained earnings		450,844,600	321,654,782
Earnings per share (EPS)	37	1.35	1.03

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

 Managing Director & CEO	 Director	 Director	 Chairman
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This is the balance sheet referred to in our separate report of even date.

Dhaka,
28 April 2019


ACNABIN
Chartered Accountants

Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 Taka	v
Cash flows from operating activities			
Interest receipts in cash		3,780,069,091	2,508,490,541
Interest payments		(2,028,957,846)	(1,321,348,349)
Dividend receipts		80,479,778	94,102,550
Fees and commission receipts		335,680,404	215,458,048
Cash payments to employees		(643,626,221)	(494,565,053)
Cash payment to suppliers		(14,434,029)	(12,728,382)
Income tax paid		(84,034,321)	(131,196,316)
Receipts from other operating activities	35	14,080,992	12,800,206
Payments for other operating activities	36	(629,264,155)	(568,793,635)
(i) Operating profit before changes in operating assets and liabilities		809,993,694	302,219,610
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers		(9,552,552,374)	(10,331,540,430)
Other assets		(282,901,806)	(63,546,349)
Deposits from customers		9,585,109,901	6,467,849,895
Other liabilities		390,684,499	642,653,230
(ii) Cash generated from operating assets and liabilities		140,340,220	(3,284,583,654)
Net cash (used in)/flow from operating activities (a)=(i)+(ii)		950,333,914	(2,982,364,044)
Cash flows from investing activities			
(Purchase)/ sale of trading securities		(769,548,484)	1,552,010,225
Proceeds from sale of trading securities, shares, bonds, etc.		269,088,155	462,448,709
Purchase of shares and bonds		78,259,969	86,205,805
Purchase of property, plant and equipment		(115,460,640)	(142,133,691)
Net cash flow/ (used in) investing activities (b)		(537,661,000)	1,958,531,048
Cash flows from financing activities			
(Repayment)/ Borrowings from other banks, financial institutions and agents		(1,610,942,386)	3,413,824,889
Dividend paid (Cash Dividend)		(24,358,560)	(455,641,440)
Net cash flow/ (used in) from financing activities (c)		(1,635,300,946)	2,958,183,449
Net (decrease)/ increase in cash and cash equivalents (a+ b +c)		(1,222,628,032)	1,934,350,452
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		5,801,881,864	3,867,531,412
Cash and cash equivalents at end of the year (*)		4,579,253,832	5,801,881,864
(*) Cash and cash equivalents			
Cash in hand (including foreign currencies)		619,425,293	545,916,638
Balance with Bangladesh Bank and its agent bank (s)		1,857,642,946	2,047,275,483
Balance with other banks and financial institutions		2,101,864,793	3,208,154,343
Money at call and short notice		-	-
Prize bond		320,800	535,400
		4,579,253,832	5,801,881,864

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


Managing Director & CEO


Director


Director


Chairman

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

Dhaka,
28 April 2019



ACNABIN
Chartered Accountants


Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2018

Particulars	Paid up capital	Statutory reserve	Other Reserve	Retained earnings	Total
Balance as at 1 January 2018	4,000,000,000	339,382,846	177,951	329,809,430	4,669,370,227
Bonus share issued for 2017	320,000,000	-	-	(320,000,000)	-
Net profit after tax for the year	-	-	-	582,155,071	582,155,071
Transfer to statutory reserve	-	131,310,471	-	(131,310,471)	-
Addition/ (adjustment) made during the year	-	-	(133,732)	-	(133,732)
Balance as at 31 December 2018	4,320,000,000	470,693,317	44,219	460,654,030	5,251,391,566
Balance as at 1 January 2017	4,000,000,000	218,114,533	352,820,290	488,154,648	5,059,089,471
Cash Dividend Paid for 2016	-	-	-	(480,000,000)	(480,000,000)
Net profit after tax for the year	-	-	-	442,923,095	442,923,095
Transfer to statutory reserve	-	121,268,313	-	(121,268,313)	-
Addition/ (adjustment) made during the year	-	-	(352,642,339)	-	(352,642,339)
Balance as at 31 December 2017	4,000,000,000	339,382,846	177,951	329,809,430	4,669,370,227

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

 **Managing Director & CEO**

 **Director**

 **Chairman**

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

Liquidity Statement

(ANALYSIS OF MATURITY OF ASSETS AND LIABILITIES)

AS AT 31 DECEMBER 2018

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
(Amount in Taka)						
Assets:						
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	2,477,068,239	-	-	-	-	2,477,068,239
Balance with other banks and financial institutions	1,568,014,793	533,850,000	-	-	-	2,101,864,793
Money at call and on short notice	-	-	-	-	-	-
Investments	-	-	1,147,346,905	607,549,671	3,889,276,935	5,644,173,511
Loans and advances	6,225,085,701	5,477,429,811	8,488,461,482	9,522,653,206	2,759,829,706	32,473,459,905
Fixed assets including premises, furniture and fixtures	-	-	-	-	440,714,062	440,714,062
Other assets	-	101,800,232	179,745,684	728,991,213	-	1,010,537,129
Non banking assets	-	-	-	-	-	-
Total assets (A)	10,270,168,733	6,113,080,042	9,815,554,071	10,859,194,090	7,089,820,703	44,147,817,639
Liabilities:						
Borrowings from other banks, financial institutions and agents	1,686,332,442	967,377,290	237,899,169	28,629,286	82,857,142.00	3,003,095,329
Deposits	5,291,061,933	9,298,310,139	16,133,143,776	1,301,081,016	1,494,997,716	33,518,594,580
Provision and other liabilities	250,379,447	716,751,594	53,773,163	10,515,636	1,343,316,322	2,374,736,163
Total liabilities (B)	7,227,773,822	10,982,439,023	16,424,816,108	1,340,225,938	2,921,171,180	38,896,426,073
Net liquidity gap (A - B)	3,042,394,910	(4,869,358,981)	(6,609,262,038)	9,518,968,152	4,168,649,523	5,251,391,566

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


Managing Director & CEO


Director


Director


Chairman

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



Notes to the Financial Statements

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2018

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 40 branches, 39 ATM booths and 2,270 shared ATM booths all over Bangladesh. The Bank had no overseas branches as at 31 December 2018.

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, treasury, securities and custodial services to its customers.

2.0 Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements of the Bank as at and for the year ended 31 December 2018 have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Bank Company Act 1991 (amended upto 2018), the rules and regulations issued by Bangladesh Bank and the Companies Act 1994.

In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Company Act 1991 (amended upto 2018), and provisions and circulars issued by Bangladesh Bank shall prevail.

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

i) Presentation of financial statements

IFRS: As per IAS 1 financial statements shall comprise statement of financial position, comprehensive income statement, changes in equity, cash flow statement, adequate notes comprising summary of accounting policies and other explanatory information. As per para 60 of IAS 1, the entity shall also present current and non-current assets and 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 flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the First Schedule (section 38) of the Bank Company Act 1991 (amendment up to 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 noncurrent classifications.

ii) Investments in shares, mutual funds and other securities

IFRS: As per requirements of IAS 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 on the bases of year-end market price and Net Assets Value (NAV) of last audited balance sheet respectively. As per instruction of another DOS circular letter no. 3 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 recognised at costs.

iii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IAS 39, T-bills and T-bonds are to be categorised as 'Held For Trading (HFT)' and 'Held To Maturity (HTM)' where any change in the fair value of HFT securities is recognised in profit and loss account, and amortised cost method is applied for HTM securities using an effective interest rate.

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification in DOS circular no. 5 dated 28 January 2009, amortisation loss is charged to profit and loss account, mark-to-market loss on revaluation of government securities (T-bills/T-bonds) categorised as HFT is charged to profit and loss account, but any unrealised gain on such revaluation is recognised to revaluation reserve account. T-bills/T-bonds designated as HTM are measured at amortised cost method but interest income/ gain is recognised through equity.

iv) Provision on loans and advances

IFRS: As per IAS 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, BRPD circular no. 16 dated 18 November 2014 and BRPD circular no. 8 dated 2 August 2015, 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 IAS 39.

v) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IAS 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

IFRS: As per IAS 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. IFRSs 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 IAS 39. As such some disclosures and presentation requirements of IFRS 7 and IAS 32 cannot be made in these financial statements.

viii) Repo transactions

IFRS: 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

IFRS: As per IAS 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

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 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

IFRS: No indication of non-banking assets is found in any IFRSs

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

IFRS: 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)

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

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

xiv) Presentation of intangible asset

IFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per IAS 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

IFRS: There is no concept of off-balance sheet items in any IFRS; 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

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

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

2.2 Basis of measurement

The financial statements of the Bank 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 Going concern basis of accounting

The financial statements has been prepared on the assessment of the Bank's ability to continue as a going concern. NRBBL has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to exhibit a healthy trend for couple of years. The rating outlook of the Bank as denoted by the rating agency (ECRL) is 'stable'. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.4 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.

2.5 Use of estimates and judgments

The preparation of the financial statements of the Bank in conformity with IFRSs 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 recognised in the period in which the estimate is revised and in any future period affected.

2.6 Foreign currency transactions and translations

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

2.7 Cash flow statement

Cash Flow Statement is prepared principally in accordance with IAS 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 year have been classified as operating activities, investing activities and financing activities.

2.8 Reporting year

These financial statements of the bank cover one calendar year from 1 January to 31 December 2018.

2.9 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.

2.10 Statement of changes in equity

Statement of Changes in Equity has been prepared in accordance with IAS 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
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 years presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by Bangladesh Bank as the prime regulator.

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, unrestricted balances held with BB and its agent bank, balance with other banks and financial institutions, money at call and on short notice and prize bonds which are not ordinarily susceptible to change in value.

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 year) of the same security. For interest bearing security, the Bank does not accrue interest during REPO year.

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.
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 (amended upto 2018), 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	1%
Unclassified (including SMA) loans for professionals and Credit Cards	2%
Unclassified (including SMA) consumer financing other than housing financing and loans for professionals	5%
Short term agri credit and micro credit	1%
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%

The Bangladesh Bank under its inspection based on 31 December 2018 suggested to keep extra provision against loans and advances amounting Tk. 803.50 Lac, out of which Tk. 62.42 Lac has been kept in the year 2018. The rest of the amount Tk. 741.08 lac will be kept in two consecutive years by Tk. 370.54 lac in 2019 and Tk. 370.54 lac in 2020.

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 IAS 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 IFRS. 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%
Mobile Phone	50%

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 and unrealized income receivables etc.



3.1.6 Non-banking assets

Non-banking assets will be acquired due to failure of borrowers to repay the loan in time taken against mortgaged property. The value of the properties will be recognised in the financial statements as non-earning assets on the basis of third party valuation report. Value of the assets received in addition to the loan outstanding will be kept as reserve against non-banking assets.

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 International Financial Reporting Standards (IFRSs).

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 2018 has not been recognized as a liability in the balance sheet in accordance with IAS 10 Events after the Reporting Year. Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the year 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 12.3 of these financial statements.

3.2.6 Provision against investment in capital market

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. 4 dated 24 November 2011 and DOS circular letter no. 3 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 13.8 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 IAS 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.

3.2.11 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.

3.3 Share capital and reserves

Authorized capital

The authorised capital of the Bank is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association to issue among shareholders. This amount can be changed by shareholders' approval upon fulfilment of relevant provisions of the Companies Act 1994.

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 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

Fees 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 IAS 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 IAS 1 "Presentation of Financial Statements".



3.5 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.

3.6 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 substantially enacted at the reporting date and any adjustment to the tax payable in respect of previous years.

Provision for current income tax of the Bank has been made on taxable income @ 37.5% considering major disallowances of expenses and concessional rates on certain incomes (0% on gain on trading of govt. securities, 10% on capital gain of shares & MFs and 20% on dividend income) as per Income Tax Ordinance (ITO) 1984.

Deferred tax

Deferred tax assets or liabilities are recognised by the Bank on deductible or taxable temporary differences between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 'Income Taxes' and BRPD circular no.11 dated 12 December 2011. Deferred tax assets is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax assets and liabilities are reviewed at each reporting period and are measured at the applicable tax rate as per tax laws that are expected to be applied when the assets is realised and liability is settled.

3.7 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.

3.8 Comparative Information

Comparative information including narrative and descriptive one is disclosed in respect of the preceding period where it is relevant to enhance the understanding of the current period's financial statements. Certain comparative amounts in the financial statements are reclassified and rearranged where relevant, to conform to the current year's presentation.

3.9 Earnings per Share

As per IAS 33 'Earnings per Share' the Bank has been reporting 'Basic EPS' as there has been no dilution possibilities during the year. Basic EPS is computed by dividing the profit or loss attributable to ordinary shareholders of the Bank by the number of ordinary shares outstanding during the period. Bonus shares issued in current period are considered for number of ordinary shares outstanding for preceding period to present comparative EPS with retrospective adjustment (restated).

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.

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 yearically 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 center, 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, yearic 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). 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 reviews the internal audit reports as well as monitor progress of previous findings. However, the Head of Audit being part of internal control & compliance, report to audit committee of the Board and is responsible to audit committee of the Board.

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 year

All the material events after the reporting year have been considered and appropriate adjustments/ disclosures have been made in the financial statements as per IAS 10 'Events after the Reporting Year'. 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:

- 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;
- the party is an associate;
- the party is a joint venture;
- the party is a member of the key management personnel of the Company or its parent;
- the party is a close member of the family of any individual referred to in (i) or (iv);
- 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
- 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 International Accounting standards (IASs) and International Financial Reporting Standards (IFRSs)

The Bank has complied the following IASs & IFRSs 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 2018.

Sl. No.	IAS No.	IAS 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

Sl. No.	IAS No.	IAS Title	Compliance Status
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	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.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time Adoption of International 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	Not Applicable
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
13	15	Revenue from Contracts with Customers	Complied

* Subject to departure disclosed in note no. 2.1

* In order to comply with certain specific rules and regulations of the Central Bank (Bangladesh Bank) which are different from IASs /IFRSs, some of the requirements specified in these IASs /IFRSs 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 28th meeting held on 27 April 2019 and was subsequently approved by the Board in its 76th meeting held on 28 April 2019.



	31.12.2018 Taka	31.12.2017 Taka
4 Cash		
Cash in hand (including foreign currencies) (Note-4.1)	619,425,293	545,916,638
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies) (Note-4.2)	1,857,642,946	2,047,275,483
	2,477,068,239	2,593,192,121
4.1 Cash in hand (including foreign currencies)		
Local currency	583,965,775	519,547,452
Foreign currencies	35,459,518	26,369,186
	619,425,293	545,916,638
4.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)		
Local currency	1,815,918,805	1,920,172,212
Foreign currencies	41,724,141	127,103,271
	1,857,642,946	2,047,275,483
4.a Cash Reserve Ratio (CRR)		
As per section 33 of Bank Company Act, 1991 (amended upto 2013) & MPD circular no. 01 dated 3 April 2018 issued by Bangladesh bank with effect from 15 April June 2018, the Bank has maintained CRR of minimum 5.0% on daily basis and 5.5% 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 2018 is based on weekly average balance of October 2018). Reserve maintained by the bank as at 31 December are as follows:		
Average total demand and time liabilities of October 2018	29,496,780,226	24,046,320,715
Daily basis		
Required reserve (5% of ATDTL)	1,474,839,011	1,442,779,243
Actual reserve held (6.09% of ATDTL)	1,797,183,517	1,823,336,145
Surplus	322,344,506	380,556,902
Bi-weekly basis: The bank maintained excess cash reserve of Tk. 1,421,011,267/- (Tk. 1,688,466,848.1 was in 2017) against minimum requirement of 5.5% (of ATDTL) on bi-weekly basis which is the summation of excess cash reserve maintained over required in the last fortnight (bi-week) of 2018.		
4.b Statutory Liquidity Ratio (SLR)		
As per section 33 of the Bank Company Act, 1991 (amended upto 2013) & MPD circular no. 02 dated 10 December 2013 issued by Bangladesh bank with effect from 01 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 2018 is based on weekly average balance of October 2018). Reserve maintained by the bank as at 31 December are as follows:		
Required reserve (13% of ATDTL)	3,834,581,430	3,126,021,693
Actual reserve held (16.85% of ATDTL) (Note-4.c)	4,970,228,470	4,187,876,956
Surplus	1,135,647,040	1,061,855,263
4.c Actual reserve held		
Cash in hand	619,425,293	545,916,638
Excess reserve on CRR	174,860,605	260,325,299
Balance with Sonali Bank (local Currency)	31,994,756	7,101,956
Unencumbered approved securities (HFT)	505,846,538	560,334,419

	31.12.2018 Taka	31.12.2017 Taka
Unencumbered approved securities (HTM)	3,637,780,479	2,813,663,244
Unencumbered approved securities (other eligible)	320,800	535,400
	4,970,228,470	4,187,876,956
4.d Maturity grouping of cash		
On demand	2,477,068,239	2,593,192,121
More than 1 month but not more than 3 months	-	-
More than 3 months but not more than 1 year	-	-
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	2,477,068,239	2,593,192,121
5 Balance with other banks and financial institutions		
In Bangladesh	1,917,446,008	3,185,780,844
Outside Bangladesh	184,418,785	22,373,499
	2,101,864,793	3,208,154,343
5.1 In Bangladesh		
<i>In current accounts with</i>		
Trust Bank Limited	7,471,374	4,971,019
Brac Bank Limited	2,248,719	2,443,667
Pubali Bank Limited	12,075	4,880
Agrani Bank Limited	9,007,178	5,471,810
Eastern Bank Limited	25,056,662	42,889,467
	43,796,008	55,780,844
<i>In fixed deposit accounts with Bank and NBF</i>		
With Banks:		
Modhumoti Bank Ltd	83,850,000	-
With Financial Institutions:		
Prime Finance & Investment Ltd.	175,500,000	200,000,000
Bay Leasing and Investment Ltd	100,000,000	300,000,000
National Finance Limited	100,000,000	150,000,000
GSP Finance Company (Bangladesh) Ltd	250,000,000	170,000,000
IPDC Finance Limited	100,000,000	100,000,000
Reliance Finance Limited	200,000,000	200,000,000
Lanka Bangla Finance Ltd	100,000,000	450,000,000
Hajj Finance Ltd	-	240,000,000
Bangladesh Finance & Investment Co Limited	250,000,000	290,000,000

	31.12.2018 Taka	31.12.2017 Taka
Premier Leasing & Finance Limited	122,400,000	200,000,000
Fareast Finance & Investment Limited	243,900,000	330,000,000
Union Capital Limited	-	300,000,000
International Leasing and Finance Ltd	148,000,000	200,000,000
	1,789,800,000	3,130,000,000
	1,917,446,008	3,185,780,844

5.2 Outside Bangladesh (NOSTRO Accounts)

Current Deposits

Habib American Bank, New York	28,873,378	1,185,927
United Bank of India	28,780,661	9,674,545
United Bank of India	447,063	415,701
Mizhuo Bank Ltd, Japan	87,672	146,188
Mashreq Bank PSC, New York	95,645,315	132,805
Mashreq Bank PSC, UK	7,213,003	7,966,159
Mashreq Bank PSC, UK	4,510,253	134,219
AB Bank Limited, Mumbai	16,524,550	413,500
National Commercial Bank	2,336,892	2,304,455
	184,418,785	22,373,499

(Details are given in Annexure- B)

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

On demand	1,568,014,793	1,128,154,343
More than 1 month but not more than 3 months	533,850,000	1,550,000,000
More than 3 months but not more than 1 year	-	530,000,000
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	2,101,864,793	3,208,154,343

6 Investments

Government (Note-6.1)	4,143,947,816	3,374,533,063
Others (Note-6.2)	1,500,225,695	1,578,485,664
	5,644,173,511	4,953,018,727

6.1 Government (Investment in govt. securities)

Treasury bills (Note-6.1.1)	-	-
Treasury bonds (Note-6.1.2)	4,143,627,016	3,124,058,881
Prize Bonds	320,800	535,400
Bangladesh Bank Bill	-	249,938,782
	4,143,947,816	3,374,533,063

	31.12.2018 Taka	31.12.2017 Taka
6.1.1 Treasury bills		
Unencumbered		
91 days treasury bills	-	-
182 days treasury bills	-	-
364 days treasury bills	-	-
	-	-
6.1.2 Treasury bonds		
Unencumbered		
2 years treasury bond	-	-
5 years treasury bond	210,231	103,532,737
10 years treasury bond	801,842,971	332,117,256
15 years treasury bond	1,228,653,275	724,134,073
20 years treasury bond	2,112,920,540	1,964,274,815
	4,143,627,016	3,124,058,881

6.1.3 (i) Disclosure regarding outstanding repo as on 31 December 2018

There is no outstanding reverse repo as at 31 December 2018 with the Bank.

(ii) Disclosure regarding outstanding reverse repo as at 31 December 2018

There is no outstanding reverse repo as at 31 December 2018 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	64,554,469	1,525,938,000	95,582,405
Securities purchased under reverse repo:			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	-	-	-

6.a Investments classified as per Bangladesh Bank Circular:

Held for Trading (HFT)

HFT T-Bills 91 Days	-	-
HFT T-Bills 182 Days	-	-
HFT T-Bills 364 Days	-	-
2 Years BGTB – HFT	-	-
5 Years BGTB – HFT	210,231	-
10 Years BGTB – HFT	477,348,090	244,222,010
15 Years BGTB – HFT	28,288,217	66,173,627
20 Years BGTB – HFT	-	-
	505,846,538	310,395,637

	31.12.2018 Taka	31.12.2017 Taka
Held to Maturity (HTM)		
HTM T-Bills 91 Days	-	-
HTM T-Bills 182 Days	-	-
HTM T-Bills 364 Days	-	-
2 Years BGTB – HTM	-	-
5 Years BGTB – HTM	-	103,532,737
10 Years BGTB – HTM	324,494,881	87,895,246
15 Years BGTB – HTM	1,200,365,058	657,960,446
20 Years BGTB – HTM	2,112,920,540	1,964,274,815
	3,637,780,479	2,813,663,244
	4,143,627,016	3,124,058,881

As per DOS Circular NO. 01 dated 19 January 2014, the maximum limit of holding approved Securities under Held to Maturity (HTM) is 125% of SLR for all primary dealer banks and NRB Bank Limited has invested in Treasury bonds under HTM category as per said circular.

6.2 Others

Corporate bonds (Note-6.2.1)	120,000,000	394,750,000
Ordinary Shares and Mutual Funds (Note-6.2.2)	772,346,905	766,462,934
Preference Share (Note-6.2.3)	257,878,790	267,272,730
Commercial Paper (Note-6.2.4)	350,000,000	150,000,000
	1,500,225,695	1,578,485,664

6.2.1 Corporate bonds

Mercantile Bank Limited	120,000,000	160,000,000
City Bank Limited	-	234,750,000
	120,000,000	394,750,000

6.2.2 Ordinary Shares and Mutual Funds

Quoted Shares

Active Fine Chemicals Limited	62,152,415	80,535,135
BRAC Bank Limited	14,517,787	-
Square Pharmaceuticals Limited	178,650	-
Kattali Textiles Limited	101,491	-
Heidelberg Cement Bangladesh Limited	43,459,370	42,371,902
MJL Bangladesh Limited	97,181,052	92,078,913
Advent Pharma Limited	36,365	-
Intraco Refueling Station Limited	57,459	-
SK Trims & Industries Limited	77,720	-
ACI Limited	12,349,511	-
Grameenphone Limited	27,051,630	-
VFS Thread Dyeing Limited	70,173	-
M L Dyeing Limited	60,400	-
Silva Pharma Limited	91,940	-
Indo-Bangla Pharmaceuticals Limited	45,864	-

	31.12.2018 Taka	31.12.2017 Taka
Aman Cotton Fibrous Limited	640,000	-
Bashundhara Paper Mills Limited	1,760,000	-
Summit Power Limited	12,017,847	20,597,784
IBBL Mudaraba Perpetual Bond	15,344,767	19,539,000
Aamra Networks Limited	-	2,340,000
Jamuna Oil Company Limited	-	2,900,156
Khulna Power Company Limited	-	44,926,922
Nahee Aluminum Composite Panel Limited	-	64,919
Oimex Electrode Limited	-	64,810
United Power Generation & Distribution Company Limited	-	22,626,419
	287,194,440	328,045,958
Mutual Funds		
ICB AMCL First Agrani Bank Mutual Fund	9,573,509	6,965,823
AIBL 1st Islamic Mutual Fund	86,991,170	86,991,170
Grameen One : Scheme Two Mutual Fund	197,362,733	174,038,988
ICB AMCL 2nd NRB Mutual Fund	10,997,267	1,328,652
LR Global Bangladesh Mutual Fund One	50,093,521	39,228,171
MBL 1st Mutual Fund	53,153,879	51,738,888
Reliance One: The 1st Scheme of Reliance Insurance Mutual Fund	59,263,505	58,256,229
Southeast Bank 1st Mutual Fund	13,373,408	15,126,992
	480,808,992	433,674,913
IPO Application		
Bashundhara Paper Mills Limited	-	3,458,080
Aman Cotton Febrics Limited	-	1,255,400
Esquire Knit Composite Limited	1,880,100	-
Runner Automobiles Limited	1,080,900	-
ADN Telecom Limited	568,770	-
SS Steels Limited	134,910	-
Genex Infosys Limited	104,660	-
	3,769,340	4,713,480
	771,772,772	766,434,351
Free fund available	574,133	28,582
	772,346,905	766,462,934
(Details are given in Annexure- C)		
6.2.3 Preference Share		
Union Capital Limited	20,000,000	30,000,000
Ace Alliance Power Limited	55,000,000	-
Doreen Power House & Technologies limited	90,000,000	100,000,000
Raj Lanka Power Company Limited	67,878,790	87,272,730
Star Ceramics Limited	25,000,000	50,000,000
	257,878,790	267,272,730

	31.12.2018 Taka	31.12.2017 Taka
6.2.4 Commercial Paper		
Rangpur Metal Industries Ltd.	50,000,000	-
Energypac Engineering Ltd.	200,000,000	-
Partex Laminates Ltd	-	150,000,000
Baraka Power Ltd.	100,000,000	-
	350,000,000	150,000,000
6.b Remaining maturity grouping of investments		
On demand	-	249,938,782
More than 1 month but not more than 3 months	-	150,000,000
More than 3 months but not more than 1 year	1,147,346,905	766,462,934
More than 1 year but not more than 5 years	607,549,671	765,555,467
More than 5 years	3,889,276,935	3,021,061,544
	5,644,173,511	4,953,018,727
7 Loans and advances		
Loans, cash credit, overdrafts etc. (Note-7.1)	32,358,230,291	22,903,735,905
Bills purchased and discounted (Note-7.2)	115,229,614	17,171,626
	32,473,459,905	22,920,907,531
7.1 Loans, cash credits, overdrafts etc.		
Inside Bangladesh		
Loans - General	24,147,560,873	17,435,401,131
Cash credit	-	-
Overdraft	7,908,571,044	5,180,865,371
Staff Loan	302,098,374	287,469,403
	32,358,230,291	22,903,735,905
Outside Bangladesh	-	-
	32,358,230,291	22,903,735,905
7.2 Bills purchased and discounted		
Inside Bangladesh		
Local bills /documents	108,622,595	15,371,626
Foreign bills /documents	6,607,019	1,800,000
	115,229,614	17,171,626
7.2 a Residual maturity grouping of Bills purchased & discounted		
On demand	30,919,311	6,209,053
More than 1 month but not more than 3 months	66,057,927	10,559,516
More than 3 months but not more than 1 year	18,252,376	403,057
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	115,229,614	17,171,626

	31.12.2018 Taka	31.12.2017 Taka
7.2.b Residual maturity grouping of Loans & Advances including Bills purchased & discounted		
On demand	6,225,085,701	4,352,577,780
More than 1 month but not more than 3 months	5,477,429,811	3,481,757,792
More than 3 months but not more than 1 year	8,488,461,482	8,256,441,915
More than 1 year but not more than 5 years	9,522,653,206	5,412,607,201
More than 5 years	2,759,829,706	1,417,522,843
	32,473,459,905	22,920,907,531
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	28,407,336	21,717,672
Advances to CEO & Managing Director	26,921,293	30,725,865
Advances to Other executives and staffs	275,177,081	256,743,538
Advances to Customers	11,343,440,122	8,728,485,931
Industrial loans and advances	20,799,514,072	13,883,234,526
	32,473,459,905	22,920,907,531
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 5,524 million as at 31 December 2018.		
Number of the clients	36	31
Amount of outstanding loans and advances	12,832,719,055	8,648,463,399
Amount of classified loans and advances	115,983,722	-
	12,832,719,055	8,648,463,399
7.3.3 Industry-wise concentration of loans and advances		
Agriculture	436,862,381	642,959,391
Food & allied industries	1,243,550,600	1,037,253,133
Tobacco	-	101,926,164
Readymade garments	951,670,326	398,700,121
Textiles	3,009,807,957	2,734,163,332
Ship breaking & ship building	257,983,412	28,861,176
Basic metal & steel engineering	1,202,772,354	1,385,430,203
Non-metallic mineral products	396,304,863	258,923,017
Pharmaceuticals industry	150,260,455	-
Chemical & chemical products	443,622,250	363,675,160
Rubber & plastic industries	942,175,735	1,000,666,600
Leather & leather products	513,710,734	464,838,550
Wood, furniture & fixtures	205,818,517	230,364,578
Paper & paper products	147,486,626	28,443,593
Electronic goods & machineries	1,582,207,021	1,005,222,165
Power & gas	469,807,457	74,423,648
Other manufacturing industries	2,147,258,235	1,489,455,104



	31.12.2018 Taka	31.12.2017 Taka
Construction & commercial real estate	5,194,657,997	2,116,050,913
Transport & communication	100,028,699	102,599,485
IT & telecommunication	1,060,034,709	337,481,410
Medical services	15,163,231	16,505,382
Hotel & restaurant services	30,415,223	21,892,517
Printing & publishing industries	43,581,767	44,513,437
Other service industries	719,603,241	663,562,510
NBFIs	554,087,856	545,189,796
Trade & commerce	4,718,700,676	4,527,925,928
Consumer credit	3,310,051,275	922,503,029
Credit card	1,240,561,835	603,797,631
Staff loan	302,098,374	287,469,403
Others	1,083,176,099	1,486,110,155
	32,473,459,905	22,920,907,531

7.3.4 Sector - wise concentration of loans and advances

Government sector	48,139,732	-
Public sector	1,476,748,140	1,423,502,580
Private sector	30,948,572,033	21,497,404,951
	32,473,459,905	22,920,907,531

7.3.5 Business segment - wise concentration of loans and advances

Corporate	16,428,008,077	9,030,404,110
SME	12,842,669,835	12,076,733,358
Consumer	2,900,683,618	1,526,300,660
Executives and staff	302,098,374	287,469,403
	32,473,459,905	22,920,907,531

7.3.6 Geographical location-wise concentration of loans and advances

Inside Bangladesh

Dhaka Division	22,471,960,205	18,226,703,670
Chittagong Division	5,687,751,205	4,003,869,534
Sylhet Division	1,113,189,044	254,479,867
Rajshahi Division	930,801,749	393,221,571
Khulna Division	1,090,119,603	42,632,888
Barisal Division	-	-
Rangpur Division	17,520,569	-
Mymensingh Division	1,162,117,531	-
	32,473,459,905	22,920,907,531

Outside Bangladesh

	-	-
	32,473,459,905	22,920,907,531

	31.12.2018 Taka	31.12.2017 Taka
7.3.7 Security/Collateral-wise concentration of loans and advances		
Collateral of movable/immovable assets	15,511,597,221	12,251,175,994
Local Banks and financial institutions guarantee	-	-
Government guarantee	-	-
Foreign bank guarantee	-	-
Export documents	-	-
Fixed deposit receipts	5,877,859,087	3,542,761,556
FDR of other banks	291,170,721	135,859,015
Government bonds	-	-
Personal guarantee	7,484,306,408	6,354,797,658
Other securities	3,308,526,467	636,313,308
	32,473,459,905	22,920,907,531
7.3.8 Classified and unclassified bad loans & advances		
Unclassified		
Standard (Including Staff Loan)	29,461,062,477	21,540,234,529
Special Mention Accounts (SMA)	1,806,615,856	817,341,909
	31,267,678,333	22,357,576,439
Classified		
Sub-standard	331,935,696	53,786,015
Doubtful	29,097,237	88,835,159
Bad/Loss	844,748,639	420,709,918
	1,205,781,572	563,331,092
	32,473,459,905	22,920,907,531
7.3.9 Particulars of required provision for loans and advances		
General Provision on unclassified loans and advances		
Loans (excluding SMA)	256,254,973	176,095,376
Special Mention Accounts (SMA)	16,708,774	6,210,164
Required provision on unclassified loans and advances	272,963,747	182,305,540
Total provision maintained for unclassified loans and advances	272,963,747	182,305,540
Excess of provision	-	-
Specefic provision on classified loans and advances		
Sub-standard	15,781,642	5,328,011
Doubtful	9,647,415	14,924,917
Bad/Loss	270,007,272	163,632,764
Required provision on classified loans and advances	295,436,328	183,885,691
Total provision maintained for unclassified loans and advances	295,436,328	183,885,691
Excess/(shortage) of provision	-	-



	31.12.2018 Taka	31.12.2017 Taka
Total Required provision for loans and advances	568,400,075	366,191,231
Total provision maintained for loans and advances	568,400,075	366,191,231
Total Excess/(shortage) of provision	-	-

7.3.10 Particulars of loans and advances

i)	Loans considered good in respect of which the bank is fully secured	2,402,675,967	1,003,583,788
ii)	Loans considered good against which the bank holds no security other than the debtors' personal guarantee	1,201,532,379	578,668,598
iii)	"Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor"	1,029,485,269	620,056,566
iv)	Loans adversely classified; provision not maintained there against	-	-
v)	Loans due by directors or officers of the bank or any of them either separately or jointly with any other persons	330,505,711	309,187,074
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	28,407,336	21,717,672
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.	304,909,512	309,187,074
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.	28,817,285	21,717,672
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)	106,374,508	98,877,536
	Amount of loan written off	-	-
	Amount realised against the loans previously written off	-	-
b)	Provision kept against loans classified as bad debts	270,007,272	163,632,764
c)	Interest credited to interest suspense account	143,016,636	70,601,987
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	148,837,745	120,393,724
Furniture and fixtures	303,761,217	256,841,565

	31.12.2018 Taka	31.12.2017 Taka
Vehicle	47,376,226	47,376,226
Machinery and Equipment	151,475,686	126,246,882
Mobile Phone	1,392,905	1,040,605
Software	173,475,328	160,717,919
	826,319,107	712,616,922
Less: Accumulated depreciation	385,605,044	273,743,857
	440,714,062	438,873,065

(Details are given in **Annexure- A**)

9 Other assets

Income generating

Income receivable (Note-9.1)

107,967,946	204,042,501
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Non-income generating

Stationery, stamps, printing materials, etc.
Prepaid expenses
Advance rent
Security deposits with other entities
Advance income tax (Note-9.2)
Deferred tax assets (Net off liability) (Note-9.3)
Advances to vendors
Advances to staff for expenses
Dividend Receivable
Q-Cash and ATM receivable
Receivable against Sanchaypatra
Sundry receivables

827,180	1,296,930
8,652,829	7,693,973
225,142,682	243,735,920
6,841,252	6,378,892
355,575,880	271,541,559
105,277,985	-
31,417,612	23,140,974
4,735,802	6,767,238
12,637,202	21,029,111
3,065,287	335,786
148,239,073	39,828,959
156,400	149,290
902,569,184	621,898,633
1,010,537,129	825,941,133

9.1 Income receivable:

Interest receivables on Placements
Interest receivables on Government Securities
Interest receivables on Non-government Securities
Interest receivables on Loans & Advances
Interest Receivables on Other Bank Balance

33,911,046	79,418,187
60,264,186	105,099,703
13,672,569	7,004,306
-	12,347,294
120,144	173,012
107,967,946	204,042,501

9.2 Advance income tax

Opening balance
Add: Addition during the year

271,541,559	140,345,243
94,482,098	131,196,316



	31.12.2018 Taka	31.12.2017 Taka
	366,023,657	271,541,559
Less: Adjusted against provision for current tax	10,447,777	
	355,575,880	271,541,559

9.3 Deferred tax assets (net off liability)

Deferred tax asset (Note-9.3.1)	110,788,623	-
Deferred tax liability (Note-9.3.2)	(5,510,638)	(2,231,255)
	105,277,985	(2,231,255)

9.3.1 Deferred tax asset

Temporary timing difference between charging specific provision and writing off Bad/Loss loans		
Cumulative provision made against Bad/Loss loans	295,436,328	-
Adjustment of corresponding provision on write off	-	-
Deductible temporary difference	295,436,328	-
Tax rate	37.5%	-
Deferred tax asset	110,788,623	-
Opening deferred tax asset	-	-
Deferred tax income (A)	(110,788,623)	-

9.3.2 Deferred tax liability

Temporary timing difference in written down value of fixed assets		
Carrying amount of fixed assets	440,714,061	438,873,065
Tax base	(426,019,027)	(433,294,928)
Taxable temporary difference	14,695,034	5,578,137
Tax rate	37.50%	40.00%
Deferred tax liability	5,510,638	2,231,255
Opening deferred tax liability	2,231,255	12,671,046
Deferred tax expense/(income) (B)	3,279,383	(10,439,791)

10 Borrowings from other banks, financial institutions and agents

In Bangladesh (Note-10.a)	3,003,095,329	4,614,037,715
Outside Bangladesh	-	-
	3,003,095,329	4,614,037,715

10.a In Bangladesh

Demand Borrowing

Janata Bank Ltd.	190,000,000	450,000,000
Sonali Bank Ltd.	150,000,000	750,000,000
Rupali Bank Ltd.	400,000,000	750,000,000
NCC Bank Ltd.	200,000,000	100,000,000
IFIC Bank Ltd.	70,000,000	-
Eastern Bank Ltd.	335,600,000	-

	31.12.2018 Taka	31.12.2017 Taka
Uttara Bank Ltd.	-	241,350,000
UCBL	-	350,000,000
Bangladesh Bank	340,732,442	113,327,073
	1,686,332,442	2,754,677,073
Term Borrowing		
Agrani Bank Ltd.	500,000,000	800,000,000
Modhumoti Bank Ltd.	83,900,000	-
Bank Asia Ltd.	-	250,000,000
SME Foundation	4,215,000	6,400,000
Bangladesh Bank	728,647,887	802,960,642
	1,316,762,887	1,859,360,642
	3,003,095,329	4,614,037,715
10.b Residual maturity grouping of borrowings from other banks, financial institutions and agents		
On demand	1,686,332,442	2,754,677,073
More than 1 month but not more than 3 months	967,377,290	1,393,725,707
More than 3 months but not more than 1 year	237,899,169	458,213,506
More than 1 year but not more than 5 years	28,629,286	7,421,429
More than 5 years	82,857,142	-
	3,003,095,329	4,614,037,715
11 Deposits and other accounts		
Current deposits and other accounts, etc. (Note-11.1)	6,931,742,405	4,649,946,451
Bills payable (Note-11.2)	267,142,987	162,292,400
Savings bank deposits (Note-11.3)	2,862,283,877	2,662,962,119
Fixed deposits (Note-11.4)	23,457,425,311	16,458,283,710
Bearer certificates of deposit	-	-
Other Deposits	-	-
	33,518,594,580	23,933,484,680
11.1 Current deposits and other accounts, etc.		
Current deposits	6,213,825,478	3,851,702,371
Foreign currency deposits	252,046,083	130,629,188
Deposit margin on facilities	465,870,844	667,614,893
	6,931,742,405	4,649,946,451
11.2 Bills payable		
Local currency	267,142,987	162,292,400
Foreign currencies	-	-
	267,142,987	162,292,400
11.3 Savings bank deposits		
NRB savers	834,445,313	743,582,662



	31.12.2018 Taka	31.12.2017 Taka
NRB power savers	1,195,463,248	1,148,421,057
NRB staff	29,845,804	27,992,783
NRB my savings	261,126,222	362,484,499
NRB my study	6,016,800	10,594,555
NRB my salary	67,334,045	47,481,395
NRB my early	30,328,904	38,016,381
NRB pearl	413,009,903	283,436,212
NRB amar shopno	1,274,285	745,002
NRB isavings	2,256	207,573
Bondhu Shasroy Account	22,040,285	-
Bondhu Sonchita Account	1,396,811	-
	2,862,283,877	2,662,962,119

11.4 Fixed deposits

Fixed deposits	20,803,637,430	15,158,617,805
Short term deposits	2,653,787,881	1,299,665,905
	23,457,425,311	16,458,283,710

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

Government	419,963,071	100,071,498
Other public sector	4,421,448,071	4,725,850,650
Private sector	28,677,183,440	19,107,562,531
	33,518,594,582	23,933,484,680

11.6 Maturity-wise grouping of deposits and other accounts

On demand	5,291,061,933	3,472,779,189
More than 1 month but not more than 3 months	9,298,310,139	8,818,193,477
More than 3 months but not more than 1 year	16,133,143,777	9,831,784,365
More than 1 year but not more than 5 years	1,301,081,016	1,065,559,592
More than 5 years	1,494,997,716	745,168,057
	33,518,594,582	23,933,484,680

12 Other liabilities

Privileged creditors (Note-12.1)	77,710,996	115,213,783
Interest payable	543,030,256	275,867,568
Interest suspense account (Note-12.2)	141,902,993	81,661,994
Provision for loans and advances (Note-12.3)	568,400,076	366,191,231
Provision on off-balance sheet exposures (Note-12.4)	107,672,527	85,815,672
Provision for diminution of quoted shares (Note-12.5)	38,650,420	10,042,462
Provision for other assets	242,000	-
Provision for expenses	91,646,165	98,626,811
Provision for current tax (Note-12.6)	667,001,719	495,542,971
Deferred tax liability (Note-9.3.2)	-	2,231,255

	31.12.2018 Taka	31.12.2017 Taka
Q-Cash & ATM payable	19,313,633	5,611,575
Security deposits held	10,515,636	7,571,309
Sanchayapatra payable	33,000,000	152,825,000
Payable against BEFTN	2,959,699	15,915,815
Advance lease rental payable	15,122,743	2,817,861
Deposit Awaiting Disposal	27,535,857	-
Suspense account - Trade	10,920,303	2,734,347
Miscellaneous payable	19,111,140	4,524,644
	2,374,736,163	1,723,194,298

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	42,216,139	79,621,800
VAT deduction at source	8,293,374	8,554,973
Excise duty	27,201,483	27,037,010
	77,710,996	115,213,783

12.2 Interest suspense account

Opening balance	81,661,994	23,844,651
Add: Amount transferred to "Interest Suspense" A/c during the year	68,016,546	62,649,575
	149,678,539	86,494,226
Less: Amount recovered from "Interest Suspense" A/c during the year	7,775,546	4,832,232
Less: Amount written off during the year	-	-
	141,902,993	81,661,994

12.3 Provision for loans and advances

A. General		
Balance at the beginning of the year	182,378,526	102,097,557
Add: Provision made during the year		
On general loans and advances	76,282,141	79,581,523
On Special Mention Account (SMA)	14,303,081	699,446
	90,585,221	80,280,969
Balance at the end of the year	272,963,747	182,378,526
B. Specific		
Balance at the beginning of the year	183,812,706	84,800,780
Add: Provision made during the year	111,623,623	99,011,926
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	295,436,329	183,812,706



	31.12.2018 Taka	31.12.2017 Taka
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C. Total provision on loans and advances (A+B)

568,400,076

366,191,231

12.4 Provision on off-balance sheet exposures

Opening balance

85,815,672

18,389,624

Add: Provision made during the year

21,856,855

67,426,048

107,672,527

85,815,672

12.5 Provision for diminution of quoted shares

Opening balance

10,042,462

9,438,686

Add: Provision made during the year

28,607,958

603,776

38,650,420

10,042,462

12.6 Provision for current Tax

Deferred tax liability recognized in accordance with the provision of BAS-12 "Income Taxes", is arrived as follows:

Opening balance

495,542,971

321,684,710

Add: Provision for current year

181,483,479

173,858,261

Add; Shortfall of tax liability

423,046

-

677,449,496

495,542,971

Less: Adjusted against advance income tax

10,447,777

-

667,001,719

495,542,971

12.a Nostro Reconciliation

	As Per Our Book		As per Their Book	
	Debit (USD)	Credit (USD)	Debit (USD)	Credit (USD)
Up to three months	710,073	2,153,573	484,304	1,097,744
More than three months but less than six months	-	-	-	11,206
More than six months but less than nine months	-	-	-	77,990
More than nine months but less than twelve months	-	-	-	-
More than twelve months	-	-	-	-
	710,073	2,153,573	484,304	1,186,940

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

432,000,000 ordinary shares of Taka 10 each issued for cash

4,320,000,000

4,000,000,000

13.3 Percentage of shareholdings

Particulars	2018		2017	
	Value of Share	% of Holding	Value of Share	% of Holding
Shareholders' Group				
Directors	2,049,460,000	47.44	2,084,500,000	52.11

			31.12.2018 Taka	31.12.2017 Taka
Sponsor Shareholders	1,503,400,000	34.80	1,410,000,000	35.25
General Shareholders	767,140,000	17.76	505,500,000	12.64
	4,320,000,000	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	2018		2017	
		% of Shareholding	Number of Shares	% of Shareholding	Number of Shares
1	Mr. Mohammed Mahtabur Rahman	5.00%	21,600,000	5.00%	20,000,000
2	Mr. Tateyama Kabir	2.50%	10,800,000	2.50%	10,000,000
3	Mr. Kamal Ahmed	2.50%	10,800,000	2.50%	10,000,000
4	Mr. M Badiuzzaman	4.74%	20,466,000	4.74%	18,950,000
5	Mr. Imtiaz Ahmed	0.50%	2,160,000	0.50%	2,000,000
6	Mr. Mohammed Idrish Farazy	0.58%	2,500,000	2.50%	10,000,000
7	Mr. Iqbal Ahmed OBE DBA	5.00%	21,600,000	5.00%	20,000,000
8	Mr. Khandakar R. Amin	2.00%	8,640,000	2.00%	8,000,000
9	Mr. Naveed Rashid Khan	5.00%	21,600,000	5.00%	20,000,000
10	Mr. Mohammed Jamil Iqbal	4.63%	19,980,000	4.63%	18,500,000
11	Mr. Nafih Rashid Khan	4.63%	19,980,000	4.63%	18,500,000
12	Dr. Nesar Ahmed Choudhury	0.63%	2,700,000	0.63%	2,500,000
13	Mr. Mohammed Rafique Miah	0.25%	1,080,000	0.75%	3,000,000
14	Mr. Abdul Karim	5.00%	21,600,000	5.00%	20,000,000
15	Mr. Mohammed Jahed Iqbal	2.63%	11,340,000	0.38%	1,500,000
16	Mr. Humayen Kabir Khan*	0.50%	2,160,000	-	-
17	Mr. Ali Ahmed*	1.38%	5,940,000	-	-
18	Mr. Md. Abdul Jalil Chowdhury*	N/A	N/A	N/A	N/A
19	Mr. Fazlur Rashid Khan	0.00%	-	4.50%	18,000,000
20	Mr. Rabin Paul**	0.00%	-	1.88%	7,500,000
Total		47.44%	204,946,000	52.11%	208,450,000

* Newly appointed as Director during the year 2018

** No longer Director as on 31 December 2018

13.5 Capital to Risk Weighted Assets Ratio (CRAR) - as per 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- I Capital:

Common Equity Tier I Capital

Paid up capital	4,320,000,000	4,000,000,000
Statutory reserve	470,693,317	339,382,846
Retained earnings	460,654,030	329,809,430
	5,251,347,346	4,669,192,276

	31.12.2018 Taka	31.12.2017 Taka
Less: Regulatory adjustments	110,788,623	-
Total Common Equity Tier I Capital	5,140,558,723	4,669,192,276
Additional Tier I Capital:		
Add: Additional Tier I Capital	-	-
Less: Regulatory adjustments	-	-
Total Tier- I Capital	5,140,558,723	4,669,192,276
Tier II Capital (Gone -Concern Capital)		
Subordinated Bond	-	-
General provision maintained against unclassified loan	272,963,747	182,378,526
General provision on off-balance sheet items	107,672,527	85,815,672
Asset revaluation reserve	-	-
Revaluation reserve of Government securities	12,331,383	12,331,383
	392,967,657	280,525,581
Less: Regulatory adjustments	9,865,106	7,398,830
Total Tier II Capital	383,102,551	273,126,751
A. Total eligible capital	5,523,661,274	4,942,319,027
B. Total risk weighted assets (RWA)		
Credit risk		
Balance Sheet Business	25,499,173,880	20,046,698,938
Off- Balance Sheet Business	3,566,629,310	2,688,765,987
	29,065,803,190	22,735,464,925
Market Risk	1,793,880,434	1,732,979,073
Operational Risk	3,083,899,311	2,455,551,821
	33,943,582,935	26,923,995,819
C) Required capital	4,000,000,000	4,000,000,000
D) Capital surplus	1,843,661,274	942,319,027
Capital to Risk-Weighted Assets Ratio/Capital adequacy ratio:		
Common Equity Tier- 1 / core capital to RWA against minimum requirement 4.5%	16.09%	17.34%
Tier- 1 / core capital to RWA minimum requirement 6%	16.09%	17.34%
Capital to Risk Weighted Assets against minimum requirement 11.25%	17.22%	18.36%
14 Statutory reserve		
Opening balance	339,382,846	218,114,533
Add: Addition during the year (20% of pre-tax profit)	131,310,471	121,268,313
	470,693,317	339,382,846
15 Other reserve		
General Reserve	-	-
Investment revaluation reserve (Note-15.1)	44,219	177,951
	44,219	177,951

	31.12.2018 Taka	31.12.2017 Taka
15.1 Investment revaluation reserve (Treasury Bonds)		
Revaluation reserve for		
Held to maturity (HTM) (Note 15.1.1)	-	36,156
Held for trading (HFT) (Note 15.1.2)	44,220	141,795
	44,220	177,951
15.1.1 Reserve for amortization of treasury securities (HTM)		
Opening balance	36,156	60,091
Add: Addition during the year	49,050	13,380
	85,206	73,471
Less: Adjustment made during the year	85,206	37,315
	-	36,156
15.1.2 Reserve for revaluation of treasury securities (HFT)		
Opening balance	141,795	352,760,199
Add: Addition during the year	93,759,227	138,400,317
	93,901,022	491,160,516
Less: Adjustment made during the year	93,856,803	491,018,721
	44,220	141,795
16 Retained earnings		
Opening balance	329,809,430	488,154,648
Add: Net profit for the year	582,155,071	442,923,095
	911,964,501	931,077,743
Less: Transfer to statutory reserve	131,310,471	121,268,313
Less: Bonus Share issued	320,000,000	-
Less: Cash dividend paid	-	480,000,000
	451,310,471	601,268,313
	460,654,029	329,809,430
17 Contingent liabilities		
Acceptances and Endorsements (Note-17.1)	1,594,059,219	1,440,562,683
Letters of Guarantee (Note-17.2)	7,297,256,241	4,754,760,624
Irrevocable letters of credit (Note-17.3)	1,875,937,279	2,231,154,287
Bills for Collection (Note-17.4)	474,435,849	155,089,622
	11,241,688,588	8,581,567,216
17.1 Acceptances and Endorsements		
Acceptances (ULC Cash)	780,536,952	721,139,305
Acceptances BTB Usance Local	646,144,821	496,307,556
Import Bills (Sight Contract)	6,813,532	-
Shipping Guarantee	160,563,915	223,115,822
	1,594,059,219	1,440,562,683



	31.12.2018 Taka	31.12.2017 Taka
17.2 Letters of Guarantee		
Directors	-	-
Government	-	-
Banks and Other Financial Institution	-	-
Others (Customers etc.)	7,297,256,241	4,754,760,624
	7,297,256,241	4,754,760,624
17.3 Irrevocable letters of credit		
Letter of Credit Cash Sight	1,019,478,191	1,378,901,620
Letter of Credit Cash Usance	492,663,502	549,042,545
Letter of Credit Back to Back Sight	89,526,451	99,476,371
Letter of Credit Back to Back Usance	274,269,134	203,733,752
	1,875,937,279	2,231,154,287
17.4 Bills for Collection		
Foreign Documentary Bills Collection	379,604,774	52,546,273
Local Documentary Bills Collection	94,831,075	102,543,349
	474,435,849	155,089,622
18 Income statement		
Income:		
Interest, discount and similar income (Note-18.1)	3,780,069,091	2,508,490,541
Dividend income	72,087,868	76,591,582
Fees, commission and brokerage (Note-18.2)	245,486,846	147,027,736
Gains less losses arising from dealing in securities	365,919,957	503,897,048
Gains less losses arising from investment securities	38,694,282	96,483,328
Gains less losses arising from dealing in foreign currencies	90,193,558	68,871,626
Income from non-banking assets	-	-
Other operating income (Note-23)	14,080,992	12,358,893
Profit less losses on interest rate changes	-	-
	4,606,532,596	3,413,720,753
Expenses:		
Interest paid on deposits and borrowings, etc. (Note-20)	2,296,120,534	1,388,549,734
Losses on loans and advances	-	-
Administrative expenses (Note-18.3)	1,061,001,579	875,744,495
Other expenses (Note-33)	226,322,826	200,342,574
Depreciation on banks assets (Note-32)	113,619,642	95,419,666
	3,697,064,581	2,560,056,469
	909,468,014	853,664,284
18.1 Interest, discount and similar income		
Interest income (Note-19)	3,549,330,885	2,139,473,152
Interest on treasury bills & bonds	230,738,207	369,017,388
	3,780,069,091	2,508,490,541

	31.12.2018 Taka	31.12.2017 Taka
18.2 Fees, commission and brokerage		
Commission	245,486,846	147,027,736
Brokerage	-	-
	245,486,846	147,027,736
18.3 Administrative expenses		
Salaries and allowances (Note-24)	626,866,221	477,805,053
Rent, taxes, insurance, electricity, etc. (Note-25)	296,643,186	256,128,167
Legal and professional expenses (Note-26)	4,364,997	3,174,208
Postage, stamp, telecommunication, etc. (Note-27)	27,159,894	24,735,774
Stationery, printing, advertisement, etc. (Note-28)	44,136,427	38,354,662
Managing Director's salary and fees (Note-29)	16,760,000	16,760,000
Directors' fees & others expenses (Note-30)	3,127,689	4,474,789
Auditors' fees (Note-31)	400,000	402,500
Repair of Bank's assets (Note-32)	41,543,165	53,909,342
	1,061,001,579	875,744,495
19 Interest income		
Interest on advances	3,313,273,529	1,892,463,809
Interest on money at call and short notice	4,349,056	1,096,579
Interest on balance with other banks	1,763,658	1,346,686
Interest on placement with other banks and Financial Institutions	229,944,641	244,566,079
	3,549,330,885	2,139,473,152
20 Interest paid on deposits and borrowings etc.		
Interest on deposits	2,022,047,932	1,237,992,737
Interest on borrowings	274,072,602	150,556,997
	2,296,120,534	1,388,549,734
21 Investment income		
Interest on Treasury Bill	447,542	195,773
Interest on Treasury Bond	307,717,903	433,104,383
Interest on bonds-Corporate	43,764,471	58,782,083
Interest on Commercial Paper	14,334,375	14,866,816
Gain from trading in Govt. Securities	365,919,957	503,897,048
Loss on sale of Govt. Securities	(48,953,770)	(32,142,886)
Loss on revaluation of Treasury Securities	(86,572,314)	(105,788,781)
Gain on shares traded in secondary market	38,694,282	96,483,328
Dividend on shares	72,087,868	76,591,582
	707,440,314	1,045,989,346
22 Commission, exchange and brokerage		
Fees and commission	245,486,846	147,027,736
Exchange gain (net off exchange loss)	90,193,558	68,871,626



	31.12.2018 Taka	31.12.2017 Taka
Brokerage	-	-
	335,680,404	215,899,361
23 Other operating income		
Rebate on nostro account	5,303,533	4,278,040
Swift charge recovered	3,359,366	1,966,376
Postage/telex charge recovered	946,175	286,177
Non operating income	4,471,919	5,828,300
	14,080,992	12,358,893
24 Salaries and allowances		
Basic salary	253,017,854	195,675,588
Allowances	246,607,082	193,721,071
Performance bonus	48,368,724	21,000,000
Festival bonus	42,008,558	32,666,683
Bank's Contribution to provident fund	22,377,105	16,741,710
Contribution to gratuity fund	14,486,899	18,000,000
	626,866,221	477,805,053
25 Rent, taxes, insurance, electricity etc.		
Rent, rate and taxes	233,789,474	208,471,249
Insurance premium	28,565,316	18,249,617
Utilities	34,288,395	29,407,301
	296,643,186	256,128,167
26 Legal expenses and professional expenses		
Legal expenses	1,381,847	-
Other professional expenses	2,983,150	3,174,208
	4,364,997	3,174,208
27 Postage, stamps, telecommunication etc.		
Postage & Courier charges	2,791,443	1,692,150
Telephone	3,522,004	2,573,735
Swift and Bloomberg charges	6,779,335	6,095,885
Network link, internet, DC and DR	14,067,112	14,374,004
	27,159,894	24,735,774
28 Stationery, printing, advertisements etc.		
Printing and stationery	14,434,029	12,728,382
Publicity and advertisement	19,612,531	15,475,757
Promotional expense	10,089,867	10,150,523
	44,136,427	38,354,662
29 Managing Director's salary and allowances		
Basic salary	9,600,000	9,600,000
Allowances	3,600,000	3,600,000

	31.12.2018 Taka	31.12.2017 Taka
Performance bonus	1,000,000	1,000,000
Festival bonus	1,600,000	1,600,000
Bank's Contribution to provident fund	960,000	960,000
	16,760,000	16,760,000
30 Directors' fees and other expenses		
Meeting attendance fees	2,020,464	2,848,000
Other expenses	1,107,225	1,626,789
	3,127,689	4,474,789
31 Auditors' fees		
Statutory audit fees	400,000	402,500
	400,000	402,500
32 Depreciation and repair of bank's assets		
Depreciation: (Annexure 'A')		
Furniture and fixtures	29,140,272	23,037,112
Machinery and equipment	28,053,175	21,702,056
Computer and network equipment	26,907,125	21,141,821
Vehicles	622,844	209,656
Software	8,244,349	9,475,246
Mobile phone	20,651,877	19,853,775
	113,619,642	95,419,666
Repair of bank's assets		
Rented premises	3,568,490	4,446,891
Machinery and equipment	6,810,529	5,404,956
Computer and accessories	106,236	236,675
Software maintenance	31,057,910	43,820,821
	41,543,165	53,909,342
	155,162,807	149,329,008
33 Other expenses		
Car expenses	39,476,308	37,372,599
Security Guard and Support Staff	58,623,502	50,785,564
Books, periodicals and publications	1,170,070	2,023,945
Donation and subscription	19,122,737	35,327,995
Staff recruitment and training expenses	2,332,431	1,668,136
Travelling expenses	6,682,488	4,191,278
Directors' travel and accommodation expenses	23,463,320	21,303,099
Entertainment	8,896,700	7,245,195
Business development expenses	10,667,597	7,172,788
Bank and other regulatory charges	1,644,324	1,406,073
Cash carrying expense	7,701,526	7,646,334



	31.12.2018 Taka	31.12.2017 Taka
VISA expenses	9,463,125	5,570,753
AGM expenses	2,156,775	-
Contract point verification expenses	5,484,467	2,145,752
Sales and collection commission	9,610,566	4,034,320
Miscellaneous expenses	19,826,890	12,448,743
	226,322,826	200,342,574
34 Provision for loans, investments & off-balance sheet items		
Provision for bad and doubtful loans and advances	111,623,623	99,011,926
Provision for unclassified loans and advances	90,585,221	80,280,969
Provision for off-balance sheet items	21,856,855	67,426,048
Provision for diminution in value of investments	28,607,958	603,776
	252,673,658	247,322,718
35 Receipts from other operating activities		
Rebate on nostro account	5,303,533	4,278,040
Swift charge recovered	3,359,366	1,966,376
Postage/telex charge recovered	946,175	286,177
Non operating income	4,471,919	5,828,300
	14,080,992	12,358,893
36 Payments for other operating activities		
Rent, rates and taxes	296,643,186	256,128,167
Legal expenses and professional expenses	4,364,997	3,174,208
Postage and communication charges, etc.	27,159,894	24,735,774
Stationery, printing, advertisements etc.	29,702,398	25,626,280
Directors' fees & other expenses	3,127,689	4,474,789
Miscellaneous expenses	268,265,992	254,654,416
	629,264,155	568,793,634
37 Earnings per share (EPS)-Restated		
Net profit after tax	582,155,071	442,923,095
Number of ordinary shares outstanding	432,000,000	432,000,000
Earnings per share (EPS)	1.35	1.03
Earnings per share has been calculated in accordance with IAS 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 67th meeting held on 29 August 2018 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 Science
3	Mr. Kamal Ahmed	Vice Chairman	Member	Graduate of Business Management
4	Mr. Ali Ahmed	Director	Member	Business Diploma
5	Mr. Md. Motior Rahman*	Independent Director	Member	M.Com.(Accounting), Dhaka University

* Newly appointed as independent director on 23 January 2019

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:

21st Audit Committee Meeting held on 25.01.2018

22nd Audit Committee Meeting held on 25.03.2018

23rd Audit Committee Meeting held on 27.05.2018

24th Audit Committee Meeting held on 04.09.2018

25th Audit Committee Meeting held on 22.12.2018

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 International Accounting Standards (IAS) - 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	Percentage of holding/ interest in the concern
Mr. Mohammed Mahtabur Rahman	Chairman	Al Haramain Perfumes Manufacturing	Managing Director	49%
		Al Halal Perfumes Industry L.L.C, Ajman, UAE	Managing Director	25%
		Al Halal Perfumes L.L.C., Dubai, UAE	Managing Director	49%
		Al Haramain Trading L.L.C. Dubai, UAE	Managing Director	25%
		Noor Al Haramain L.L.C. , Dubai, UAE	Managing Director	25%
		Oudh Al Haramain (BR), Dubai, UAE	Manager	100%
		Al Haramain Perfumes Int'l W.L.L., Kuwait	Managing Director	49%
		Noor Al Haramain Perfumes Company W.L.L., Kuwait	Managing Director	49%
		Al Haramain Perfumes L.L.C. , Muscat, Oman	Managing Director	70%
		Al Haramain Perfumes, W.L.L., Doha, Qatar	Managing Director	49%
		Al Haramain Perfumes S.P.C, Bahrain	Managing Director	50%
		Al Haramain Perfumes PTE Ltd. Singapore	Managing Director	99%
		Al Haramain Perfumes SDN, Malaysia	Managing Director	50%
		Al Haramain Perfumes Pvt. Ltd., Dhaka, Bangladesh	Managing Director	1000 Shares
		AL Arafah Islami Bank Limited	Shareholder	9,334,181
		AIBL Capital Market Service Limited	Director	6,000,000
		Al Haramain Hospital Pvt Ltd., Sylhet, Bangladesh	Chairman	1000 Shares
		Rich & Ruitz, France		
		Al Haramain Perfumes, London		
		4 Corners Distribution Ltd., London		
		Al Haramain Perfumes Inc, New York, USA		
		Emad Distribution Inc, Texas, USA		
Mr. Tateyama Kabir	Vice Chairman	Shaikh Khalifa Bin Zayed Bangladesh Islamia (Pvt.) School, Abu Dhabi, UAE	Sponsor	
		Al Haramain Tea Co. Ltd., Bangladesh	Chairman	
		Kabir Auto Export Co. Ltd. Japan	President	100%
		Ocean Auto Limited, Dhaka, Bangladesh	Proprietor	100%
Mr. Kamal Ahmed	Vice Chairman	K M Global Limited, Dhaka, Bangladesh	Proprietor	100%
		Sumday Development Company Ltd., Bangladesh	Managing Director	25%
		Seamark PLC, United Kingdom	Deputy Managing Director	27%
		IBCO Limited, United Kingdom	Deputy Managing Director	30%
		IBCO Enterprise, United Kingdom	Deputy Managing Director	33%
		Seamark (BD) Limited, Bangladesh	Deputy Managing Director	20%
		IBCO Food Industries Limited, Bangladesh	Deputy Managing Director	23%
		Seamark (Holdings) Limited, Bangladesh	Deputy Managing Director	
		Seamark (USA) Inc, USA	Deputy Managing Director	33%
		ManRu Shopping City, Bangladesh	Deputy Managing Director	35%

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	Percentage of holding/ interest in the concern
Mr. M Badiuzzaman	Director	Tania International PTE. Ltd., Singapore	Managing Director	65%
		Tania Development PTE. Ltd., Singapore	Managing Director	70%
		Advance Homes Pvt. Ltd., Bangladesh	Chairman	60%
		Advance Corporation, Bangladesh	Managing Partner	70%
		Bangladesh Singapore Investment & Technologies Ltd., Bangladesh	Chairman	40%
		Bangladesh Singapore Development Limited	Chairman	40%
		Strategic Enterprises Pvt. Ltd., Bangladesh	Chairman	30%
		Pay Union BD limited, Bangladesh	Director	30%
Mr. Imtiaz Ahmed	Director	IMACULUS Ltd., UK	Director	
		Forest View College, UK	Director/Secretary	
		Easy Let Early Sale, UK	Director	-
Mr. Mohammed Idrish Farazy	Director	National Exchange Company S.R.L. Italy	Chairman	51%
		Popular Travels & Tours, Rome, Italy	Chairman	25%
		Farazy Hospital and Diagnostics Ltd.	Director	
Mr. Iqbal Ahmed OBE DBA	Director	Seamark PLC, United Kingdom	Chairman & Chief Executive	27%
		IBCO Limited, United Kingdom	Chairman & Chief Executive	40%
		IBCO Enterprise, United Kingdom	Senior Partner	33%
		Seamark (BD) Limited, Bangladesh	Chairman & Chief Executive	30%
		IBCO Food Industries Limited, Bangladesh	Chairman & Chief Executive	31%
		Seamark (Holdings) Limited, Bangladesh	Chairman & Chief Executive	
		Seamark (USA) Inc., USA	Managing Director	33%
		ManRu Shopping City, Bangladesh	Senior Partner	31%



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	Percentage of holding/ interest in the concern
Mr. Khandakar R. Amin	Director	Father Realty Corporation (Commercial Building), USA	Proprietor	100%
		Amin Realty Corporation (Commercial Building), USA	Proprietor	100%
		Hirapur Realty Corporation (Commercial Building), USA	Proprietor	100%
		Surma Realty Corporation (Commercial Building), USA	Proprietor	100%
		Indian Spice (Indian Restaurant), USA	Proprietor	100%
		India Place (Indian Restaurant), USA	Proprietor	100%
		Chile's Chocolate, (Mexican Restaurant), USA	Proprietor	100%
		Gallitos Expreess (Mexican Restaurant), USA	Proprietor	100%
		Galliot's Mexicans (Restaurant), USA	Proprietor	100%
		Hotel New York (Residential), DHAKA	Proprietor	100%
		KH Carbon Factory, Faridpur	Proprietor	100%
		Khandakr Aquaculture Ltd, Noakhali	Proprietor	100%
		Amin CNG Filling Station, Noakhali	Proprietor	100%
		Amin Gas Station, Noakhali	Proprietor	100%
		Cafe New York, Noakhali	Proprietor	100%
		Dhaka New York Agro Fishers. Ltd., Noakhali	Proprietor	100%
Mr. Naveed Rashid Khan	Director	Jabbar Jute Mills Ltd. Bangladesh	Director	10%
		Gentrade FZE, UAE	Chairman & MD	100%
		Bangladesh Medical Science and Technology Ltd, Bangladesh	Director	10%
		Commodity First DMCC, Dubai, UAE	Managing Director	50%
		Comodity First Pte Ltd, Singapore	Director	50%
Mr. Mohammed Jamil Iqbal	Director	Al Anood Perfumes Co., Dubai, UAE	Partner	24%
		M/S. Md. Jamil Iqbal, Bangladesh	Proprietor	100%
		M/S. JI Stone Supplier, Bangladesh	Proprietor	100%
		M/S. New Maitri Stone Crushing, Bangladesh	Proprietor	100%
		Jamil Iqbal Ltd.	Chairman	50%
Mr. Nafih Rashid Khan	Director	Commodity First DMCC, Dubai, UAE	Managing Director	50%
		Loch Shipping Intermediary FZE, UAE	Chairman & MD	100%
		Jabbar Jute Mills Ltd. Bangladesh	Director	10%
		Bangladesh Medical Science and Technology Limited, Bangladesh	Director	10%
		Comodity First Pte Ltd, Singapore	Director	50%
Dr. Nesar Ahmed Choudhury	Director	N.A. Choudhury Limited, UK	Director	50%
Mr. Mohammed Rafique Miah	Director	Banglatown Group of Company	Chairman	
		Le China PLC	Managing Director	
		Klaspad PLC	Director	
		Greenline Wholesale Ltd.	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	Percentage of holding/ interest in the concern
Mr. Abdul Karim	Director	Hassan Shahin Ahmed Perfumes L.L.C. Dubai, UAE	Proprietor	100%
Mr. Mohammed Jahed Iqbal	Director	M/S. Md. Jahed Iqbal	Proprietor	100%
		Jahed Iqbal Ltd. UK	Director	100%
		Desert Star Trading LLC	Partner	24%
		Jamil Iqbal Ltd., Bangladesh	Managing Director	50%
		Sumday Development Company Ltd., Bangladesh	Director	
Mr. Humayen Kabir Khan	Director	36 Wireless One LLC, USA	Manager	
		Big Citi Management, USA	Manager	
		Khan and Son Property LLC, USA	Owner	
		Estate of Fazlur Khan, USA	President and Owner	
Mr. Ali Ahmed	Director	Mirravale Holding Ltd.	Director	55%
		BJ Browing Business Ltd.	Director	55%
		AAB Estates Ltd.	Director	100%
		AA Express Food Dist. Ltd.	Director	75%
Mr. Md. Abdul Jalil Chowdhury	Independent Director	Nil	Nil	Nil
Mr. Md. Mehmood Husain	MD & CEO	Nil	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

Related party transactions

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures'. The Bank in normal course of business had transactions with other entities that fall within the definition of 'Related Party' as contained in IAS 24 and as defined in BRPD circular no. 04 dated 23 February 2014. The significant related party transactions during the year were as follows:

A) Funded & Non-funded facilities:

i) Funded facilities:

Name of the Organisation	Representing Directors of NRBBL	Nature of Interest of the Director with the Organisation/ Individual	Nature of Facility	Sanctioned Amount	Outstanding as at 31 December 2017
"Shawrma King Proprietor: Mr. Monir H. Farazy"	Mr. Mohammad Idrish Farazy	Guarantor	Term Loan, OD	30,000,000	28,407,336
	Brother of Director				
N/A	Engr. Abu Taher Mohammed Amanullah	N/A	SOD (Secured OD)	426,562,500	419,930,293



B) Transactions relating to procurement, service & rent:

Name of the Company	Related Directors of NRBBL	Nature of Transactions	Amount of Transaction made in 2017
Manru Shopping City	Mr. Iqbal Ahmed OBE DBA	Rental payment for NRBBL Sylhet Main Br, Sylhet.	2,990,400
KRC Centre	Mr. Khalilur Rahman Chowdhury	Rental payment for NRBBL Hotapara Br, Gazipur.	355,572
Advance Zaman Centre	Mr. M. Badiuzzaman	Rental payment for NRBBL Ghonapar Br, Gopalganj.	472,500
Ocean Auto	Mr. Tateyama kabir	Lease rental payment of vehicle	1,599,996

40 Auditors work hour

The external auditor of the Bank, M/s ACNABIN., Chartered Accountants worked about 1,750 man hours. 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 8% stock dividend in 76th Board Meeting held on 28th April 2019 for the income year 2018. Eligible shareholders will be entitled to get this dividend subject to shareholders' approval in the 6th AGM.

Schedule of fixed assets

AS AT 31 DECEMBER 2018

(Amount in Taka)

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value
	Balance as at 1 January 2018	Additions during the year	Disposal/ adjustment during the year	Balance as at 31 December 2018		Balance as at 1 January 2018	Charged during the year	Disposal/ adjustment during the year	Balance as at 31 December 2018	
At Cost Tangible Assets										
Furniture and fixture	256,841,565	46,919,652	-	303,761,217	10%	58,185,712	29,488,875	-	87,674,587	216,086,630
Machinery and equipment	126,246,882	28,425,199	(3,196,395)	151,475,686	20%	58,798,742	28,053,175	(1,758,455)	85,093,462	66,382,224
Computer and network equipment	120,393,724	28,444,020	-	148,837,744	20%	65,567,693	26,558,522	-	92,126,215	56,711,529
Mobile Phone	1,040,605	352,300	-	1,392,905	50%	209,656	622,844	-	832,500	560,405
Vehicle	47,376,226	-	-	47,376,226	20%	30,058,931	8,244,349	-	38,303,280	9,072,946
Intangible assets:										
Software	160,717,919	12,757,409	-	173,475,328	12.5%	60,923,123	20,651,877	-	81,575,000	91,900,328
As at 31 December 2018	712,616,921	116,898,580	(3,196,395)	826,319,106		273,743,857	113,619,642	(1,758,455)	385,605,044	440,714,062
As at 31 December 2017	570,483,231	143,523,691	(1,390,000)	712,616,922		178,324,191	95,973,630	(553,964)	273,743,857	438,873,065



Balance with other banks-Outside Bangladesh (NOSTRO ACCOUNT)

AS AT 31 DECEMBER 2018

(Amount in Taka)

Name of the Bank	Account type	Currency type	2018			2017		
			FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Habib American Bank, New York	CD	USD	344,140.38	83.90	28,873,378	14,340.11	82.70	1,185,927.10
United Bank of India	CD	ACU	343,035.29	83.90	28,780,661	116,983.61	82.70	9,674,544.55
United Bank of India	CD	ACU EUR	4,693.49	95.25	447,063	4,228.49	98.31	415,701.16
Mizhuo Bank Ltd, Japan	CD	JPY	116,368.00	0.75	87,672	200,368.00	0.73	146,188.49
Mashreq Bank PSC, New York	CD	USD	1,139,991.83	83.90	95,645,315	1,605.87	82.70	132,805.45
Mashreq Bank PSC, UK	CD	GBP	68,047.65	106.00	7,213,003	71,885.06	110.82	7,966,158.58
Mashreq Bank PSC, UK	CD	EUR	47,350.89	95.25	4,510,253	1,365.27	98.31	134,219.15
AB Bank Limited, Mumbai	CD	ACU	196,955.30	83.90	16,524,550	5,000.00	82.70	413,500.00
National Commercial Bank	CD	SAR	104,500.00	22.36	2,336,892	104,500.00	22.05	2,304,454.90
					184,418,785			22,373,499

Investment in Quoted Shares and Mutual Funds

AS AT 31 DECEMBER 2018

Name of the Company	Face value per share	No. of shares	Cost of holding	Average Cost	Quoted rate per share as on 31.12.18	Total market value of share as at 31.12.17	Unrealized gain/(loss)
Quoted Shares							
Active Fine Chemicals Limited	10	2,220,000	62,152,415	28	28	62,604,000	451,585
BRAC Bank Limited	10	200,000	14,517,787	73	73	14,540,000	22,213
Square Pharmaceuticals Limited	10	700	178,650	255	254	177,940	(710)
Kattali Textiles Limited	10	11,164	101,491	9	25	282,449	180,958
Heidelberg Cement Bangladesh Limited	10	83,000	43,459,370	524	335	27,780,100	(15,679,270)
MJL Bangladesh Limited	10	840,000	97,181,052	116	99	83,328,000	(13,853,052)
Advent Pharma Limited	10	4,000	36,365	9	41	163,600	127,235
Intraco Refueling Station Limited	10	6,033	57,459	10	27	161,684	104,225
SK Trims & Industries Limited	10	8,549	77,720	9	46	395,819	318,099
ACI Limited	10	34,611	12,349,511	357	326	11,290,108	(1,059,403)
Grameenphone Limited	10	70,000	27,051,630	386	367	25,711,000	(1,340,630)
VFS Thread Dyeing Limited	10	7,719	70,173	9	58	446,158	375,985
M L Dyeing Limited	10	7,248	60,400	8	30	215,266	154,866
Silva Pharma Limited	10	9,194	91,940	10	30	276,739	184,799
Indo-Bangla Pharmaceuticals Limited	10	5,045	45,864	9	31	156,900	111,036
Aman Cotton Fibrous Limited	10	16,000	640,000	40	42	673,600	33,600
Bashundhara Paper Mills Limited	10	22,000	1,760,000	80	84	1,843,600	83,600
Summit Power Limited	10	300,000	12,017,847	40	39	11,820,000	(197,847)
Mutual Fund							
LR Global Bangladesh Mutual Fund One	10	6,514,899	50,093,521	8	7	44,952,803	(5,140,718)
AIBL 1st Islamic Mutual Fund	10	10,000,000	86,991,170	9	8	81,000,000	(5,991,170)
MBL 1st Mutual Fund	10	6,427,603	53,153,879	8	7	46,278,742	(6,875,138)
ICB AMCL 2nd NRB Mutual Fund	10	1,137,885	10,997,267	10	10	11,265,062	267,794
Reliance One: The 1st Scheme of Reliance Insurance Mutual Fund	10	5,100,000	59,263,505	12	9	47,940,000	(11,323,505)
ICB AMCL First Agrani Bank Mutual Fund	10	1,183,423	9,573,509	8	7	8,165,619	(1,407,890)
Grameen One : Scheme Two Mutual Fund	10	12,200,000	197,362,733	16	12	145,180,000	(52,182,733)
Southeast Bank 1st Mutual Fund	10	1,025,528	13,373,408	13	12	12,511,442	(861,967)
IBBL Mudaraba Perpetual Bond	1,000	15,726	15,344,767	976	942	14,813,892	(530,875)
Sub-total			768,003,432			653,974,522	(114,028,910)
IPO Application			3,769,340			3,769,340	
Free fund available			574,133			574,133	
Total			772,346,905			658,317,995	

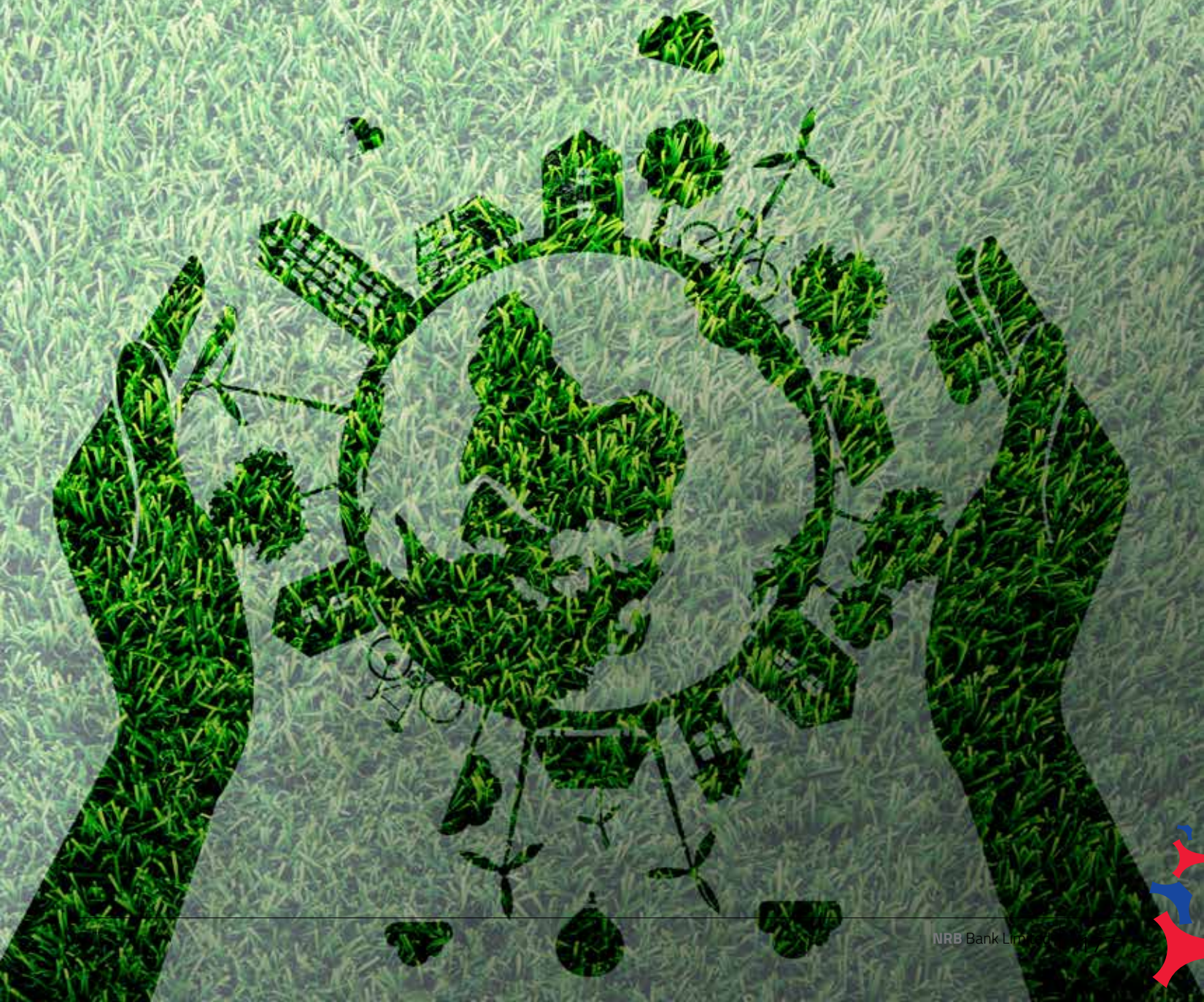


Highlights on the overall activities

AS AT 31 DECEMBER 2018

SL	Particulars		2018	2017
1	Paid-up capital	Taka	4,320,000,000	4,000,000,000
2	Total capital (Tier-1 & Tier-2)	Taka	5,523,661,274	4,942,319,027
3	Surplus\ (Shortage) Capital	Taka	1,523,661,274	942,319,027
4	Total assets	Taka	44,147,817,639	34,940,086,920
5	Total deposits	Taka	33,518,594,580	23,933,484,680
6	Total loans and advances	Taka	32,473,459,905	22,920,907,531
7	Total contingent liabilities and commitments	Taka	11,241,688,588	8,581,567,216
8	Loans to deposits ratio (total loans/total deposits)	%	96.88%	95.77%
9	Percentage of classified loans against total loans and advances	%	3.71%	2.46%
10	Profit after tax and provision	Taka	582,155,071	442,923,095
11	Classified loans during the year	Taka	1,205,781,572	563,331,092
12	Provisions kept against classified loans	Taka	295,436,328	183,885,691
13	Provision surplus/(deficit) against classified loans	Taka	-	-
14	Cost of fund (Interest expenses/Average deposits and borrowings)	%	7.06%	5.88%
15	Interest earning assets	Taka	42,804,534,393	33,879,315,222
16	Non-interest earning assets	Taka	135,139,062	1,060,771,698
17	Return on assets (ROA) [PAT/ Average assets]	%	1.47%	1.48%
18	Income from investment	Taka	707,440,314	1,045,989,346
19	Return on investment (ROI) (Investment income/ Average investment)	%	13.35%	17.58%
20	Earnings per share- restated	Taka	1.35	1.03
21	Net income per share	Taka	1.35	1.03

OTHER INFORMATION



Sustainable Finance

Sustainable Finance refers to any form of financial service integrating environmental, social and economic criteria into the business or investment decisions for the lasting benefit of both clients and society at large.

Sustainable Financing contributes to Sustainable development and value creation in economic, environmental and social terms. In other words, one that ensures and improves economic efficiency, prosperity, and economic competitiveness both today and in the long-term, while contributing to protecting and restoring ecological systems, and enhancing cultural diversity and social well-being is Sustainable Finance.

Sustainable Finance approach in Bangladesh has primarily been driven by regulatory policies. The involvement of Bangladesh Bank (BB) promoted inclusive growth for attaining developmental goals and poverty reduction objectives of the Government. These initiatives are clearly linked to Sustainable Finance activities of the country. For Banking sector in Bangladesh, key areas of Sustainable Finance are Green Banking and CSR. However, activities of certain other sectors are clearly associated with the broad definition of 'Sustainable Finance'. These include Agricultural Credit, Financial Inclusion of underprivileged and rural people, Cottage, Micro and SME credit etc.

NRB Bank Ltd. adopted CSR and Green Banking practices and activities which are the key areas of Sustainable Finance from the very beginning of its journey. Each year the Bank contributes substantial amount towards CSR. Since 2017, we have started direct Green Financing in environment friendly Brick manufacturing projects. From the inception of our Bank, top priority sectors of lending include SME and Agricultural sector. Almost 50% of our total loans fall under SME category. Every year, we fulfill Agricultural and Rural Credit disbursement target and receive appreciation from Bangladesh Bank. We are in the process of starting Agent Banking activities which has major impact in financial inclusion of underprivileged and rural people. As a whole, we are committed towards establishing Sustainable Finance in the country through integrating Sustainability factors, i.e. environmental, social and economic considerations into our core Banking activities and services.

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.

Green Financing under Sustainable Finance

Green Financing means financing in 'Eco-Friendly' projects which will help attaining objectives towards a healthy environment not only for the present generation but also for the future generation. Green Finance covers a wide range of financial initiatives and includes both Public and Private Finance. Green Finance involves the effective management of Environmental risks across the financial system. Major Green projects financed by Banks and other Financial Institutions in Bangladesh as per guideline of Bangladesh Bank include Renewable Energy, Energy Efficiency, Solid Waste Management, Liquid Waste Management, Alternative Energy, Fire Burnt Brick, Non Fire Block Brick, Recycling and Recyclable Product, Green Industry, Safety and Security of factory and others.

Financing towards Environment Friendly Brick Manufacturing Industries:

- ◆ During the year 2018, NRB Bank Ltd. financed BDT 13.74 Crore to 'First Auto Bricks Ltd.' towards setting up a green Brick manufacturing project using Tunnel Kiln Technology with a capacity of manufacturing 330.00 lac pieces of different types of Bricks annually. It is worth mentioning that the Bank as a Lead Arranger in the process of raising fund for this project under Syndication arrangement arranged BDT 35.00 Crore as a whole.
- ◆ We financed BDT 3.20 Crore to "Eco Bricks" a green Brick manufacturing concern that produce Solid Clay Bricks using Zigzag Kiln Technology with a capacity of manufacturing 2.00 Crore Bricks annually.

Agreement Signing with Bangladesh Bank:

Following immense importance of Green Financing in the country, Bangladesh Bank introduced different 'Refinancing Scheme' for the Banks against their financing towards diverse green products/projects. As part of our commitment towards a Green Economy we have signed following



Participation Agreement with Bangladesh Bank under refinance scheme-

- a) Refinancing Agreement under Green Transformation Fund (GTF): On February 09, 2017 we have signed Refinancing Agreement with Bangladesh Bank for facilitating access to finance in foreign exchange for all manufacturer-exporters in Export-oriented Textile & Textile Products, RMG and Leather Goods Manufacturing Industries to import capital machineries and accessories relevant to environment-friendly/green attributes specified by Bangladesh Bank.
- b) Participation Agreement into the Refinancing scheme for Green Products / Initiatives: On September 13, 2017, we have signed Participation Agreement with Bangladesh Bank under refinance scheme for lending in green product/initiatives (e.g. investment in sectors like Renewable Energy, Green Brick Manufacturing and Waste Management etc.).

Greening the financial system will determine how Bangladesh faces its environmental challenges throughout the pathway of growth. Since Green transformation of major sectors of the economy through environmentally responsible production depends on both the public and private sector financing in favor of Sustainable Finance, NRB Bank Limited as a responsible new generation Bank is committed towards substantial direct Green financing for accelerating the Green growth in the country.

CSR-2018

The Banking sector is in a leading position in discharging Corporate Social Responsibilities (CSR) in the country. 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. NRB Bank strive each day to ensure successful outcomes for all those who place their trust in the Bank and for the betterment of the society. We are determined to be a responsible Bank.

Disaster Management:

NRB Bank has made significant contribution for disaster management this year by donating BDT 1.96 Crore in total-

- 1) The Bank has made donation of BDT 1.00 Crore to the "Prime Minister's Relief Fund" to support the flood affected people of the country.
- 2) The Bank has made donation worth BDT 45.90 Lac by distributing emergency clothing to the victim of disaster prone North-Eastern region of Bangladesh.
- 3) Further, the Bank has also made donation of 15,000.00 blankets worth BDT 49.80 Lac towards the 'Prime Minister's Relief Fund' to support the cold affected people of the country



Hono'ble Prime Minister Sheikh Hasina is receiving a cheque of Tk.1.00 crore for "Prime Minister's Relief Fund" from Mr. Mohammed Mahtabur Rahman, Chairman of NRB Bank Limited at a function held at the Prime Minister's residence Gonobhabon on Friday (13 April 2018). Mr. Mohammed Jahed Iqbal, Director of the Bank was also present.

Education Program:

Educational prosperity is of utmost importance for Sustainable Development of the Country and hence NRB Bank Ltd. has made significant contribution to this sector via a donation of BDT 5 Lac in favor of 'Education Scholarship Fund' for the offspring's of Dhaka Metropolitan Police and BDT 1 Lac in favor of 'Education Fund of Chandanaish Samity-Dhaka' during 2018.



Mr. Md. Mehmood Hossain, Managing Director and CEO of NRB Bank Ltd. is handing over a cheque of Tk.100,000/- (One Lac) to Mr. A.M.M. Shahadat Hossain, President Chandanaish Samity-Dhaka on September 27, 2018 at the Corporate Head Office of the Bank to support their Scholarship program for the meritorious students of underprivileged families as a part of CSR activity. Mr. Saaduddin Ahmed, Deputy Managing Director, Mr. Imran Ahmed FCA, Chief Operating Officer, Mr. A K M Kamal Uddin, Head of Corporate, Mr. Mohd. Jamil Hossain, Head of Credit Risk Management & Sustainable Finance Unit, other high officials of NRB Bank Limited and Chandanaish Samity-Dhaka were present in the program.



Mr. Md. Mehmood Husain, Managing Director & CEO of NRB Bank Limited is handing over a cheque of Tk. 5.00 lac to Mr. Md. Assaduzzaman Mia BPM (Bar), PPM, Dhaka Metropolitan Police Commissioner for financial assistance to the DMP Education Scholarship to support the educational pursuits of offspring of police personnel under CSR program of the Bank on 26 April 2018 at DMP Headquarters. Mr. A K M Kamal Uddin, Head of Corporate Banking, Mohd. Jamil Hossain, Head of Credit Risk Management of NRB Bank Limited and other high officials of Dhaka Metropolitan Police were present

Financial Assistance to Health Sector:

NRB Bank Limited provided direct Financial Assistance of BDT 1.00 Lac during 2018 for the treatment of a child with congenital heart disease.

Contributions towards Infrastructural Development:

- ♦ The Bank has contributed BDT5.00 Lac to the 'Economic Reporter's Forum (ERF)' for the construction of their own office. It is worth mentioning that ERF is an entity comprised of economic journalists. All the members of ERF are working for the mainstream print, online and electronic media outlets in different capacity and status. The contribution of ERF to the financial and banking sector of Bangladesh is incomparable.
- ♦ The Bank has contributed BDT6.25 Lac to BIBM for the construction of their new 15 Floor RCC Building. It is worth mentioning that BIBM is the national Training, Research, Consultancy and Education institute on Banking and Finance collectively owned by all Banks that are in operation in the country. To support extensive development of the operation, BIBM is constructing a Fifteen (15) storied RCC Building with Two (2) storied Basement with the financial assistance of the member Banks.

Contributions towards Cultural Welfare:

The Bank has contributed BDT5.00 Lac to the 'Prisons Directorate -Bangladesh Jail' for the publication of the book titled '3053 Days' which covers events and experiences along with rare photos of Father of the Nation Sheikh Mujibor Rahman's imprisonment days during autocratic Pakistani rule.

As a socially responsible Bank, NRB Bank is contributing substantial amount every year as part of its CSR activities. CSR significantly improves Bank's reputation and confidence of customers and business partners, and motivates the employees to work for the Bank they could feel proud of. Therefore, we strongly believe it would be strategic as well as longer run competitive advantage for us to embrace CSR in our management approaches and operations



Mr. Imran Ahmed, Chief Operating Officer and Mr. Mohd. Jamil Hossain, Head of Credit Risk Management & Sustainable Finance Unit of NRB Bank Limited handing over a cheque of BDT100,000/- (Taka One Lac Only) to Ms. Meher Jahan, an 11 (eleven) years old patient with congenital heart disease for her treatment on December 20, 2018 at the Corporate Head Office of the Bank. Mr. Muhammad Shafiqur Rahman, Acting Head of Credit Administration Department, MS Tania Chowdhury, Senior Manager Credit Administration Department and Sustainable Finance Unit, Ms. Rayhan Kawsar, Incharge of Brand & Communications of NRB Bank Limited and Father of the girl Mr. Md. Mizanur Rahman were present in the program.



Mr. Saaduddin Ahmed, Deputy Managing Director of NRB Bank Limited is handing over a cheque of Tk. 5.00 lac to Mr. Md. Kamal Hossain, Prison Directorates, Bangladesh Jail under CSR program of the Bank on 25 September 2018 at the Corporate Head Office of the Bank for sponsorship of the book titled 'Tin Hazar Tipanno Din (3053 Days)' published by Prisons Directorate, which covers rare photos along with events and experiences of Father of the Nation Sheikh Mujibor Rahman's imprisonment days during autocratic Pakistani rule. Mr. Imran Ahmed FCA, Chief Operating Officer, Mr. Mohd. Jamil Hossain, Head of Credit Risk Management & Sustainable Finance Unit and other high officials of NRB Bank Limited were present in the program.

with extensive stakeholder engagement and initiatives chosen for community investments to reduce Social exclusion and inequality to address the Key Sustainable Development challenges.

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 the audience and captures their enthusiasm, inspiring them to learn more about the bank. In line with the sophistication of the NRB Bank identity, the tone of voice is sincere and determined without being overly-excessive or exaggerated.

NRB BANK BRAND & 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 through 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.



PRODUCT & SERVICES

RETAIL DEPOSIT PRODUCTS

Current Account

An easy access account designed to facilitate customers in response to requirement of frequent and bulk account transactions.

Current Plus Account

An interest bearing current account for the individuals and SME-small segmented customers.

Savers

This is an interest bearing savings account for the Bangladeshi nationals. Interest is calculated on monthly minimum balance and paid half-yearly.

Power Savers

A savings account with competitive interest rate, offers growth of a savings account with the convenience of a current account for the Bangladeshi citizens. Interest is calculated on daily balance and paid half yearly.

Pearl Account

Pearl Account is an interest bearing savings 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

The route to portfolio investment in Bangladesh for the non-resident Bangladeshi investors. Non-resident Investors Taka Account is a non-interest bearing account, which is opened in association with a foreign currency current account.

Amar Shwopno Account

Amar Shwopno Account is an account specially created for the inclusion 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

An interest bearing foreign currency current account for Bangladeshi nationals, which can be opened in USD / GBP / EUR.

Term Deposit

Term deposit is a smart solution to get more out of long term investments with choice of tenor. Suitable tenor: 30 days , 90 days , 100 days, 180 days, 200 days, 300 days, 360 days or 720 days.

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 Scheme

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 plan of any multiple of BDT 500 but not exceeding BDT 20,000 with tenor options 3, 5, 7, & 10 years.

Secured DPS

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

NRB BANKING PROPOSITION – MY BANGLADESH

A proposition designed to cater the expectations of NRBs in order to pave the ways of NRB investment to Bangladesh. The proposition contains array products for NRB's to choose from:

NRB FCY Account

A current account that can be opened in USD / GBP / EURO to facilitate the NRBs to open in currency in their country of domicile.

NRB My Savings Account

A daily interest bearing Taka savings account for non-resident Bangladeshi. An account, which broadens the horizon for NRBs to invest in various deposit products of the bank with lucrative yield.

NRB FCY Term Deposit (NRB Rising)

A Foreign Currency fixed deposit account with choice of 30/90/180/360 days tenor and competitive interest rate.

Expat FCY Account

A non-interest bearing foreign currency account especially for expatriate employees working for foreign missions or registered firms operating in Bangladesh. Foreign nationals residing in Bangladesh or abroad are also eligible for opening the account in USD / GBP / EUR.

Expat BDT Account

A non-interest bearing account, which can be opened in BDT for the foreign nationals who are resident in Bangladesh and working in the country with valid work permit.

STUDENT BANKING PROPOSITION – MY FUTURE

Student Banking proposition includes a rewarding and convenient offering for students up to age of 26 years. The proposition consists of three major products:

My Early Account

Savings account with flexible operating features for students aged below 18 years.

My Future DPS

Monthly recurring savings plan for minors of BDT 500 and any multiple of BDT 1000 with tenor options 3, 5 & 10 years

My Study Account

A daily interest bearing savings account especially designed for students aged 18 to 26 years.

Student File Service

NRB Bank provides support to prospective students, while they pursue higher education abroad by processing their student files and remitting funds in respective foreign currencies to meet tuition fees, board and lodging / incidental expenses etc.

PAYROLL BANKING PROPOSITION – MY SALARY

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

My Salary Account

A daily interest bearing savings account for the payroll customers with an array of benefits.

RETAIL LOANS

My Loan

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

Quick Cash

Quick Cash is an overdraft facility for resident and non- resident Bangladeshis against FD's 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 Car Loan

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

My Study Loan

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

NRB My Home

A proposition for the non-resident Bangladeshis for availing an EMI based home loan facility. This is to encourage the NRBs to make best use of their hard earned money abroad.

OTHERS

Locker Services

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

ALTERNATE DELIVERY CHANNELS

ATM

NRB Bank facilitated Automated Teller Machine (ATM) at all branches from the very beginning of the bank's operation. Our ATM networks comprises of 38 ATMs including 1 offsite ATM.

Internet Banking

Internet Banking service is offered free of charge to customers and provides banking facility anytime, from anywhere as per customer's convenience. Features of internet banking include transfer of funds, balance inquiry, viewing account statement as well as instant mobile top-up. Internet banking service can be accessed from PC, Tab or Mobile device.

Call Center

24/7 Call Center with country's leading technology solution "NU Call Master" of BDCOM. All that is required is to dial "16568" or "+88 09666456000" for enjoying the service of a state-of-the-art facility.

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 from BDT 20,000 to BDT 99,999

VISA Gold Credit Card

Plastic currency with an unsecured Credit limit from BDT 100,000 to BDT 199,999

VISA Platinum Credit Card

Plastic currency with an unsecured Credit limit from BDT 200,000 to 1000,000

Hajj Services:

NRB Bank introduced Hajj services for the pilgrims since year 2018. Pre-registration and registration fees collection from pilgrims is on since then with satisfactory customer service. NRB bank also doing IBAN fund transfer to Saudi Arabia on behalf of Hajj Agencies with faster service.

Key Features of NRB Bank VISA Credit Card

- ◆ Highly secured EMV Card, Worldwide Accepted.
- ◆ 3D Secure Online and e-Commerce transactions with OTP.
- ◆ Complimentary Card for the first year.
- ◆ 100% Waiver on Renewal fee by making 14 transactions in a year*.
- ◆ Two Supplementary Card is FREE.
- ◆ Lower interest rate in the market, Monthly 2.08%.
- ◆ Lower interest rate for Balance Transfer, Monthly 1.83%.
- ◆ Cash Advance up to 50% of Card limit.
- ◆ Up to 45 days interest free period.
- ◆ Balaka VIP Airport Lounge facilities (For Platinum Cardholder).
- ◆ Meet & Greet service (For Platinum Cardholder).
- ◆ Free First Card Cheque Book.
- ◆ Lower Card Cheque processing fee, 1.25% or BDT 100 which is higher.
- ◆ Discount facilities in various Restaurants, Hotels & Retail shops.
- ◆ "0% Easylife Installment Plan" from selected Merchants.
- ◆ EMI based "Easylife Interest Loan" from available balance with only 13% interest (Flat) per annum.
- ◆ Triple benefit Credit Assurance Program with Insurance coverage up to tk. 50 Lac.
- ◆ Easy Payment facilities through Internet Banking.
- ◆ Free SMS alert service.
- ◆ Free Monthly e-statement.
- ◆ 24 hours Call Centre assistance.
- ◆ Auto Debit Payment facility.

Key Features of NRB Bank VISA Debit Card

- ◆ Highly secured EMV Card, Worldwide Accepted.
- ◆ 3D Secure Online and e-Commerce transactions with OTP
- ◆ Free Cash withdrawal from any ATM all over the country



INFORMATION

TECHNOLOGY @ NRB BANK

“The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency. The second is that automation applied to an inefficient operation will magnify the inefficiency.” - Bill Gates

From the very beginning of its journey, NRB Bank is a techno-centric organization. It has always been in embracing state of the knack and latest technology for providing state of the art products and services to its valued customers. The best Core Banking System & Hardware from ORACLE and the experienced employees are the key factors that have kept us in front with respect to other banks in Bangladesh.

The bank kept investing on its technology upgradation for the smooth business operation and to meet future business requirements.

NRB Bank has acquired Card Management System from Compass Plus Tranzware, Agent Banking System from Era's software and Call Center solutions with latest feature for providing best of its services.

In House Software: In this financial year we have focused more on In-house Software development that plays vital role in process automation offering increased efficiency in our operations. Considering advantage of In-house software development, bank formed a development team and delivered a number of software like Compliance Automation RIT & ISS, Monitoring System Database & EOD Activity, Customer notification SMS, Green PIN, e-Statement, Attendance System, e-Learning & Online Exam, Credit Card module integration etc.

Management Information System (MIS): Management Information System (MIS) helps the top level management in goal setting, strategic planning and evolving the business plans and their implementation and follow up. For a robust MIS system bank already implemented ORACLE Business Intelligence BI, In-house Dashboard and Alert System. Recently bank introduced small scale of data warehouse for MIS & decision making process.

Agent Banking System: The NRB bank has launched the agent banking in an effort to bring non-banking population under the banking network. Here, IT & ADC OPs played a challenging role from selection of software to cope up with growing business needs. Bank selected agent banking software from ERA with native model and implemented the software in a remarkably short span of time exploiting most of the features.

Upgradation of Call center: With a view to meet the growing customer requirements the Bank replaced its previous Call Center solution with BDCom Solution. With better feature and unlimited agent the bank is now ensuring smooth 24/7 customer support. The Bank is also using the short code 16568 to meet the business needs and responding to queries of the customers. The Bank maintains IT Service Desk for rendering internal IT & ADC support services in routine operations and regular activities.

Green banking: Bank stretches very much focus on green banking. It already implemented Document Management System (DMS) under account opening process, E-Statement and SMS for customer notification. The bank also introduced Green PIN for paper less PIN management.

Internet Banking & Mobile App: From the beginning, bank offers its customers Internet Banking & Mobile App services. Customers can carry out online transactions and can get a clear status of their financial information; bank also offers a large number of online banking services such as Bill Payment, Change password, Balance Enquiry, View Mini Statement, Fund Transfer, EFTN, NPSB, Utility Bill Payment, Standing Instruction, Stop & View Cheque status and Mobile talk-time recharge facilities for all TELCO in Bangladesh. To make the online transactions more secured, we have introduced dual factor authentication (2FA) through OTP for all internet-based transactions.

ATM Services: We have almost 43 ATMs (Automated Teller Machine) booths around the country. The customer can access cash withdrawal, Balance inquiry and mini statement facility using those apart from that booths. Apart from our booth, throughout the country the customers can use any ATM in NPSB to carry out the above mentioned transactions.

Debit/Credit Card: NRB bank has its own Card Management System from Compass Plus Tranzware. The Bank introduced EMV chip and magnetic stripe in card to minimize Payment card-related fraud and to secure customers' financial sensitive data. The bank is also going to issue Cards in favor of its Agent Banking Customers very soon.

Our motto for our customers – especially for the retailers, is that – in near future, bank will appear at the doors of its customers, instead of the valued customers to come to the bank.



NRB Bank Holds Annual Business Conference-2018

Mr. Mohammed Mahtabur Rahman, Chairman of NRB Bank Limited has inaugurated the Annual Business Conference 2018 on 27 January 2018 at Dhaka Regency Hotel. Among others: Mr. Tateyama Kabir- Vice Chairman, Mr. Kamal Ahmed –Vice Chairman, Chairman of EC Committee- Mr. M Badiuzzaman, Mr. Imtiaz Ahmed –Chairman of Audit Committee, Mr. Mohammed Idrish Farazy-Chairman of Risk Management Committee were present among other directors – Mr. Mohammed Jamil Iqbal, Khondokar Ruhul Amin, Mr. Abdul Karim and Mr. Aminur Rashid Khan (Alternative Director). Managing Director & CEO Md. Mehmood Husain and Deputy Managing Director Mr. Saaduddin Ahmed, Senior Management Team, Managers from 36 Branches of NRB Bank along with other high officials were also present on the occasion. The conference evaluated the performance of the last year and adopted necessary strategies and action plan to achieve the target for the remaining time of the year.



NRB Bank Limited signed an agreement with Bangladesh Bank

NRB Bank Limited signed a participatory financial institutions agreement on refinance under "Second Small and Medium Sized Enterprise Development Project-2 (SMEDP-2)" with Bangladesh Bank on 06 February 2018. Managing Director & CEO of NRB Bank Limited Md. Mehmood Husain and General Manager, Financial Inclusion Department of Bangladesh Bank Md. Abul Bashar signed the agreement on behalf of respective organizations. Executive director of Bangladesh Bank Md. Abdur Rahim and NRB Bank Head of SME A.K.M. Kamal Uddin were present on the occasion.



NRB Bank Limited donated Tk.10.00 mln to Minister's Relief and Assistance Fund

Hono'ble Prime Minister Sheikh Hasina is receiving a cheque of Tk.10.00 mln for "Prime Minister's Relief and Assistance Fund" from Mr. Mohammed Mahtabur Rahman, Chairman of NRB Bank Limited at a function held at the Prime Minister's residence Gonobhabon on Friday (13 April 2018). Mr. Mohammed Jahed Iqbal, Director of the Bank was also present.





NRB Bank Limited celebrates Pohela Boishakh-1425

NRB Bank Limited celebrates special Bengali occasion Pohela Boishakh – 1425 on 15th April 2018 at Corporate Head Office to be acquainted itself with the Bengali Culture. Chairman of the Bank Mr. Mohammed Mahtabur Rahman was present along with Managing Director and CEO Mr. Md. Mehmood Husain, Vice Chairman, Mr. Tateyama Kabir, Directors Mr. Mohammed Jahed Iqbal & Mr. Aminur Rashid Khan, the Senior Management Team and all colleagues of CHO. The Bank organized a Boishakhi Poem Competition on the Eve of Pohela Boishakh. Chairman of the Bank Mr. Mohammed Mahtabur Rahman honoured the winners of Boishakhi Poem competition on that day.



NRB Bank Limited donated Tk. 5.00 lac to DMP Education Scholarship

Mr. Md. Mehmood Husain, Managing Director & CEO of NRB Bank Limited handing over a cheque of Tk. 5.00 lac to Mr. Md. Assaduzzaman Mia BPM (Bar), PPM, Dhaka Metropolitan Police Commissioner for financial assistance to the DMP Education Scholarship to support the educational pursuits of offspring of police personnel under CSR program of the Bank on 26 April 2018 at DMP Headquarters. Mr. A K M Kamal Uddin, Head of Corporate Banking, Mohd. Jamil Hossain, Head of Credit Risk Management of NRB Bank Limited and other high officials of Dhaka Metropolitan Police were present.



NRB Bank Limited starts operations of Bondhu Agent Banking

NRB Bank Limited, a leading 4th generation bank of the country starts operations of Bondhu Agent Banking on pilot basis at Amtoli Bazar, Bijoy Nagar, Brahmanbaria on 06 May 2018. Mr. Md. Mehmood Husain, Managing Director & CEO of NRB Bank Limited formally has inaugurated the operations of Bondhu Agent Banking as the chief guest of the ceremony. Mr. Md. Ali Afroz, Upazila Nirbahi Officer of Bijoy Nagar, Brahmanbaria, Mr. Imran Ahmed, FCA, Chief Operating Officer, Mr. Rahat Shams, Head of Retail Banking and Mr. Milton Roy, Head of Agent Banking of the Bank are, among others, seen in the picture.



NRB Bank Ltd. Holds 5th Annual General Meeting

The 5th Annual General Meeting (AGM) of NRB Bank Limited was held on 28 June 2018 at Nazimgarh Garden Resort, Sylhet. The Bank has declared 8% stock dividend for the year 2017. Mr. Mohammed Mahtabur Rahman Chairman of the Bank presided over the meeting. Among others, Vice Chairmen of the Bank Mr. Tateyama Kabir and Mr. Kamal Ahmed, Chairman of Executive Committee Mr. M Badiuzzaman, Chairman of Audit Committee Mr. Imtiaz Ahmed, Chairman of Risk Management Committee Mr. Mohammed Idrish Farazy, other members of the Board of Directors and Sponsor Shareholders and Managing Director & CEO Mr. Md. Mehmood Husain were also present.



NRB Bank's GEC Moor Branch Shifted to new location and new name

Mr. Md. Mehmood Husain, Managing Director & CEO of NRB Bank Limited is inaugurating Bank's GEC Moor Branch in its new location and new name at 863/B, O. R Nizam Road, Chattogram as O. R. Nizam Road Branch yesterday (Sunday, 8 June, 2018). Mr. Imran Ahmed, FCA, Chief Operating Officer of NRB Bank Limited and Mr. Rahat Shams, Head of Retail Banking are, among others, seen in the picture.



NRB Bank Provides 1st Foundation Training to its Officers on 15 July 2018 at its own Escape Velocity Lecture Hall

Mr. Md. Mehmood Husain, Managing Director & CEO of NRB Bank Limited poses with the participants of the 1st Foundation Training Course of the Bank inaugurated at Bank's Learning & Development Center, Dhaka on Sunday (15 July, 2018). Mr. Imran Ahmed FCA, Chief Operating Officer, Mr. Rahat Shams, Head of Retail Banking, Mr. Imteaz Ahmed, Head of Human Resources Division and Mr. Mohammad Rafiqul Islam, CDCS, Head of Learning & Development are, among others, seen in the picture.





NRB Bank Holds Half-yearly Business Review Meeting-2018

Mr. Md. Mehmood Husain, Managing Director & CEO of NRB Bank Limited was present at the Half-yearly Business Review Meeting-2018 held today (Saturday, 21 July 2018) at Escape Velocity Lecture Hall of the Bank at Dhaka. Mr. Saaduddin Ahmed, Deputy Managing Director & CRO, Mr. Imran Ahmed FCA, Chief Operating Officer, Mr. Md. Towhidul Islam, Head of Financial Institutions & Treasury, Mr. A.K.M. Kamal Uddin, Head of Corporate Banking of NRB Bank Limited, Senior Management Team, Divisional Heads & all branch managers are also seen in the picture.



NRB Bank Limited starts formal operations of Bondhu Agent Banking

NRB Bank Limited, a leading 4th generation bank of the country started formal operations of Bondhu Agent Banking at Balinga Bazar, Biyanibazar, Sylhet on 22 July 2018 in an effort to bring huge number of the country's non-banking population under the banking network and ensure financial inclusion. Mr. Mohammed Mahtabur Rahman, Chairman of NRB Bank Limited formally inaugurated the operations of Bondhu Agent Banking as the chief guest. Mr. Md. Mehmood Husain, Managing Director & CEO was present as special guest. Mr. Imran Ahmed, FCA, Chief Operating Officer, Mr. Zahur Uddin, Chairman, Sheola Union Parishad, Biyani Bazar, Mr. Haji Akhter Hossain Khan Zahid, Former Chairman, Sheola Union Parishad, Biyani Bazar and Mr. Milton Roy, Head of Agent Banking Division of the Bank are, among others, seen in the picture.



NRB Bank Limited formally inaugurates own Institute of Learning & Development at Dhaka

Mr. Mohammed Mahtabur Rahman, Chairman of NRB Bank Limited inaugurated Bank's own Institute of Learning & Development at Gulshan, Dhaka on 29 July 2018 as the chief guest of the ceremony. Vice Chairman of the Bank Mr. Tateyama Kabir, Chairman of Executive Committee Mr. M Badiuzzaman, Chairman of Audit Committee Mr. Imtiaz Ahmed, Chairman of Risk Management Committee Mr. Mohammed Idrish Farazy, other members of the Board of Directors and Managing Director & CEO Mr. Md. Mehmood Husain were also present.



NRB Bank Limited signed an agreement with a2i for setting up Agent Banking services for Marginal people through Digital Service Centers

Mr. Md. Mehmood Husain, Managing Director & CEO of NRB Bank Limited and Mr. Md. Mustafizur Rahman, Project Director of Bangladesh Government's a2i program has exchanged documents after signing an agreement at ICT Tower Agargaon, Dhaka today (31 July 2018). Under the agreement, NRB Bank will set-up agent banking services for marginal people through Digital Service Centers. Mr. Imran Ahmed FCA, Chief Operating Officer and Mr. Milton Roy, Head of Agent Banking Division were present.



NRB Bank Limited opens 37th Branch at Kadomtoli, Dhaka

NRB Bank Limited, a leading 4th generation bank of the country opens the 37th Branch at Kadomtoli, Keranigonj, Dhaka on 23 September 2018. Mr. Md. Mehmood Husain, Managing Director & CEO of NRB Bank Limited formally inaugurated the new branch as the chief guest of the ceremony. Mr. Imran Ahmed, FCA, Chief Operating Officer of NRB Bank Limited and Mr. A. K. M. Kamal Uddin, Head of Corporate Banking are, among others, seen in the picture.



NRB Bank signed an Agreement with Palli Sanchay Bank for disbursing Inward Foreign Remittance through the Branches of Palli Sanchay Bank

Md. Mehmood Husain, Managing Director and CEO of NRB Bank Limited and Akber Hossain, Managing Director of Palli Sanchay Bank & the Additional Secretary of the People's Republic of Bangladesh exchange documents after signing an Agreement at the Head Office of Palli Sanchay Bank at Old Elephant Road, Eskaton Garden, Dhaka recently under which NRB Bank will disburse Inward Foreign Remittance to the ultimate beneficiaries through 485 Branches of Palli Sanchay Bank all over the country. Mr. Imran Ahmed FCA, Chief Operating Officer, Mr. Milton Roy, Head of Agent Banking Division & Foreign Remittance Department of NRB Bank Limited and Mr. Md. Ismail Miah, AGM, Palli Sanchay Bank, among others were present.





NRB Bank Limited organized awareness program on AML & CFT for its Directors

NRB Bank Limited organized awareness program on Anti Money Laundering & Combating the Financing of Terrorism for its Directors held on 28 October 2018 at Corporate Head Office. The program was chaired by Mr. Mohammed Mahtabur Rahman, Chairman of the Bank. Mr. Md. Sawkatul Alam, DGM and Mr. Mohammad Abdur Rab, Joint Director of BFIU of Bangladesh Bank were present in the awareness program as discussant. The Honorable Directors of the Board along with Mr. Md. Mehmood Husain, Managing Director & CEO, Deputy Managing Director, CAMLCO and DCAMLCO attended the awareness program.



NRB Bank Signed an Agreement with a2i for Implementing 'Ekpay'

Md. Mehmood Husain, Managing Director and CEO of NRB Bank Limited and Md. Mustafizur Rahman, Project Director of a2i and the Additional Secretary of the People's Republic of Bangladesh exchanged documents after signing an agreement recently at ICT Tower, Agargaon, Dhaka. At this, all sorts of utility bill payments will easily be collected under one single electronic platform. Ms. Juyena Aziz, Secretary of ICT Division was present as the Chief Guest of the Ceremony. Among NRB Bank Officials, Mr. Milton Roy, Head of Agent Banking & FRD, Mr. Md. Towhidu-Zzaman Fuad, Head of Operations and Mr. Abu Md. Sabbir Hassan Chowdhury, Head of IT & ADC Operations were present in this event.



NRB Bank Limited opens 38th Branch at Ishwardi, Pabna

NRB Bank Limited, a leading 4th generation bank of the country opens the 38th Branch at Ishwardi, Pabna on 13 December 2018. Mr. Md. Mehmood Husain, Managing Director & CEO of NRB Bank Limited formally inaugurated the new branch as the chief guest. Mr. Imran Ahmed, FCA, Chief Operating Officer of NRB Bank Limited, Mr. Rahat Shams, Head of Retail Banking and Mohammed Abu Shayem, Head of SME Banking, among others, seen in the picture.



NRB Bank Limited opens 39th Branch at Mirpur, Dhaka

NRB Bank Limited, a leading 4th generation bank of the country opened its 39th Branch at Mirpur, Dhaka on 23 December 2018. Mr. Mohammed Mahtabur Rahman, Chairman of NRB Bank Limited formally inaugurated the new branch as chief guest of the ceremony. Mr. Aminur Rashid Khan, Director of the Bank was present as special guest. Among others, Vice Chairmen of the Bank Mr. Tateyama Kabir and Mr. Kamal Ahmed, Chairman of Executive Committee Mr. M Badiuzzaman, Chairman of Audit Committee Mr. Imtiaz Ahmed, Chairman of Risk Management Committee Mr. Mohammed Idrish Farazy, other members of the Board of Directors and Managing Director & CEO Mr. Md. Mehmood Husain were also present.



NRB Bank Limited opens 40th Branch at Medical Road, Sylhet

NRB Bank Limited, a leading 4th generation bank of the country opened its 40th Branch at Medical Road, Sylhet on 24 December 2018. Mr. Mohammed Mahtabur Rahman, Chairman of NRB Bank Limited formally inaugurated the new branch as the chief guest of the ceremony. Vice Chairman of the Bank Mr. Kamal Ahmed was present as special guest. Chairman of the Audit Committee of the Bank Mr. Imtiaz Ahmed, Chairman of the Risk Management Committee Mr. Mohammed Idrish Farazy, other members of the Board of Directors and Managing Director & CEO Mr. Md. Mehmood Husain are also seen in the picture.



Md. Khurshed Alam, new Deputy Managing Director of NRB Bank Limited

Md. Khurshed Alam has joined as new Deputy Managing Director of NRB Bank Limited. Prior to joining in NRB Bank Limited he was Senior Executive Vice President (SEVP) in the Eastern Bank Limited.

A veteran in the banking industry, Mr. Alam has multi-functional experience in Branch Banking Credit Risk Management, SME Banking & Special Asset Management.

Mr. Md. Khurshed Alam has completed his Masters from the Department of Public Administration in Dhaka University. Mr. Alam having 23 years of solid experience in Commercial Banking in Bangladesh who started his Banking career since 1st January, 1996 as 2nd Batch Management Trainee of Eastern Bank Limited where he served in various Department of the Bank like Branch Manager in Dhaka & Chittagong, Corporate Risk, Head of SME Risk under Credit Risk Management Department, Head of SME Banking Division & finally ended up as Head of Special Asset Management Division before joining NRB Bank.

Mr. Alam is a Certified Credit Specialist CSA (Credit Skill Assessment) from Omega UK. He is also a Senior Faculty Member of Workplace Skill Development Academy (WSDA), New Zealand and conducted a number of seminars, workshops and trainings for Commercial Bankers & SME Entrepreneurs in collaboration with various National & International Organizations.



PRINCIPAL BRANCH Simple Tree - Anarkali 89 Gulshan Avenue, Gulshan – 1, Dhaka	DILKUSHA BRANCH PFI Tower (1st Floor) 56-56 Dilkusha C/A, Dhaka-1000
BANANI BRANCH Classic Tower (1st Floor) House No. : 1, Road: 11, Block: F, Banani, Dhaka-1213	SYLHET MAIN BRANCH Man Ru Shopping City (Ground Floor) 891 Mir Box Tula Road, Chowhatta, Sylhet 3100
BOGRA BRANCH Bogra Trade Centre (Ground Floor) 766(ii) Rangpur Road, Datta Bari, Borogola, Bogra-5800	MOULVIBAZAR BRANCH Holding No. 985 & 986 (1st Floor) M Saifur Rahman Road, Moulvibazar
GEC MOOR BRANCH 565/A CDA Avenue (1st Floor) GEC Circle, East Nasirabad, Chittagong	PACHDONA BRANCH Jubayer Tower (1st Floor) Panchdona Bazar, Narsingdi Sadar, Narsingdi 1603.
JOYPARA BRANCH Monowara Mansion (1st Floor), East Lotakhola Joypara, Dohar, Dhaka1330	HOTAPARA BRANCH Surma Valley (KRC Commercial and Residential Building, 1st Floor) Holding No. 651, Hotapara, Gazipur Sadar, Gazipur 1740
UTTARA BRANCH S M Tower (Ground & 1st Floor) House # 14,Road # 2, Sector # 3 , Jashimuddin Avenue , Uttara Model Town, Dhaka1230	ASHULIA BRANCH Ahsan Complex (1st Floor) Holding No.356/1, Bashundhara EPZ Road Baipile, Ashulia, Savar, Dhaka 1349.
CHITTAGONG MAIN BRANCH Joy Bangla Tower 36 Agrabad Commercial Area, Chittagong 4000	PATENGA BRANCH 2514/3984 Airport Road, (Padma Oil Co. Ltd. , Guptakhal) Patenga, Chittagong
GOALABAZAR BRANCH Al Murad Plaza (1st Floor) Goala Bazar, Osmaninagar, Sylhet 3124.	ZAJIRA Branch House # 204, North Baiksha Zajira Municipality, Thana-Zajira, District-Shariatpur, Division-Dhaka
KHULNA MAIN BRANCH MatriBhasa Bhaban (1 st Floor) House # 63, KDA Avenue, Thana - Sonadanga, District-Khulna, Division-Khulna.	CHAWK BAZAR BRANCH House #16, Water Works Road, Chawk bazar, Dhaka.
ATI BAZAR BRANCH House # 122, 81 , Bapari Plaza PO: Shyamlapur Naogaon, Taranagar Union 3 Keranigonj Dhaka.	BHULTA BRANCH Rabet al Hasan Shopping Center (1 st Floor) Bhulta, Thana Rupgonj, Narayanganj.
PALLABAZAR BRANCH Vill- Palla, Thana: Chatkhil,Noakhali, Chittagong	LALDIGHIRPAR BRANCH Rahman Chamber (1st Floor), Holding No. : 3162 Raza G.C. Road, Ward – 14, Laldighirpar, Bondar Bazar, Sylhet.
SATKANIA BRANCH Ula Miah Market (1st Floor) Keranihat Satkania, Chittagong	HEMAYETPUR BRANCH 1576, Lalon Tower And Shopping Complex (1 st Floor), Hemayetpur, Savar, Dhaka
MADHABPUR BRANCH Sayhum Future Complex (1st Floor) Madhabpur Bazar, Madhabpur, Habigonj-3331	RAJSHAHI BRANCH 166, (1st floor), Sultanabad (New Market) Ghoramara, Boalia,Rajshahi
RAHIMANAGAR BAZAR BRANCH A. H. Munshi Tower (1st floor) Rahima Nagar Bazar, Kachua, Chandpur	DHANMONDI BRANCH Green City Square, Plot no 750 (old) Satmasjid Road Dhanmondi, Dhaka

COMILLA BRANCH Parvin Square, 36, Kandirpar Ramghat Laksham Road, Comilla	MOGRAPARA BRANCH Ambia Plaza, Mograpara Chowrasta. Sonargaon, Narayanganj
SREEPUR BRANCH Nurul Islam Khan Complex, Plot no:243, Block: B, DB Road, Sreepur Pourashava, Sreepur Gazipur	SHAFIPUR BRANCH K Z tower, Holding no: 70/1 shafipur Bazar, Kaliakoir Pourashava, Kaliakoir Gazipur
FENI BRANCH Haque Square 27/1 SSK Road, Feni Sadar, Feni	GHONAPARA BRANCH Zaman Center Gobra, Ghonapara, Gopalganj
RAOZAN BRANCH Haji Moqbul Tower (1st floor), Pahartali, Chowmuhani Bazar, Raozan, Chittagong	KAZIRHAT BRANCH Five Star Super Market, Dubisaybor, Baro Kandi, Kazirhat, Zajira, Shariatpur
KADOMTOLI BRANCH Rasshed Iron Market, 1st Floor (North Side), Bondo Darkpara, Highway Road, Kadamtali, Keranigonj, Dhaka.	ISHWARDI BRANCH Holding No. 971/972(1st Floor), Station Road, Ishwardi, Pabna.
MIRPUR BRANCH HAL- GBDL Kazi Morning Glory, House # 15, Road # 03, Mirpur-11A, Dhaka.	MEDICAL ROAD BRANCH Iscon Market, Medical Road, Jugaltila, Kazal-Shah, Sylhet



Principal Branch ATM

Simpletree Anarkoli (Ground Floor)
89 Gulshan Avenue, Gulshan-1, Dhaka 1212

Banani ATM

House# 26 (Ground Floor) 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 (1st floor)
East Lotakhola, Joypara Dohar, Dhaka1330

Uttara Branch

Marina Tower(Ground&1stFloor) House#14, Road#2, Sector#3, Uttara
Model Town, Dhaka1230

Chittagong Main Branch ATM

World Trade Center (2ndfloor), 102-103Agrabad CommercialArea,
Chittagong 4000.

Goala Bazar 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, Bangladesh

Madhabpur Branch ATM

Sayhum Future Complex Madhabpur Bazar Madhabpur, Habigonj-3331

Rahimanagar Bazar Branch ATM

A. H. Munshi Tower Rahima Nagar Bazar,
Kachua, Chandpur

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

HoldingNo.985&986(Ground Floor) M Saifur Rahman Road
Moulvibazar

Panchdona Branch ATM

Jubayer Tower (Ground floor)
Panchdona Bazar, Narsingdi Sadar, Narsingdi 1603.

Hotapara Branch ATM

Surma Valley
(KRC Commercial and Residential Building, Ground Floor)
HoldingNo.65, Hotapara, Gazipur Sadar Gazipur 1740

Ashulia Branch ATM

Ahsan Complex (Ground Floor), HoldingNo.356/1, Bashundhara EPZ
Road, Baipile, Ashulia, Savar, Dhaka 1349.

Dhanmondi ATM

House#24/C (Old405/C)
Road#16(Old27),Dhanmondi R/A, Dhaka – 1209.

Zazira 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 Bhulta, Thana Rupgonj, Narayanganj.

Laldighirpar Branch ATM

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

Hemayetpur Branch ATM

1576, Lalon Tower And Shopping Complex (1st Floor), Hemayetpur,
Savar, Dhaka

Rajshahi Branch ATM

166, Sultanabad (New Market), Ghoramara, Boalia, Rajshahi

Dhanmondi Branch ATM

Green City Square, Plot no 750 (old) Satmasjid Road
Dhanmondi, Dhaka

Comilla Branch ATM Parvin Square 36, Kandirpar, Ramghat Laksham Road, Comilla	Mograpara Branch ATM Ambia Plaza, Mograpara Chowrasta , Sonargaon, Narayanganj
Sreepur Branch ATM Nurul Islam Khan Complex, Plot no:243, Block: B, DB Road, Sreepur Pourashava, Sreepur Gazipur	Shafipur Branch ATM K Z tower, Holding no: 70/1 shafipur Bazar,Kaliakoir Pourashava, Kaliakoir Gazipur
Feni Branch ATM Haque Square 27/1 SSK Road, Feni Sadar, Feni	Ghonapara Branch ATM Zaman Center Gobra, Ghonapara, Gopalganj
Raozan Branch ATM Haji Moqbul Tower , Pahartali, Chowmuhani Bazar, Raozan, Chittagong	Kazirhat Branch ATM Five Star Super Market, Dubisaybor, Baro Kandi,Kazirhat, Zajira, Shariatpur
Kadomtoli Branch ATM Rasshed Iron Market, (North Side), Bondo Darkpara,Highway Road, Kadamtali, Keranigonj, Dhaka.	Ishwardi Branch ATM Holding No. 971/972(Ground Floor), Station Road, Ishwardi, Pabna.
Mirpur Branch ATM HAL- GBDL Kazi Morning Glory, House # 15, Road # 03 Mirpur-11A, Dhaka.	Medical Road Branch ATM Iscon Market, Medical Road, Jugaltila,Kazal-Shah,Sylhet



Correspondent Banking

(FINANCIAL INSTITUTIONS)

A correspondent bank is a bank that provides services on behalf of another, equal or unequal, financial institution. It can facilitate wire transfers, conduct business transactions, accept deposits, and gather documents on behalf of another financial institution. Correspondent banks are most likely to be used by domestic banks to service transactions that either originate or are completed in foreign countries, acting as a domestic bank’s agent abroad. Through correspondent banking relationships, banks can access financial services in different jurisdictions and provide cross-border payment services to their customers, supporting international trade and financial inclusion.

Over the last decade, global banks have been tightening operations to comply with regulations designed to curtail money-laundering and terrorism-financing. As a consequence, global banks have been limiting correspondent banking relationships (CBRs) with local banks in emerging and developing economies – a practice referred to as “de-risking.” Bangladesh, as being the developing country, and its banks have been facing this same hurdles to access the international financial community.

In Bangladesh, although the green back has got stronger over time against local currency, the BOP is still imbalanced. Even, while the dollar market was running short, the import volume was still on upper side. Moreover, importers still prefer to avail foreign currency loans in forms of UPAS and other trade financing facilities till today. The import of capital machinery and industrial raw materials has registered a significant growth during last year. It ultimately curbed our BOP (Balance of Payments) and national USD reserve which inevitably pushed the regulators to upsurge the exchange rates to encourage the growth of export volume and inward remittance. It results the deflation of BD Taka against US Dollar.

Bearing these facts and challenges, NRB bank has successfully accommodated a good number of trade transactions which require adding confirmation and financing facility through its correspondents. We managed to widen our correspondent network in 43 countries around the world. We are maintaining strong bilateral business relationship with more than 180 nos. of local and foreign correspondent banks.

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. 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 Bankers Almanac and SWIFT KYC Registry.

Network of Correspondent Banks

Australia	India	Saudi Arab
Bahrain	Italy	Serbia
Belgium	Japan	Singapore
Belarus	Kenya	South Africa
Brazil	South Korea	Spain
Canada	Kuwait	Sri Lanka
Czech Republic	Malaysia	Switzerland
China	Myanmar	Taiwan
Dominica	Nepal	Turkey
Egypt	Pakistan	Ukraine
France	Philippines	Thailand
Germany	Poland	United Arab Emirates
Hong Kong	Qatar	United Kingdom
Vietnam	Russia	United States of America

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
SAR	National Commercial Bank, Saudi Arabia	NCBK SA JE	Account Number: 88347001005402	CP	FX	MM

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

Note

[illegible]

NRB Bank Limited

Corporate Head Office

Simpletree Anarkali

89 Gulshan Avenue, Gulshan
Dhaka-1212, Bangladesh