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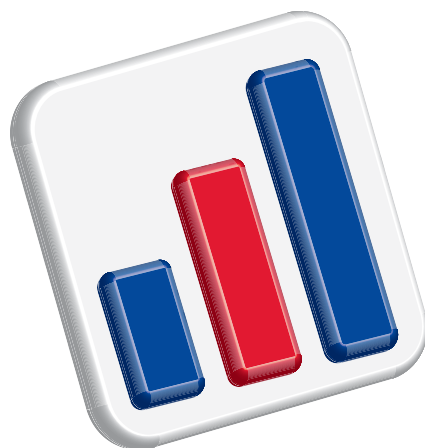


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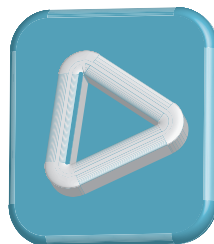
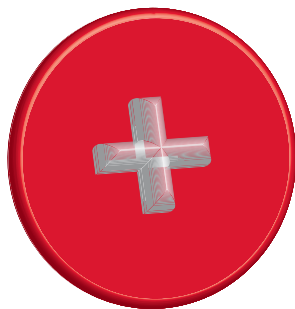
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## TABLE OF

# C O N T

## O

### ABOUT US

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Letter of Transmittal	04
Disclaimer	05
Vision & Mission	08
Values	09
Statement Regarding Forward Looking Approach	10
NRB Bank At a Glance	11
Company Milestones	12

### CORPORATE GOVERNANCE

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From the office of the Chairman	16
Managing Director & CEO's Roundup	20
Board of Directors' Profile	26
Sponsors & Shareholders	36
Board Committees	41
Senior Management Team	44
Directors' Report	46
Report of the Audit Committee of the Board	53
CEO/CFO's Declaration to the Board	55
Certificate on Compliance on the Corporate Governance Code	56
Corporate Governance Report	57
Chief Risk Officer's Report on Risk Management	86
Disclosures on Risk Based Capital (Basel-III)	97
Report of the Shari'ah Supervisory Committee	118
Credit Rating Report	119

### STAKEHOLDERS' INFORMATION

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Financial Highlights	122
Five-Year Progression of NRB Bank	123
Statement of Value Added and its Distribution	125
Economic Impact Report	126



# EVENTS

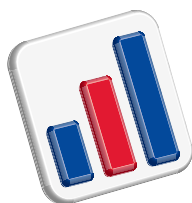


## FINANCIAL STATEMENTS



Independent Auditors' Report to the Shareholders	130
Balance Sheet	132
Profit and Loss Account	134
Cash Flow Statement	135
Statement of Changes in Equity	136
Liquidity Statement	137
Notes to the Financial Statements	138

## OTHER INFORMATION



Sustainable Finance	194
Brand and Communications	199
Product and Services	200
Information Technology @ NRB Bank	203
Correspondent Banking	204
Key Activities 2021	205
Branch Network	212
Sub-Branch Network	214
ATM Network	215



# Letter of Transmittal

To

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

Dear Sir/Madam,

Annual Report of NRB Bank Limited for the year ended 31 December 2021

We are pleased to enclose a copy of the Annual Report along with the Audited Financial Statements and Balance Sheet as at 31 December 2021, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement for the year ended 31 December 2021 together with notes thereon of NRB Bank Limited for your kind information and record.

Thank you.

Sincerely,



**Md Rezaul Karim**  
Company Secretary (CC)

# Disclaimer

This Annual Report 2021 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 130 to 192. 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.

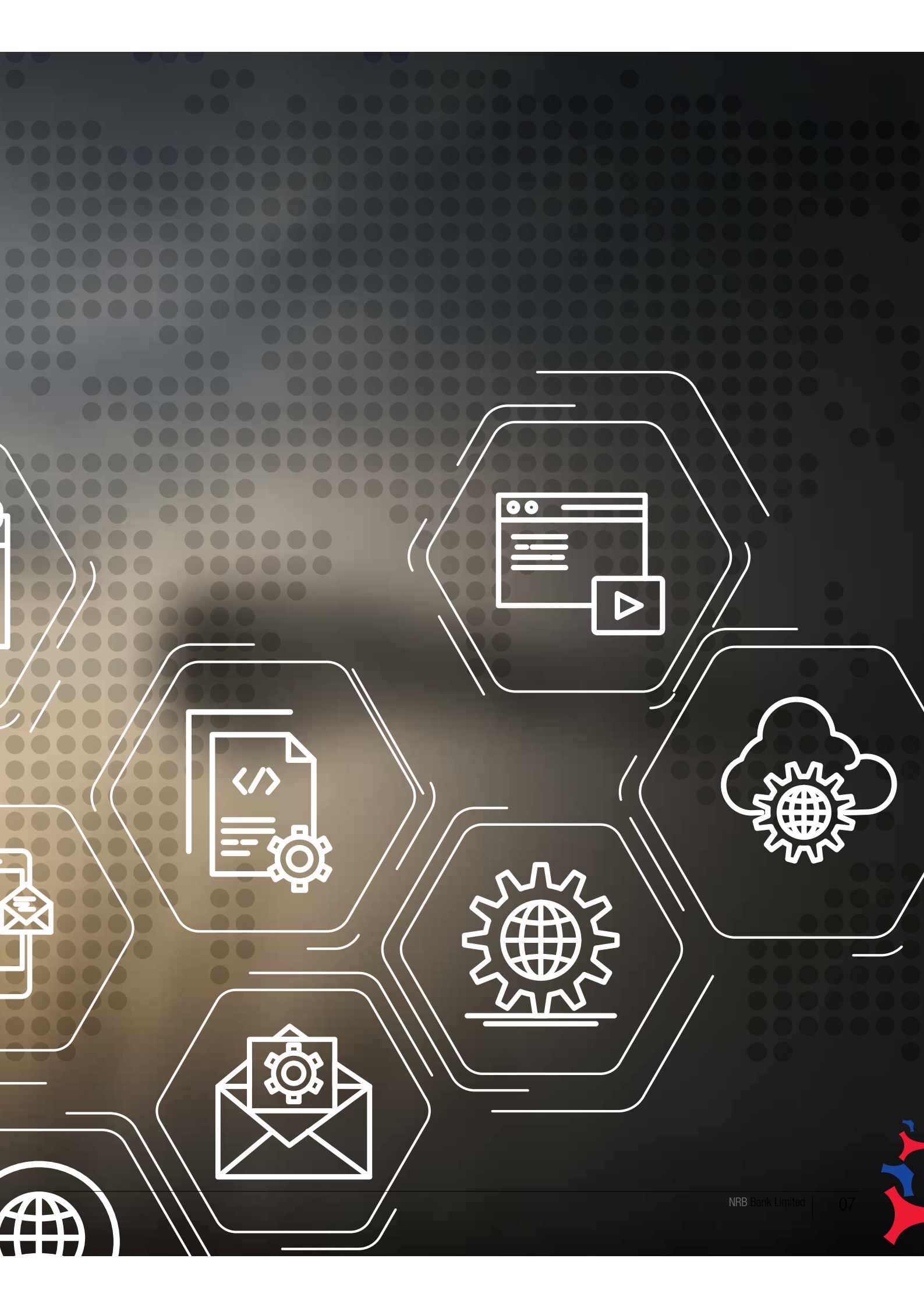
Business 'outlook' and management estimates and assumptions in recognizing certain financial transactions presented in different parts of this Annual Report can be no assurance that actual outcomes will turn up to the tune of these projections. Some of the factors that may cause projected outcomes differ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

- **Changes in macroeconomic outlook:** According to WB forecast, Bangladesh's economy is projected to grow 6.9 per cent in fiscal year 2022-23 thanks to strong export growth and a rebound in domestic demand. The multilateral lender forecasted that gross domestic product (GDP) would expand 6.4 per cent in the current fiscal year of 2021-22, up 1.3 percentage points from its June projection of 5.1 per cent for the fiscal. For the next fiscal year 2022-23, it raised forecast for Bangladesh by 0.7 percentage points from 6.2 per cent. However, following a strong rebound in 2021, the global economy is entering a pronounced slowdown amid fresh threats from Covid-19 variants and a rise in inflation, debt, and income inequality that could endanger the recovery in emerging and developing economies.
- **General business and political uncertainties:** Negative impact of political deadlock, associated risks in business environment, price spiral, 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:** Liquidity crunch in 2022 may increase the fund cost significantly which ultimately squeeze the profit margin of the bank. Govt. borrowing sometimes distorts the business plan of the banking sector in Bangladesh to maintain the liquidity management. There is little doubt that the banking sector in Bangladesh is going to face a difficult period in 2022 due to the continuing impact of the coronavirus outbreak. 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 and Provision 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. In addition to that new provision requirements also will make the scenario even more difficult for the banks.
- **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.



# about us





# Vision

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

# Mission

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

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





# Values

## 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

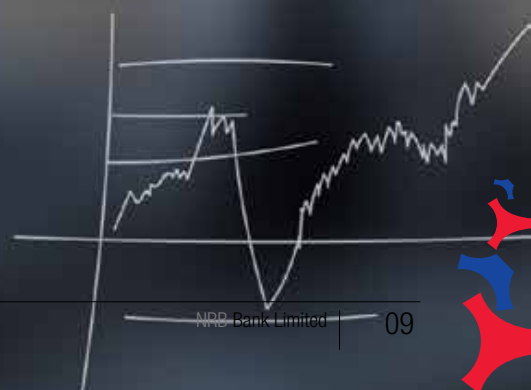
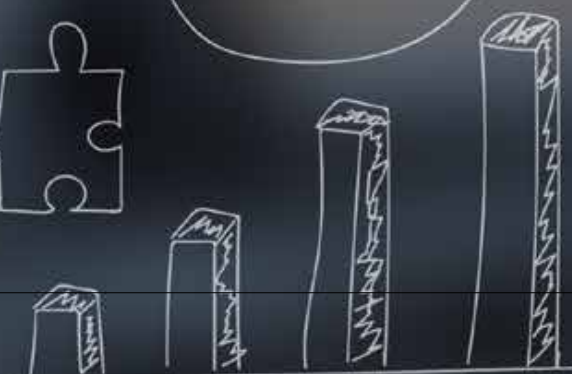
## I INTEGRITY

We govern by the principles of ethics and transparency

## T TECHNOCENTRIC

We step ahead of technological advancement

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



# 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;
- 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 as well as volatile exchange rate which are 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 received 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 foreign trade 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

<b>Name of the Company</b> NRB Bank Limited	<b>Authorized Capital</b> BDT 10,000 million	<b>Chairman</b> Mr. Mohammed Mahtabur Rahman
<b>Legal Form</b> Public Limited Company	<b>Paid-up Capital</b> BDT <b>5905.87</b> million	<b>Vice Chairman</b> Mr. Tateyama Kabir Mr. Mohammed Jamil Iqbal
<b>Registered Office</b> Uday Sanz, Block- SE (A), Plot # 2/B, Road # 134, South Avenue, Gulshan-1, Dhaka, Bangladesh.	<b>Total Capital (Tier-i &amp; ii)</b> BDT 7180 million	<b>Managing Director &amp; CEO</b> Mr. Mamoon Mahmood Shah
<b>Date of Incorporation</b> 19 March 2013	<b>Total Asset</b> BDT 61,140 million	<b>Advisor</b> Mr. Md. Mukhter Hossain
<b>Formal Inauguration</b> 04 August 2013	<b>Statutory Reserves</b> BDT 786 million	<b>Deputy Managing Directors</b> Mr. Md. Shakir Amin Chowdhury Mr. Kazi Ahsan Khalil Mr. Md. Shaheen Howlader
<b>Company Registration No.</b> C-108030/13	<b>Capital Adequacy</b> 18.23%	<b>Chief Risk Officer (Acting)</b> Mr. Mohammed Shaukat Ali
<b>Bangladesh Bank Permission No.</b> BRPD (P-3)745(61)/2013-1932 April 25, 2013	<b>Earnings Per Share</b> BDT 0.72	<b>Chief Financial Officer</b> Mr. Muhammad Nurul Afsar
<b>Delivery Channels</b> <ul style="list-style-type: none"> <li>◆ No. of Branches 49</li> <li>◆ No. of Sub-Branches 11</li> <li>◆ No. of Agent Outlets 319</li> <li>◆ No. of ATMs 48</li> <li>◆ Real-time Online Banking</li> <li>◆ Internet Banking</li> <li>◆ SMS/Alert Banking</li> <li>◆ Debit/Credit Card with Global Access</li> <li>◆ Shared Network across the Country</li> </ul>	<b>Net Asset Value Per Share</b> BDT 11.86	<b>Company Secretary (CC)</b> Mr. Md Rezaul Karim
<b>Credit Rating</b> Short Term : ST-2 Long Term : A+	<b>Accounting Year-end</b> December 31	<b>Tax Consultant</b> M/s. K. M. Hasan & Co.
<b>Total Manpower</b> Employee: 645	<b>Credit Rating Agency</b> Credit Rating Information & Services Limited (CRISL)	<b>Auditors</b> M/s. Hoda Vasi Choudhury & Co. Chartered Accountants
<b>Email</b> info@nrbbankbd.com	<b>Contact Centre</b> (+88) 09666456000, 16568	<b>SWIFT Code</b> NRBDBDDH
	<b>Website</b> 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 Sonargaon 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

## 2018

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### 06 May

Bondhu Agent Banking on pilot basis Launched

### 20 May

Chattogram Main Branch Shifted to new location

### 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

## 2019

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### 14 February

Inaugurated it's Debidwar Branch

### 20 February

Inaugurated it's Panchabati Branch

### 06 May

Launched Debit Card for Agent Banking Customers

### 31 July

Launched new retail product "Millionaire Savings Scheme"

### 21 November

Inaugurated it's Nayabazar Branch

### 24 November

Inaugurated it's Purbachal Branch

### 28 November

Inaugurated it's Jashore Branch

### 04 December

Inaugurated it's Jaflong Branch

## 2020

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### 15 March

Launched Bank's Mobile Banking App NRB Click

## 2021

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### 01 March

Inaugurated it's Progati Sarani Branch

### 01 September

Launched Sub-Branch Operation by opening 1st Sub-Branch at Niketon, Gulshan, Dhaka

### 09 September

Launched Islamic Banking operation by opening its Islami Banking Gulshan Branch at Gulshan-1

### 18 October

Launched International Debit Card

### 15 November

Inaugurated it's Barlekha Branch









# From the Office of The Chairman





Bismillahir Rahmanir Rahim

Distinguished Fellow Shareholder Brothers and Sisters,

**Assalamu Alaikum**

It's both a privilege and pride for me to be able to welcoming you all to the 9<sup>th</sup> Annual General Meeting of the NRB Bank Limited. On behalf of the Board of Directors of the Bank, I have the honor to present before you the Annual Report and Audited Financial Statements of the Bank for the year 2021.

Likewise the previous year, the Year 2021 was too difficult and indeed more challenging due to turbulent and unsettled business environment locally and globally. You all would agree that the adverse impact of COVID-19 pulled the overall growth down from many angles but I am happy to inform you that despite the adverse business climate, our Bank has ably sustained and continued her glorious long 9 years of journey. Here I would like to recognize and commend the unwavering support of our stakeholders and in particular the dedication of the management and staff of the Bank in keeping up the momentum. In order to survive and to further strengthen the capacity of the Bank, I always urge the Bank to embark on holistic revenue generation approach a number one priority. With the help of almighty Allah, we responded in time and effectively addressed the escalating disaster by consolidating our business operations that are linked to a widened network across the country. We continued our presence over numerous industry segments, some of which lay in societies seriously torn by the pandemic. My wish to extend my heartiest thanks and gratitude to the distinguished members of our Board who devoted its time and energy in providing specific strategic guidance and direction to the Management to ensure flawless service to our valued clients while being fully compliant with regulatory obligations and requirements. Not only the fact that we looked for profitability alone, we fully ensured the utmost safety, health and overall wellbeing of the valuable staff members who were invariably exposed to the surroundings while extending their duties. Being an abiding corporate citizen, we have an obligation to help the society overcoming the crisis and scale up broader initiatives to educate customers at times of changing rules and about tools of customer service. We look forward that once the waves of pandemic subside, our painstaking efforts will be worth paying off and have a telling effect on our business growth. We take pride in our Employees' readiness to rise to the occasion and stand dedicated to meet the demands of people in their dire need.

Despite the difficult times and unsupportive conditions, that let loose stumbling blocks to banking operations, revenue and profitability, NRB Bank ended the year 2021 on a strong footing defined in terms of deposit base, lending portfolio, better liquidity and higher provision cover compared to our peer competitors. This indicates a set of upcoming opportunities to benefit from the upsurge in predicted credit demand in the years ahead. The Bank has made concerted efforts to attain sustainable growth while supporting the needs and aspirations of our customers also being mindful of our corporate role in achieving national economic goal. It befits the occasion to place on record our sincere appreciation of the effort taken by government authorities to contain the outbreak of COVID-19 and we look forward to doing our part to stimulate country's economic recovery in the coming year. The goal requires, in particular, a commitment to supporting CMSME, agriculture and other underserved sectors of the economy along with the empowerment of women entrepreneurs.

We gave out adequate deliberation at the Board and the Board Sub-Committee Levels on all matters pertaining to the policies and procedures of the Bank and ensured that discussions are inclusive and decisions are unanimous and deliverable. The Board is aware that it is our responsibility to take adequate measures to mitigate any untoward consequence arising from the pandemic factors in future, in particular the immediacy of the response to potential rise in NPL portfolio on expiry of policy support to business. The high liquidity level will also bolster the efforts to cope with cash flow shortages resulting from deferred recoveries due to moratoriums and other concessions granted to the borrowers.

In our effort to strengthen the capital base of the Bank, we have been on alert to infuse Tier-1 capital via various market mechanisms and tools. As on the balance sheet date, Bank's Tier-1 capital adequacy ratio maintained at 16.84% is higher than the minimum regulatory requirement of 8.50% including conservative buffer while Tier-1

and Tier-2 capital together stands at 18.23% comfortably above regulatory requirement of 12.50%. Under operational restriction and policy control due to pandemic situation, the Bank was able to post operating profit for the year of 2021 BDT 1,203 million indicating a growth of 26.67% over the preceding year. However, profit after tax was lessened by 37.31% due to higher provisioning on loans and advances and also Provision for diminution in value of investments. However, the prudent management of balance sheet enabled the Bank to enhance deposit by BDT 2,924 million to a total of BDT 44,755 million at year-end while loans and advances edged up to around BDT 40,244 million through a moderate growth of 3.59% with a balanced share among corporate, retail and CMSME. These two major items of the balance sheet contributed much to increase the total asset base to BDT 61,140 million as at 31 December, 2021 posting a reasonable growth of 10.43%. The Bank successfully managed to bring down its NPL ratio to 3.39% from 3.71%, this demonstrates our shift to a better credit quality while we apprehend the possibility of NPL rise in neo-normal situation once the relaxation on classification rules ends in the near term. The Bank continued to make significant investment in products, people and technology and generally broadened market share across the businesses.

Despite all the challenges faced by our Bank and our country, it is with great pleasure that I emphasize on numerous positive outcomes from the year 2021. In the midst of the present socio-economic situation and highly regulated segment of credit operations, we ensured our credit quality would remain un-phased. In 2022, we ensured serious focus on the recovery of classified loans, avoiding further classification and ensuring compliance with all regulatory requirements. Following the correct lending philosophy, we are backed by a strong credit administration that is focused on managing and minimizing risk. Credit Rating Information and Services Limited (CRISL) has awarded A+ '(A Plus)' rating in the Long Term and 'ST-2' rating in the Short Term to NRB Bank Limited in consideration of financials up to 31 December 2021 including other relevant quantitative and qualitative information up to the date of rating declaration, 29 June 2023. In regard

to our other outlets of services, I am pleased to inform that we were able to develop and provide progressive services with unwavering quality in a short amount of time. Our corporate, SME and Retail banking service has already achieved commendable success. We have also devised and employed various IT based services, allowing us to step in line with our highest competitors.

Our Bank believes that carrying out Corporate Social Responsibility (CSR) helps in tangible value creation. Moreover, CSR creates a positive image in society for our Bank. Since the inception of the Bank, we are committed to supporting our people and fulfilling social responsibilities alongside commercial banking operation. We have followed this through 2021 with utmost dedication and responsibility, spending a total amount of BDT 34 million to carry on various CSR initiatives, with BDT 42 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.

### Respected Shareholders,

Corporate Governance reflects the built in value system of the Bank in conducting its day to day affairs. NRB Bank emphasizes and honors the critical importance of effective Corporate Governance for the safe functioning of the Bank and lays emphasis on ensuring that structures, processes and systems are put in place to establish strategic objectives, through vigilant monitoring, to serve the interest of the Bank and its stakeholders. The Board provides policy guidelines & directions to the management, approves strategic and major policy decisions and oversees the higher management to attain business goals. For the sake of providing strategic support to the Board, different committees, namely the Executive Committee, Audit committee and Risk Management Committee are actively performing and providing the best support. Good governance is based on the principles of:

- Conducting business with integrity and fairness
- Ensuring transparency in all the transactions,
- Making all relevant disclosures as per the various regulations in force
- Complying with all the laws of the land
- Ensuring accountability and responsibility when dealing with the stakeholders; and
- Commitment for conducting the business in an ethical and transparent manner.

The Bank has laid down a well-defined code of conduct which fairly addresses the issues of integrity, conflict of interest and confidentiality and stresses the need of ethical conduct, which is the basis of Good Governance. This code of conduct is applied to all the members of the Board and the Senior Management of the Bank. The Bank has complied with the guidelines of BB, BSEC, RJSC&F and other regulatory bodies. Our 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 the best practices, processes and ethics to observe and promote high ethical standards. The Bank is also committed to follow high disclosure standards and transparency in financial reporting so as to keep investors and stakeholders adequately well-informed and updated at frequent intervals. Disclosures in compliance with the codes are set out in the Annual Report. Strategically, the Bank's governance quality and management bandwidth are also being enhanced to cope with the emerging rigors of the banking and financial sectors.

I take great pride in how we have responded to COVID-19 pandemic and am overwhelmed the way customers and shareholders have rested faith in us. Despite facing the unforeseen shockwaves, we were on track to deliver a solid performance which exhibits the level of our courage, determination, passion and resilience. In 2022, we foresee the global and local economy and business conditions will continue to remain challenging given the global turmoil including the Russia and Ukraine ongoing war that bitterly affected the whole global economy. Our country is in no exception, the increased price of food and essentials that stemmed high scale of inflation that brought untold sufferings of middle class and poorer sections of the population. Hence, we must continue to remain alert to the situation and respond timely. The Board will continue to oversee management's role in striking the right balance between utilizing growth potentials and the appropriate risk controls. I am convinced



that it will further strengthen the foundation of this Bank and will secure better risk-adjusted return.

In keeping with the digital progress of the country and in order to capture leverage from the latest IT cutting-edge innovations, the Bank has already developed and implemented the both mobile and web based management system letting our valued clients to see and transact by themselves their accounts in terms of funds management, fund transfer, payments including all retail packages and products those are beneficial to the clients as a whole while the Bank plays catalytic role of providing guidance and safeguarding the clients' interests and advantages.

These two major items of the balance sheet contributed much to increase the total asset base to BDT 61,140 million as at 31 December, 2021 posting a reasonable growth of 10.43%. The Bank successfully managed to bring down its NPL ratio to 3.39% from 3.71%, this demonstrates our shift to a better credit quality while we apprehend the possibility of NPL rise in neo-normal situation once the relaxation on classification rules ends in the near term. The Bank continued to make significant investment in products, people and technology and generally broadened market share across the businesses.

#### Way Forward:

An oversight unit will be established within the Audit Department so as to scale up the oversight functions which I believe and you would agree that would bolster the transparency and effectiveness of our business operations. Detailed framework of guidelines will be developed and issued shortly.

A web-based Staff Performance Management System will be developed so that this critical process is managed effectively and efficiently in keeping with international standard. This would boost staff morale and I am sure would contribute a lot in staff performance and commitment. This would help purging few of the ambiguity and loopholes that exist in the current staff performance process. This would help to ensure that deserved staff members are recognized for their outstanding performance.

Finally, I would like to thank our people for their great personal dedication and passion to perform as a team to achieve our goals while building a strong foundation for the future. We convey our sincerest gratitude and deepest respect to our respected shareholders for their investment. I take this opportunity to express

my heartfelt appreciation and gratitude to the Ministry of Finance, Bangladesh Bank, Bangladesh Securities & Exchange Commission, Register of Joint Stock Companies and Firms and Dhaka Stock Exchange Ltd. for their valuable guidance, cooperation and advice that they provided to us from time to time.




Mohammed Mahtabur Rahman  
Chairman of the Board of Directors



# Managing Director & CEO's Roundup

Global trade growth is anticipated to slow down to 4% in 2022 as the war in Ukraine further disrupts global value chains. Global activity gradually shifts back toward the less trade-intensive services sector, and international mobility moves toward pre-pandemic levels only gradually. Global trade growth is expected to moderate to an average of 4.1% in 2023-24 as global demand for tradable goods continues to decelerate.



I extend to you all a very warm welcome to the 9th Annual General Meeting of our Bank and hope that you are doing well and keeping safe. During this very difficult and unsettling COVID-19 situation, I express my heartfelt compassion and sincere empathy to all. Insha-Allah, we will come out of these trying times with resilience and in good health and spirits.

As the country continues to reel under the pandemic, our collective sense of the 'NORMAL' has been disrupted. However, we have embarked on a new 'REALITY.' I strongly believe that we will emerge from this crisis stronger, wiser, and more steadfast. Before I deliberate on various aspects of my address, allow me to take this opportunity to pay our sincere gratitude to each one of the frontline workers combating the pandemic to make the world safer and more livable for all of us - the medical community, sanitization workers, essential service providers including bankers and the law enforcement agencies to name a few.

Perhaps the first time since World War 2, in 2020 the entire world was met with uncertainties, chaos and a panic-stricken environment due to the rapid surge of the Coronavirus. With nations around the world focused on containing the virus, global trade and economic activities took a back seat in many parts of the world. In 2021, the global economy rebounded from the pandemic-triggered recession. With the rollout of the vaccination program, we witnessed gradual recovery and economic growth across the globe. The accommodative monetary and expansionary fiscal policies adopted by many countries contributed to this recovery. While some form of restriction and containment measures still persist in many parts of the world, disruption of international supply chain, increase of energy and fuel price, rising inflation and geopolitical tension in Europe and the USA proved to be significant threats for the global economy at the end of 2021.

However, a few key ingredients have contributed to the economic recovery of Bangladesh. These include injecting sufficient liquidity in the system accompanied by lower market interest rate regime, ensuring stability in both the local and foreign currency markets, strong inward remittance growth, and healthy foreign exchange reserve. The result: Resilience of Bangladesh economy with a growth of 6.94 % in FY 2021. We are also expecting restoration of full normalcy in lives and livelihood and required flow of fund with appropriate cautions for overall price and financial stability.

### Global Economy outlook

Still suffering from the effects of more than two years of pandemic, the global economy is experiencing yet another major blow. Russia's invasion of Ukraine has not only precipitated a humanitarian catastrophe—with thousands of civilians killed and millions more displaced—but also resulted in a deep regional slowdown and substantial negative global spillovers. These spillovers are magnifying pre-existing strains from the pandemic, such as bottlenecks in global supply chains and significant increases in the price of many commodities.

Against the backdrop of this significantly more challenging context, the world economy is expected to experience its sharpest deceleration following an initial recovery from global recession in more than 80 years. Global growth is projected to slow from 5.7% in 2021 to 2.9% in 2022 and average 3% in 2023-24, as Russia's invasion of Ukraine significantly disrupts activity and trade in the near term, pent-up demand fades, and policy support is withdrawn amid high inflation.

The effects of the war—including more acute inflationary pressures and a faster pace of monetary tightening than previously assumed—account for most of the 1.2 percentage points downward revision to this year's growth forecast. Growth projections for 2022 have been downgraded for most economies—including for the majority of commodity exporters despite improved terms of trade, partly due to higher input costs in non-energy exporters.

EMDE (Emerging Markets and Developing Economies) growth is projected to roughly halve this year, slowing from 6.6% in 2021 to 3.4% in 2022 well below its annual average of 4.8% over 2011-19, despite a still-incomplete recovery from the pandemic. The slowdown in part reflects the spillovers from the war in Ukraine, which have led to commodity price volatility, higher input costs, trade disruptions and weaker confidence. These spillovers are also exacerbating the effects of pre-existing headwinds to growth, including rising inflationary pressures, tightening financial conditions, continued withdrawal of macro-economic policy support, and softening external demand. The forecast for EMDE growth in 2022 has been downgraded by 1.2 percentage points, largely on account of the adverse effects of the war. Excluding Russia and Ukraine, growth in EMDEs in 2022 has been revised down by 0.5 percentage point, as improved prospects in energy exporters are more than offset by downgrades to most other EMDEs. Indeed, forecasts for 2022 growth have been



revised down in nearly 70% of EMDEs, including most commodity-importing countries. EMDE growth is anticipated to firm to an average of 4.3% in 2023-24, as the lingering effects of the war abate.

Inflation has increased in both advanced economies and EMDEs, reflecting firming demand; persistent supply disruptions; tight labor markets; and, especially, surging commodity prices, which have been pushed up further by the aforementioned invasion. Global median headline CPI inflation rose to 7.8% (y/y) in April 2022, its highest level since 2008. Aggregate EMDE inflation reached over 9.4%, its highest level since 2008, while inflation in advanced economies, at 6.9%, is the highest since 1982. The energy component of global consumer price inflation has risen sharply and is at its highest level since the early 1980s.

Goods trade slowed in the first half of 2022 as supply chains continued to be affected by the lingering effects of the pandemic, including disruptions in major Asian ports and lockdowns in key cities in China. In addition, Russia's invasion of Ukraine and its repercussions have led to severe physical and logistical dislocations that have magnified pre-existing bottlenecks.

Global trade growth is anticipated to slow down to 4% in 2022 as the war in Ukraine further disrupts global value chains. Global activity gradually shifts back toward the less trade-intensive services sector, and international mobility moves toward pre-pandemic levels only gradually. Global trade growth is expected to moderate to an average of 4.1% in 2023-24 as global demand for tradable goods continues to decelerate.

### Domestic Economy Outlook

Now shifting our focus to the domestic front, the second wave of the pandemic showed distinct signs of ebbing by July 2021. Localized restrictions were eased off and with the help of mass vaccination program, the economy has found invigorating wind on sail. During the second half of the year, dimming indicators of the government exhibited improvement from

their pre-pandemic levels. The Bangladeshi corporate sector gained strength and resilience through the hardship of pandemic, and hence the broader financial parameters of the corporate sector indicated improvement. Bank credit growth also showed signs of a gradual recovery, led by the manufacturing and SME segment, although flow of credit to lesser-rated corporates remained tepid for usual reasons. Facing the specter of rising NPLs (non-performing loans), especially with lifting of forbearances, banks have tightened their credit underwriting standards and even lowered the consolidation to large borrowers.

Bangladesh's economy started its recovery drive in FY'21, registering real GDP growth of 6.94%, which is an improvement from the growth slowdown to 3.45% in FY'20 due to the pandemic. The slower growth of FY'20 was mostly incurred by the industry sector (3.61%) as well as in the service sector (3.93%). However, the agriculture sector maintained its average production, growing by 3.42% in FY'20. The overall growth performance of FY'21 and onwards is mainly owing to the monetary and fiscal policies, improved business confidence, effective COVID-19 containment measures and consequent declining infection rate, enactment of mass vaccination across the country, and efficient management of supply chain during the pandemic by the government. The industry sector strongly recovered and grew by 10.29% in FY'21 after a sharp decline (3.61%) in FY'20. The growth momentum in FY'22 appeared to strengthen further, reflected in 16.18% growth of large and medium scale manufacturing output during July-October of FY'22 compared to the same period of FY'21, robust growth of export (28.41%), and strong growth in import of intermediate goods (66.21%) and capital goods (47.67%) during H1FY'22.

Headline CPI inflation (point to point) exhibited an upward movement from 5.36% in July 2021 to 6.05% in December 2021 which was the highest since November 2020. While food inflation crawled up slowly from 5.08% in July 2021 to 5.46% in December 2021, non-food inflation showed a substantial hike from 5.80% in July 2021 to 7.0% in December 2021. Moreover, core inflation, which excludes the influence of food and fuel prices, had showed persistent upward development since February 2021 and increased by 2.65% to reach 7.93% in December 2021.

Resumed import demand in H2FY'21 then gained momentum during H1FY'22 underpinned by the reopening and revitalization of economic activities as extension of vaccination coverage continued. The import-payments increased significantly by around 54.5% to US\$39.0 billion during July-December of FY'22 compared to US\$25.2 billion in the same period of FY'21 geared by payments of intermediate goods including raw cotton, yarn, and textile.

After rebounding in H1FY'21, export earnings continued its upward trend during H1FY'22 as external demand picked up from recovery of global activities. During H1FY'22, export performance was 15.5% higher than the target set by Export Promotion Bureau (EPB). Export earnings stood at US\$24.7 billion in H1FY'22, which was 28.4% higher than US\$19.2 billion during the same period of the previous year, supported by 28.0% growth in RMG exports. The major contribution (80.1%) of export earnings came from knitwear (grew by 30.9%) and woven garments (grew by 24.5%), reflecting the reopening of major export destinations like the EU and USA after massive vaccination rollouts.

### Banking Industry

The overall banking sector showed mixed performances in September-December 2021 as reflected by a fall in the ratio of non-performing loans (NPLs) to total loans, a moderation in capital to risk-weighted asset ratio (CRAR), a growth in banks advances, widening in provision shortfall, a rise in profitability, and maintenance of adequate liquidity in the banking industry. The burden of default loans of the banks became even heavier in 2021 despite certain forbearance measures allowed by the central bank to help businesses withstand the shock of the pandemic. The ratio of gross NPLs to

total loans stood at 7.93% at the end of 2021 from 8.12% at September 2021 but increased from 7.66% at the end of 2020. This huge pileup of bad loans may choke the credit supply channel of the economy with due repercussions on the resilience of the private sector. Private sector credit growth which faced sluggishness started to pick momentum in the last quarter of 2021. Domestic loan grew by 12.37% at the end of December 2021 against 9.91% at the end of December 2020. The spread between the weighted average interest rate on advances and deposits of banking industry was 3.19% at the end of December 2021. To prevent the asset-liability mismatch due to the recent declining trend in banks' deposit rate, Bangladesh Bank issued a circular regarding rationalization of deposit rate of scheduled banks where banks were instructed to determine deposit rate (with period of three months and above) not

compared to 11.22% in September 2021 and 11.64% at the end of December 2020, mostly driven by weaker asset quality of state owned banks. The central bank has instructed the scheduled banks to increase the leverage ratio gradually to 4% by 2026 from 3%. Profitability of the banking sector improved in 2021 compared to 2020 as reflected by a rise in net profit and return on equity (RoE). Net Profit in the banking industry increased from BDT 52.79 billion in 2020 to BDT 57.78 billion in 2021. Return on equity modestly increased to 4.44% in 2021 from 4.28% in 2020, although return on asset (RoA) remained unchanged at 0.25%. The banking sector, as a whole, maintained the required level of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) and other liquidity ratios i.e. Liquidity Coverage ratio (LCR), Net Stable Funding Ratio (NSFR) as on 31 December 2021.

Some important initiatives taken by Bangladesh Bank in 2021 are as follows:

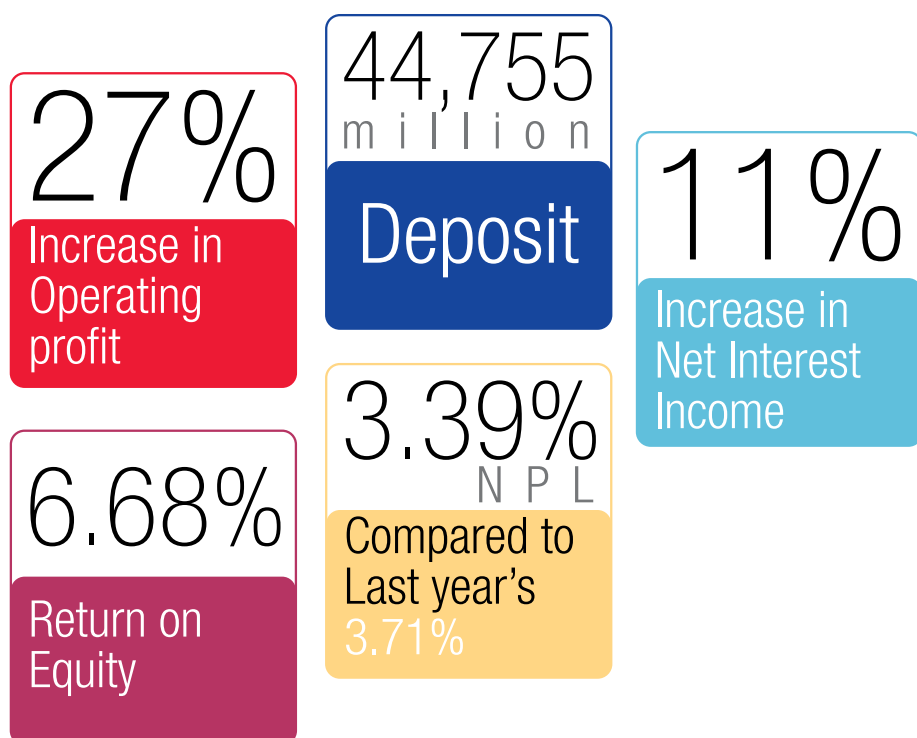
- Raising loan margin ratio to 70:30 for purchasing digital devices (laptop/ computer/ mobile/ tab) under consumer finance from the previous ratio of 30:70.
- Implementation of government's stimulus package of BDT 10 billion for the pandemic-affected tourism sector.
- Instruction to rationalize deposit rate with period of three months and above, not below inflation rate, due to recent declining trend in banks deposit rate.
- Implementation of Basel III in Bangladesh: increasing leverage ratio gradually to 4% by 2026 from current 3% level.
- Guidelines regarding dividend declaration against shareholding of a bank.
- Relaxing loan classification criteria: minimum 15% of the installments payable against the loan from January 2021 to December 2021 is repaid by 31 December 2021.
- A detailed policy regarding treatment of Non-Banking Assets.
- Instruction to verify Financial Statements submitted by borrowers using the Document Verification System (DVS) of the Institute of Chartered Accountants of Bangladesh (ICAB).
- Refinance scheme of BDT 30 billion for agriculture sector.
- Instruction to provide at least 15% of CMSME loans to women entrepreneurs by 2024.
- Refinance scheme of BDT 5 billion for low income group people holding bank accounts of Tk. 10, 50, 100.
- Instruction to buildup own startup fund by transferring 1% of net profit for 5 years from 2021-2025.
- Instruction to run Special CSR activities (1% of PAT) under Corporate Social Responsibility (CSR) of banks to mitigate COVID-19 crisis.

**Headline CPI inflation (point to point) exhibited an upward movement from 5.36% in July 2021 to 6.05% in December 2021 which was the highest since November 2020. While food inflation crawled up slowly from 5.08% in July 2021 to 5.46% in December 2021, non-food inflation showed a substantial hike from 5.80% in July 2021 to 7.0% in December 2021. Moreover, core inflation, which excludes the influence of food and fuel prices, had showed persistent upward development since February 2021 and increased by 2.65% to reach 7.93% in December 2021.**

below the average inflation rate of previous three months. Given the liquidity surplus in the banking system following the easy monetary regime in the pandemic period, Bangladesh Bank mopped up some excess liquidity from the banking system in H1, FY 2022 to rationalize the liquidity condition. Growing trend of private sector credit growth also contributed to reduce excess liquidity. Advance-Deposit Ratio (ADR) of the banking industry stood at 73.15% in December 2021 which was 72.08% as at the end-September 2021, reflecting rising demand for loans as the economy returns to normalcy. The capital to risk-weighted assets ratio (CRAR) moderated to 11.08% as of December 2021



## Performance of the Bank in 2021 at a Glance



Amidst the prevailing economic condition of the country, NRB Bank Limited has implemented a strategy to maximize the profitability from the existing business portfolio so as to add value to the shareholders' wealth. As a result deposit growth posted 7% and Loan & advance portfolio saw 3.59% of growth as on 31-12-2021 from last year 2020. Shareholder's Equity was increased by 20.65% to Tk. 7,002 Million from Tk. 5,803 Million of 2020. Despite the insignificant growth in the Deposit and Loan portfolio the bank could achieve a significant growth of 26.67% in operating profit. PAT plummeted due to higher provision requirements for the year ended at 2021. EPS stood at Tk. 0.72 per share at the end of 2021. NPL declined by 0.32% to 3.39%, thanks to intensive recovery drive carried out by the bank. We, at NRB Bank, ensured our level best to add value to the real economy of Bangladesh by helping small, medium and large businesses to grow. Our efforts were focused towards improving the deposit mix targeting to reduce the cost of fund. Simultaneously, efforts were made to maintain healthy asset quality and look for new potential sectors with emphasis on non-funded business. Consequently the Bank was able to maintain a strong position in all key areas of operations.

### Looking Forward

The year 2021 was a challenging year in many respects and acted as evidence of the talent and professionalism of all my colleagues who successfully overcame obstacles along the way. Despite difficult 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 push for Balance Sheet growth which will be in the realm of reality and Organic. We will maximize the return through optimization of our Balance sheet.
- Exploring all possible avenues of non-funded income will be prioritized.
- We will be vigilant to protect and improve our asset quality while monitoring the stressed accounts.
- We will be proactive in managing costs and to improve cost to income ratio.

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 a proven track record of good performance and with all these, we do look forward to yet another year of success.

**As the country continues to reel under the pandemic, our collective sense of the 'NORMAL' has been disrupted. However, we have embarked on a new 'REALITY.' I strongly believe that we will emerge from this crisis stronger, wiser, and more steadfast. Before I deliberate on various aspects of my address, allow me to take this opportunity to pay our sincere gratitude to each one of the frontline workers combating the pandemic to make the world safer and more livable for all of us - the medical community, sanitization workers, essential service providers including bankers and the law enforcement agencies to name a few.**

### Acknowledgment and appreciation

I forward my sincere appreciation to the Regulatory Authorities, especially Bangladesh Bank for providing relevant guidance, policy and support, and to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited

for their kind cooperation. I am thankful to the members of the Board of Directors for not only guiding the Management in implementing the policies and guidelines set by them but also for their relentless support in prioritizing the health & safety of the Bank's employees and customers above everything else during the outbreak of Covid-19 pandemic. I must also express my gratitude to our respected shareholders, valued customers and all other stakeholders for believing in the Bank's Management. It goes without saying that I am ever so grateful to my dear colleagues for putting up a brave face and taking care of Customers' Banking needs during the Covid-19 pandemic to make sure that the Bank remains successful in providing best in class service to its customers at all times. We look forward to the next financial year with confidence and resolute dedication.

Let there be good days ahead for all of us. May the Almighty Allah bestow His choicest blessings upon us!



**Mamoon Mahmood Shah**  
Managing Director & CEO



# Board of Directors' Profile



**Mohammed Mahtabur Rahman**

Chairman

Mr. Mohammed Mahtabur Rahman (Nasir) a seasoned businessman and well versed in a broad range of trade ventures around the world hails from Sylhet. Born in 1958, he completed his education there itself and pursued with passion his traditional family-owned business, which was established in the 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 350,000 sqft, which grew into a state-of-the-art manufacturing unit using automatic & semi-

automatic ultramodern machineries including 'Agilent' quality control equipment in the R&D Department. The quality conscious Al Haramain Perfumes, has been accredited by the authorities with Dual ISO Certificates in QMS (ISO 9001: 2008/2015) & 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 Perfumes L.L.C**
- **Al Haramain Trading L.L.C**
- **Oudh Al Haramain**
- **Noor Al Haramain Trading L.L.C**
- **Al Haramain Perfumes Mfg & Oudh Processing Industry 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 W.L.L** 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.
- **Al Haramain Perfumes** showroom was opened in London to serve the perfumery needs of all our Customers of UK and Europe.
- **Al Haramain Perfumes Inc.** was established in New York, USA to meet the fragrance needs of our customers in the United States of America.
- **Al Haramain Perfumes PVT.LTD.** was established at Jamuna Future Park and also opened exclusive showrooms at the Bashundhara City Shopping Complex/ Shimanto Shambhar/ Gulshan Pink City/ Baitul Mokarram in Dhaka, catering to the perfumery needs of Bangladesh customers/ markets.
- **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:

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**, is one of the popular banks in Bangladesh.
- **The University of Asia Pacific** in which he is the **Trustee**, is one of the leading Universities in Bangladesh.
- **Hamidia Tea Company Ltd.** in Bangladesh, in which he is the **Chairman**, boosts the production of Bangladeshi Tea.
- He was ranked the top **Commercially Important Person (CIP)** for 8 consecutive years 2012, 2013, 2014, 2015, 2016, 2017, 2018 & 2019 by the Government of the Peoples' Republic of Bangladesh.
- He was also awarded the prestigious '**Bangladesh Bank Remittance Award**' for 7 years 2013, 2014, 2015, 2016, 2017, 2019 and 2020 in recognition of his highest remittance/ investment into Bangladesh.
- He is also the recipient of Honorary **Doctor of Philosophy** in World Peace and Morality Business Administration of the International University of Morality-Thailand, in the year 2014.





**Tateyama  
Kabir**

Vice Chairman

Mr. 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 the Chairman of KM Global Limited and Soft Bangla Limited. 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.



**Mohammed  
Jamil Iqbal**

Vice Chairman

Mr. Iqbal is Vice Chairman of the Board and also Vice Chairman of the Audit 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 has been awarded the International Master of Business Administration from Buckinghamshire New University. 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.



**Ali  
Ahmed**

Director

Mr. Ali Ahmed is the Chairman of the Executive Committee of the Board of Directors and also a member of the Risk Management Committee of the Board of Directors of NRB Bank Limited.

He is successful entrepreneur and businessman running his enterprises abroad. He has major contribution in remitting foreign currency in the country 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.



**Khandakar  
R. Amin**

Director

Mr. Khandakar R. Amin is the Chairman of the Risk Management 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 29 years.





**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 Nonresident 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.



**Mohammed  
Jahed Iqbal**

Director

Mr. Mohammed Jahed Iqbal is Vice Chairman of the Executive Committee and also a member of the Risk Management 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 and Iqbal Tours & Travels, Chairman of Anurag Property Development Ltd., Director of Sumday Development Company Ltd. He is owner of JI Trading & Co. and Managing Director of Iqbal Logistics Ltd. Mr Iqbal is the Managing Director of Jamil Iqbal Ltd. which is one of the largest construction companies of Bangladesh. He is also the Director of Jahed Iqbal Ltd. & Jahed Construction UK Ltd. in the UK and a partner of Desert Star Trading LLC, UAE. He is also associated with various socioeconomic activities in Bangladesh and abroad.



**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. He was also ranked as a Commercially Important Person (CIP) for three consecutive years 2017, 2018 & 2019 by the Government of Bangladesh.

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.



**M  
Badiuzzaman**

Director

Mr. M Badiuzzaman is a Member 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).







**Humayen  
Kabir Khan**

Director

Mr. Humayen Kabir Khan is 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:

- Owner, Khan and Son Services Inc
- Owner, Khan and Son Property LLC
- Owner and CEO, Estate of Fazlur Khan



**Dr. Mohammed Ehsanur  
Rahman**

Director

Dr. Mohammed Ehsanur Rahman is a Director of NRB Bank Ltd and one of the Members of the Executive Committee of the Board of Directors.

He has obtained his M.B.B.S from Padmashree Dr. D.Y Patil University, India and MSc in Health Management in UK.

Dr. Rahman is a Non-resident Bangladeshi who resides in Dubai, UAE.

He is a third-generation entrepreneur in his family fragrance industry business. He pursued with passion in his traditional family-owned business; Al Haramain Perfumes which was established in the holy city of Makkah, Kingdom of Saudi Arabia in the year 1970.

Currently, he is associated with following organizations:

- Director, Al Haramain Perfumes Group
- Managing Director, Al Haramain Hospital Pvt. Ltd.
- Director, Hamidia Tea Company Ltd
- Shareholder, NRBC Bank Ltd
- Member, NRB CIP Association
- Member, Bangladesh Business Council - Dubai, UAE.

Dr. Rahman is also associated with other business forums and socio-cultural organizations in Bangladesh and abroad.

He was also ranked the top Commercially Important Person (CIP) for the year 2019 by the Government of the Peoples' Republic of Bangladesh.



**Mohammed  
Ashfaqur Rahman**

Director

Mr. Mohammed Ashfaqur Rahman is a Director of NRB Bank Limited, one of the members of the Audit Committee of the Board.

He holds a Bachelor's of Science in Marketing and Master of Business Administration from SUNY Oswego, New York, USA.

Mr. Rahman is a Non-resident Bangladeshi who resides in Dubai, UAE. He is a third-generation entrepreneur in his family fragrance industry business.

He pursued with passion in his traditional family-owned business; Al Haramain Perfumes which was established in the holy city of Makkah, Kingdom of Saudi Arabia in the year 1970.

Currently, he is associated with following organizations:

- Director, Al Haramain Perfumes Group
- Director, Al Haramain Hospital Pvt. Ltd
- Director, Hamidia Tea Company Ltd
- Shareholder, NRBC Bank Limited
- Member, NRB CIP Association
- Member, Bangladesh Business Council - Dubai, UAE

Mr. Ashfaqur Rahman is also associated with other business forums and socio-cultural organizations in Bangladesh and abroad.

He was also ranked the top Commercially Important Person (CIP) for the year 2019 by the Government of the Peoples' Republic of Bangladesh.



**Mohammed  
Nazam Uddin**

Director

Mr. Mohammed Nazam Uddin is a Director of NRB Bank Limited and one of the members of Executive Committee of the Board.

Mr. Mohammed Nazam Uddin is a Non-resident Bangladeshi resides in the United Kingdom. He comes of a noble Muslim family of Sylhet, Bangladesh. He is Director of a property business, Nagor Property's Ltd, and a catering business, STTRN Ltd, in Essex, near London, United Kingdom. He is also associated with many business forums and socio-cultural organizations at home and abroad.



**Dulal  
Ahmed**

Director

Mr. Dulal Ahmed is a Director of NRB Bank Limited and one of the members of Audit Committee of the Board.

Mr. Dulal Ahmed is a Non-resident Bangladeshi who resides in the United Kingdom. He is the Managing Director of London based famous restaurant "The Voujon". He is also associated with many business forums and socio-cultural organizations at home and abroad.



**Bayzun N  
Chowdhury**

Director

Ms. Bayzun N Chowdhury is one of the Director of NRB Bank Limited.

She is a Bangladeshi Origin and American citizen. She was born on 12th October, 1964 in Sylhet, Bangladesh. A renowned personality in philanthropy circles of the country with long business and Professional experience.

Beyond philanthropic works, she is also involved with various social development projects in UAE and Bangladesh and has a keen interest in Banking, Stock Brokerage and Healthcare.

Her other business affiliations are:

- Director, Al Haramain Perfumes Group
- Director, Al Haramain Property L.L.C
- Director, Sonali Securities Ltd.
- Director, Al Haramain Hospital Pvt. Ltd

She has been actively involved with the Vice President, Dubai Women Associate of UAE.

A connoisseur of art, she is popular among the arts circle for her patronage of talented & promising artists.

She has been involved in other social activities and number of charity organizations in UAE and Bangladesh as well.





**Dr. Rafa  
Jaigirdar**

Director

Dr. Rafa Jaigirdar is one of the Director of NRB Bank Limited.

Dr. Rafa Jaigirdar is a Bangladeshi Citizen & UAE resident. She is born in a respected and distinguished family of Sylhet, Bangladesh.

Dr. Rafa Jaigirdar is currently the Deputy Managing Director of Al Haramain Hospital Pvt. Ltd.

She completed her M.B.B.S from Sylhet Women's Medical College Hospital with dignifying scores and devoted herself in the healthcare sector. She obtained PGT (Post graduation Training) in cardiology from M.A.G.Osmani Medical College Hospital Sylhet.

She was Ex-President and Co-founder of "Sojiboni" (Voluntary Blood Bank of SWMCH).

She also was secretary (Sylhet Zone) in an international organization called MAA (Maternal Aid Association).

She has been involved in other social activities and number of charity organization in UAE and Bangladesh as well.



**Md. Abdul Jalil  
Chowdhury**

Independent Director

Mr. Abdul Jalil Chowdhury is an Independent Director of NRB Bank Limited and Vice Chairman of Risk Management Committee also a member of Executive 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. He is the Chairman of Audit Committee and also member of Risk Management 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.





**Dr. Md.  
Kamrul Ahsan**

Independent Director

Dr. Ahsan is an Independent Director of NRB Bank and also member of Audit Committee of the Board.

Dr. Md Kamrul Ahsan was born in 1961 in a respectable family under Lakshmipur district. He graduated in Agricultural Economics (Hons) from Bangladesh Agricultural University and did his Masters degree in Agricultural Economics from the same university. Dr. Md Kamrul Ahsan did his MS degree in Development Studies from the Institute of Social Studies (ISS) from Netherlands. He also did his Ph.D. in Environmental Science. He studied in Macquarie University and University of New England, Australia.

Dr. Ahsan joined in Bangladesh Civil Service in Administration Cadre as Assistant Commissioner and Magistrate in 1988. He started his job as Assistant Commissioner in Sirajganj Collectorate. He served as first class Magistrate in Ullahpara upazila and as Upazila Magistrate in Shahzadpur upazila under Sirajganj district. He served as Assistant Secretary/Senior Assistant Secretary in the Ministry of Food, Finance, Planning and Home Affairs.

Dr. Ahsan was UNO at Kasba upazila under Brahmanbaria district. He was Additional Deputy Commissioner and Additional District Magistrate at Manikganj district and Additional Deputy Commissioner (General) in Dhaka district. He also served as one of the Directors in the Prime Minister's Office. He was in lien and worked in the United States of America for five years. He was Deputy Secretary, Joint Secretary and Additional Secretary in the Roads and Highways Division under the Ministry of Road Transport and Bridges. Dr. Md Kamrul Ahsan was also the Chairman of Bangladesh Road Transport Authority (BRTA).



**Mamoon  
Mahmood Shah**

Managing Director & CEO

**Mr. Mamoon Mahmood Shah has been appointed as Managing Director & CEO of NRB Bank Limited**

A Postgraduate in Accounting from the University of Dhaka, Mr. Mamoon Mahmood Shah started his banking career as Probationary Officer of IFIC Bank Ltd. Mr. Mahmood joined NRB Bank Limited as Additional Managing Director in 2019. He has to his credit a wide range of banking experience of more than 30 years which includes serving in key positions in a number of both local and multinational banking institutions such as EBL, HSBC, Standard Chartered, ANZ Grindlays, etc. Mr. Shah also held the position of MD & CEO of ICB Islamic Bank, National Finance Ltd., GSP Finance.



# Sponsors & Shareholders



Mohammed  
Mahtabur Rahman  
**USA**



Tateyama Kabir  
**Japan**



Mohammed  
Jamil Iqbal  
**UK**



Ali Ahmed  
**UK**



Khandakar R. Amin  
**USA**



Iqbal Ahmed OBE DBA  
**UK**



Mohammed Jahed Iqbal  
**UAE**



Abdul Karim  
**UAE**



M Badiuzzaman  
**Singapore**



Humayen Kabir Khan  
**USA**



Dr. Mohammed  
Ehsanur Rahman  
**USA**



Mohammed Ashfaqur  
Rahman  
**USA**



Mohammed  
Nazam Uddin  
**UK**



Dulal Ahmed  
**UK**



Bayzun N  
Chowdhury  
**USA**



Dr. Rafa Jaigirdar  
**UAE**



Kamal Ahmed  
**UK**



Bilal Ahmed  
**UK**



Mohammed  
Idrish Farazy  
**Italy**



Nazrul Islam  
**Italy**



Dr. Nesar Ahmed  
Choudhury  
**UK**



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



Dr. Abul Kashem  
Mohammed Zakaria  
**UK**



Imtiaz Ahmed  
**UK**







Emdadur  
Hifzur Rahman  
**UK**



Mohammed  
Enamur Rahman  
**UK**



Rafiqul Islam  
**UK**



Shabbir Ahmed  
Choudhury  
**UK**



Nafih Rashid Khan  
**UK**



Naveed  
Rashid Khan  
**UAE**



Rabin Paul  
**UK**



Monir Ali  
**UK**



Salim  
Chowdhury  
**UK**



Gulam Jilani  
Mahbub  
**UK**



Helal Rahman  
**UK**



Misbah  
Abu Sadath  
**UK**



Mohammed  
Giash Uddin  
**UK**



Mosharraf Hossain  
**Canada**



Mohammed Rafique  
Miah  
**UK**



Dr. Mahiul Muhammed  
Khan Muqit  
**UK**



Abdul  
Quayum Khalique  
**UK**



Abu Taher  
Mohammed Amanullah  
**Singapore**



Shahela Ferdush  
Rahman  
**USA**



Mohammed  
Emadur Rahman  
**USA**



Nasrat Khalil Chowdhury  
**UK**



Ehsanuzzaman Rajib  
**Singapore**



Aminur Rashid Khan  
**BD**



Navil Aman Moushum  
**Singapore**



Najib Zaman  
**Singapore**



Farhana Ahmed  
**UAE**



Mohammed Oliur Rahman  
**UAE**



Manzur Ahmed Iqbal  
**UK**







Rubayeth Kamal Ahmed  
**UK**



Shahanara Khan  
**USA**



Farhana Parvin  
Chowdhury  
**USA**



Kamrun Nahar Khan  
**USA**



Rina Akter Khan  
**BD**



Alomgir Kabir Khan  
**BD**  
(Represented by Rina Akter Khan)



Jahangir Kabir Khan  
**BD**  
(Represented by Rina Akter Khan)



Munira Rahman  
**USA**



Sameera Rahman  
**USA**



Zahara Rahman  
Chowdhury  
**USA**



Tanjina Rahman  
**UAE**



Salma Iqbal  
**UK**



Nasrin Sulthana Kamal  
Ahmed  
**UK**

# Board Committees

## EXECUTIVE COMMITTEE



**Chairman**  
Mr. Ali Ahmed

**Vice Chairman**  
Mr. Mohammed Jahed Iqbal

**Member**  
Mr. Tateyama Kabir  
Dr. Mohammed Ehsanur Rahman  
Mr. Mohammed Nazam Uddin  
Mr. Md. Abdul Jalil Chowdhury



## AUDIT COMMITTEE



### **Chairman**

Mr. Md. Motior Rahman



### **Vice Chairman**

Mr. Mohammed Jamil Iqbal

### **Members**

Mr. Mohammed Ashfaur Rahman

Mr. Dulal Ahmed

Dr. Md. Kamrul Ahsan



## RISK MANAGEMENT COMMITTEE



### Chairman

Mr. Khandakar R. Amin

### Vice Chairman

Mr. Md. Abdul Jalil Chowdhury

### Members

Mr. Ali Ahmed  
Mr. Mohammed Jahed Iqbal  
Mr. Md. Motior Rahman



## SHARIAH SUPERVISORY COMMITTEE



### Chairman

Mr. Shah Mohammad Wali Ullah

### Vice Chairman

Mr. Imtiaz Ahmed

### Member

Mr. Mohammed Rafique Miah  
Mr. Helal Rahman  
Mr. Mohammed Giash Uddin  
Mr. Monir Ali  
Mr. Mohammed Emadur Rahman  
Mr. Mamoon Mahmood Shah (Ex-officio)





# Senior Management Team



**Mr. Mamoon Mahmood Shah**  
Managing Director & CEO



**Mr. Md. Shakir Amin Chowdhury**  
Deputy Managing Director



**Mr. Kazi Ahsan Khalil**  
Deputy Managing Director



**Mr. Md Shaheen Howlader**  
Deputy Managing Director



**Mr. Mohammed Shaukat Ali**  
EVP & CRO (Acting) & Head of RMD



**Mr. Oli Ahad Chowdhury**  
EVP & Head of Retail Banking



**Mr. Abu Md. Sabbir Hassan  
Chowdhury**  
SVP & Head of IT & ADC Operations





**Mr. Muhammad Fazlul Hoque**  
SVP & Head of Credit Risk Management  
(Retail, SME, Card)



**Mr. Mohammed Haider Akhlaque**  
SVP & Head of Human Resources



**Mr. Muhammad Nurul Afsar**  
SVP & Chief Financial Officer



**Mr. Md. Abdullah Al Mamun**  
VP & Head of Credit Risk Management  
(Corporate)



**Mr. Mohammad Obaidul Hoque Bhuiyan**  
SAVP & In Charge, Internal Control & Compliance



**Mr. Muhammad Shafiqur Rahman**  
SAVP & In Charge, Credit Administration



**Mr. A. M. Zahed**  
AVP & In-Charge, SME Banking



**Mr. Md. Rezaul Karim**  
FAVP & Company Secretary (CC)



# Directors' Report

The Board of Directors (BODs) of NRB Bank Limited is very happy to welcome you in the 9<sup>th</sup> AGM of the bank. The BODs expressing the pleasure of presenting Director's Report, Audited Financial Statements for the year ended on December 31, 2021 together with Auditors' Report to the Shareholders on the occasion of 9<sup>th</sup> AGM of the Bank. An overview of the global and Bangladesh economy during 2021 and outlook for 2022 has been provided as part of humble presentation to our valued shareholders and all other internal & external stakeholders of the bank.

The BODs 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 2021 and outlook for 2022 are also included in this report.

## World Economy

Since the year 2020 the world is facing the uncertain contagious COVID-19 pandemic continued to mess on lives and livelihood and disrupted the global financial stability. In the year 2021, the world is underway with the new uncertainties as 2<sup>nd</sup> wave of pandemic smashed in some parts of the world with eruption of the new variant like 'Delta & Omicron' which eventually hindered the pace of global economic recovery. However, global economy has regained the adequate speed, partially attributable to vaccination of people and a hard administration of the health-hazard related issues pertinent to the pandemic.

Increasing the price of edible & fossil oil, energy and supply chain disruptions have caused in higher and more red-looking inflation than estimated, especially in the USA and other emerging countries and developing nations. All these have created the stress on speedy recovery of economic activities to the full-lengths. According to IMF projected data global economy to grow 5.9% in 2021 and presumes to moderate to 4.4% in 2022. Amid this, geopolitical issues and social turmoil is peeping due to recent war happening between Russia and Ukraine which also enhance the risk of smoothly supplying energy, international trade & commerce. Which caused increasing the price of food and other commodities in the world. Climbing commodity prices, extensive financial sanctions and the potential for a ban on energy imports from Russia all these are threatening to disrupt the global economy, weakened by the COVID-19 pandemic, still frightening to regain actual motion.

South Asia has faced multiple shocks in the past two years, including the scarring effects of the COVID-19 pandemic. High oil and food prices caused by the war in Ukraine will have a strong negative impact on peoples' real incomes," said Hartwig Schafer, World Bank Vice President for South Asia. Given these challenges, governments need to carefully plan monetary and fiscal policies to counter external shocks and protect the vulnerable, while laying the foundation for green, resilient and inclusive growth.

Meanwhile, world is facing the most dreadful situations due to Ukraine and Russia war. The world is moving towards the high inflation rate mostly due to mentioned battle and it causes the price hike. Currently, inflation is a burning issue of the world as USA is at its all-time high. In-addition, few countries like China has controlled their inflation rate. But the bigger picture calls for high inflation rate. For emerging economies in Asia, the inflation rate stretched a gigantic depth of 8.5% in the year 2021.

The most alarming is commodity prices like agricultural goods, metals, energy and precious metals are rising at an exponential growth. After facing a heavy decline due to the covid19 pandemic, the crude oil prices have recovered their price and now traded above \$100 per barrel which is the maximum over last 14 years. Metal prices suffered deterioration in the beginning but it recovered

rapidly later on, due to China's revolutionary industrial activity which was at its all-time high on May 2021.

The unemployment rate was around 6.2% globally in 2021 and created 214 million unemployed personnel which is likely to decrease in the impending years as the Covid situation is under control due to vaccination and other precautionary actions have already been taken. But the alarming issue is the unemployment rate presumed to increase for low-income countries in 2022 but then it will lessen from the year 2023. It is predicted to be in a decreasing order for the current year 2022 and impending year 2023 for lower-middle, upper-middle, and high-income countries.

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 which add to high inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

South Asia has faced multiple shocks in the past two years, including the scarring effects of the COVID-19 pandemic. High oil and food prices caused by the war in Ukraine will have a strong negative impact on peoples' real incomes, said Hartwig Schafer, World Bank Vice President for South Asia. Given these challenges, governments need to carefully plan monetary and fiscal policies to counter external shocks and protect the vulnerable, while laying the foundation for green, resilient and inclusive growth.

The major capital bourses of USA is currently going through a negative trend. As on 20<sup>th</sup> May 2022 the index of Dow Jones was 31,261.90, NASDAQ was 11,354.62, S&P 500 stood at 3,901.36 which represents (13.97%), (27.42%) & (18.14%) negative YTD growth respectively.

On the other hand FTSE -100 index is representing sideways momentum, as on 20<sup>th</sup> May 2022 the index was 7,580 which was at 7,508 at the beginning of the year. The Broad index of Tokyo Stock Exchange is also providing negative vive as at the beginning of the year it was at 2,041 level but now it stand to around 1,878. In Bangladesh, the broad index DSEX was at 6,700.00 level at the beginning of the year 2022 and currently stands at around 6,200 index posting 7.4% de-growth.

#### **A brief overview of Bangladesh economy:**

In year 2021, Bangladesh economy has showed its elasticity with rapid implementation of stimulus packages, monetary policy supports and continued fiscal, soaring the hefty remittance inflows, lessening the COVID-19 infection rate, and increasing coverage of vaccination helped country's economy to run in the way of recovery from the COVID-19 impact. As a result, country's economic growth recovered quicker managing 6.94% GDP growth in 2021 from the 3.45% in 2020 largely focused by activities in the agriculture and industry sectors. Bangladesh Bank continued its efforts in line with expansionary monetary policy stance for the year 2022 for supporting investment and employment generating activities in the recovery process.

In the year 2021, the agriculture sector remained robust and showed solid performance by growing 3.17%. During the year 2021 industry sector strongly recovered and grew by 10.29% after a slower growth of 3.61% in previous fiscal year. Bangladesh Bank continued to provide policy support including sector specific stimulus packages and various refinance schemes to boost-up the production and make new employment, , which resulted in higher growth performance in the year 2021 despite the such type of economic racism. Service sector activities make a comeback in 2021 and continued gaining its apex position in 2022.

COVID-19 had pushed down the credit growth in the FY 2021. However, private sector credit started to grow as the external trade started picking up since early FY 2022. As import of

capital machinery increased along with vaccine payment started and international travels resumed, US dollar slightly appreciated against Bangladeshi taka. Between June-December of 2021, value of Taka depreciated by 1.16% in terms of US dollar and was quoted at Tk. 85.8 at the end of 2021.

Driven by non-food components, point to point CPI inflation exhibited an upward trend reaching at 6.05% in December 2021. Twelve month average CPI inflation was 5.55% in December 2021 which is slightly higher than the target of 5.30% for FY 2022. Country's gross foreign exchange reserves stood at USD 46.15 billion at the end of December 2021 compared to USD 43.17 billion of last year.

Despite the significant growth of import and export, the BD currency is weakening continuously as import growth is higher compared to export earnings which resulted in higher trade deficit of the country. Meanwhile, country's current account deficit deteriorated more in the first half in 2022 due to higher import payment obligations along with lower inflow of remittances and minimal export earnings compare to import. Resulting the US dollar is continuously swelling against the BDT of Bangladesh currency. Hence, the buying power of money is lessening day by day.

The concerned authorities namely Bangladesh Securities and Exchange Commission (BSEC) and the Bangladesh Government taken a number of initiatives to boost investors' confidence in the capital market. Moreover, the central bank of Bangladesh undertook several policy measures under the stimulus package which helped in swelling liquidity in the market, rebuilding investors' confidence and stabilizing the capital market strength.

Meanwhile, the technical evaluation committee of Bangladesh Energy Regulatory Commission recommended increasing the bulk electricity price by 58 percent on 18<sup>th</sup> May 2022. Business leaders and consumer rights associations said such a major hike would not only affect the prices of daily essentials but also hurt export and industrial production. If the recommendation is accepted, the electricity price will be jumped to 8.16 per kWh from the current rate 5.17. If the electricity prices rise, the economy, agriculture, industries, production and service sector will be affected.

The Covid pandemic and Russia-Ukraine war are already making import of raw materials more difficult and raising production costs.

The individual savers will be most affected due to current price inflation. The prices of essentials commodities have risen. People are worried about the future, savings are depleting, which may affect investments. The commercial bank sufferings by deposit crunch as the savings certificate rate is 9% whereas the bank deposit rate is maximum 6%. In this situation, the commercial bank cannot consider the current inflation rate for savers as there is lending rate restricted by 9% cap.

#### **Banking Sector of Bangladesh**

Banking industry of Bangladesh formed by state-owned commercial banks and local & foreign private commercial banks with distinguished by service quality, profitability and financial soundness indicators (governance, asset quality, capital adequacy and so on). Since the COVID-19 pandemic, the banking sector has been playing a fundamental role to implement stimulus packages to priority sectors for maintaining the vibrancy of the economic stability.

The banking sector showed diversified performances in September-December 2021 as reflected by a fall in the ratio of NPLs to total loans, maintenance of CRAR, a growth in banks advances, maintenance the AD ratio, widening in provision shortfall, a rise in profitability, and maintenance of adequate liquidity.

Private sector credit growth which faced lack of enthusiasm started to pick up the final momentum in the last quarter of 2021. At the end of December 2021 domestic loan grew by 12.37% against 9.91% in December 2020. At the end of December 2021 the spread was 3.19% between the





weighted average interest rate on advances and deposits of banking industry.

Bangladesh Bank issued a circular regarding rationalization of deposit rate of scheduled banks where banks were instructed to determine deposit rate (with period of three months and above) not below the average inflation rate of previous three months to prevent the asset-liability mismatch due to the recent declining trend in banks' deposit rate. AD ratio of the banking industry stood at 73.15% in December 2021 which was 72.08% as at the end-September 2021, reflects the rising demand for loans as the economy returns to normalcy. Growing trend of private sector credit growth also contributed to reduce excess liquidity.

CRAR toned-down to 11.08% as of December 2021 compared to 11.22% in September 2021 and 11.64% at the end of December 2020, mostly driven by weaker asset quality of state owned banks. The central bank has instructed the scheduled banks to enhance the leverage ratio steadily to 4% by 2026 from 3%.

Profitability of the banking sector improved in 2021 compared to the last year 2020 as reflected by a rise in net profit and return on equity (RoE). Net Profit in the banking industry increased from BDT 52.79 billion in 2020 to BDT 57.78 billion in 2021. ROE increased humbly to 4.44% in 2021 from 4.28% in 2020, although RoA remained unchanged at 0.25%. The banking sector maintained the required level of CRR and SLR and other liquidity ratios like LCR, NSFR as on 31 December 2021.

Some important initiatives taken by Bangladesh Bank in 2021 are as follows:

- Supplying higher level of money in the economy with low interest rates which in turn to encourage higher investment thus create the employment opportunities.
- Projected the growth of private sector credit to be 14.8 percent for 2022 as opposed to actual growth of 8.4 percent in FY2021 whereas the growth was 8.6 percent in FY2020. Because of the pandemic, investment is not picking up despite the low

interest rate.

- Loan margin ratio raising to 70:30 for purchasing digital devices (computer & mobile related devices) under consumer finance from the previous ratio of 30:70.
- BDT 10 billion loan to the pandemic-affected tourism sector under the government's stimulus packages.
- Instruct to commercial banks to consider the inflation rates while proposing the deposit rate to the customer.
- Implanting the Basel III and proposing the leverage ratio gradually enhance to 4% by 2026 from current level of 3%.
- Relaxation on loan classification: to regularize the classified loans and advances only 15% of the loans installments payable against the loans from January to December 2021 is repaid by 31<sup>st</sup> December 2021.
- Publicized a detailed procedures pertinent to the Non-Banking Assets.
- Implementation of Document Verification System (DVS) to verify the Audited Financial Statements as per instruction of Institute of Chartered Accountants of Bangladesh (ICAB).
- The central bank had embarked on an expansionary monetary policy and created additional money for the economy by slashing the Cash Reserve Ratio (CRR) and Repo rates.
- Extension of ongoing refinancing schemes and full operationalization of the credit guarantee scheme to go faster the disbursements of loans to cottage, micro, small, and medium enterprises (CMSMEs) to help the businesses which suffered losses due to the pandemic.
- BDT 30 billion for agriculture sector under refinance scheme.
- Instruct to provide at-least 15% of CMSMEs loans to women entrepreneurs by 2024.

## Economy and business outlook 2022

Countries in South Asia are already grappling with rising commodity prices, supply bottlenecks, and vulnerabilities in financial sectors. The war in Ukraine will amplify these challenges, further contributing to inflation, and deteriorating current account balances. The global economy is improving from the COVID-19 outbreak, though the recovery process is uneven among countries.

World Bank projected the south Asian region economy will grow by 6.6% in FY 2022 and by 6.3% in 2023 due to improvement in domestic demand and resumption of export items. Despite excess liquidity and depressed private sector credit growth, central bank of Bangladesh is expected to continue the expansionary and accommodative monetary policy for recovery, as a key priority, of economy from the slowdown.

It is presumed that since the economic activities are being rebounded in recent periods after a significant improvement of COVID-19 situation in Bangladesh. It is happy to say that, in South Asian region Bangladesh is one of the most successful countries among who are successfully controlled the Covid-19 which resulted the early recovery of economic outcome of the country. Its happen due to the Govt. of Bangladesh and Bangladesh Bank's adopted policies about health hazards and monetary policy so that people will not be affected so much and banking sector will not be affected due to classification as the borrowers could not repay their loans. And BB taken initiatives to flow the funds to the productive sectors, including agriculture, SMEs, export-oriented industries and the informal sector, which have been hit hard by the pandemic.

However, Bangladesh economy has been facing some pressures in FY 2022 regarding inflation mainly due to commodity price hike in the international market. With esteem fall in remittance inflows and escalation of import payments for various infrastructure projects of government along with upward trend in global food and both edible & fossil oil prices, the deficit in current account balance is likely to increase in near future. However, current account balance may improve if export earnings continue to rebound on the back of continued global economic recovery in near-term. Therefore, Bangladesh Bank remains vigilant for taking appropriate policy measures on the development of exchange rate depreciation and inflation expectation. The government planning to impose the high duty & tax on imports and also encourage to the export oriented segment to overcome the recent currency inflation. In 2022 demand for the workforce will be grown in the country and main sources of wage-earners' remittances for Bangladesh will also be increased.

## NRB Bank Limited – At a Glance

### 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

A large number of banks and non-banks have launched or re-launched retail products and are attempting to grow their share of the personal financial services market. Retail banking is much more than as opportunity to addressing dwindling margins. It is an imperative to preserve profits and market positions. Customers now have many more personal financial options, a growing credit culture, a willingness to switch between financial services providers, and a demand for lower interest rates. As they witness these trends, banks realize that they cannot remain passive. 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.

### Agent Banking Business

In line with the inclusive financial concept of the Government of Bangladesh, NRB Bank intends to facilitate each of the marginalized population of our country with at least one bank account so that financial inclusion may prevail over their poverty and financial ignorance. With a view of providing banking services to those unbanked and underserved segment of the society at the geographically dispersed locations of our country, NRB Bank started its Agent Banking operation on 06th May, 2018 at Amtoli Bazar, Bijoy Nagar, B. Baria on pilot basis. Later, the honourable Chairman of the Bank, Mr. Mohammed Mahtabur Rahman formally inaugurated the operations of NRB Bank Agent Banking on 22nd July, 2018 at Balinga Bazar, Beani Bazar, Sylhet. Since then, the Bank's Agent Banking Division has successfully launched 310 (three hundred and ten) Agent Outlets at 66 (sixty six) Upazilas of 29 (twenty nine) Districts in Bangladesh.

Creation and expansion of financial services targeted to poor and low-income populations can play a vital role in enhancing financial access. As such, NRB Bank has also expanded its Agent Banking channel through the Union Digital Centers (UDC) by signing an Agreement with the Government's a2i Programme under ICT Ministry on 31 July, 2018. Apart from this, NRB Bank has signed Agreements with various Government and Private Sector Bodies like, Rural Electrification Board (REB), Ekpay Project under a2i and PayWell Bangladesh Limited for facilitating its Agent Banking customers.

Apart from its regular Banking Services, NRB Bank Agent Banking Outlets are equipped with various exceptional and customer friendly banking products like, Weekly and Monthly DPS, Bondhu Sanchita Account (Special Savings Product for Women), Bondhu Double, Triple, Der Goon (One & Half Times) and Monthly Benefits,

Bondhu FDR and Lakhopati Schemes, Foreign Remittance Payments, School Banking, BEFTN, RTGS, Charge-free ATM Withdrawal Facilities and so on.

Preaching the motto of financial inclusion of our country, NRB Bank has introduced Charge-free Bondhu Prantik Account and also for uplifting the socio-economic condition and achieving financial independence, the Bank has been facilitating the rural people of our country with various loan products like, Bondhu Proshar, Prerona, Young Entrepreneur, Quick Cash etc., which undoubtedly have added values to encompass the name of NRB Bank Limited in the arena of Financial Inclusion in Bangladesh.

### 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 48 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. 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.

### NRB Bank Securities PLC

NRB Bank Securities PLC (NRBBSPLC), a subsidiary company of NRB Bank Limited, was incorporated in Bangladesh on 16 March 2021 as a public limited company under the Companies Act 1994 vide certificate of incorporation no. C-169869/2021.

The main objective of the company is to carry on the business of a stock broker and stock dealer that is to buy, sell and deal in shares, stocks, debentures and other securities under stock exchange in Bangladesh and/ or elsewhere as well as to carry on any business as permissible for a broker and dealer duly licensed by Bangladesh Securities and Exchange Commission (BSEC).

NRBBSPLC have availed TREC (Trading Right Entitlement Certificate) on September 4, 2021 and Stock-Broker and Stock-Dealer License on May 26, 2022. The office premises is ready and work order for IT related accessories have also been placed. Depository Participant (DP) Registration is also under process. NRBBSPLC will be able to go live for operation once relevant official formalities are complete.

### Going Concern

Going concern is one of the fundamental assumptions in accounting on the basis of which financial statements are prepared. Financial statements are prepared assuming that a business entity will continue to operate in the foreseeable future without the need or intention on the part of management to liquidate the entity or to significantly curtail its operational activities. Therefore, it is assumed that the entity will realize its assets and settle its obligations in the normal course of the business. NRB Bank Limited has prepared its Financial Statement considering the going concern assumption.

### 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, 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 2021 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, M/s. Hoda Vasi Choudhury & Co., Chartered Accountants, appointed by the shareholders, have certified the fairness of the financial statements for the year ended 31 December 2021.

### Maintaining Proper Books of Account

NRB Bank maintained proper books of accounts for its financial transactions occurred during the year 2021. The transactions are recorded as per guidelines stipulated by the International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS) as applicable for the bank. The books of accounts have also been reviewed by the external auditors, M/s. Hoda Vasi Choudhury & Co., 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.

### Corporate Governance

As per Cadbury report, corporate governance is a system by which companies are directed and controlled. Corporate Governance reflects the built in value system of the Bank in conducting its day to day affairs. NRB Bank recognizes the critical importance of effective Corporate Governance for the safe and sound functioning of the Bank and lays emphasis on ensuring that structures, processes and systems are put in place to establish strategic objectives to serve the interest of the Bank and its stakeholders with a view to facilitate effective monitoring.

### Appointment of Auditors

The external auditors are responsible for reviewing the system of internal controls to form an opinion on the financial statements. M/s. Hoda Vasi Choudhury & Co., Chartered Accountants successfully conducted the audit of NRB Bank for the year 2021. As per provision of Bangladesh Bank Circular, we have to look for the new appointment of external auditor as M/s. Hoda Vasi Choudhury & Co. completed the maximum three years audit consecutively. The Board Audit Committee in its 49<sup>th</sup> meeting held on 26 May 2022 and subsequently the Board of Directors in its 138<sup>th</sup> Meeting held on 29 May 2022 recommended to appoint M/S. Ahmed Zaker & Co., Chartered Accountants as external auditors of the Bank for conducting audit for the year 2022.

### Retirement and Re-election of Directors

In the 9th 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 2021, the number of the meetings held by the Board of Directors was 20 (twenty) and that of the Executive Committee was 09 (nine). The Audit Committee of the Board of Directors held 08 (eight) meetings and the Risk Management Committee of the Board sat for 04 (four) meetings during the period under report.

### Remuneration of Directors

The Directors' Remuneration for the year ended 31 December 2021 has been given in Note 31 of the financial statements.

### Dividend

The Board of Directors of the Bank has recommended 'Cash Dividend @5.00%' to honorable Shareholders for the year ended on 31 December 2021 subject to approval of Shareholders in the 9<sup>th</sup> Annual General Meeting (AGM) of the Bank. Operating profit stood at Tk. 1203.06 Million at the end of the year 2021. Profit before Tax stood at Tk. 629.37 Million at the end of year 2021. Profit after Tax (PAT) stood at Tk. 427.89 million and retained surplus stood at Tk. 300.43 million.

### Annual General Meeting (AGM)

9<sup>th</sup> Annual General Meeting of the Bank will be held on 21 July 2022 at 02:00 p.m. (BD Standard Time) through online video conferencing as well as physical presence at Corporate Head Office, Uday Sanz, Block SE (A), Plot 2/B, Road 134, South Avenue, Gulshan 1, Dhaka, Bangladesh. The Financial Statements were adopted in the 136<sup>th</sup> Meeting of the Board of Directors held on 27<sup>th</sup> April 2022 for the presentation to and approval of the Shareholders in the AGM.

### Contribution to national exchequer:

NRB Bank regularly pays corporate tax on time, sometime even before it falls due if demanded by the tax authority. We also deposit excise duty, withheld tax and VAT to government exchequer on time deducted from customers, employees' salary as well as on bills from third parties including vendors.

### 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, Register of Joint Stock Companies and Firms and Dhaka Stock Exchange Ltd. for their valuable guidance, cooperation and advice 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

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 OF THE AUDIT COMMITTEE 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 126<sup>th</sup> Meeting held on 26 September 2021 consisting of the following members:

Name	Status with Bank	Status with the Committee	Educational Qualification
Mr. Md. Motior Rahman	Independent Director	Chairman	M.Com (Accounting, Dhaka University)
Mr. Mohammed Jamil Iqbal	Vice Chairman	Vice Chairman	MBA
Mr. Mohammed Ashfaque Rahman	Director	Member	MBA
Mr. Dulal Ahmed	Director	Member	H.S.C.
Dr. Md. Kamrul Ahsan	Independent Director	Member	Ph.D (Environmental Science)

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, Corporate Governance Code 2018 and other best practiced corporate governance guidelines and standards. During the year, the committee held in total 08 (eight) meetings to deal with various audit reports/agenda. The summary of activities during the year ended on 31 December 2021 are as follows:

### Internal Control

- The committee reviewed and identified Bank's risk management activities including a deep drive into the key functions risks and mitigations plans;
- Evaluate whether the bank's management has been able to build a compliance culture, improving internal control practices with regular follow-up on corrective measures undertaken by the Management and ensuring governance and supervisory oversight from time to time with respect to bank's internal control system;



- 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 reviewed 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 reviewed along with management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.

#### **Internal Audit**

- To guide, approve and reviewed annual & quarterly 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 reviewed 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.

#### **Acknowledgement**

The Audit Committee expresses their 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,



**Md. Motior Rahman**  
Chairman  
The Audit Committee of the Board



# CEO/CFO

## Declaration

Board of Directors  
NRB Bank Limited  
Uday Sanz, Block- SE (A),  
Plot # 2/B, Road # 134,  
South Avenue, Gulshan-1, Dhaka

### **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/2006-158/207/Admin/80 dated 03 June 2018, we declare that for the financial year ended 31 December 2021:

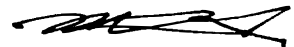
i. We have reviewed the financial statements for the year and that to the best of our Knowledge and belief:

- 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.



**Muhammad Nurul Afsar**  
Chief Financial Officer



**Mamoon Mahmood Shah**  
Managing Director & CEO



# Certificate on Compliance on the Corporate Governance Code

[Issued under condition #1(5) (xxvii) of Corporate Governance Code of BSEC vide

Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018]

We have examined the compliance status to the Corporate Governance Code by NRB Bank Limited ("the Company") for the year ended 31 December 2021. This Code relates to the notification no. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission; except conditions no. 1(7), 4(ii) and 6 due to regulations of Bangladesh Bank and 2(a) as stated Annexure-A.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the Company is satisfactory.

This is also no endorsement about quality of contents in the Annual Report of the company for 2021.

Dhaka,  
05 July 2022

Signed for & on behalf of  
ACNABIN  
Chartered Accountants



Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 787

# Corporate Governance Report

Corporate governance as the whole system of rights, processes and controls established internally and externally over the management of the business entity with the objective of protecting the interests of the stakeholders. This often involves resolving conflicts of interest between the various stakeholders and ensuring that the organization is managed well-meaning that the processes, procedures and policies are implemented according to the principles of transparency and accountability. 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 & 03 (three) 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 2021, a total of 20 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 # 31)
- Managing Director is paid salaries and allowances as per approval of the Board and Bangladesh Bank (Notes to the Financial Statements note # 30)

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 6 (six) 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 headed by an Independent Director 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 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 08 (eight) meetings in 2021 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 2021 are appended in the Report of the Audit Committee at page no 53.

### Risk Management Committee of the Board (RMC)

According to Bank Company Act, 1991 (Amendment upto 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 2021 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 8<sup>th</sup> AGM held on 15 July 2021 approved the appointment of M/s. Hoda Vasi Choudhury & Co., Chartered Accountants as the statutory auditors of the Bank for the year 2021. In compliance with the provision 4 of BSEC guidelines, the External Auditors were not engaged in any of the following services during the year 2021:

- 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 2021. 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. Mamoon Mahmood Shah. 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 2021, NRBBL paid advance corporate tax of BDT 165.58 million while deposited withheld tax of BDT 314.40 million, VAT of BDT 103.26 million and Excise Duty of BDT 85.70 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.185 of the Report (Notes to the Financial Statement, note # 41).

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 is presented below:

ANNEXURE- A

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>1</b>	<b>Board of Directors (BOD)</b>			
1(1)	Board size (number of Board members: minimum 5 and maximum 20)	√		The Board of NRB Bank Limited is Comprised of 19 (Nineteen) Directors
<b>1(2)</b>	<b>Independent Directors</b>			
1(2)(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	√		There are 3 (Three) Independent Directors out of the total of 19 Directors. According to the provisions of 1(1) of the corporate governance guidelines of BSEC, the Board of NRB Bank Limited has been constituted as per section 15(9) of the Bank Companies act 1991 (amended to date)
<b>1(2)(b)</b>	<b>Independent Director means a Director</b>			
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	√		The Independent directors have submitted declarations about their compliances
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 based on family relationship and his or her family members also shall not hold above-mentioned shares in the company	√		-do-
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	√		-do-
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		-do-
1(2)(b)(v)	Who is not a member, director, or officer of any stock exchange	√		-do-
1(2)(b)(vi)	Who is not a shareholder, director, or officer of any member of the stock exchange or an intermediary of the capital market	√		-do-
1(2)(b)(vii)	Who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm	√		-do-
1(2)(b)(viii)	Who shall not be an independent director in more than 5 (five) listed companies	√		-do-



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBF)	√		-do-
1(2)(b)(x)	Who has not been convicted for a criminal offense involving moral turpitude	√		-do-
1(2)(c)	Independent Director(s) shall be appointed by the Board of Directors approved by the shareholders in the Annual General Meeting (AGM)	√		<p>a) The Board extended the tenure of Mr. Md. Abdul Jalil Chowdhury for a second time term of three 3 years, and his appointment was approved at the 8th AGM held on 15 July 2021</p> <p>b) The Board extended the tenure of Mr. Md. Motior Rahman for a second time term of three 3 years and the shareholders would approve his extension at the upcoming 9<sup>th</sup> AGM</p> <p>c) Dr. Md. Kamrul Ahsan in his 1st term and appointment was approved at the 8th AGM held on 15 July 2021</p>
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		No such case occurred during the reporting year
1(2)(e)	The tenure of office of an independent director shall be for 3 (three) years, which may be extended for 1 (one) term only	√		One Independent Director is in his regular term of office and Two Independent Directors on their 2nd term of office
<b>1(3)</b>	<b>Independent Directors shall have the following Qualification</b>			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who can ensure compliance with financial, regulatory, and corporate laws and can make a meaningful contribution to business	√		The qualifications and background of Independent directors justify their abilities as such
1(3)(b)(i)	Independent director should be a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. (100) million or any listed company or a member of any national or international chamber of commerce or business association; or	Not Applicable		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(ii)	Independent director should 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 an equivalent position of an unlisted company having minimum paid-up capital of Tk100 million or of a listed company; or	√		
1(3)(b)(iii)	Independent director should be a Former official of government or statutory or autonomous or regulatory Board of Directors 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	√		
1(3)(b)(iv)	Independent director should be a University Teacher who has an educational background in Economics or Commerce or Business Studies or Law	Not Required		Other alternative criteria have been duly fulfilled
1(3)(b)(v)	Independent director should 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.	Not Required		-do-
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 some special cases, the above qualifications may be relaxed subject to prior approval of the Commission	None		No such case in the reporting year
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
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	√		The Chairperson of the Board and the CEO/MD are 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	√		The CEO does not hold the same position in any other listed company
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		All Board members are non-executive director. The Chairperson of the Board is the non-executive director
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		NRB Bank has followed the BRPD circular no 18, dated 2013 for respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason for the absence of the regular Chairperson shall be duly recorded in the minutes	√		The Chairperson of the Board was absent for three meetings out of twenty. Mr. Tateyama Kabir presided over the meetings and the minutes were duly recorded
<b>1(5)</b>	<b>The Directors' Report shall include the following additional statements</b>			
1(5)(i)	Industry outlook and possible future developments in the industry	√		Included in the Director's Report of the Annual Report
1(5)(ii)	Segment-wise or product-wise performance	√		-do-
1(5)(iii)	Risks and concerns including internal and external risk factors, a threat to sustainability, and negative impact on the environment, if any	√		-do-
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin, and Net Profit Margin (Where applicable)	Not applicable		
1(5)(v)	Discussion on continuity of any Extra-Ordinary gain or loss			No such extra-ordinary gain or loss occurred during the financial year
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing the amount, nature of the related party, nature of transactions, and basis of transactions of all related party transactions	√		Included in the Director's Report of the Annual Report
1(5)(vii)	Utilization of proceeds from public issues, rights issues, and/or through any other instrument.	Not Applicable		
1(5)(viii)	An explanation of the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.	Not Applicable		
1(5)(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements, the management shall explain the variance	Not Applicable		
1(5)(x)	Remuneration to directors including independent directors	√		Included in the Director's Report of the Annual Report
1(5)(xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flows, and changes in equity	√		-do-
1(5)(xii)	A statement that proper books of accounts have been maintained	√		-do-
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	√		-do-



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xiv)	A statement that International Accounting Standards (IAS)/ International Financial Reporting Standard (IFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure there- from has been adequately disclosed	√		-do-
1(5)(xv)	The system of Internal control is sound in design and has been effectively implemented and monitored	√		-do-
1(5)(xvi)	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	Not Applicable		
1(5)(xvii)	Going Concern (ability to continue as going concern)	√		
1(5)(xviii)	Highlight and explain significant deviations from the last year's operating results	√		Stated in stakeholder's information in the annual report
1(5)(xix)	Key operating and financial data of at least preceding 5(five) years shall be summarized	√		-do-
1(5)(xx)	Reason for non-declaration of Dividend	-	-	The Company has declared 5% cash dividend
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	√		Included in the Director's Report of the Annual report
<b>1(5)(xxiii)</b>	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:</b>			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties	√		NRB Bank Limited has one subsidiary company namely NRB Bank Securities PLC
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	√		
1(5)(xxiii)(c)	Executives  Explanation: For the purpose of this clause, the expression "Executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, and Head of Internal Audit and Compliance	√		The Executives of the Company do not hold any shares
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√		Stated in Pattern of Shareholdings which comply with the guideline
<b>1(5) (xxiv)</b>	<b>The appointment or reappointment of a director, a disclosure on the following information to the shareholders</b>			



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiv)(a)	A brief resume of the director	√		Stated in the profile of Director's in the Annual Report
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas	√		-do-
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board	√		Stated in the related party disclosures
<b>1(5)(xxv)</b>	<b>A Management's Discussion and Analysis signed by the MD or CEO presenting a detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:</b>			
1(5)(xxv)(a)	Accounting policies and estimation for the preparation of financial statements	√		Stated in the Managing Director & CEO's Roundup of the Annual Report
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 the absolute figure for such changes	Not Applicable		
1(5)(xxv)(c)	Comparative analysis (including the effect of inflation) of financial performances or results and financial position as well as cash flows for the current financial year with immediately preceding five years explaining reasons thereof	√		Stated in the Stakeholder's Information on the Annual Report
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	√		Stated in the Director's Report
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		Stated in the Chief Risk Officer's Report on Risk Management in the Annual Report
1(5)(xxv)(g)	Future plan or projection or forecast for the company's operations, performance, and financial position, with justification thereof, i. e., the actual position shall be explained to the shareholders in the next AGM	√		Included in the Annual Report
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed as per <b>Annexure-A</b>	√		-do-
1(5)(xxvii)	The report as well as certificate regarding the compliance of conditions of this Code as required under condition No. 9 shall be disclosed	√		-do-
1(6)	The company conducted 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	√		Company conduct its board meetings and record the minutes of the meetings as well as keep required books and records as per provisions of Bangladesh Secretarial Standards (BSS)

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members, and Chief Executive Officer</b>			
1(7)(a)	The Board laid 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	-		Clause #5 of BRPD circular number 11 Dated 27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh to form any other committee except three committees namely the Executive committee, Audit committee, and risk management committee. Accordingly, the bank has not formed NRC
1(7)(b)	The code of conduct as determined by the NRC 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 the environment, employees, customers and suppliers, and independency	-		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions regarding the composition of the Board of the holding company made applicable to the composition of the Board of the subsidiary company		√	NRB Bank Ltd. has a subsidiary namely NRB Bank Securities PLC. incorporated on 16 March 2021 and not started its operation yet
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	√		
2(c)	The minutes of the Board meeting of the subsidiary company placed for review at the following Board meeting of the holding company	√		
2(d)	The minutes of the respective Board meeting of the holding company stated that they have reviewed the affairs of the subsidiary company also	√		
2(e)	The Audit Committee of the holding company also reviewed the financial statements, and in particular, the investments made by the subsidiary company	Not Applicable		Subsidiary of NRB Bank Ltd. incorporated on 16 March 2021 but not prepared financial statements yet
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC), and Company Secretary (CS)</b>			
<b>3(1)</b>	<b>Appointment</b>			
3(1)(a)	The Board appointed 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)	√		The MD or CEO, CFO, CS, and Head of Internal Audit and compliance have been appointed by the Board



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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) filled by different individuals	√		The MD or CEO, CFO, CS, and Head of Internal Audit are four different individuals and their roles and responsibilities are separately defined
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company did not hold any executive position in any other company at the same time	√		The MD or CEO, CS, CFO, and HIAC do not hold any executive position in any other company
3(1) (d)	The Board clearly defined respective roles, responsibilities, and duties of the CFO, the HIAC, and the CS	√		The roles and responsibilities are separately defined
3(1)(e)	The MD or CEO, CS, CFO, and HIAC not removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		In Practice
<b>3(2)</b>	<b>The requirement to attend Board of directors Meetings</b>			
	The MD or CEO, CS, CFO, and HIAC of the company attended the meetings of the Board	√		Clause #4 of BRPD circular letter no. 55 dated on 12 November 2020 issued by Bangladesh Bank does not permit any officer or shareholder to attend board meeting
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)(i)	The MD or CEO and CFO certified to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		The MD or CEO and CFO has duly certified to the Board and the declaration is disclosed in the Annual Report
3(3) (a)(ii)	These statements together presented a true and fair view of the company's affairs and comply with existing accounting standards and applicable laws	√		-do-
3(3)(b)	The MD or CEO and CFO also certified that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal, or in violation of the code of conduct for the company's Board or its members	√		-do-
3(3) (c)	The certification of the MD or CEO and CFO disclosed in the Annual Report	√		The declaration by the CEO and CFO of the Annual Report
<b>4</b>	<b>Board of Directors Committee</b>			
	For ensuring good governance in the company, the Board shall have at least the following sub-committee			
4(i)	Audit Committee	√		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
4(ii)	Nomination and Remuneration Committee	-		Clause #5 of BRPD circular number 11 Dated 27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh to form any other committee except three committees namely the Executive committee, Audit committee, and risk management committee. Accordingly, the bank has not formed NRC
<b>5</b>	<b>Audit Committee</b>			
5(1)	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	The company shall have an Audit Committee is a sub-committee of the Board of Directors	√		The audit committee is established as per Bangladesh Bank guidelines
5(1)(b)	The Audit Committee assisted the Board of Directors in ensuring that the financial statements reflected a true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		The Audit Committee discharges its responsibilities as per Bangladesh Bank guidelines
5(1)(c)	The Audit Committee is responsible to the Board of Directors (The duties of the Audit Committee are outlined in writing)	√		The duties of the Audit Committee are clearly defined in the Board approved Audit Committee as per BSEC guidelines
<b>5(2)</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee is composed of at least 3 members	√		Audit Committee comprises of 5 (five) members
5(2)(b)	The Board of Directors appointed members of the Audit Committee who is the directors of the company and included at least 1 (one) Independent Director	√		All members of the Audit Committee are non-executive directors, out of which 2 (two) members are Independent Directors. All the members are appointed by the Board. The Vice Chairman of the Board is a member of the Audit Committee
5(2)(c)	All members of the audit committee are "financially literate" and at least 1 (one) member has accounting or "related financial management experience"	√		Based on the academic qualifications and professional experience, which provided on the Annual Report that all the existing members of the Audit Committee are "financially literate" and they have "related financial management experience" as per BSEC notification





Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before the 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	None		No such case in the reporting year
5(2)(e)	The Company Secretary acted as the secretary of the Audit Committee	√		In Practice
5(2)(f)	The quorum of the Audit Committee meeting is not constituted without at least 1(one) independent director	√		In Practice
<b>5(3)</b>	<b>Chairman of the Audit Committee</b>			
5(3)(a)	The Board of Directors selected the Chairman of the Audit Committee, who is an Independent Director	√		In Practice
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	None		No such case in the reporting year
5(3)(c)	The Chairman of the audit committee remained present in the AGM	√		In Practice
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee conducted at least its four meetings in a financial year	√		There were eight (8) meetings held during the reporting period
5(4)(b)	The quorum of the meeting of the Audit Committee is constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where the presence of an independent director is a must	√		In Practice
<b>5(5)</b>	<b>Role of Audit Committee</b>			
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	Monitor the choice of accounting policies and principles	√		
5(5)(c)	Monitor Internal Control Risk Management process	√		
5(5)(d)	Oversee hiring and performance of external auditors	√		
5(5)(e)	Hold a meeting with the external or statutory auditors	√		
5(5)(f)	Review the annual financial statements before submission to the board for approval	√		
5(5)(g)	Review the quarterly and half-yearly financial statements before submission to the board for approval	√		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(h)	Review the adequacy of internal audit function	√		
5(5)(l)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	Review statement of significantly related party transactions submitted by the management	√		
5(5)(k)	Review Management Letters/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	√		
5(5)(m)	Disclosure to the Audit Committee about the uses/applications of IPO funds by major category (capital expenditure, sales, and marketing expenses, working capital, etc.), every quarter, as a part of their quarterly declaration of financial results (Further, on an annual basis, shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus	Not Applicable		No such case in the reporting year
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
<b>5(6)(a)</b>	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	Reporting to Board of Directors on the activities of the Audit Committee	√		
5(6)(a)(ii)(a)	Reporting to Board of Directors on conflicts of interests	None		No such case in the reporting year
5(6)(a)(ii)(b)	Reporting to Board of Directors on any fraud or irregularity or material defect in the internal control system	√		Activities of the Audit Committee are reported to the Board of Directors disclosed in the annual report
5(6)(a)(ii)(c)	Reporting to Board of Directors on suspected infringement of laws	None		No such case in the reporting year
5(6)(a)(ii)(d)	Reporting to Board of Directors on any other matter	None		-do-
5(6)(b)	Reporting to BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management)	None		-do-
5(7)	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report	√		Activities of the Audit Committee are reported to the Board of Directors disclosed in the annual report
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			Clause #5 of BRPD circular number 11 Dated 27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh to form any other committee except three committees namely the Executive committee, Audit committee, and risk management committee. Accordingly, the bank has not formed NRC
6(1)(b)	The NRC shall assist the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences, and independence of directors and top-level executive as well as a policy for the formal process of considering remuneration of directors, top-level executive			-do-
6(1)(c)	The Terms of Reference (TOR) of the NRC shall be clearly outlined in writing covering the areas stated in condition No. 6 (5)(b)			-do-
<b>6 (2)</b>	<b>Constitution of the NRC</b>			
6 (2)(a)	The Committee shall comprise of at least three members including an independent director			Clause #5 of BRPD circular number 11 Dated 27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh to form any other committee except three committees namely the Executive committee, Audit committee, and risk management committee. Accordingly, the bank has not formed NRC
6 (2)(b)	All members of the Committee shall be non-executive directors			-do-
6 (2)(c)	Members of the Committee shall be nominated and appointed by the Board			-do-
6 (2)(d)	The Board shall have authority to remove and appoint any member of the Committee			-do-
6 (2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee			-do-
6 (2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as an advisor who shall be a non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			-do-

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6 (2)(g)	The company secretary shall act as the secretary of the Committee			-do-
6 (2)(h)	The quorum of the NRC meeting shall not constitute without the attendance of at least an independent director;			-do-
6 (2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company			-do-
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director			Clause #5 of BRPD circular number 11 Dated 27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh to form any other committee except three committees namely the Executive committee, Audit committee, and risk management committee. Accordingly, the bank has not formed NRC
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason for the absence of the regular Chairperson shall be duly recorded in the minutes			-do-
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders			-do-
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year			Clause #5 of BRPD circular number 11 Dated 27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh to form any other committee except three committees namely the Executive committee, Audit committee, and risk management committee. Accordingly, the bank has not formed NRC
6(4)(b)	The Chairperson of the NRC may convene an emergency meeting upon request by any member of the NRC;			-do-
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two-third of the members of the Committee, whichever is higher, where the presence of an independent director is must as required under condition No. 6(2)(h)			-do-
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC			-do-



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the board and the shareholders			Clause #5 of BRPD circular number 11 Dated 27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh to form any other committee except three committees namely the Executive committee, Audit committee, and risk management committee. Accordingly, the bank has not formed NRC
6(5)(b)	NRC shall oversee, among others, the following matters and make a report with a recommendation to the Board			-do-
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes, and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top-level executive, considering the following			-do-
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully			-do-
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmark			-do-
6(5)(b)(i)(c)	Remuneration to directors, top-level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals			-do-
6(5)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background, and nationality			-do-
6(5)(iii)	Identifying persons who are qualified to become directors and who may be appointed in a top-level executive position following the criteria laid down, and re-commend their appointment and removal to the Board			-do-
6(5)(iv)	Formulating the criteria for evaluation of the performance of independent directors and the Board			-do-
6(5)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria			-do-
6(5)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies			-do-
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			-do-



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>7</b>	<b>External / Statutory Auditors</b>			
7(1)(i)	Non-engagement in appraisal or valuation services or fairness opinions	√		As declared by the auditors
7(1)(ii)	Non-engagement in designing and implementation of Financial Information System	√		-do-
7(1)(iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	√		-do-
7(1)(iv)	Non-engagement in Broker-dealer services	√		-do-
7(1)(v)	Non-engagement in actuarial services	√		-do-
7(1)(vi)	Non-engagement in internal audit services	√		-do-
7(1)(vii)	Non-engagement in any other services that the Audit Committee determines	√		-do-
7(1)(viii)	Non-engagement in audit or certification services on compliance of corporate governance as required under condition No (9(1); and	√		-do-
7(1)(ix)	Non-engagement in any other service that creates a conflict of interest	√		-do-
7(2)	No partner or employees of the external audit firms possesses any share of the company during the tenure of their assignment	√		-do-
7(3)	Representative of external/statutory auditors remained present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		In Practice
<b>8</b>	<b>Maintaining a website by the Company</b>			
8(1)	The company has an official website linked with the website of the stock exchange	Not Applicable		
8(2)	The company kept the website functional from the date of listing	Not Applicable		
8(3)	The company made available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	Not Applicable		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	Obtaining a certificate from a practicing Professional Accountant /Secretary regarding the compliance of the conditions of the Corporate Governance Guidelines of the BSEC and include in the Annual Report	√		NRB Bank Limited has obtained the certificate from ACNABIN Chartered Accountants regarding the compliance of conditions of Corporate Governance Code 2018, and such certificate is disclosed on the Annual Report
9(2)	The professional will provide the certificate on compliance with this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		The Board appointed the Compliance Auditor and their appointment was approved by the Shareholders
9(3)	Directors statement in the directors' report whether the company has complied with these conditions	√		Detailed status of compliance is given on Annual Report in the compliance schedule as published with the Directors' Report



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
1	<b>Formation of Board of Directors:</b> 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
1.1	<b>Appointment of New directors:</b> 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
1.2	<b>Vacation of office of Director:</b> a) The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfil the minimum eligibility criteria, the office of the director will be vacated. b) If the office of a director is vacated by a notice under the section 17 of BCA, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of BCA, 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution. c) Besides, Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the board of a banking company under Section 47 of BCA, 1991.	Complied
1.3	<b>Removal of Directors from office:</b> 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.	Not Applicable

SL No.	Particulars	Compliance Status
1.4	<p><b>Appointment of Alternate Director:</b></p> <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> <ul style="list-style-type: none"> <li>a) Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the chief executive officer should immediately inform it to Bangladesh Bank.</li> <li>b) The copy of the decision of the board regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his return.</li> <li>c) Any loan defaulter or any person who is not eligible to become a director as per any rules &amp; regulation will not be appointed as an alternate director.</li> <li>d) As appointment of alternate director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the board.</li> <li>e) While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules &amp; regulations will also be applicable to the alternate director.</li> </ul>	Complied
2	<p><b>Depositor Director:</b></p> <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	<p><b>Information regarding Directors:</b></p> <p>Banks are advised to take the following steps regarding director information:</p> <ul style="list-style-type: none"> <li>a) Every bank should keep an updated list of bank directors,</li> <li>b) Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.</li> <li>c) Banks should display a list of directors in the website and update it on a regular basis.</li> </ul>	Complied
4	<p><b>Responsibilities of the Board of Directors:</b></p> <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) &amp; (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
4.1	Responsibilities and Authorities of the Board of Directors:	



SL No.	Particulars	Compliance Status
4.1(a)	<p><b>Work-planning and strategic management:</b></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 &amp; officers immediate two tiers below the CEO, and have it evaluated from time to time.</p>	Complied
4.1(b)	<p><b>Credit and risk management:</b></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><b>Internal control management:</b></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><b>Human resources management and development:</b></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 &amp; punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.</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
4.1(e)	<b>Financial management:</b> i. The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures. ii. The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the board. iii. The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.	Complied
4.1(f)	<b>Appointment of Chief Executive Officer (CEO):</b> In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank.	Complied
4.1(g)	<b>Other responsibilities of the Board:</b> The board should follow and comply with the responsibilities assigned by Bangladesh Bank.	Complied
4.2	<b>Meeting of Board:</b> Board of directors may meet once or more than once in a month if necessary. But Board of directors shall meet at least once in every three months. Excessive meetings are discouraged.	Complied
4.3	<b>Responsibilities of the Chairman of the Board of Directors:</b> a) As the chairman of the board of directors or chairman of any committee formed by the board or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank. b) The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO. c) The chairman may be offered an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the board.	Complied
5	<b>Formation of committees from the Board of Directors:</b> Each bank company can form 1(one) executive committee, 1(one) audit committee and 1(one) risk management committee with the directors. Board can't form any other permanent, temporary or sub-committee except the above mentioned three committees.	Complied
5.1	<b>Executive committee:</b> 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
5.1(a)	<b>Organizational structure:</b> <ul style="list-style-type: none"> <li>i. Members of the committee will be nominated by the board of directors from themselves;</li> <li>ii. The executive committee will comprise of maximum 07 (seven) members;</li> <li>iii. Members may be appointed for a 03 (three)-year term of office;</li> <li>iv. Chairman of the Board of Directors can be the chairman of executive committee;</li> <li>v. Company secretary of the bank will be the secretary of the executive committee.</li> </ul>	Complied
5.1(b)	<b>Qualifications of the Members:</b> <ul style="list-style-type: none"> <li>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;</li> <li>ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee;</li> <li>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.</li> </ul>	Complied
5.1(c)	<b>Roles and Responsibilities of the Executive Committee:</b> <ul style="list-style-type: none"> <li>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</li> <li>ii. The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors.</li> <li>iii. All decisions taken in the executive committee should be ratified in the next board meeting.</li> </ul>	Complied
5.1(d)	<b>Meetings:</b> <ul style="list-style-type: none"> <li>i. The executive committee can sit any time as it may deem fit.</li> <li>ii. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;</li> <li>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;</li> <li>iv. All decisions/observations of the committee should be noted in minutes.</li> </ul>	Complied
5.2	<b>Audit Committee:</b> The board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.	Complied
5.2(a)	<b>Organizational structure:</b> <ul style="list-style-type: none"> <li>i. Members of the committee will be nominated by the board of directors from the directors;</li> <li>ii. The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent director;</li> <li>iii. Audit committee will comprise with directors who are not executive committee members;</li> <li>iv. Members may be appointed for a 03 (three) year term of office;</li> <li>v. Company secretary of the bank will be the secretary of the audit committee.</li> </ul>	Complied

SL No.	Particulars	Compliance Status
5.2(b)	<b>Qualifications of the Member:</b> <ol style="list-style-type: none"> <li>Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee ;</li> <li>Each member should be capable of making valuable and effective contributions in the functioning of the committee;</li> <li>To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.</li> <li>Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee.</li> </ol>	Complied
5.2(c)	Roles and Responsibilities of the Audit Committee	
5.2(c)(i)	<b>Internal Control:</b> <ol style="list-style-type: none"> <li>Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;</li> <li>Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS);</li> <li>Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;</li> <li>Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.</li> </ol>	Complied
5.2(c)(ii)	<b>Financial Reporting:</b> <ol style="list-style-type: none"> <li>Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules &amp; regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank;</li> <li>Discuss with management and the external auditors to review the financial statements before its finalization.</li> </ol>	Complied
5.2(c)(iii)	<b>Internal Audit:</b> <ol style="list-style-type: none"> <li>Audit committee will monitor whether internal audit working independently from the management.</li> <li>Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process;</li> <li>Examine the efficiency and effectiveness of internal audit function;</li> <li>Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.</li> </ol>	Complied
5.2(c)(iv)	<b>External Audit:</b> <ol style="list-style-type: none"> <li>Review the performance of the external auditors and their audit reports;</li> <li>Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.</li> <li>Make recommendations to the board regarding the appointment of the external auditors.</li> </ol>	Complied



SL No.	Particulars	Compliance Status
5.2(c)(v)	<b>Compliance with existing laws and Regulations:</b> 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)	<b>Other Responsibilities:</b> 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)	<b>Meetings:</b> 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	<b>Risk Management Committee:</b> To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.	Complied
5.3(a)	<b>Organizational Structure:</b> 1. Members of the committee will be nominated by the board of directors from themselves; 2. The Risk Management Committee will comprise of maximum 05 (five) members; 3. Members may be appointed for a 03 (three) year term of office; 4. Company secretary of the bank will be the secretary of the Risk Management Committee.	Complied
5.3(b)	<b>Qualifications of the Member:</b> 1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; 2. Each member should be capable of making valuable and effective contributions in the functioning of the committee; 3. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	Complied

SL No.	Particulars	Compliance Status
5.3(c)	<b>Roles and Responsibilities of the Risk Management Committee:</b>	
5.3(c)(i)	<b>Risk identification &amp; control policy :</b> 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)	<b>Construction of organizational structure:</b> 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)	<b>Analysis and approval of Risk Management policy:</b> 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)	<b>Storage of data &amp; Reporting system:</b> 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)	<b>Monitoring the implementation of overall Risk Management Policy:</b> Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.	Complied
5.3(c)(vi)	<b>Other responsibilities:</b> <ol style="list-style-type: none"> <li>Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form;</li> <li>Comply instructions issued time to time by the controlling body;</li> <li>Internal &amp; external auditor will submit respective evaluation report whenever required by the committee.</li> </ol>	Complied
5.3(d)	<b>Meetings:</b> <ol style="list-style-type: none"> <li>The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;</li> <li>The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary;</li> <li>To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;</li> <li>All decisions/observations of the committee should be noted in minutes.</li> </ol>	Complied
6	<b>Training for the Directors:</b> The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.	Complied



**Meeting of the Directors of NRB Bank Limited during the year 2021**  
**Board of Directors:**

Directors	Designation	No. of Meeting	No. of Attendance	% of Attendance
Mr. Mohammed Mahtabur Rahman	Chairman	20	17	85.00%
Mr. Tateyama Kabir	Vice Chairman	20	20	100.00%
Mr. Mohammed Jamil Iqbal	Vice Chairman	20	20	100.00%
Mr. Ali Ahmed	Director	20	20	100.00%
Mr. Khandakar R. Amin	Director	20	18	90.00%
Mr. Iqbal Ahmed OBE DBA	Director	20	20	100.00%
Mr. Mohammed Jahed Iqbal	Director	20	19	95.00%
Mr. Abdul Karim	Director	20	15	75.00%
Mr. M Badiuzzaman	Director	20	20	100.00%
Mr. Humayen Kabir Khan	Director	20	16	80.00%
Dr. Mohammed Ehsanur Rahman	Director	20	20	100.00%
			12	
Mr. Mohammed Ashfaqur Rahman	Director	20	(Attended from 118 <sup>th</sup> Board meeting held on 20 May 2021 after obtaining approval from Bangladesh Bank on 19 May 2021)	60.00%
			08	
Mr. Mohammed Nazam Uddin	Director	20	(Appointed in 8 <sup>th</sup> AGM held on 15.07.2021)	40.00%
			08	
Mr. Dulal Ahmed	Director	20	(Appointed in 8 <sup>th</sup> AGM held on 15.07.2021)	40.00%
			08	
Ms. Bayzun N Chowdhury	Director	20	(Appointed in 8 <sup>th</sup> AGM held on 15.07.2021)	40.00%
			08	
Dr. Rafa Jaigirdar	Director	20	(Appointed in 8 <sup>th</sup> AGM held on 15.07.2021)	40.00%
			08	
Mr. Md. Abdul Jalil Chowdhury	Independent Director	20	20	100.00%
Mr. Md. Motior Rahman	Independent Director	20	20	100.00%
			09	
Dr. Md. Kamrul Ahsan	Independent Director	20	(Attended from 121 <sup>st</sup> Board meeting held on 27 June 2021 after obtaining approval from Bangladesh Bank on 22 June 2021)	45.00%



#### Pattern of Shareholding

The pattern of shareholding of NRB Bank Limited as on 31 December 2020 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 2021:

- (i) Shares held by Directors and their Spouses

Directors	Status	No. of Shares	Name of Spouse	No. of Shares
Mr. Mohammed Mahtabur Rahman	Chairman	21,128,760	Mrs. Bayzun N Chowdhury	4,429,404
Mr. Tateyama Kabir	Vice Chairman	15,291,990	Mrs. Hasina Akther	NIL
Mr. Mohammed Jamil Iqbal	Vice Chairman	23,412,564	Mrs. Shireen Khanom	NIL
Mr. Ali Ahmed	Director	12,897,113	Mrs. Jamila Begum Ahmed	NIL
Mr. Khandakar R. Amin	Director	13,981,744	Mrs. Shapali Khandakar	NIL
Mr. Iqbal Ahmed OBE DBA	Director	26,257,000	Mrs. Salma Iqbal	2,170,000
Mr. Mohammed Jahed Iqbal	Director	18,308,724	Mrs. Sebina Akter Chowdhury	NIL
Mr. Abdul Karim	Director	25,226,510	Mrs. Afia Begum	NIL
Mr. M Badiuzzaman	Director	22,751,669	Mrs. Nasreen Zaman	NIL
Mr. Humayen Kabir Khan	Director	8,766,529	N/A	N/A
Dr. Mohammed Ehsanur Rahman	Director	26,701,970	Dr. Rafa Jaigirdar	29,426,297
Mr. Mohammed Ashfaqur Rahman	Director	24,119,278	Mr. Tanjina Rahman	2,170,000
Mr. Mohammed Nazam Uddin	Director	3,386,936	Mr. Rubina Uddin	NIL
Mr. Dulal Ahmed	Director	1,801,968	Mr. Happy Begum	NIL
Ms. Bayzun N Chowdhury	Director	4,429,404	Mr. Mohammed Mahtabur Rahman	21,128,760
Dr. Rafa Jaigirdar	Director	29,426,297	Dr. Mohammed Ehsanur Rahman	26,701,970
Mr. Md. Abdul Jalil Chowdhury	Independent Director	NIL	Mrs. Shaheda Chowdhury	NIL
Mr. Md. Motior Rahman	Independent Director	NIL	Mrs. Nurunnahar Begum	NIL
Dr. Md. Kamrul Ahsan	Independent Director	NIL	Mr. Shamsia Afrin	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

The changing nature of today's business environment is increasing both the scope and potential impact of the risks we face in our day-to-day operations. Managing risk therefore constantly requires innovation and reinvention.

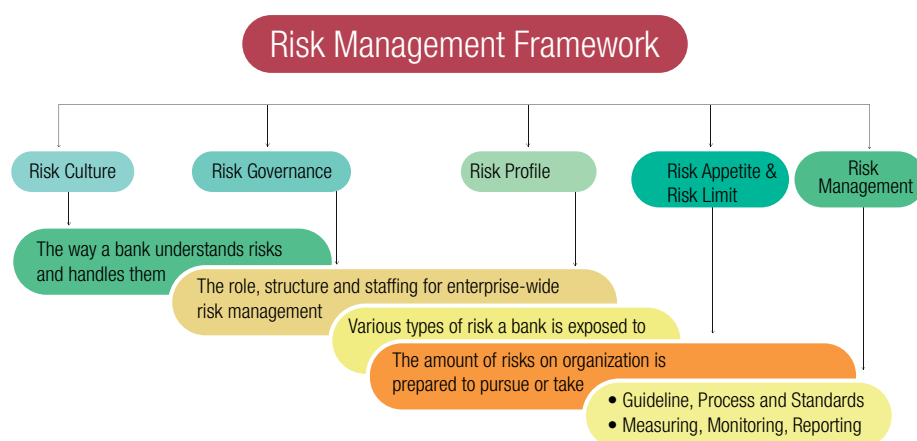
Under the Integrated Risk Management Direction of Bangladesh Bank, NRB Bank's risk management framework is focused on supporting the day to day business activities of the Bank by building and strengthening its risk management processes at all levels of the organization.

While NRB Bank Ltd. remains committed to maximizing shareholder value by growing its business in line with a Board determined risk appetite, the Bank is mindful of achieving this objective in the best interest of all stakeholders. The Bank's risk management strategy is to achieve a sound balance between risk and return to the business, whilst maintaining strong liquidity and adequate capital positions at all times combined with a robust asset quality.

NRB Bank Ltd. has continuously investing in risk and capital management resources and infrastructure to support the Bank's growing credit portfolio. The implemented programmes have helped us to streamline our business processes, contributed towards improving our risk monitoring capabilities to meet a more demanding regulatory environment and supported the decision making process by providing faster access to critical information.

## Risk Management Framework:

It is a set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization. The notion of a risk management framework is essentially equivalent to the concept of Enterprise Risk Management (ERM), which includes mainly as follows:



## Risk Culture:

Level of risk management of a bank depends on its risk culture which is built with the following components:

### Tone from the top:

Clear and continuous communication from the top management on the importance of management of different risks and desired actions from different risk owners/managers.

### Accountability:

All employees in every line of defense are held accountable for risk management.

### Performance evaluation:

Activities of risk owners/managers are evaluated at a regular (quarterly) interval and any deviation from desired actions are noted for necessary action.

### Reporting:

Any risk related issue is reported by the risk owner(s) and recorded in the risk register for taking appropriate action and for further review in the monthly meeting of the Executive Risk Management Committee (ERMC).

### Training:

Imparting necessary knowledge to all employees on different risk issues is vital and continuous process for ensuring efficient risk management.

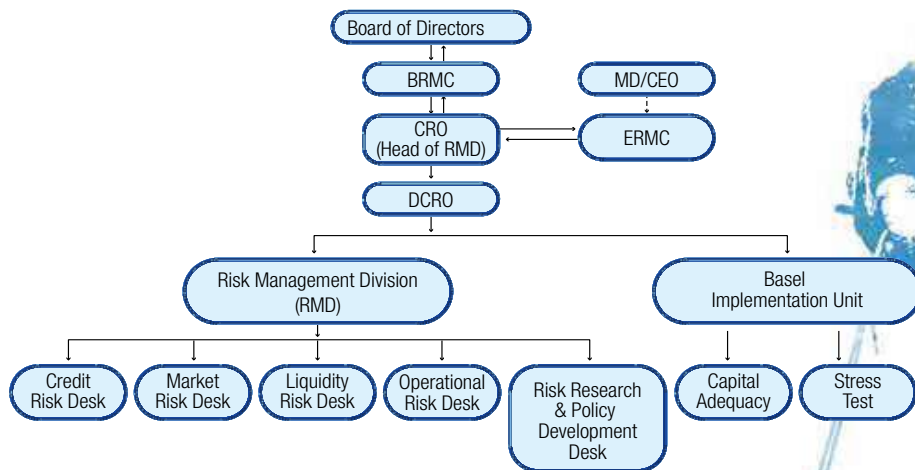
### Monitoring & Review:

Activities of different lines of defense and risk reports are reviewed in the monthly meeting of the ERMC for ensuring that risk management functions are in line with the risk policy.

## Risk Governance and Organization

Risk governance refers to the structure, rules, processes and mechanisms by which decisions about risks are taken and implemented. It covers the questions about what risk management responsibilities lie at what levels and the ways the Board influences risk-related decisions and the role, structure and staffing of risk organization. Risk governance follows a three-lines of defense model.

### NRB Bank's Present Organogram of Risk Management Division:



### Risk Governance and Organization:

Effective risk management begins with effective risk governance. The Bank has a well-established risk governance structure with an active and engaged Board of Directors supported by an experienced Senior Management Team, that is, independent of the business lines. Decision-making is highly centralized through a number of senior and executive risk management committees.

### Board Risk Management Committee:

As per Bangladesh Bank guideline, NRB Bank has a strong Board Risk Management Committee (BRMC). All the members have the risk oversight of the bank with a clear understanding of all types of risks inherent in business lines. They regularly take appropriate steps to ensure continued awareness of any changes in the level of risks. Presently NRB Bank has 5 members in BRMC. All the directives given by Bangladesh Bank are meticulously followed by the Committee. BRMC regularly reviews the strategies and NRB Bank risk management policies which are developed by senior executives. The committee is very much aware of the nature of risks for ensuring that the management is taking necessary steps to implement those strategies and manage accompanying risks.

BRMC ensures to take place minimum once in a quarter. But also they sit, as and when required. In 2021, there took four (4) BRMC meeting against the Bangladesh Bank meeting requirement of at least four (4).

Following are the members of Risk Management Committee of the Board of Directors as on 31<sup>st</sup> December, 2021:

SL	Name	Position in the Committee
1	Mr. Khandakar R. Amin	Chairman
2	Mr. Md. Abdul Jalil Chowdhury	Vice Chairman
3	Mr. Ali Ahmed	Member
4	Mr. Mohammed Jahed Iqbal	Member
5	Mr. Md. Motior Rahman	Member

Following members were present in The Board Risk Management Committee meetings in the year 2021:

Name	Position in the Committee	Status with the Bank	No. of Meeting Held	No. of Meetings Attended
Mr. Khandakar R. Amin	Chairman	Director	2	2
Mr. Ali Ahmed	Chairman	Director	2	2
	Member		2	2
Mr. Md. Abdul Jalil Chowdhury	Vice Chairman	Independent	2	2
	Member	Director	2	2
Mr. Mohammed Jahed Iqbal	Vice Chairman	Director	2	2
	Member		2	0
Mr. Md. Motior Rahman	Member	Independent Director	4	4
Mr. Md. Tateyama Kabir	Member	Director	2	2

In the year 2021, 4 (Four) meetings of the Risk Management Committee of the Board (BRMC) were held accordingly which are as follows:

SL	Particulars	Meeting held on
1	28 <sup>th</sup> Board Risk Management Committee	7 <sup>th</sup> March, 2021
2	29 <sup>th</sup> Board Risk Management Committee	25 <sup>th</sup> April, 2021
3	30 <sup>th</sup> Board Risk Management Committee	26 <sup>th</sup> September, 2021
4	31 <sup>st</sup> Board Risk Management Committee	28 <sup>th</sup> December, 2021

#### Executive Risk Management Committee:

NRB Bank has its Executive Risk Management Committee (ERMC) with senior officials of the Bank. NRB Bank's top management is aware of Bank's risk profile on an ongoing basis and updated with regularly report it to ERMC for review. For effective oversight of risk management by ERMC, the members of ERMC are provided with sufficient information and they get enabled to understand the bank's risk profile, how risks are assessed and as well. To serve this purpose of ERMC, members oversee the development, implementation and maintenance of an appropriate Management Information System (MIS) that identifies, measures, monitors and controls Bank's various risks. And finally through effective communications among the members of the committee provide necessary guidance which are mentioned in respective minutes and ensured necessary action taken by the concerned parties. This committee sat every month and ensured to follow all the regulatory compliance.

#### Risk Management Division (RMD):

Risk Management Division (RMD) of NRB Bank Limited had been established in line with the directives of Bangladesh Bank, for strengthening risk management activities of the bank. The responsibility of the division is to ensure effectiveness of the Core Risk Management of the Bank and also to ensure the capital management of the Bank under Basel Accords in line with the directives of Bangladesh Bank from time to time. The role of RMD is described as follows:

- Preparing risk management reports, arranging monthly meeting of ERMC and preparing meeting minutes, disseminating the decisions to the concerned divisions, monitoring and follow up of implementation status;
- Ensuring timely submission of risk management reports, meeting minutes, compliance report and other documents to BB;
- Assisting BRMC/ERMC by providing risk issues that are needed to be addressed;
- Designing bank's overall risk management strategy;
- Ensuring NRB Banks 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;
- Utilizing the Stress Test result and scenario analysis to better understand potential risk exposures under a variety of adverse circumstances;
- Assisting senior management in formulating strategic planning considering bank's risk exposures and industry as a whole;
- Supporting the board, BRMC and ERMC in formulation, review and approval of 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.

- Collecting and analyzing data/information for identifying risks and making appropriate recommendations for risk mitigation;

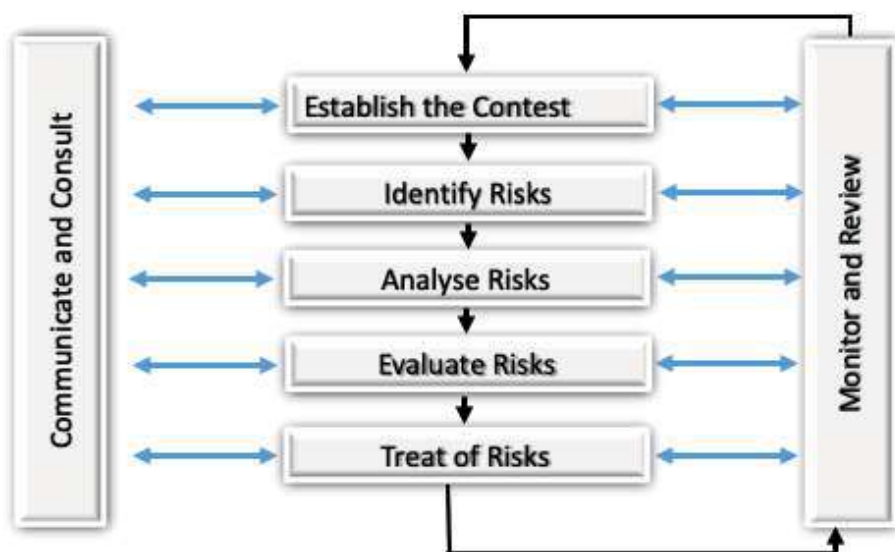
### Risk Management Process:

Risk Management is an interactive process that, with each cycle, can contribute progressively to organizational improvement by providing management with a greater insight into risks and their impact. It is a series of multistep that, when undertaken in sequence, enable continual improvement in decision-making.

Steps of Risk Management Process in a Banking Organization:

- Step 1 – Communicate and Consult
- Step 2 – Establish the context
- Step 3 – Identify the risks
- Step 4 – Analyze the risks
- Step 5 – Evaluate the risks
- Step 6 – Treat the risks
- Step 7 – Monitor the risks

The relation among the steps can be visualized as under:



### Credit Risk Management:

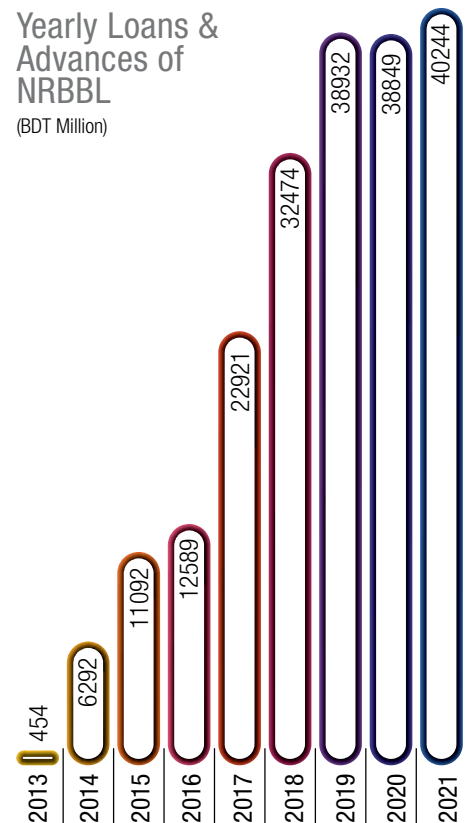
Credit risk arises from the Bank's direct lending activities, investment and security trading activities where counterparties have repayment or other obligations to the Bank. Efficient and effective credit risk management depends on a clear and well-defined credit risk management framework which includes as follows:

- Credit Policy that includes key credit risk management principles, delegation of authority, desired concentration in the portfolio, in different industries, in different segment of business, in different mode of finance, in large borrowers and NPL management etc.
- Risk appetite and risk limit, target markets, products offerings and risk parameters for new under-writing sand for the portfolio as a whole.
- Process of credit risk management (that includes selection of borrowers, approval of loans, operation and administration), control and compliance and NPL management

### Overall Portfolio Risk Management:

#### Yearly Loans & Advances of NRBBL

(BDT Million)

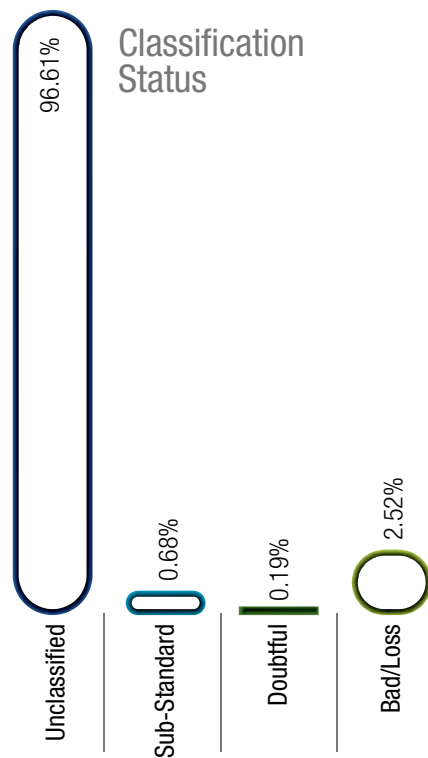
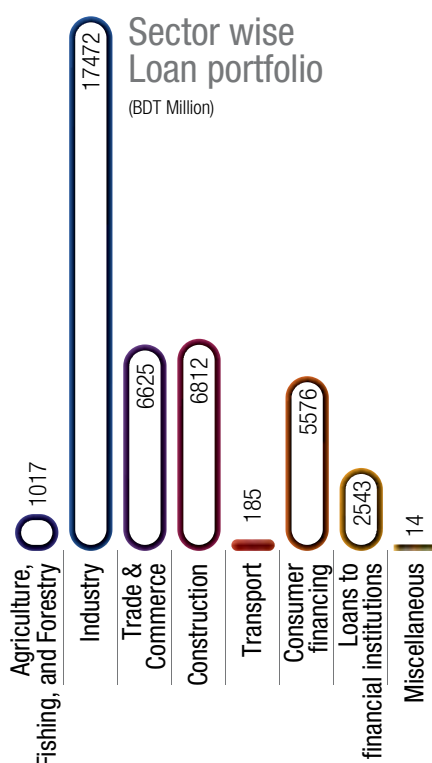


#### Division Wise Exposure

(BDT Million)

Dhaka= BDT 29886  
 Chattogram= BDT 6040  
 Rajshahi= BDT 1003  
 Sylhet= BDT 1459  
 Khulna= BDT 1043  
 Rangpur= BDT 7  
 Barisal= BDT 0





### Market Risk Management:

Market Risk is the risk that changes in market variables will adversely affect the value of on and off-balance sheet position. The drivers of market risks are interest rates, foreign exchange rates, commodities price and equity prices. The Bank pursues conservative policies in management of its trading /investment portfolios by adhering to limits set annually and by regular reviews. Market risk emanating from its trading portfolio is measured by using Value at Risk (VaR). To manage the foreign exchange risk the Bank has implemented a number of limits and practices in different areas namely stop-loss limit, after-hours and off-premises dealings, dealer position and nostro reconciliations, valuations, deal-making etc. Bank's investment portfolio of equity securities are continuously monitored to reduce the equity price risk considering the returns on such investments.

- ALCO (Asset Liability Committee) comprising Treasury and other Senior Management meets periodically to review present and anticipated future market trend and takes appropriate decisions on interest rates and investments.
- Segregated Front Office, Mid Office and Back Office to ensure 'check and balance' between Treasury functions.
- Separate Investment Division having a well-defined policy framework for capital market investments.
- Regular reconciliation of all Nostro accounts.

### 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)

#### 1. Interest Rate Risk:

The potential losses from unexpected changes in interest rate which can sign Banks alter profitability & market value of equity. The amount interest rate risk is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatch position.

Such risk can't be eliminated as re-pricing period of assets and liabilities are different. Other than re-pricing issue, sources of interest risk are: yield curve risk, basis risk, and embedded options. The immediate impact of a variation in interest is on the bank's net interest income, while a long term impact is on bank's net worth since economic value of banks assets, liabilities and off balance sheet exposures are affected.

#### To manage Interest Rate Risk the Bank uses following tools:

Bank's interest rate risk management involves the application of following basic elements in the management of assets, liabilities, and OBS instruments. Principles of interest rate risk management include:

- a. Appropriate board and senior management oversight;
- b. Adequate risk management policies and procedures;
- c. Appropriate risk measurement, monitoring, and control functions; and
- d. Comprehensive internal controls and independent audits.

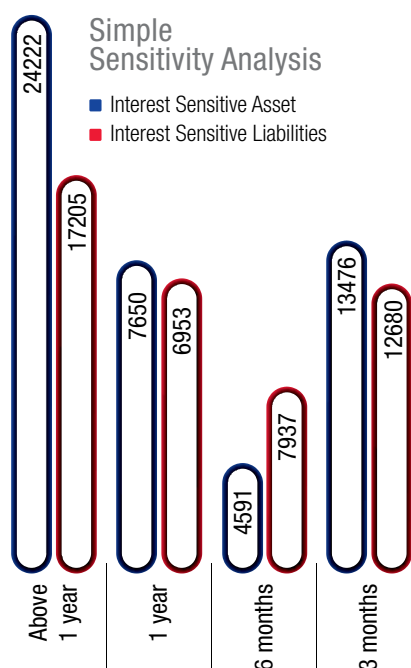
The bank measures the impact of interest rate risk via GAP analysis and GAP is categorized as positive gap and negative gap. **Positive gap** = Rate Sensitive Asset (RSA) less Rate Sensitive Liabilities (RSL) whereas **Negative gap** = Rate Sensitive Liabilities (RSL) less Rate Sensitive Asset (RSA). Bank has developed and implemented effective and comprehensive procedures and information systems to manage and control interest rate risk in accordance with its interest rate risk

policies. Internal inspections/audits are a key element in managing and controlling interest rate risk management program. Moreover, to measure and control interest rate risk the following facts/figures/ratios are assessed in monthly ALCO papers.

- Interest Rate Break Down: Interest Rate Break Down = Interest rate break up for Assets and Liabilities Net
- Interest Income: Net Interest Income = Total Interest Income Minus Total Interest Expenses
- Net Interest Margin: Net Interest Margin = Net Interest Income / Total Average Earning Assets
- Interest Earning Assets/Total Assets
- Cost of Fund: (Weighted average Cost of deposit + Weighted average Cost of borrowing + Admin cost).
- Average Interest Rate of Loans : (on realized amount of Interest)
- Average Interest Rate of Deposits: (on payment amount of Interest)

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

(BDT Million)



## 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 Price Risk is the risk that arises from security price volatility- the risk of a decline in the value of a security or a portfolio. Equity price risk can be either systematic or unsystematic. 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%
<b>Interest rate</b>	-1.03	-2.06	-3.09
<b>CRAR after interest rate shock</b>	18.16%	17.13%	16.10%
Shock applied by the bank	5%	10%	15%
<b>Currency Appreciation</b>	-0.00	-0.01	-0.01
<b>CRAR after exchange rate shock</b>	19.18%	19.18%	19.17%
Shock applied by the bank	10%	20%	40%
<b>Equity shock</b>	-0.44	-0.88	-1.78
<b>CRAR after equity shock</b>	18.75%	18.31%	17.40%

## Operational Risk Management:

Operational Risk refers to the risk of loss resulting from inadequate or failed internal process, people and system or from external events. This definition includes legal risk but excludes strategic and reputational risk. Unlike other risk as faced by the bank, the operational risk is inherent in most of the process and operations of the bank and cannot be separated from other risks

OPERATIONAL RISK		
OPERATIONAL STRATEGIC RISK		OPERATIONAL FAILURE RISK
The risk of choosing an inappropriate strategy in response to environmental factors, such as		The risk encountered in the pursuit of particular strategy due to
● Political	● Taxation	● People

● Government	● Societal	● Process
● Regulation	● Competition, etc.	● Technology

#### Mitigation measures of operational risk:

- Standard operating procedure is followed to conduct day to day activities of the bank. Bank has well-articulated operation manual, internal control and compliance manual, anti money laundering and terrorist financing manual, accounting manual and ICT manual etc. to describe the standard operating procedure.
- Internal audit is conducted on different business and non-business on periodic basis. Risk based audit has been established.
- Adequate capital is maintained against operational risk under RBCA guideline of Bangladesh Bank.
- Risk appetite is outlined on different indicator of operation risk.
- External auditors regularly provide unbiased recommendations on the strengths or weaknesses of the bank's internal control system. They examine records and transactions and evaluate the accounting policy, disclosure policy and methods of financial estimation. This allows the Board and the management to independently view the bank's overall control system. Along with the periodic Bangladesh Bank audit, other external auditors conduct regular audits to ascertain control lapses within the system.

#### Liquidity Risk Management:

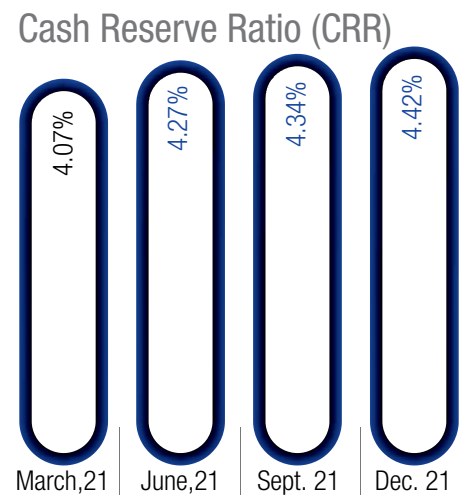
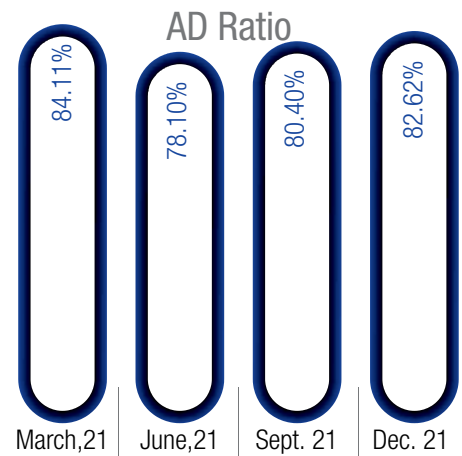
Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. An institution short of liquidity may have to undertake transaction at heavy cost resulting in a loss of earning or in worst case scenario; the liquidity risk could result in bankruptcy. Liquidity risk may be categorized as follows: a) Funding liquidity risk: risk generates when bank will be unable to meet its current and future cash flow and collateral needs without affecting its daily operations or its financial condition. b) Market liquidity risk: risk generate when bank cannot easily offset or sell a position without incurring a loss because of inadequate

#### Cause of Liquidity Risk:

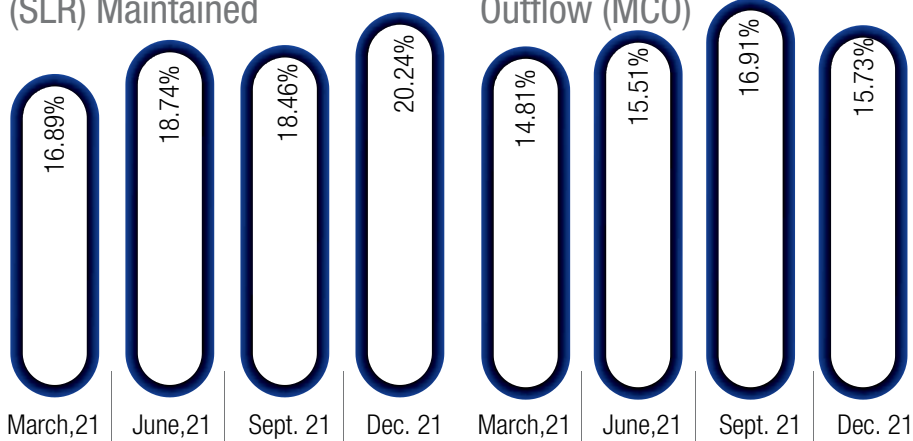
Internal Banking Factors	External Banking Factors
High Off-Balance Sheet Exposures	Very sensitive financial market depositors
Highly rely on the short-term corporate deposits	External & internal economic shocks
A gap in the maturity dates of assets and liabilities	Low/slow economic performances
Rapid assets expansions exceed the available funds on the liability side	Decreasing depositor's trust on the banking sector
Concentration of deposits in the short term tenor	Non-economic factors
Less allocation in the liquid government instruments	Sudden & massive liquidity withdrawals from depositors
Fewer placements of funds in long-term deposits	Unplanned termination of government deposits



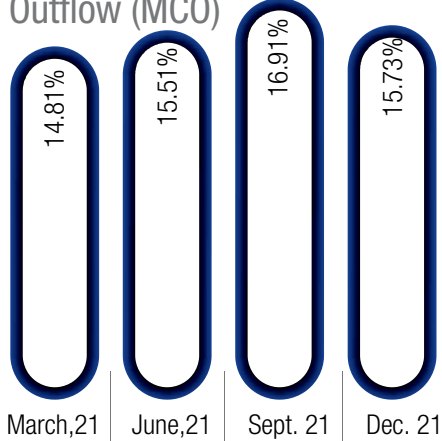
Current Deposit & other accounts 22.86%  
 Bills Payable 0.51%  
 Savings Deposits 10.61%  
 Fixed Deposits 51.24%  
 Short Term Deposit 7.03%  
 Scheme Deposit 7.76%



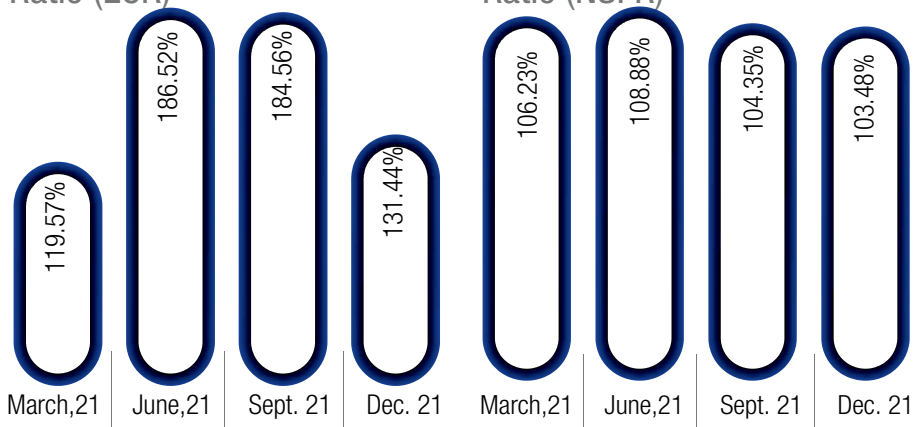
## Statutory Liquidity Ratio (SLR) Maintained



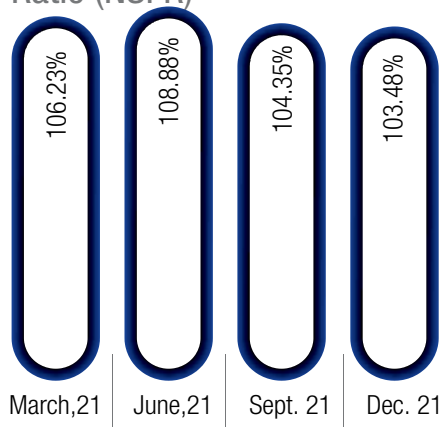
## Maximum Cumulative Outflow (MCO)



## Liquidity Coverage Ratio (LCR)



## Net Stable Funding Ratio (NSFR)



### Internal Control & Compliance Risk Management:

Internal control as defined in accounting and auditing, is a process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. However, in broader concept, internal control involves everything that controls risks to an organization.

Internal control can be defined with the help of five following components:

- Control Environment - sets the tone for the organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control.
- Risk Assessment - the identify and analysis of relevant risks to the achievement of objectives, forming a basis for how the risks should be managed
- Information and Communication - systems or processes that support the identify, capture, and exchange of information in a form and time frame that enable people to carry out their responsibilities
- Control Activities - the policies and procedures that help ensure management directives are

carried out.

- Monitoring - processes used to assess the quality of internal control performance over time.

NRB Bank has a vigorous organizational structure in place that ensures transparency, accountability and authenticity. The definition of internal control implies that everyone in the bank has responsibility for internal control to some extent. Virtually all employees produce information used in the internal control system or take other actions needed to affect control. Also, all personnel should be responsible for communicating upward problems in operations, non-compliance with the code of conduct, or other policy violations or illegal actions.



### Internal Control & Compliance process of NRB Bank:

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

### In 2021 internal Audit under IC&C Division conducted following no. of Audits:

Summary	No. of Audit
No. of Comprehensive Audit on branches	47
No. of Comprehensive Audit at Head Office	28
No. of IT Audit ( Branch)	46
No. of IT Audit ( Division)	06
No. of Surprise Cash Audit	13
No. of AML Audit	13
No. Agent outlet	07

### ICT Security Risk Management:

As banks adopt technology as part of their ongoing strategic tool to face challenges in the emerging realities of business, they are

increasingly exposed to technology risks. The risk has been increased in the cyber zone for the introduction of Internet Banking and increasing of E-commerce transaction across the world.

It is therefore imperative for each bank to work out appropriate IT risk management strategic to secure its most vital information assets and ensure that related risk management systems and processes are strengthened on continual basis to secure both present and future banking activities.

NRB Bank Limited, with the approval of the Board, has adopted an ICT policy in compliance with ICT security guidelines of Bangladesh Bank covering various aspect of ICT risk management. ICT Risk Management is emerging separate practice because of the unique role that IT plays in today's organizations.

NRB Bank Limited follows a robust, effective and efficient Information Technology with its Centralized Core Banking System, Mobile Banking application, In-House developed systems and other applications. Moreover Software team is working to minimize each risk element without hampering daily operational activities. The implantation of each new patch is scrutinized through a precise testing and debugging method with own in-house team.

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

- Adopt a lifecycle approach;
- Evaluate and analyze the risks;
- Identify informational assets and their values;
- Identify threats and vulnerabilities to information security;
- Plan the means and methods to minimize information risks;
- 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;
- Plan for a proper disaster management related to IT services;
- Establish an IT governance framework inside the bank;
- Control measures implantation;
- IT risks monitoring and control;
- Build a risk- aware culture and develop skills of manpower ;
- Managing IT risk using the effective,

efficient and right tools;

IT Risk Management helps to reduce service costs and achieve greater compliance by effectively assessing classifying IT risk. Moreover, IT Risk Management enables the management to initiate effective management decision to ensure smooth the business operations.

#### Money Laundering Risk Management:

NRB is strongly committed to preventing the use of the Bank's products and services for Money Laundering and Terrorist Financing purposes and to preventing violations of Sanctions Regulations. In 2021, NRB has stepped up its efforts in this area and we will continue this work in 2022. Activities are being undertaken across the Bank to ensure that we meet all regulatory standards and that we achieve broad oversight on and consistency in our approach. This includes an upgrade of our transaction monitoring capabilities throughout the entire network. The bank has a designated Chief Anti Money Laundering Compliance Officer (CAMLCO) at Head Office and Branch Anti Money Laundering Compliance Officers (BAMLCO) at branches who independently review the transactions of the accounts to verify suspicious transactions. Last year, the Bank updated and reviewed its guidelines on Anti Money Laundering and Combating financing of terrorism which received enormous appreciation from the regulatory bodies for the quality of its contents. The convergence of several remarkable changes in the world markets propelled Money Laundering to become a worldwide problem. NRB considers Money Laundering and Terrorist Financing Risk not only a compliance requirement of the regulatory bodies but also as one of its core business values. The Board of Directors and the Management are firmly committed to combat Money Laundering activities.

SL	Money Laundering Awareness Program	Number of Program (From 1 <sup>st</sup> January,21 - 31 <sup>st</sup> December,21)
1	Executive	6
2	Officers	6

#### Environmental & Social Risk Management:

Environmental and climate change risk refers to the uncertainty of losses that may originate from any adverse environmental/ climate change events and/or non-compliance with prevailing environmental regulations. NRB bank is always concentrated on environmental and social changes. Natural calamities tend to have a negative impact on the bank's business. NRB bank deals with such challenges proactively. Moreover, additional capital is allocated as per the bank's ICCAP by considering the environmental and social risks.

Sector Environmental Due Diligence (EDD) Check List specified in Guidelines on Environmental Risk Management (ERM) issued vide BRPD Circular No. 01/2011 dated 30/01/2011 is used to determine this risk. For the loans under the sectors specified in the guidelines and which will have EnvRR of 'High (H)' was considered for the capital charge against this risk.

(BDT Million)	
Green Projects/Products	Loan Outstanding
Biological ETP	40.66
Green Bricks Plant	108.17
Leed Certified Green Estab.	172.73
Green Estab.	364.53
Pet Bottle Recycling Plant	396.97

Green Projects/Products	Loan Outstanding
Recyclable Poly Baggage	0
Used lead acid battery recycling plant	95.79
LED Bulb/Tube Manufacturing/Assembly Plant	52.84
Solar Panel	84.53
<b>Grand Total</b>	<b>1,316.22</b>

### Supervisory Review Process (SRP)

Supervisory Review Process, the Second Pillar of Basel-III of Risk Based Capital Adequacy Framework, is intended not only to ensure that banks have adequate capital to support all the risks in their business, but also to encourage banks to develop and use better risk management techniques in monitoring and managing their risks. The key principle of the Supervisory Review Process (SRP) enjoins that banks should have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level. 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-I bank has to assess additional capital under Pillar-II Supervisory Review Process for the following risk areas:

SL. No.	Name	Type
1	Residual Risk	<ul style="list-style-type: none"> <li>● Error in documentation</li> <li>● Error in valuation of collateral</li> </ul>
2	Concentration Risk	<ul style="list-style-type: none"> <li>● Credit Concentration Risk</li> <li>● Market Concentration Risk</li> </ul>
3	Liquidity Risk	<ul style="list-style-type: none"> <li>● Cash Reserve Requirement (CRR):</li> <li>● Statutory Liquidity Ratio (SLR),</li> <li>● Medium Term Funding Ratio (MTFR),</li> <li>● Maximum Cumulative Outflow (MCO),</li> <li>● Advance Deposit Ratio (ADR)</li> <li>● Liquidity Coverage Ratio (LCR),</li> <li>● Net Stable Funding Ratio (NSFR).</li> </ul>
4	Reputation Risk	<ul style="list-style-type: none"> <li>● Credit Rating conducted by ECAs</li> <li>● Internal Fraud</li> <li>● External Fraud</li> <li>● Non-Payment or Delayed payment of accepted bills</li> </ul>






5	Strategic Risk	<ul style="list-style-type: none"> <li>● CAMELS rating</li> <li>● Operating expenses</li> <li>● Classified loans ratio</li> <li>● Recovery of classified loan</li> <li>● Written-off loans</li> <li>● Interest waiver</li> <li>● Cost of fund</li> </ul>
6	Settlement Risk	<ul style="list-style-type: none"> <li>● Issues of foreign trade settlement</li> <li>● All types of receivables that have not been realized or have been realized lately</li> </ul>
7	Evaluation of Core Risk Management	<ul style="list-style-type: none"> <li>● Ratings of Core Risks implementation</li> </ul>
8	Environmental & Climate change Risk	<ul style="list-style-type: none"> <li>● Damage of assets due to adverse change of environment</li> </ul>
9	Other Material Risk	<ul style="list-style-type: none"> <li>● Other risks that may jeopardize bank's assets or income</li> </ul>

Risk management in banking has been transformed and shaped over the past decade. The main factor behind the change is in response to regulations that emerged from the global financial crisis. But as the nature of the banking changes over the next decade, so the risk management need will be evolved accordingly. The boundary of Risk Management Division is increasing and in line with that NRB RMD is broadening its role as well. They are getting armed with the right tools and human resources to accelerate the risk discovery as well as risk management process to support the Board members to set the most appropriate risk appetite. This risk appetite will be in line with the bank's strategy. Thus the ultimate goal, maximizing shareholders wealth will be rightly achieved by NRB Bank Limited.

#### Stress Testing:

Stress Testing is a risk management technique used to evaluate the potential effects on an institution's financial condition based on a set of assumptions that measures how much capital is needed to absorb any losses in different stressed situations.

Combined Shock	Minor Shock		Moderate Shock		Major Shock	
	Changes in CRAR	CRAR after Shock (%)	Changes in CRAR	CRAR after Shock (%)	Changes in CRAR	CRAR after Shock (%)
	-3.52	15.67	-10.18	9.01	-17.32	1.87

  
 .....  
 Chief Risk Officer (Acting)



# Disclosures on Risk Based Capital (Basel III)

Basel III Capital regulations continue to be based on three mutually reinforcing Pillars viz, Minimum Capital requirements (Pillar I), Supervisory Review and Evaluation Process (Pillar II) and Market Discipline (Pillar III). It's also prescribes the risk weights for the Balance Sheet assets, non-funded items and other off-Balance Sheet exposures and the minimum Capital Funds to be maintained as a ratio to the aggregate of the Risk Weighted Assets (RWA) and other exposures, as also, capital requirements in the Trading book, on an ongoing basis and Operational risk.

The Basel-III norms mainly seek to:

- Raise the quality of capital to ensure that the Banks are capable to absorb losses on both as going concern and as gone concern basis, and
- Increase the risk coverage of the capital framework

## Implementation of Basel III:

To cope up with the international best practices and to make the Bank's capital shock absorbent 'Guidelines on Risk Based Capital Adequacy (RBCA) for Banks' (Revised Regulatory Capital Framework in line with Basel II) was introduced from 01 January 2009 as a parallel run with BRPD Circular No. 10, dated 25 November 2002 (Basel I). At the end of parallel run, Basel II regime started from 01 January 2010 and the guidelines on RBCA came fully into force with its subsequent supplements/revisions. After that Bangladesh Bank issued 'Guidelines on Risk Based Capital Adequacy (RBCA) for Banks' (Revised Regulatory Capital Framework in line with Basel III) vide its BRPD Circular 18 dated 21 December 2014 that Basel III reporting start from January 2015 and full implementation will start from January 2020. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital and Disclosure requirement as stated in the guidelines had to be followed by all scheduled banks for the purpose of statutory compliance. From 2020, In line with full implementation, minimum capital to risk weighted assets ratio (CRAR) was set at 12.50% with minimum Tier-1 Capital ratio at 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** speaks of ensuring market discipline by disclosing adequate information to the stakeholders

## Limits (Minima and Maxima) under Basel III:

SL	Particulars	2021 (Prescribed)	NRB Bank Ltd. (December, 2021)	
			SOLO	CONSOLIDATED
1	Common Equity Tier 1	4.5%	16.84%	17.11%
2	Minimum T-1 Capital Ratio	6%	16.84%	17.11%
3	Minimum Capital to Risk Weighted Asset Ratio	10%	18.23%	18.53%
4	Tier 2 Capital to Risk Weighted Asset Ratio	Maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher	1.39%	1.41%
5	Minimum Total Capital plus Capital Conservation Buffer	12.50%	18.23%	18.53%
6	Leverage Ratio	≥ 3%	10.31%	10.39%
7	Liquidity Coverage Ratio	≥ 100%	131.44%	131.44%
8	Net Stable Funding Ratio	> 100%	103.48%	103.48%

## Components of Disclosure:

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

- Scope of Application
- 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:**

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**Qualitative Disclosures**

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) The name of the top corporate entity in the group to which this guidelines applies                                                                                                                                                                                                                                                       | <b>NRB Bank Limited</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 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 has 1 (One) subsidiary viz. NRB Bank Securities PLC</p> <p>A brief description of the Bank and its subsidiary are given below:</p> <p><b>NRB Bank Limited</b></p> <p>NRB Bank Limited was formally inaugurated on 4<sup>th</sup> 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 following no. of branches, agent banking and other facilities all over Bangladesh-</p> <p>No. of Branches: 49<br/>         No. of Sub Branch: 11<br/>         No. of Agent banking: 319<br/>         No. of ATM booths: 48<br/>         No. of DESCO Bill Collection Booths: 07</p> <p><b>NRB Bank Securities PLC</b></p> <p>NRB Bank Securities PLC (the company) was incorporated in Bangladesh as on 16<sup>th</sup> March, 2021 as a public limited company under the Companies Act 1994 vide certificate of incorporation no. C-169869/2021. It is a subsidiary company of NRB Bank Limited, a banking company incorporated in Bangladesh under the Banking Companies Act 1991 having its registered office at Uday Sanz, Plot # 2/B, Road # 134, Block - SE(A), Gulshan South Avenue, Gulshan - 1, Dhaka - 1212.</p> |
| c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.                                                                                                                                                                                                                               | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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**Quantitative Disclosures**

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- |                                                                                                                                                                                  |                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group. | Not applicable |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
-

b) **Capital Structure:**

**Qualitative Disclosures**

a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.

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

**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 12.50% 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 31<sup>st</sup> December, 2021 is as follows:

1. Common Equity Tier-1 (Going Concern Capital)	Solo	Consolidated (BDT Million)
Fully Paid-up Capital/Capital Deposited with BB	5,905.87	5,905.87
Statutory Reserve	786.38	786.38
Retained Earnings	308.71	308.71
<b>Less: Regulatory Adjustment for Tier-1 Capital</b>	<b>(368.67)</b>	<b>(368.67)</b>
<b>Total Common Equity Tier-1 Capital</b>	<b>6,632.29</b>	<b>6,632.29</b>
2. Tier-2 Capital (Gone-Concern Capital)		
General Provision	547.82	547.82
<b>Total Admissible Tier-2 Capital</b>	<b>547.82</b>	<b>547.82</b>
<b>Total Regulatory Capital</b>	<b>7,180.11</b>	<b>7,180.11</b>



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.

**Bank Calculation Approach:**

NRB Bank adheres to the RBCA Guidelines of Bangladesh Bank while gauging its capital adequacy requirement. The Bank adopted standardized approach for credit & market risk exposures, and basic indicator approach for operational risk exposure. We emphasize the following principles while assessing our capital base:

- A strong Capital to Risk Weighted Asset Ratio (CRAR);
- Maintaining capital at a reasonable level to absorb all material risks;

**Capital Management :**

Capital Adequacy calculation gives the Bank an indicative resolution for the capital requirement; capital management, on the other hand, plays a vital role in maintaining the overall capital at an adequate level. NRBB's capital management is underscored by a sound capital assessment process, followed by a risk-based long-term capital planning approach. Some of the mentionable initiatives to ensure adequate capital of the Bank are as follows:

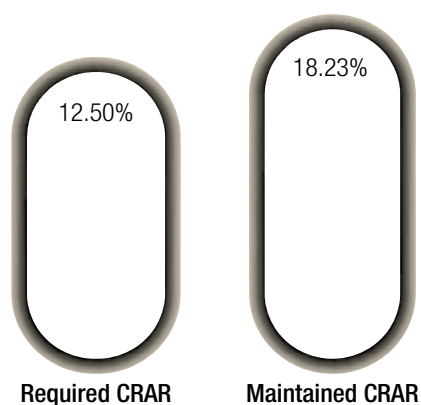
- Encouraging borrowers to complete external credit rating to assess counterparty credit risk status, and minimizing regulatory capital requirements;
- Improving and enhancing collateral coverage through efforts to obtain eligible collateral;
  - Stressing internal capital accretion. However, if needed, issuing subordinated debt to meet capital requirement;
  - Growth projection in line with RWA composition and capital planning trajectory ;
  - Assessing risk profile of new clients and onboarding clients with satisfactory external credit rating.

NRBB's Basel Implementation Unit and Risk Management Division (RMD) monitors CRAR status regularly and reports to the Senior Management and the Board periodically.

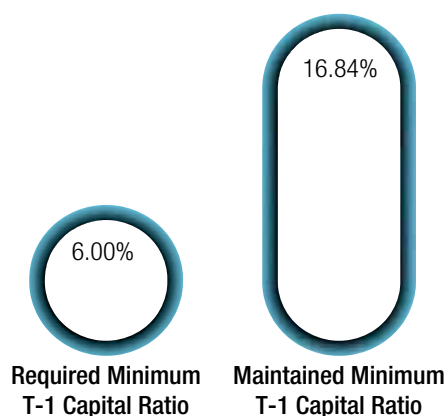
<b>Quantitative Disclosures</b>		(BDT Million)	
<b>Capital requirement under following Risk:</b>		<b>Solo</b>	<b>Consolidated</b>
<b>b)</b> Capital requirement for Credit Risk		3,234.51	3,172.01
<b>c)</b> Capital requirement for Market Risk		326.33	326.33
<b>d)</b> Capital requirement for Operational Risk		377.50	377.50
<b>Total Capital Requirement (b+c+d)</b>		<b>3,938.35</b>	<b>3,875.85</b>
<b>Minimum Capital Requirement (MCR) Capital Adequacy Ratio (CRAR):</b>			
<b>1.</b> Common Equity Tier 1 (CET 1) Ratio		16.84%	17.11%
<b>2.</b> Tier 1 Capital Adequacy Ratio		16.84%	17.11%
<b>3.</b> Tier-2 Capital Adequacy Ratio		1.39%	1.41%
Capital to Risk-weighted Asset Ratio (CRAR)		18.23%	18.53%
Capital Conservation Buffer (2.50%)		8.23%	8.53%
Minimum Capital Requirement (MCR)		<b>4,000.00</b>	<b>4,000.00</b>

## Eligible Capital:

### SOLO

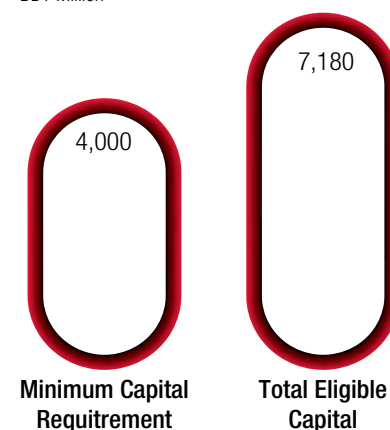


### SOLO

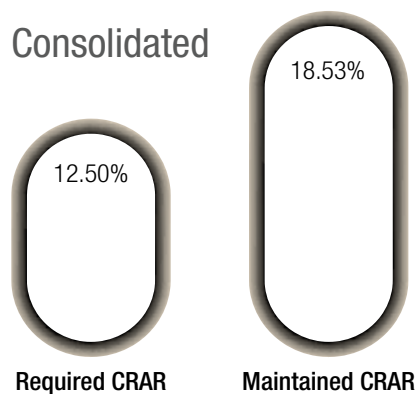


### SOLO

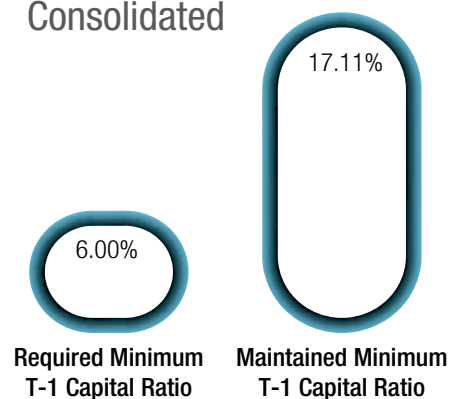
BDT Million



### Consolidated

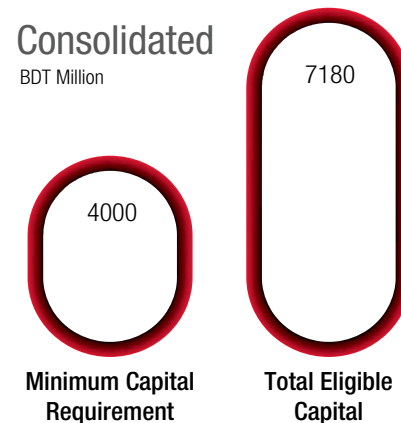


### Consolidated



### Consolidated

BDT Million



## Capital Adequacy to Risk Weighted Asset Ratio (CRAR):

### d) Credit Risk:

Qualitative Disclosures	
i) Definitions of past due and impaired	<p>a) The general qualitative disclosure requirement with respect to credit risk:</p> <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. 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 &amp; Micro Credit</p>



- ii) Description of approaches followed for specific and general allowances and statistical methods

**Cottage, Micro and Small Credits under CMSME:**

Loan Type	Figure in months				
	STD	SMA	SS	DF	BL
Continuous					
Demand	<2	≥2 but <6	≥6 but <18	≥18 but <30	≥30
Fixed Term Loan*					

**Other than Cottage, Micro and Small Credits under CMSME:**

Loan Type	Figure in months				
	STD	SMA	SS	DF	BL
Continuous					
Demand	<2	≥2 but <3	≥3 but <9	≥9 but <12	≥12
Fixed Term Loan*					
Short Term Agricultural and Micro Credit	<12		≥12 but <36	≥36 but <60	≥60

\* Note: 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 after six months of the expiry date.

Particulars		Short Term Agri. Credit & Micro Credit Other than HF, LP & Card	Consumer Financing			
			HF	LP	Credit Card	
UC	Standard	1%	2%	1%	2%	2%
	SMS	0%	2%	1%	2%	2%
Classified	SS	5%	20%	20%	20%	20%
	DF	5%	50%	50%	50%	50%
	B/L	100%	100%	100%	100%	100%

Particulars		Small & Medium Enterprise Financing		Loans to BHs/ MBs/SDs	All other Credit
Cottage, Micro & Small Credits under CMSME		Medium Enterprise Financing			
UC	Standard	0.25%	0.25%	2%	1%
	SMS	0.25%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%
	DF	20%	50%	50%	50%
	B/L	100%	100%	100%	100%

<b>iii) Discussion of the Bank's Credit risk management policy.</b>	<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 &amp; responsibilities and the processes whereby the Credit Risks carried out by the Bank can be identified, quantified &amp; 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 the 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 the methodology, eligible securities normally accepted by the Bank are taken to protect the interest. These securities act as mitigation against the credit risk to which the bank is exposed.</p>
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#### Quantitative Disclosures:

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

(Amount in Million)

Major Types	Continuous Loan	Demand Loan	Fixed Term Loan	Short Term Agri. Credit & Micro Credit	Staff Loan	Total
Small & Medium Enterprise Financing	2,335.57	2,885.83	7,012.71	-	-	12,234.11
Consumer Financing	2,098.64	-	1,284.00	-	-	3,382.63
Loans to BHs/MBs/Sds against Share	-	-	-	-	-	-
Housing Finance	-	-	676.42	-	-	676.42
Loan for Professionals to setup business (LP)	-	-	-	-	-	-
Short Term Agri. Credit	-	-	-	1,015.70	-	1,015.70
Others	4,101.43	9,692.15	8,901.95	-	-	22,695.54
Staff Loan	-	-	-	-	239.40	239.40
<b>Total exposure</b>	<b>8,535.64</b>	<b>12,577.99</b>	<b>17,875.08</b>	<b>1,015.70</b>	<b>239.40</b>	<b>40,243.80</b>

##### 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
<b>Urban</b>		<b>37,353.15</b>
Dhaka	27,499.52	
Chittagong	5,653.90	
Sylhet	1,341.46	
Rajshahi	1,002.87	
Barishal	-	
Khulna	1,042.79	
Rangpur	6.91	
Mymensingh	805.69	



Rural		
Dhaka	2,386.95	
Chittagong	386.45	
Sylhet	117.25	
Rajshahi	-	2,890.65
Barishal	-	
Khulna	-	
Rangpur	-	
Mymensingh	-	
<b>Total</b>		<b>40,243.80</b>

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	1,017.26
Food & allied industries	1,630.32
Tobacco	-
Readymade garments	2,346.69
Textiles	2,727.12
Ship breaking & ship building	218.02
Basic metal & steel engineering	1,002.36
Non-metallic mineral products	919.33
Pharmaceuticals industry	133.32
Chemical & chemical products	39.32
Rubber & plastic industries	584.74
Leather & leather products	480.46
Wood, furniture & fixtures	33.43
Paper & paper products	206.56
Electronic goods & machineries	2,263.89
Power & gas	860.03
Other manufacturing industries	2,053.37
Construction & commercial real estate	6,811.66
Transport & communication	185.37
IT & telecommunication	758.98
Medical services	-
Hotel & restaurant services	0.41
Printing & publishing industries	43.58
Other service industries	1,170.52
NBFIs	585.01

Trade & commerce	6,624.59
Consumer credit	3,238.19
Credit card	2,098.64
Staff loan	239.40
Others	1,971.21
<b>Total</b>	<b>40,243.80</b>

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

(Amount in Million)

Time band	Continuous Loan	Demand Loan	Term Loan	Agricultural Credit	Staff Loan	Total
Up to 1 month	2,569.98	2,485.18	291.78	0.30	-	5,347.24
1 to 3 months	1,457.92	3,921.81	179.70	52.10	0.17	5,611.71
3 to 6 months	914.93	2,991.57	310.67	204.78	0.17	4,422.12
6 to 12 months	1,871.16	2,481.42	2,640.33	758.52	0.96	7,752.38
1 to 2 years	506.69	460.34	1,231.08	-	3.20	2,201.31
2 to 3 years	463.29	94.39	1,679.68	-	12.62	2,249.98
3 to 4 years	417.56	-	2,048.60	-	34.09	2,500.25
4 to 5 years	334.10	143.28	2,584.49	-	9.85	3,071.73
5 to 7 years	-	-	4,186.12	-	82.57	4,268.69
7 to 10 years	-	-	2,362.52	-	51.65	2,414.17
Over 10 years	-	-	360.10	-	44.12	404.22
<b>Total</b>	<b>8,535.64</b>	<b>12,577.99</b>	<b>17,875.08</b>	<b>1,015.70</b>	<b>239.40</b>	<b>40,243.80</b>

**By major industry or counterparty type of NRBB:**

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

(Amount in Million)

Industry	Impaired	Past due
Small & Medium Enterprise Financing	799.64	774.55
Consumer Financing	187.27	97.14
Housing Finance	11.85	1.14
Loans for Professionals to setup business	-	-
Loans to BHs/MBs/SDs against Shares etc.	-	-
Other	366.88	1,912.62
Short Term Agri Credit & Micro Credit	0.30	-
Staff Loan	-	-
<b>Total</b>	<b>1,365.94</b>	<b>2,785.45</b>



● **Specific and general provision (Required)**

(Amount in Million)		
<b>Sector</b>	<b>General Provision</b>	<b>Specific Provision</b>
Small & Medium Enterprise Financing	74.15	492.69
Consumer Financing	69.66	144.61
Housing Finance	10.09	1.26
Loans for Professionals to setup business	-	-
Loans to BHS/MBs/SDs against Shares etc.	-	-
Other Corporate Credit	269.80	493.89
Short Term Agri Credit & Micro Credit	10.15	0.01
Against Off-Balance Sheet	113.97	-
<b>Grand Total</b>	<b>547.82</b>	<b>1,132.47</b>

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

<b>Against Classified Loans &amp; Advances</b>	(Amount in Million)
Provision held on 1 January , 2021	820.54
(-) Fully provided debts written off	53.87
(-)Recoveries from previously written off debts	-
(+)Provisions made during the year	311.93
<b>Provision held at end of year</b>	<b>1,132.47</b>

<b>Against Unclassified Loans &amp; Advances</b>	(Amount in Million)
Provision held on 1 January, 2021	439.50
Add: Provisions made during the year	(9.07)
<b>Provision held at end of year</b>	<b>430.43</b>

<b>Against Special Mention Accounts</b>	
Provision held on 1 January, 2021	2.26
Provisions made during the year	1.17
<b>Provision held at end of year</b>	<b>3.42</b>

<b>General Provision for Off Balance Sheet Exposures</b>	(Amount in Million)
Provision held on 1 January , 2021	102.57
Provisions made during the year	11.40
<b>Provision held at end of year</b>	<b>113.97</b>

f) **Gross Non-Performing Assets (NPAs) of NRBBL:**

<b>Gross Non-Performing Assets (NPAs)</b>	(Amount in Million)
Non-Performing Assets (NPAs) to outstanding loans & advances	
<b>Movement of Non-Performing Assets for NPAs</b>	
Opening balance	1,443.02

Additions	663.69
Reductions	740.77
Closing Balance	<b>1,365.94</b>
<b>Movements of specific provisions for NPAs</b>	
Opening balance	820.54
Provision made during the period	311.93
Write-off	53.87
Write back of excess provisions	-
<b>Closing Balance</b>	<b>1,132.47</b>

e) **Equities: Disclosures for Banking Book Position**

<b>Qualitative Disclosures:</b>	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	NRB Bank Limited has two categories of equity investments namely (i) Quoted Shares- traded in the secondary market of DSE & CSE like common stock, mutual fund, bond etc. and (ii) Unquoted Shares- currently not tradable in the secondary market. Unquoted shares include shares and securities which are characterized and categorized as (i) Held to maturity (ii) long term investment i.e. the Bank does not have any intention to sell securities immediately or in the near future (iii) Securities acquired under private placement which will be traded in the secondary market only after completion of required legal formalities with the BSEC (Bangladesh Securities & Exchange Commission), DSE, CSE as per prevailing laws etc.	
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	Investment in Shares and Securities are for gaining dividend income and capital gain. Dividend income are recognized in the books of accounts of the bank as and when such dividend is received and right to receive such dividend is established. Both Quoted shares and unquoted shares are valued at cost and necessary provisions are maintained if the price falls below the cost. At the time of calculation of unrealized gain or loss of quoted shares, sufficient provisions on shares & securities are made in the books of accounts after netting off the values of the portfolios but however unrealized gains are not accounted for. As per Bangladesh bank guidelines, HTF (Held for Trading) securities are revalued once in a week using marking to market concept and all such securities are revalued once in a year according to the Bangladesh bank guidelines.	
<b>Quantitative Disclosure</b>		
Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	<b>Value of Investments in Balance Sheet</b>	(Amount in Million)
	Shares in Listed Companies (Valuation at average cost price)	1,220.07
	Fair Market Value of shares in Listed Securities	942.38
● The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.		219.83
* Total unrealized gains (losses)		277.69
* Total latent revaluation gains (losses)		0
* Any amounts of the above included in Tier – 2 capital.		0





- 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<sup>st</sup> December 2021 was as under:  
(Amount in Million)

Particulars	Amount (MV)	Weight	Capital Charge
Specific Risk	1606.04	10%	160.60
General Market Risk	1606.04	10%	160.60
<b>Total</b>	<b>3212.08</b>		<b>321.21</b>

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

**Qualitative Disclosures:**

- (a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.

Interest rate risk is the potential impact on the Bank's earnings (Net Interest Income- NII) and net asset values due to changes in market interest rates. Interest rate risk arises when the Bank's principal and interest cash flows (including final maturities), for both On and Off-balance sheet exposures, have mismatched re-pricing dates. The amount at risk is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatch position. The portfolio of assets and liabilities in the banking book sensitive to interest rate changes is the element of interest rate risk. The immediate impact of changes in interest rates is on the Bank's net interest income (difference between interest income accrued on rate sensitive asset portfolio and interest expenses accrued on rate sensitive liability portfolio) for a particular period of time, while the long term impact is on the Bank's net worth since the economic value of the Bank's assets, liabilities and off-balance sheet exposures are affected.

**Key assumptions on loan prepayments and behavior of non- maturity deposits:**

- Loans with defined contractual maturity are re-priced in the respective time buckets in which it falls as per the loan repayment schedule;
- Loans without defined contractual maturity are segregated into different time buckets based on the past trend, seasonality, geographical perspective and re-priced accordingly; and
- Non-maturity deposits namely current, saving deposits are segregated into different time buckets on the basis of past trend of withdrawal, seasonality, religious festivals, geographical perspective and re-priced accordingly. However, the behavior of withdrawal of non-maturity deposits of NRBBL is more or less stable.

**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)	13,476.24	4,591.10	7,649.94	24,222.20
Interest Sensitive Liabilities (B)	12,680.28	7,937.13	6,952.59	17,205.00
GAP (A-B)	795.97	(3,346.03)	697.35	7,017.20
<b>Cumulative GAP</b>	<b>795.97</b>	<b>(2,550.06)</b>	<b>(1,852.71)</b>	<b>5,164.49</b>

**CRAR after Shock:**

(Amount in Million)

Magnitude of Shock	Minor 1%	Moderate 2%	Major 3%
Regulatory Capital (After shock)	7046.60	6536.90	6027.10
RWA (After shock)	38,797.70	38,797.70	38,797.70
CRAR (After shock)	18.16%	16.85%	15.53%
Total Assets	60,647.80	60,647.80	60,647.80
Duration Gap in years	0.90	0.90	0.90
Changes in Market value of Equity due to an increase in interest Rate, $\Delta$ MVE	509.72	1,019.45	1,529.17

**Market Risk:****Qualitative Disclosures:**

Views of BOD on trading/ investment activities

Market risk is the risk that the value of a portfolio, either an investment portfolio or a trading portfolio, will decrease due to the change in value of the market risk factors. The four standard market risk factors are equity prices, interest rates, foreign exchange rates and commodity prices. The objectives of our market risk policies and processes are to obtain the best balance of risk and return whilst meeting customers' requirements. The primary categories of market risk for the bank are:

**Interest Rate Risk:** The risk of loss resulting from changes in interest rates. As a result of mismatch of interest rates on its assets and liabilities and/or timing differences in the maturity thereof.

**Foreign Exchange Risk:** It is the risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movement in currency exchange rates on the value of open foreign currency position and. There are also the risk of default of the counter parties and settlement risk.

**Equity Risk:** It is risk that results from adverse changes in the value of equity related portfolios.

**Commodity Price Risk:** Commodity price risk arises from changes in commodity prices and implied volatilities in commodity options, covering energy, precious metals, base metals and agriculture. Currently we do not have any exposure in commodity financing.

Methods used to measure Market risk

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:

- a) **Capital charges for interest rate risk=**  
Capital Charge for General Market Risk
- b) **Capital charges for Equity Position Risk=**  
Capital Charge for Specific Risk + Capital Charge for General Market Risk
- c) **Capital charges for Foreign Exchange Risk=**  
Capital Charge for General Market Risk
- d) **Capital charges for Commodity Position Risk=**  
Capital Charge for General Market Risk



Market Risk Management System	<p>To manage, monitors &amp; control the above risks the Bank has Risk Management Committee &amp; Asset-Liability Committee comprising the al Heads and Seniors Executives and Mid Office etc. They set in every month to discuss the matters and takes immediate steps as and when required to mitigate the issues.</p> <p>To manage the interest rate risk, ALCO regularly monitors various ratios and parameters. Among the ratios, the key ratios that ALCO regularly monitors are Liquid asset to total assets, Volatile Liability dependency ratio, medium term funding 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 exchange rate risk, bank always keep its net open position within the limit set by central bank. Also to manage exchange rate risk in cross currency, bank always square its position in cross currency or convert its exposure to USD. For monitoring and controlling the risk Bank has made contacts with several foreign banks and closely monitors the incoming and outgoing sources &amp; payment schedule of foreign currency.</p> <p>To manage equity risk, the bank ensures taking prudent investment decisions complying sectoral preference as per investment policy of the bank and capital market exposure limit set by BB</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	1.02
B	Equities	321.21
C	Foreign Exchange Position	4.11
D	Commodities	-
	<b>Total</b>	<b>326.34</b>

#### g) 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. As a part of continuous surveillance, the Senior Management Team (SMT) and 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 &amp; techniques for mitigating operational risk.</p>
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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:	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, CRM Policy, Internal Control & Compliance Policy, Policy on ML & FT, ICT Security Policy, Treasury Management Policy etc. addresses issues pertaining to Operational Risk Management.
<b>In 2021, Audit Department conducted following No. of audit:</b>	
Comprehensive Audit on branches	
Comprehensive Audit at Head Office	
IT Audit - Branch	
IT Audit - Division	
Surprise cash audit	
AML Audit	
Agent Outlet	
Sub Branch	
v) Approach for calculating capital charge for operational risk	The Bank follows the Basic Indicator Approach (BIA) in terms of BRPD Circular No. 18 dated 21 December 2014 under 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 $\alpha$ (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula: $K = [(GI\ 1 + GI\ 2 + GI\ 3) ]/n$

#### Quantitative Disclosures:

#### b) The capital requirements for operational risk

(Amount in Million)

Particulars	RWA	Capital Requirement
Minimum Capital Requirement: Operation Risk	3,775.04	377.50



h) **Liquidity Ratio:**

**Qualitative Disclosures:**

i) Views of BoD on system to reduce Liquidity Risk	<p>Measurement and managing liquidity needs are vital activities of the Bank. By assuring the Bank's ability to meet its liabilities as they become due, liquidity management can reduce the probability of developing an adverse situation. The importance of liquidity transcends individual Banks, as liquidity shortfall in one Bank can have repercussions on the entire Banking system. NRB Bank has a board-approved ALM policy to monitor and manages the liquidity stance of the Bank</p>
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><b>Regulatory Liquidity Indicators (RLIs):</b></p> <p>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)  Stress Testing</p> <p><b>Bank's own liquidity monitoring tools:</b></p> <p>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> <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 &amp; manages liquidity and interest rate risk in line with the business strategy. ALM activity including liquidity analysis &amp; 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 &amp; Accounts etc.</p>
iv) Policies and Processes for mitigating Liquidity risk	<p>An effective liquidity risk management process include systems to identify measure, monitor and control its liquidity exposures.</p> <p>Bank's Asset Liability Management Committee (ALCO) monitors 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:		(Amount in Million)
	Liquidity Coverage Ratio	131.44%
	Net Stable Funding Ratio (NSFR)	103.48%
	Stock of High quality liquid assets	11,566.18
	Total net cash outflows over the next 30 calendar days	8,799.53
	Available amount of stable funding	46,570.12

i) **Leverage Ratio:**

Qualitative Disclosures:	
i) Views of BoD on system to reduce excessive leverage	<p>Leverage ratio was introduced in Basel III with an aim to avoid building-up excessive on and off-balance sheet leverage in the Banking system. The leverage ratio is intended to achieve the following objectives:</p> <ul style="list-style-type: none"> <li>● constrain the build-up of leverage in the Banking sector which can damage the broader financial system and the economy</li> <li>● reinforce the risk based requirements with an easy to understand and a non-risk based measure NRBBL adopted leverage ratio in line with Basel III guidelines as a credible supplementary measure to the risk based capital requirements.</li> </ul>
ii) Policies and processes for managing excessive on and off-balance sheet leverage	The Bank adheres to the revised risk based capital adequacy guidelines of Bangladesh Bank while managing excessive on and off-balance sheet leverage.
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:	Solo	Consolidated
Leverage Ratio	10.31%	10.39%
On balance sheet exposure	60,007.81	59,507.80
Off balance sheet exposure	4,671.48	4,671.48
Regulatory Adjustments	(368.67)	(368.67)
<b>Total exposure</b>	<b>64,310.62</b>	<b>63810.61</b>

j) **Remuneration:**

The following are the main disclosure on remuneration that bank includes in their Pillar-III documents. The Bank is strongly encouraged not only to disclose the required information, but to articulate as far as possible how these factors complement and support their overall risk management framework. This requested quantitative disclosures detailed below should only cover senior management and other material risk takers and be broken down between these two categories.





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## Qualitative Disclosures

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(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.

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(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.

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.

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## Qualitative Disclosures

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(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.

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(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 Key Performance Indicators (KPIs) set beforehand, which incorporate the various aspects/metrics.

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(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)

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## Qualitative Disclosures

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- (f) **Description of the different forms of variable remuneration that the bank utilities and the rationale for using these different forms.**

The main forms of such variable remuneration include:

- Monthly Cash benefits
- Incentive plan for the employees to be paid annually

The form of variable remuneration depends on the job level of individual, risk involved, the time horizon for review of quality of the assignments performed.

- 
- (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.**

2 numbers of guaranteed festival bonuses amounted BDT 6.96 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

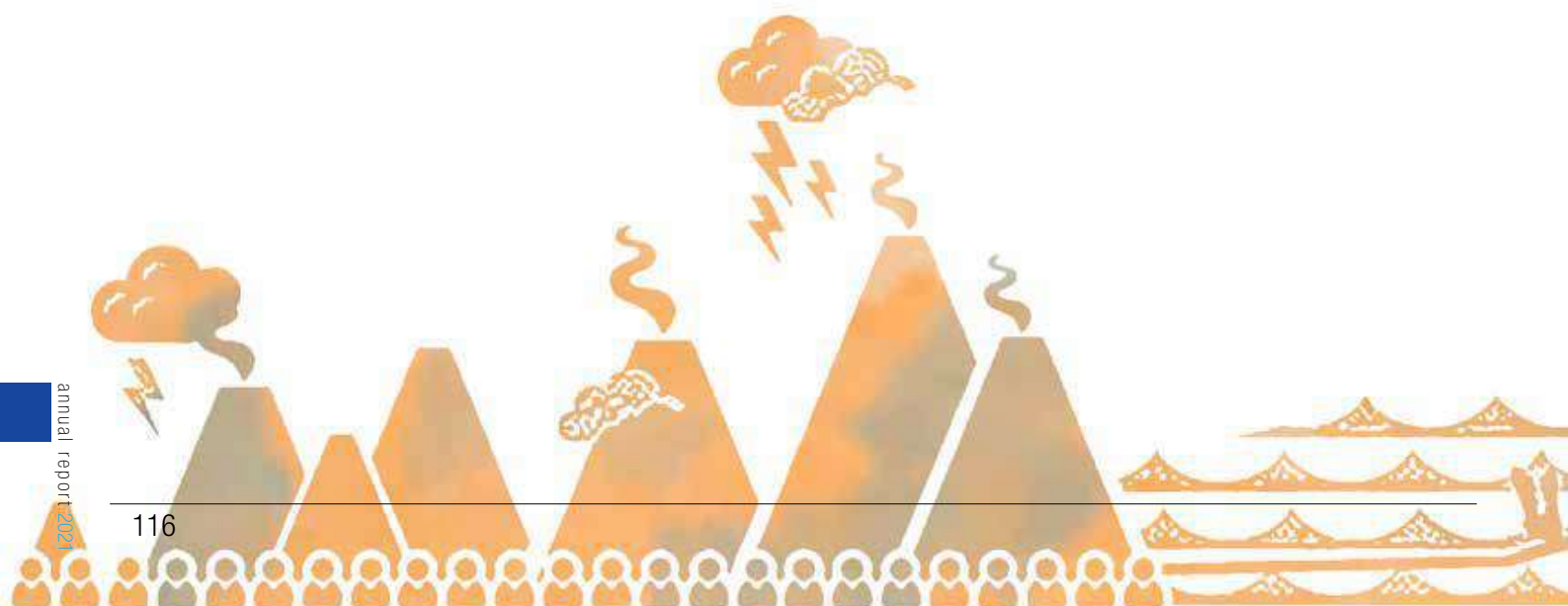
**Total amount of deferred remuneration paid out in the financial year-** Nil

- 
- (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 :

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## Qualitative Disclosures

Details	SVP & Above	Other
No of Employees	14	631
(Amount in Million)		
Basic Salary		280.17
Allowances		263.75
Festival Bonus		46.72
Incentive Bonus		25.70
Gratuity		14.28
Provident Fund Contribution		33.35

- (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

# Report of the Shari'ah Supervisory Committee

## Honorable Shareholders/Depositors of NRB Bank Ltd.

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuhu.

All praises are due to Allah Subhanahu Wa-Ta'ala. He is the One and Second to none. Durud and Salaam are for our Prophet Mohammad (SM.) who is the best Prophet & last Messenger of Allah and the Rahmat for the creatures of the world.

NRB Bank Limited has started its Islamic Banking operation on 11 September 2021 after obtaining license from Bangladesh Bank. The Bank has one full-fledged Islamic Banking Branch located at Gulshan, Dhaka and been providing all types of Islamic Banking services to the customer under Bank's all Branch and Sub-Branch network across the country.

The Shari'ah Supervisory Committee of the Bank plays a vital role in framing and exerting policy for strict adherence of Shari'ah principles in the Bank. As per Islamic Banking Guideline circulated by Bangladesh Bank, the Board of Directors may form an independent Shari'ah supervisory Committee (SSC) with experience and Knowledgeable persons in Islamic Jurisprudence for Shari'ah compliant Islamic Banking. The shari'ah Supervisory Committee of NRBBL gives opinion and guidelines to implement and comply of Shari'ah principles in all activities of the Bank particularly in the modes of investment.

The Shari'ah Supervisory Committee has participated in different meetings and discussed various issues on Islami Banking activities of the Bank in respect of the Islami Shari'ah Principles & Regulations and provided opinion and necessary directives during the year 2021.

The Shari'ah Supervisory Committee had also discussed/ reviewed and opined on the following issues in their meetings at NRB Bank Limited during 2021:

- Actualization of Rate of Profit for the Mudaraba Depositors of Islami Banking activities.

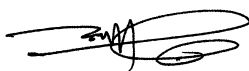
- Ensuring Shari'ah compliance in the implementation of all banking transactions and correcting any breaches.
- Organizing Workshop/Training programs for the officials of Islami Banking operations of the Bank.
- Arranging awareness program for compliance with the Islami Shari'ah.
- Analyzing business positions of Islamic Banking Branch.
- Shari'ah Supervisory Committee of the Bank has given their valuable opinion for paying Zakat on specific fund of the Islami Banking Branch.

### Shari'ah Supervisory Committee has given the following suggestions:

- The Executives/Officers of Islami Banking Branches should be more knowledgeable in Shari'ah based Banking and practices, should develop their efficiency and skills to ensure quality services to the Customers.
- There may be meetings, seminars, symposiums to be organized by the Bank at regular intervals to develop awareness among the clients and mass people about Islamic Banking, its practices and advantages.
- To take effective measures to operate investment in Musharaka and Mudaraba mode.
- Islami Shariah based products may be launched for under privileged people of the society and for educated low-middle income group people to engage those unbanked people with Islami Banking.

We pray to Almighty Allah to give us enough strength to implement Shari'ah Principles in every sphere of our life. We pray for unbound blessings on NRBBL and its stakeholders.

Ma-assalam.



**Shah Mohammad Wali Ullah**  
Chairman, Shari'ah Supervisory Committee

# Credit Rating Report

NRB Bank Limited was rated by Credit Rating Information & Services Limited (CRISL) on the basis of Audited Financial Statements as on 31 December 2021. The summary of Rating is presented below:



## CREDIT RATING

RATING	2022	2021
Long Term	A+	A
Short Term	ST-2	ST-2

# A+

Adequate safety for timely repayment of financial obligations

# ST-2

High certainty of timely payment

Rated by	<b>Credit Rating Information &amp; Services Limited</b>
Date of Rating	<b>June 30, 2022</b>
Validity	<b>Up to June 29, 2023</b>

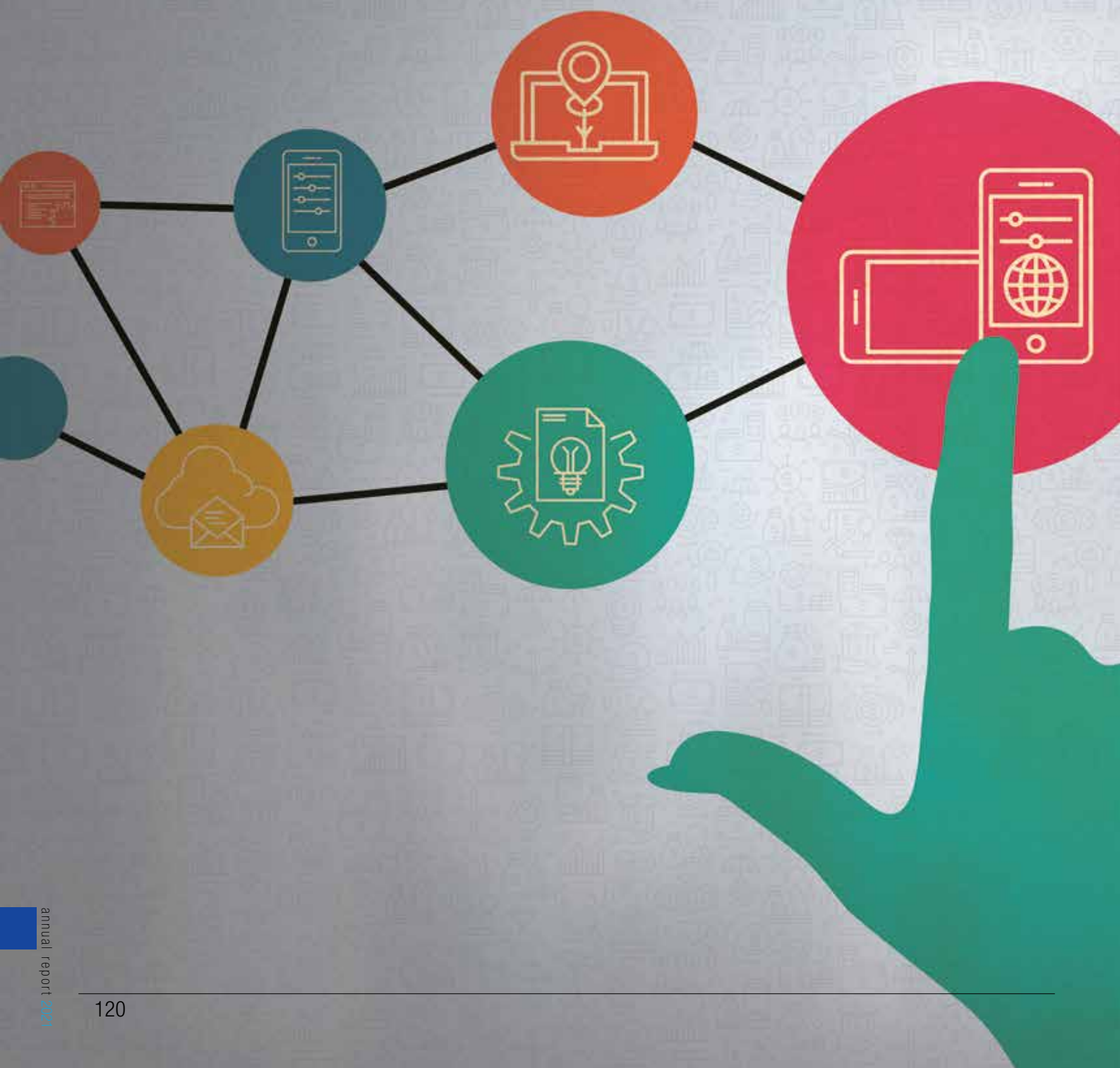


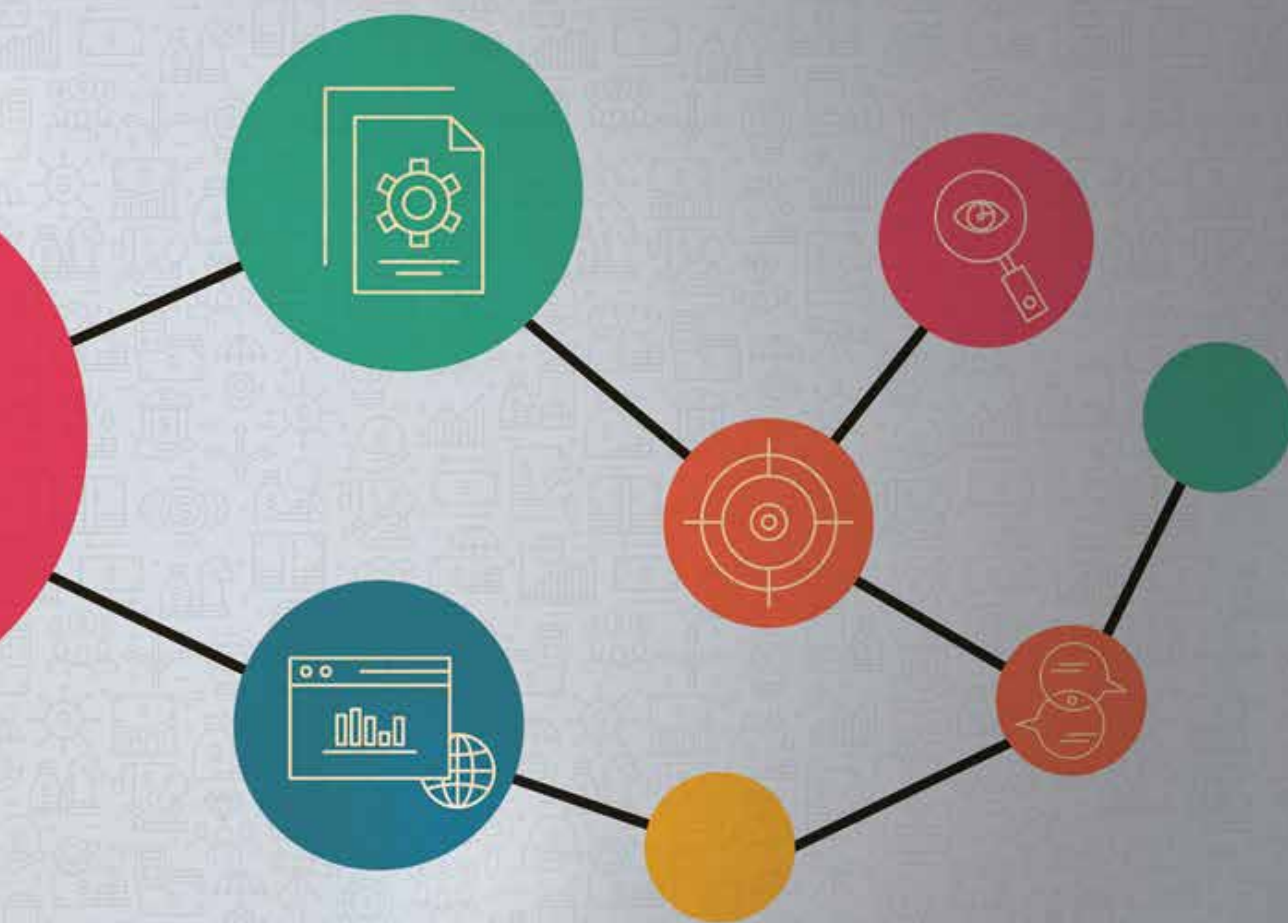
[www.nrbbankbd.com](http://www.nrbbankbd.com)



[www.facebook.com/nrbbankbd](https://www.facebook.com/nrbbankbd)







## STAKEHOLDERS' INFORMATION



# Financial Highlights

BDT Million

Particulars	2021	2020	Change (%)
<b>Performance During the Year</b>			
Net Interest Income	1,100	995	10.5%
Non Interest Income	1,533	1,445	6.1%
Operating Income	2,632	2,439	7.9%
Operating Profit/(Loss)	1,203	950	26.7%
Profit/(Loss) After Tax	428	671	-36.2%

<b>Year End Financial Position</b>			
Loans and Advances	40,244	38,849	3.6%
Investment	10,385	7,665	35.5%
Deposits	44,755	41,831	7.0%
Eligible Capital (Tier-I & Tier-II)	7,180	6,013	19.4%
Total Asset	61,140	55,363	10.4%

<b>Ratios (%)</b>			
Capital adequacy ratio (as per Basel II)	18.23%	16.07%	13.4%
Non performing loans	3.39%	3.71%	-8.6%
Cost to income ratio	54.3%	61.1%	-11.1%

<b>Channel</b>			
Branch	49	46	6.5%
Sub-Branch	11	0	-
ATM (Own)	48	46	4.3%
ATM (Shared)	NPSB	NPSB	

## Other Channel Standing in 2021

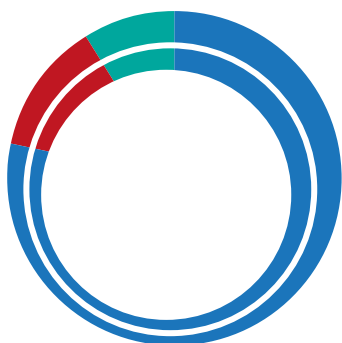
Call Center (24X7 Contact Center)	: Just a call away to 16568
Internet Banking	: log in from PC or mobile from anywhere in the world
Apps	: NRB Click

# Five-Year Progression Of NRB Bank

BDT Million

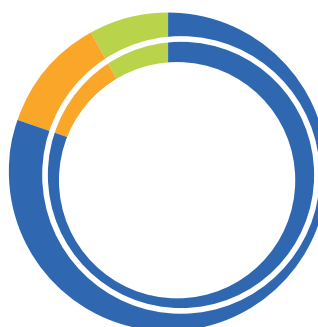
Particulars		2021	2020	2019	2018	2017
<b>Balance Sheet Metric</b>						
<b>Deposit Growth</b> 7.0% from 41,831 M of 2021	Authorised capital	10,000	10,000	10,000	10,000	10,000
	Paid up capital	5906	4,666	4,666	4,320	4,000
	Eligible Capital (Tier-I & Tier-II)	7180	6,013	5,197	5,524	4,942
	Deposits	44,755	41,831	41,810	33,519	23,933
<b>Loan Growth</b> 3.6% from 38,849 M of 2021	Borrowing	4,379	3,643	3,734	3,003	4,614
	Loans and Advances	40,244	38,849	38,932	32,473	22,921
	Credit to deposit ratio	82.62%	85.5%	87.8%	87.6%	81.2%
	Investment	10,385	7,665	8,257	5,644	4,953
<b>Income Statement Metric</b>						
<b>“Credit Rating”</b> Long Term <b>A+</b> Short Term <b>ST-2</b>	Fixed assets	424	385	449	441	439
	Total assets	61,140	55,363	54,723	44,148	34,940
	Net interest income	1,100	995	1,514	1,253	751
	Non-interest income	1,533	1,445	914	1,036	1,274
	Investment income	1034	995	447	707	1,046
	Operating income	2,632	2,439	2,428	2,289	2,025
	Operating expense	1,429	1,489	1,503	1,380	1,172
	Operating profit/(loss) -before provision and tax	1,203	950	925	909	854
	Provision for loans, investment and other assets	574	(8.84 )	1,019	253	247
	Profit/(loss) before tax	629	959	(94 )	657	606
<b>Credit Quality</b>						
	Profit/(loss) after tax	428	671	(125 )	582	443
	Non performing / classified loans (NPLs)	1,366	1,443	1,611	1,206	563
	Specific provision	374	(130 )	1,110	295	184
	General provision	(8 )	94	348	273	182
NPL to total loans and advance		3.39%	3.71%	4.14%	3.71%	2.5%





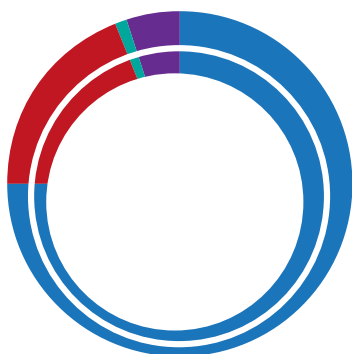
### Asset Funding Mix 2021

Deposits 78.6%  
Shareholders' Equity 12.6%  
Other Liabilities 8.8%



### Asset Funding Mix 2020

Deposits 80.6%  
Shareholders' Equity 11.6%  
Other Liabilities 7.8%



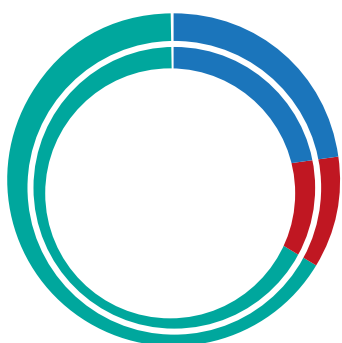
### Asset Mix 2021

Loans and Advances 75%  
Investments 19%  
Fixed Assets 1%  
Other Assets 5%



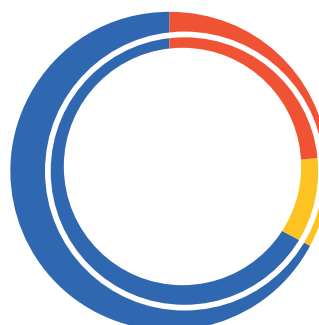
### Asset Mix 2020

Loans and Advances 80%  
Investments 16%  
Fixed Assets 1%  
Other Assets 3%



### Deposit Mix 2021

Current Deposit 23.0%  
Savings Deposit 10.7%  
Fixed Deposit 66.3%



### Deposit Mix 2020

Current Deposit 23.8%  
Savings Deposit 9.2%  
Fixed Deposit 67.0%

# 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 2021
<b>Wealth creation:</b>	
Income from banking services	5,077,241,100
Less: Cost of services & supplies	2,958,668,946
<b>Value added by banking services</b>	<b>2,118,572,154</b>
Non-banking income	-
Provision for loans, investments & off balance sheet items	(573,686,096)
<b>Total wealth creation</b>	<b>1,544,886,059</b>
<b>Wealth distribution</b>	
To employees as salary expenses	807,011,515
To government exchequer as income tax	201,477,439
<b>To expansion &amp; growth</b>	
Retained profit/(loss)	427,893,204
Depreciation	108,503,901
Deferred taxation	-
	536,397,105
<b>Total Value Addition</b>	<b>1,544,886,059</b>



To employee as salaries expenses 52.24%  
 To government exchequer as income tax 13.04%  
 Retained profit/(loss) 27.70%  
 Depreciation 7.02%





# Economic Impact Report

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

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

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

## **Maintaining capital adequacy**

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

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

## **Maintaining liquidity**

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

The capital adequacy computation as at 31 December 2021 is given below:

<b>Tier-1 Capital:</b>	<b>2021 (Taka)</b>	<b>2020 (Taka)</b>
<b>A) Total Common Equity Tier 1 Capital</b>		
Paid up capital	5,905,872,000	4,665,600,000
Share premium	-	-
Statutory reserve	786,381,698	660,507,569
General reserve	-	-
Retained earnings	308,711,762	470,952,006
	<b>7,000,965,459</b>	<b>5,797,059,575</b>
Less: Regulatory adjustments	368,674,435	328,215,994
<b>A) Total Common Equity Tier 1 Capital</b>	<b>6,632,291,024</b>	<b>5,468,843,581</b>
<b>B) Additional Tier 1 Capital:</b>		
Add: Additional Tier 1 Capital	-	-
Less: Regulatory adjustments	-	-
<b>C) Total Tier-1 Capital</b>	<b>6,632,291,024</b>	<b>5,468,843,581</b>
Tier 2 Capital (Gone -Concern Capital)		
Subordinated Bond	-	-
General provision maintained against unclassified loan/investments	433,851,760	441,755,014
General provision on off-balance sheet items	113,968,263	102,571,227
Asset revaluation reserve	-	-
Revaluation reserve of Government securities	-	-
	<b>547,820,023</b>	<b>544,326,241</b>
Less: Regulatory adjustments	-	-
<b>D) Total Tier 2 Capital</b>	<b>547,820,023</b>	<b>544,326,241</b>
<b>E) Total capital(C+D)</b>	<b>7,180,111,047</b>	<b>6,013,169,821</b>
<b>F) Total Risk weighted assets (RWA)</b>	<b>39,383,468,228</b>	<b>37,410,765,042</b>
<b>G) Required total capital (12.50% of RWA) or Minimum 4,000,000,000 whichever is higher</b>	<b>4,000,000,000</b>	<b>4,000,000,000</b>
<b>H) Surplus Common Equity Tier 1 Capital(A-G)</b>	<b>3,180,111,047</b>	<b>2,013,169,821</b>
Capital to Risk-Weighted Assets Ratio:		
Common Equity Tier- 1 / core capital to RWA against minimum requirement 4.5%	16.84%	14.62%
Tier- 1 / core capital to RWA minimum requirement 6%	16.84%	14.62%
Capital to Risk Weighted Assets against minimum requirement 10%	18.23%	16.07%





The background of the page is a dark blue gradient with a dense pattern of white line-art icons related to finance. These icons include stacks of coins, individual coins, banknotes, a wallet, a piggy bank, a money bag, a pyramid, a pen, a credit card, a lightning bolt, and various arrows. The text 'FINANCIAL STATEMENTS' is centered in a large, white, sans-serif font.

# FINANCIAL STATEMENTS



# Independent Auditors' 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 (the "Bank"), which comprise the balance sheet as at 31 December 2021, and 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 give a true and fair view of the financial position as at 31 December 2021, and 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 and 3.

#### 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 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), requirements of Bangladesh Securities and Exchange Commission (BSEC) 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.

#### Emphasis of matter

We draw attention to note 3.15 of the financial statements, which describes matters related to implementation of 'IFRS 16 Leases' including preliminary assessment of its impact as assessed by management. Our opinion is not modified in respect of this matter.

#### 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 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 that we obtained prior to the date of this auditor's 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 and 3 and comply with the Banking Company Act, 1991 (as amended up to date), the Companies Act, 1994 and other applicable Laws and Regulations 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 Bangladesh Bank guidelines 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 as a whole 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 judgement 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 Bank's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, 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 Banking Companies 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 purposes 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 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;
- iii. in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- 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 and payments made were for the purpose of the Bank's business for the year;
- vii. the financial statements 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 records and statements submitted by the branches have been properly maintained in the financial statements;
- x. the information and explanations required by us have been received and found satisfactory;
- xi. we have reviewed over 80% of the risk weighted assets of the Bank and spent over 2,985 person hours; and
- xii. capital to risk-weighted asset ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 27 April 2022  
DVC 2204280770AS277901

*Sabbir Ahmed*

Sabbir Ahmed FCA, Partner  
Enrolment no: 770  
Hoda Vasi Chowdhury & Co  
Chartered Accountants





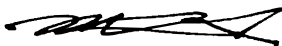

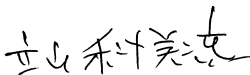

# Balance Sheet

as at 31 December 2021

PROPERTY AND ASSETS	Notes	31-Dec-2021 Taka	31-Dec-2020 Taka
<b>Cash</b>	4	<b>3,819,277,226</b>	<b>3,140,113,528</b>
Cash in hand (including foreign currencies)	4.1	1,041,954,491	739,719,284
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	4.2	2,777,322,735	2,400,394,244
<b>Balance with other banks and financial institutions</b>	5	<b>3,329,468,287</b>	<b>3,167,659,594</b>
In Bangladesh	5.1	3,180,351,652	3,068,091,239
Outside Bangladesh	5.2	149,116,635	99,568,355
<b>Money at call on short notice</b>		<b>285,400,000</b>	<b>535,500,000</b>
<b>Investments</b>	6	<b>10,384,613,338</b>	<b>7,665,384,722</b>
Government	6.1	7,746,901,199	6,079,258,097
Others	6.2	2,637,712,139	1,586,126,625
<b>Loans and advances/investments</b>	7	<b>40,243,799,326</b>	<b>38,848,570,390</b>
Loans, cash credit, overdrafts etc./investments	7.1	40,134,294,168	38,792,949,133
Bills purchased and discounted	7.2	109,505,158	55,621,257
<b>Fixed assets including premises, furniture and fixtures</b>	8	<b>423,670,630</b>	<b>384,938,747</b>
<b>Other assets</b>	9	<b>2,573,849,520</b>	<b>1,621,318,738</b>
<b>Non - banking assets</b>	10	<b>80,196,000</b>	<b>-</b>
<b>Total assets</b>		<b>61,140,274,327</b>	<b>55,363,485,719</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	4,378,640,019	3,642,983,144
<b>Deposits and other accounts</b>	12	<b>44,754,932,372</b>	<b>41,830,983,438</b>
Current deposits /Al-wadeeah current and other accounts	12.1	10,228,913,239	9,887,349,818
Bills payable	12.2	227,554,613	316,811,897
Savings bank deposits/Mudarabah savings bank deposits	12.3	4,748,996,643	3,831,217,604
Fixed deposits/Mudarabah fixed deposits	12.4	29,549,467,877	27,795,604,119
Bearer certificates of deposit		-	-
Other deposits		-	-
<b>Other liabilities</b>	13	<b>5,004,219,566</b>	<b>4,085,752,364</b>
<b>Total liabilities</b>		<b>54,137,791,957</b>	<b>49,559,718,946</b>
<b>Capital/shareholders' equity</b>			
Paid up capital	14.2	5,905,872,000	4,665,600,000
Statutory reserve	15	786,381,698	660,507,569
Other reserve	16	1,516,910	6,707,198
Retained earnings	17	308,711,762	470,952,006
<b>Total shareholders' equity</b>		<b>7,002,482,370</b>	<b>5,803,766,773</b>
<b>Total liabilities and shareholders' equity</b>		<b>61,140,274,327</b>	<b>55,363,485,719</b>


	Notes	31-Dec-2021 Taka	31-Dec-2020 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	18	<b>12,326,574,190</b>	<b>10,880,863,570</b>
Acceptances and endorsements	18.1	3,242,315,435	1,565,237,575
Letters of guarantee	18.2	6,156,223,432	7,366,294,585
Irrevocable letters of credit	18.3	1,998,287,406	1,325,590,543
Bills for collection	18.4	929,747,918	623,740,867
Other contingent liabilities			
<b>Other commitments</b>		-	-
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		-	-
<b>Total off-Balance Sheet items including contingent liabilities</b>		<b>12,326,574,190</b>	<b>10,880,863,570</b>
<b>Net asset value per share (NAV)</b>	38	<b>11.86</b>	<b>12.44</b>

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

			
Managing Director & CEO	Director	Vice Chairman	Chairman

As per our report of same date.

Dhaka, 27 April 2022  
DVC 2204280770AS277901

  
**Sabbir Ahmed, FCA, Partner**  
Enrolment no: 770  
Hoda Vasi Chowdhury & Co  
Chartered Accountants



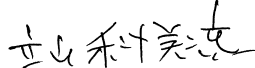



# Profit and Loss Account

for the year ended 31 December 2021

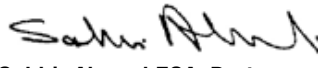
	Notes	Amount in Taka 2021	Amount in Taka 2020
Interest income	20	3,544,405,693	4,065,018,938
Interest paid/Profit Shared on deposits and borrowings etc.	21	(2,444,805,662)	(3,070,333,638)
<b>Net interest income</b>		<b>1,099,600,032</b>	<b>994,685,300</b>
Income from investments	22	1,033,968,530	994,960,846
Commission, exchange and brokerage	23	464,010,808	388,086,630
Other operating income	24	34,856,069	61,478,441
		<b>1,532,835,407</b>	<b>1,444,525,917</b>
<b>Total operating income (A)</b>		<b>2,632,435,439</b>	<b>2,439,211,217</b>
Salaries and allowances	25	797,479,371	798,760,560
Rent, taxes, insurance, electricity etc.	26	263,200,968	312,600,607
Legal and professional expenses	27	8,027,930	5,558,070
Postage, stamp, telecommunication etc.	28	28,404,336	33,130,666
Stationery, printing, advertisements etc.	29	18,538,989	19,632,693
Managing Director's salary and fees	30	9,532,144	13,600,000
Directors' fees and other expenses	31	5,885,377	742,421
Auditors' fees	32	400,000	400,000
Depreciation and repair of bank's assets	33	148,415,540	146,623,100
Other expenses	34	149,494,046	158,436,072
<b>Total operating expenses (B)</b>		<b>1,429,378,700</b>	<b>1,489,484,188</b>
<b>Profit before provision (C=A-B)</b>		<b>1,203,056,738</b>	<b>949,727,028</b>
Provision for loans and advances			
General provision		(7,903,253)	93,948,404
Specific provision		373,879,576	(129,777,502)
		365,976,323	(35,829,098)
Provision for off-balance sheet items		11,397,036	(33,703,162)
Provision for diminution in value of investments		192,061,839	(65,959,197)
Other provisions		4,250,898	126,649,955
<b>Total provision (D)</b>	<b>35</b>	<b>573,686,096</b>	<b>(8,841,501)</b>
<b>Total profit before tax (E=C-D)</b>		<b>629,370,643</b>	<b>958,568,529</b>
<b>Provision for tax</b>			
Provision for current tax	13.6	201,477,439	195,195,492
Deferred tax expense/(Income)		-	82,807,326
<b>Total provision for tax (F)</b>		<b>201,477,439</b>	<b>278,002,818</b>
<b>Net profit after tax (G=E-F)</b>		<b>427,893,204</b>	<b>680,565,711</b>
<b>Appropriations</b>			
Statutory reserve	15	125,874,129	189,814,252
Start-up fund		1,587,319	9,497,270
General reserve		-	-
		127,461,448	199,311,522
<b>Retained surplus for the year</b>		<b>300,431,756</b>	<b>481,254,189</b>
<b>Earnings per share (EPS)(Restated)</b>	<b>39</b>	<b>0.72</b>	<b>1.15</b>

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

			
Managing Director & CEO	Director	Vice Chairman	Chairman

As per our report of same date.

Dhaka, 27 April 2022  
DVC 2204280770AS277901



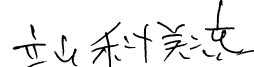

  
**Sabbir Ahmed FCA, Partner**  
Enrolment no: 770, Hoda Vasi Chowdhury & Co  
Chartered Accountants

# Cash Flow Statement

for the year ended 31 December 2021

	Notes	2021 Taka	2020 Taka
<b>Cash flows from operating activities</b>			
Interest receipts in cash		3,981,886,667	4,673,761,847
Interest payments		(2,445,492,623)	(3,344,603,866)
Dividend receipts		64,169,900	55,826,174
Fees and commission receipts		464,010,808	388,086,630
Cash payments to employees		(807,011,515)	(753,415,945)
Cash payment to suppliers		(10,295,688)	(8,645,144)
Income tax paid		(165,584,932)	(342,943,056)
Receipts from other operating activities	36	29,856,069	21,924,833
Payments for other operating activities	37	(513,863,284)	(602,010,939)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>		<b>597,675,403</b>	<b>87,980,535</b>
<b>Increase/(decrease) in operating assets and liabilities:</b>			
Loans and advances to customers		(1,395,228,936)	83,747,588
Other assets		(345,627,414)	(70,848,931)
Deposits from customers		2,923,948,933	21,130,422
Other liabilities		488,529,735	233,874,420
<b>Cash generated from operating assets and liabilities</b>		<b>1,671,622,318</b>	<b>267,903,500</b>
<b>Net cash generated from operating activities</b>		<b>2,269,297,721</b>	<b>355,884,034</b>
<b>Cash flows from investing activities</b>			
(Purchase)/sale of trading securities		(1,667,643,101)	624,016,451
Gain/loss from sale of trading securities, shares, bonds, etc.		424,667,114	294,143,771
(Purchase)/sale of shares and bonds		(1,051,585,514)	(32,630,945)
(Purchase) of property and equipment		(147,020,784)	(31,917,695)
Investment in subsidiary		(499,999,920)	-
<b>Net cash used in investing activities</b>		<b>(2,941,582,205)</b>	<b>853,611,582</b>
<b>Cash flows from financing activities</b>			
Borrowings from other banks, financial institutions and agents		735,656,875	(90,901,771)
Paid up capital through issuing right share		777,600,000	-
Cash dividend paid		-	-
<b>Net Cash flows/(used in) from financing activities</b>		<b>1,513,256,875</b>	<b>(90,901,771)</b>
<b>Net increase in cash and cash equivalents (A+ B + C)</b>		<b>840,972,391</b>	<b>1,118,593,846</b>
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		6,307,773,122	5,189,179,276
<b>Cash and cash equivalents at end of the year (D+E+F)</b>		<b>7,148,745,513</b>	<b>6,307,773,122</b>
<b>Cash and cash equivalents at end of the year represents</b>			
Cash in hand (including foreign currencies)		1,041,954,491	739,719,284
Balance with Bangladesh Bank and its agent bank (s)		2,777,322,735	2,400,394,244
Balance with other banks and financial institutions		3,329,468,287	3,167,659,594
		<b>7,148,745,513</b>	<b>6,307,773,122</b>
<b>Net operating cash flow per share (NOCFPS)</b>	<b>38</b>	<b>3.84</b>	<b>0.76</b>

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

			
Managing Director & CEO	Director	Vice Chairman	Chairman

As per our report of same date.



# Statement of Changes in Equity

for the year ended 31 December 2021

Particulars	Paid up capital	Statutory reserve	Other Reserve	Retained earnings	(Amount in Taka)	
					Total	
<b>Balance as at 1 January 2021</b>	<b>4,665,600,000</b>	<b>660,507,569</b>	<b>6,707,198</b>	<b>470,952,006</b>	<b>5,803,766,773</b>	
Right share issued	777,600,000	-	-	-	777,600,000	
Bonus share issued for 2020	462,672,000	-	-	(462,672,000)	-	
Net profit/(loss) after tax for the year	-	-	-	427,893,204	427,893,204	
Transfer to statutory reserve	-	125,874,129	-	(125,874,129)	-	
Start-up fund	-	-	-	(1,587,319)	(1,587,319)	
Addition/(adjustment) made during the year	-	-	(5,190,289)	-	(5,190,289)	
<b>Balance as at 31 December 2021</b>	<b>5,905,872,000</b>	<b>786,381,698</b>	<b>1,516,910</b>	<b>308,711,762</b>	<b>7,002,482,370</b>	
<b>Balance as at 1 January 2020</b>	<b>4,665,600,000</b>	<b>470,693,317</b>	<b>1,708,959</b>	<b>(10,302,183)</b>	<b>5,127,700,093</b>	
Bonus share issued for 2019	-	-	-	-	-	
Net profit/(loss) after tax for the year	-	-	-	680,565,711	680,565,711	
Transfer to statutory reserve	-	199,311,522	-	(199,311,522)	-	
Start-up fund	-	-	-	(9,497,270)	(9,497,270)	
Addition/(adjustment) made during the year	-	-	4,998,239	-	4,998,239	
<b>Balance as at 31 December 2020</b>	<b>4,665,600,000</b>	<b>670,004,839</b>	<b>6,707,198</b>	<b>470,952,006</b>	<b>5,803,766,773</b>	

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



Managing Director & CEO



Vice Chairman



Chairman

# Liquidity Statement

(Assets and Liabilities maturity analysis)  
as at 31 December 2021

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
<b>Assets:</b>						
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	3,819,277,226	-	-	-	-	3,819,277,226
Balance with other banks and financial institutions	1,857,868,287	1,471,600,000	-	-	-	3,329,468,287
Money at call and on short notice	285,400,000	-	-	-	-	285,400,000
Investments	8,900,682	9,696,970	2,461,339,446	2,573,658,206	5,331,018,034	10,384,613,338
Loans and advances	7,329,530,262	5,686,035,802	9,697,431,912	10,329,744,442	7,201,056,908	40,243,799,326
Fixed assets including premises, furniture and fixtures	-	-	-	-	423,670,630	423,670,630
Other assets	5,784,070	165,447,996	362,908,610	1,542,906,562	496,802,282	2,573,849,521
Non banking assets	-	-	80,196,000	-	-	80,196,000
<b>Total assets (A)</b>	<b>13,306,760,527</b>	<b>7,332,780,768</b>	<b>12,601,875,968</b>	<b>14,446,309,210</b>	<b>13,452,547,854</b>	<b>61,140,274,327</b>
<b>Liabilities:</b>						
Borrowings from other banks, financial institutions and agents	796,596,167	2,119,976,006	1,462,067,846	-	-	4,378,640,019
Deposits	5,895,949,217	7,475,038,927	25,037,239,960	3,984,469,553	2,362,234,715	44,754,932,372
Provision and other liabilities	116,657,509	1,282,988,407	356,875,133	8,729,714	3,238,968,802	5,004,219,566
<b>Total liabilities (B)</b>	<b>6,809,202,893</b>	<b>8,758,027,334</b>	<b>26,856,182,939</b>	<b>3,993,199,267</b>	<b>5,601,203,517</b>	<b>54,137,791,956</b>
<b>Net liquidity gap (A - B)</b>	<b>6,497,557,634</b>	<b>(1,425,246,566)</b>	<b>(14,254,306,971)</b>	<b>10,453,109,943</b>	<b>7,851,344,337</b>	<b>7,002,482,370</b>





# Notes to the Financial Statements

as at and for the year ended 31 December 2021

## 1. The Bank and its activities

### 1.1 Reporting entity

The NRB Bank Limited (the "Bank") is a private commercial bank (PCB), incorporated as a public limited company in Bangladesh on 19 March 2013 under the Companies Act, 1994. It started its banking businesses from 04 August 2013 under the license issued by Bangladesh Bank. The Bank has currently 48 branches, 01 Islami Banking Branch, 11 sub branches & 48 ATM booths and NPSB shared ATM booths all over Bangladesh. The Bank had no overseas branches as at 31 December 2021. The Bank have one subsidiary company namely, NRB Bank Securities PLC incorporated in Bangladesh.

The registered office of the Bank is located at Uday Sanz, Plot # 2/B, Gulshan South Avenue, Gulshan-1, Dhaka 1212, 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, islami banking, trade services, cash management, treasury, securities and custodial services to its customers.

### 1.3 Islamic banking unit

NRB Bank has got permission for Islami Banking Business vide memo no. BRPD (LS-2)/745(61)/2021-7959 dated 07 September 2021 and its soft operation inaugurated on 09 September 2021 of our first Islami Banking Branch. Bank is intended to expand operation all over the country in spirit of Islami Shariah.

### 1.4 NRB Bank Securities PLC

NRB Bank Securities PLC (the company) has been incorporated in Bangladesh on 16 March 2021 as a public limited company under the Companies Act 1994 vide certificate of incorporation no. C-169869/2021. NRB Bank Securities

PLC has not commenced its business yet. It is a subsidiary company of NRB Bank Limited, a banking company incorporated in Bangladesh under the Banking Companies Act 1991 having its registered office at Uday Sanz, Plot # 2/B, Road # 134, Block - SE(A), Gulshan South Avenue, Gulshan - 1, Dhaka - 1212.

## 2. Basis of preparation and significant accounting policies

### 2.1 Statement of compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Bank Company Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Company Act 1991, the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994. In case any requirement of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material deviations from the requirements of IFRS are as follows:

#### 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 flows 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 upto 2013) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of BB. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

#### ii) Investments in shares, mutual funds and other securities

**IFRS:** As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003 investments in quoted and unquoted shares are revalued on the basis of year-end market price and as per Net Assets Value (NAV) of last audited balance sheet respectively. As per instruction of another DOS circular letter no. 03 dated 12 March 2015, investment in Mutual Fund (closed-end) is revalued at lower of cost and (higher of market value and 85% of NAV). As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognised at costs.

iii) **Revaluation gains/losses on Government securities**

**IFRS:** As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

**Bangladesh Bank:** According to DOS circular no. 05 dated 26 May 2008 and subsequent clarification in DOS circular no. 05 dated 28 January 2009, amortisation loss is charged to profit and loss account, mark-to-market loss on revaluation of Government treasury 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 amortized cost method but interest income/gain is recognized through equity.

iv) **Provision on loans and advances**

**IFRS:** As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to

12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

**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 as per BRPD Circular no 56, dated 10 December 2020 and BRPD Circular no 50, dated 14 December 2021, special general provision @ 1% and 1.50% to 2% respectively on unclassified (standard/SMA) loans that are availing extended time to pay installment/adjustment should be maintained. 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 except bills for collection. Such provision policies are not specifically in line with those prescribed by IFRS 9.

v) **Recognition of interest in suspense**

**IFRS:** Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

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

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**

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

viii) **Repo and reverse repo transactions**

**IFRS:** As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite



side of the transaction (reverse repo).

**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 derecognised in the seller's book and recognised in the buyer's book.

**ix) Financial guarantees**

**IFRS:** As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

**Bangladesh Bank:** As per BRPD 14, financial guarantees such as letter of credit and letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin. As per BRPD Circular No.01 dated 03 January 2018 and BRPD Circular No.14 dated 23 September 2012, the Bank is required to maintain provision at 1% against gross off-balance sheet exposures (which includes undrawn loan commitments).

**x) Cash and cash equivalent**

**IFRS:** Cash and cash equivalent items should be reported as cash item as per IAS 7.

**Bangladesh Bank:** Some cash and cash equivalent items such as money at call on short notice, treasury bills with maturity of more than three months and prize bond are not shown as cash and cash equivalents. Money at call on short notice is shown separately in the balance sheet. Treasury bills with maturity of more than three months and prize bond are shown under investment in the balance sheet.

**xi) Non-banking assets**

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

**Bangladesh Bank:** As per BRPD circular no 22, dated 20 September 2021, Non-Banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgaged property.

**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 25th 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 14 dated 25th June 2003, provision on loans and advances should be presented separately as liability and can not 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 amortised yearly with resulting gain credited to amortisation 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. The Bank 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**

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 spot 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 spot 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 period**

These financial statements of the bank cover from 1 January to 31 December 2021.

## **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 period 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 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 methods of investments used are:

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

### Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which are 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 unrealised loss (gain net off) has been made according to DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

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

Investments are stated as per following bases:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. treasury securities - Held for Trading (HFT)	Cost	Fair Value	Loss to Profit and Loss Account, gain to Revaluation Reserve.
Govt. treasury securities - Held to Maturity (HTM)	Cost	Amortised 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 unrealised gain booking.
Shares (Unquoted)	Cost	Lower of cost or Net Asset Value (NAV)	Loss to profit and loss account but no unrealised 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 unrealised 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 recognised at the time of realisation.

General provisions @ 0.25% to 5% under different categories on unclassified loans (standard/SMA), special general provision @ 1% and 1.50 % to 2% on unclassified loans (standard/SMA) loans that are availing extended time to pay installment/adjustment and @ 1% on off balance-sheet exposures excluding bills for collection, 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, BRPD Circular no 8, dated 2 August 2015, BRPD Circular no 56, dated 10 December 2020 and BRPD Circular no 50, dated 14 December 2021. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Bank Company Act 1991 (amendment upto 2013), instead of netting off with loans.

Rates of provision on loans and advances are given below:





Heads	Rates
<b>General provision on:</b>	
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, loans for professionals and Credit Cards	5%
Short term agri credit and micro credit	1%
Off balance sheet exposures	1%
<b>Special General provision (COVID-19) on:</b>	
Unclassified (including SMA) loans that are availing extended time to pay installment/adjustment	1% & 1.5% to 2%
<b>Specific provision on:</b>	
Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/loss loans and advances	100%
Substandard short term agri credit and micro credit	5%
Doubtful short term agri credit and micro credit	5%

### 3.1.4 Property, plant and equipment

#### 3.1.4.1 Recognition and measurement

All fixed assets are stated at cost less accumulated depreciation as per 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 recognised in accordance with the specific requirements of the IFRS. The cost of an item of property, plant and equipment is recognised 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 unrealised income receivables etc.

### 3.1.6 Non-banking assets

Non-Banking assets have been recognised in the financial statements as non-earning assets and have been booked 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 as per BRPD circular no 22, dated 20 September 2021.

## 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 recognised as per the guidelines of Bangladesh Bank and International Financial Reporting Standards (IFRS).

### 3.2.4 Dividend payments

Interim dividend is recognised only when the shareholders' right to receive payment is established. Final dividend is recognised when it is approved by the shareholders in AGM. Dividend payable to the Bank's shareholders is recognised 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, BRPD circular no. 16 dated 18 November 2014 and related subsequent amendment circulars.

### 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. 04 dated 24 November 2011 and DOS circular letter no. 03 dated 12 March 2015 respectively. For unquoted shares, provision has been made based on available NAV of respective nos of units. As on the reporting date, the Bank does not hold any open-end mutual fund. Details are stated in Annexure-C 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 subsequent amendment circulars, the Bank has been maintaining provision @ 1% against off-balance sheet exposures (mainly contingent assets/liabilities) except bills for collection.

### 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 recognised in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### 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

### Authorised 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 to "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 categorised as HTM increases as a result of amortization, the amount thus increased is recognised directly to equity as 'reserve for amortization'. However, any increase in the value of such securities categorised 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 recognised 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 recognised 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 recognised 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.

#### **Profit on investment (Islamic Banking)**

Mark-up on investment is taken into income account proportionately from Unearned Income account. Income/compensation on classified investments is transferred to profit/rent/compensation/suspense account instead of income account.

#### **Dividend income**

Dividend income from investments is recognised at the time when it is declared, ascertained and right to receive the payment is established as per IFRS 9.

#### **Foreign exchange gain/ loss**

Exchange income includes all gains 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 recognised on accrual basis.

#### **Profit paid on deposits (Islamic Banking)**

Profit paid to mudaraba deposits is recognised on accrual basis according to Income Sharing Ratio (ISR).

#### **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.

#### **Superannuation fund**

The Banks' introduced "NRB Bank Limited Employees' Superannuation Fund" commencing from August 12, 2019 is subscribed by the contribution of the bank. The fund has been established to provide medical support like; hospitalization, maternity etc. and coverage in the event of accidental death or permanent disabilities of the employees.

### **3.6 Taxation**

The expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised 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 tax payable in respect of previous years.

Provision for current income tax of the Bank has been made on taxable income @ 40% 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 recognised 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.

##### **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

Market risk can be defined as the risk of losses in on and off-balance sheet positions arising from adverse movements in market prices. Market risk stems from all the positions included in the Bank's trading book, foreign exchange risk as well as from commodity positions. The Bank is susceptible to market risk due to movement in the interest rates, equity prices and exchange rates and the Bank has no exposure to commodity risk.

Market risk management is a systematic function on risk identification, measurement and monitoring relating to interest rates (both deposit and lending), foreign exchange and equity in order to manage/ mitigate adverse impacts. The Bank manages the market risk based on the market risk related policies, guidelines and the limit structure approved by the Board. Management of the interest rate risk and the exchange rate risk is the responsibility of the Asset and Liability Management Committee, while the Investment Committee is responsible for managing the equity risk.

## Interest Rate 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 and Inspection 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 Related party disclosures

A party is related to the company if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

### 3.13 Compliance of 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 2021.

IAS No.	IAS Title	Compliance Status
1	Presentation of Financial Statements	Complied*
2	Inventories	Not Applicable
7	Statements of cash flows	Complied*
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Balance Sheet Date	Complied
11	Construction Contracts	Not Applicable
12	Income Taxes	Complied
16	Property, Plant and Equipment	Complied
17	Leases	Complied
18	Revenue	Not Applicable
19	Employee Benefits	Complied
20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
21	The Effects of Changes in Foreign Exchange Rates	Complied
23	Borrowing Costs	Complied
24	Related Party Disclosures	Complied
26	Accounting and reporting by retirement benefit plans	Complied

27	Consolidated and Separate Financial Statements	Not Applicable
28	Investments in Associates	Not Applicable
31	Interests in Joint Ventures	Not Applicable
32	Financial Instruments: Presentation	Complied*
33	Earnings Per Share	Complied
34	Interim Financial Reporting	Complied
36	Impairments of Assets	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied
38	Intangible Assets	Complied
39	Financial Instruments: Recognition and Measurement	Not Applicable
40	Investment property	Not Applicable
41	Agriculture	Not Applicable

IFRS No.	IFRS Title	Compliance Status
1	First-time adoption of International Financial Reporting Standards	Not applicable
2	Share based Payment	Not applicable
3	Business Combinations	Not applicable
4	Insurance Contracts	Not applicable
5	Non-current Assets Held for Sale and Discontinued Operations	Not applicable
6	Exploration for and Evaluation of Mineral Resources	Not applicable
7	Financial Instruments: Disclosures	Complied*
8	Operating Segments	Not applicable
9	Financial Instruments	Complied
10	Consolidated Financial Statements	Not applicable
11	Joint Arrangements	Not applicable
12	Disclosure of interests in other entities	Not applicable
13	Fair Value Measurement	Complied
15	Revenue from contracts with customers	Complied
16	Leases	Not 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 IFRSs, some of the requirements specified in these IASs /IFRSs are not applied.

### 3.14 Standards issued but not yet effective

The following new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted, but the Bank has not early adopted. However, none of these new and amended standards are expected to have a significant impact on the Bank's financial statements.

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
- Annual Improvements to IFRS Standards 2018–2020.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).



- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

### 3.15 IFRS 16 Leases

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for operating leases. Under previous IAS 17, an entity would rent an office building or a branch premises for several years with such a rental agreement being classified as operating lease would have been considered as an off balance sheet item. However, IFRS 16 does not require a lease classification test and hence all leases shall be accounted for as on balance sheet item (except some limited exception i.e. short-term lease, leases for low value items).

Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'.

As per the preliminary assessment of leases for 'office premises', the Bank has concluded that the potential impact of these lease items in the Balance Sheet and Profit and Loss Account of the Bank for the year 2020 is not considered to be material. Therefore, considering the above implementation issues the Bank has not taken IFRS 16 adjustments on the basis of overall materiality as specified in the materiality guidance in the 'Conceptual Framework for Financial Reporting' and in 'International Accounting Standard 1 'Presentation of Financial Statements''. However, the Bank would continue to liaison with regulators and related stakeholders and observe the market practice for uniformity and comparability, and take necessary actions in line with regulatory guidelines and market practice.

### 3.16 Approval of financial statements

The financial statements were reviewed by the Audit Committee of the Board of the Bank in its 48th meeting held on 27th April, 2022 and was subsequently approved by the Board in its 136th meeting held on same date.

	31-Dec-2021 Taka	31-Dec-2020 Taka
<b>4 Cash-Conventional and Islamic banking</b>		
Cash in hand (including foreign currencies) (Note-4.1)	1,041,954,491	739,719,284
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies) (Note-4.2)	2,777,322,735	2,400,394,244
	<b>3,819,277,226</b>	<b>3,140,113,528</b>
<b>4.1 Cash in hand (including foreign currencies) Conventional and Islamic banking</b>		
Local currency	1,019,931,774	698,891,811
Foreign currencies	22,022,717	40,827,473
	<b>1,041,954,491</b>	<b>739,719,284</b>
<b>4.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)-Conventional and Islamic banking</b>		
Local currency	2,582,234,534	2,360,511,959
Foreign currencies	195,088,201	39,882,285
	<b>2,777,322,735</b>	<b>2,400,394,244</b>

### 4.a Cash Reserve Ratio (CRR)

As per section 33 of Bank Company Act, 1991 (amended upto 2018) & MPD circular no. 03 dated 09 April 2020, issued by Bangladesh bank with

	31-Dec-2021 Taka	31-Dec-2020 Taka
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effect from 15 April 2020, the Bank has maintained CRR of minimum 3.50% on daily basis and 4.0% 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 2021 is based on weekly average balance of October 2021). Reserve maintained by the bank as at 31 December are as follows:

#### Conventional Banking

Average total demand and time liabilities of October 2021	45,198,046,775	42,900,321,669
<b>Daily basis</b>		
Required reserve (3.5% of ATDTL)	1,581,931,637	1,501,511,258
Actual reserve held (4.61 % of ATDTL)	2,082,452,967	2,443,864,862
<b>Surplus / (deficit)</b>	<b>500,521,330</b>	<b>942,353,604</b>

#### Bi-weekly basis:

The bank maintained Daily excess cash reserve of TK.500,521,330.06 as on December 31, 2021 and Tk.2,968,982,427.75/- (Tk. 2,679,987,782.32/- was in December 2020) against 4% (of ATDTL) on bi-weekly basis which is the summation of excess cash reserve maintained over required in the last fortnight (bi-week) of December 2021.

#### Islamic Banking

Average total demand and time liabilities of October, 2021	256,150,582	-
<b>Daily basis</b>		
Required reserve (3.5% of ATDTL)	8,965,270	-
Actual reserve held (48.44 % of ATDTL)	124,090,000	-
<b>Surplus / (deficit)</b>	<b>115,124,730</b>	<b>-</b>

#### Bi-weekly basis:

The bank maintained Daily excess cash reserve of TK.115,124,729.65 as on December 31, 2021 and Tk.6,823,997,604.58/- against 4% (of ATDTL) on bi-weekly basis which is the summation of excess cash reserve maintained over required in the last fortnight (bi-week) of December 2021.

#### 4.b Statutory Liquidity Ratio (SLR)-Conventional Banking

As per section 33 of the Bank Company Act, 1991 (amended upto 2018) & 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 2021 is based on weekly average balance of October 2021). Reserve maintained by the bank as at 31 December, 2021 are as follows:

Required reserve (13% of ATDTL)	5,875,746,081	5,577,041,817
Actual reserve held (19.89% of ATDTL) (Note-4.c)	8,989,618,056	7,631,611,390
<b>Surplus / (deficit)</b>	<b>3,113,871,975</b>	<b>2,054,569,573</b>

#### 4.c Actual reserve held

Cash in hand	1,026,151,980	739,719,284
Excess reserve on CRR	274,531,096	727,851,996
Balance with Sonali Bank (local Currency)	67,943,781	84,782,013
Unencumbered approved securities (HFT)	47,782,691	1,949,720,992
Unencumbered approved securities (HTM)	7,417,063,908	4,129,151,606
Unencumbered approved securities (other eligible)	156,144,600	385,500
	<b>8,989,618,056</b>	<b>7,631,611,390</b>

#### Islamic Banking

As per section 33 of the Bank Company Act, 1991 (amended upto 2018) & MPD circular no. 02 dated 10 December 2013 issued by Bangladesh



	31-Dec-2021 Taka	31-Dec-2020 Taka
bank with effect from 01 February 2014, the bank has maintained SLR of minimum 5.50% 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 October 2021 is based on weekly average balance of October 2021. Reserve maintained by the bank as at 31 December, 2021 are as follows:		
Required reserve (5.50 % of ATDTL)	14,088,282	-
Actual reserve held (99.77% of ATDTL) (Note-4.c.i)	255,556,488	-
<b>Surplus / (deficit)</b>	<b>241,468,206</b>	<b>-</b>
<b>4.c.i Actual reserve held</b>		
Cash in hand	15,802,511	-
Excess reserve on CRR	113,843,977	-
Balance with Sonali Bank (local Currency)	-	-
Unencumbered approved securities (HFT)	-	-
Unencumbered approved securities (HTM)	-	-
Unencumbered approved securities (other eligible)	125,910,000	-
	<b>255,556,488</b>	<b>-</b>
<b>4.d Maturity grouping of cash</b>		
On demand	3,819,277,226	3,140,113,528
In more than one month but not more than three months	-	-
In more than three months but not more than one year	-	-
In more than one year but not more than five years	-	-
More than 5 years	-	-
	<b>3,819,277,226</b>	<b>3,140,113,528</b>
<b>5 Balance with other banks and financial institutions</b>		
<b>Conventional and Islamic banking</b>		
In Bangladesh (Note-5.1)	3,180,351,652	3,068,091,239
Outside Bangladesh (Note-5.2)	149,116,635	99,568,355
	<b>3,329,468,287</b>	<b>3,167,659,594</b>
<b>5.1 In Bangladesh</b>		
<b>Conventional and Islamic banking</b>		
<b>In Current Accounts with</b>		
Trust Bank Limited	8,228	8,228
Brac Bank Limited	1,359,698	1,902,221
Agrani Bank Ltd, Zajira Branch	9,304,767	1,777,155
Eastern Bank Limited	53,949,616	51,758,524
	<b>64,622,309</b>	<b>55,446,128</b>
<b>In Special Notice Deposits Accounts with</b>		
Janata Bank Ltd	6,511,403	849,959,310
Rajshahi Krishi unnayan Bank Ltd	178,583	-
Agrani Bank Limited Islami Banking , Amin Court Branch	100,000,000	-
	<b>106,689,986</b>	<b>849,959,310</b>
<b>In Fixed Deposit Accounts</b>		

	31-Dec-2021 Taka	31-Dec-2020 Taka
<b>With banks:</b>		
Global Islami Bank	200,000,000	-
Union Bank limited	200,000,000	-
Modhumoti Bank Ltd	171,600,000	-
Rajshahi Krishi unnayan Bank Ltd	500,000,000	-
AB Bank Ltd	300,000,000	-
Meghna Bank Ltd	-	200,000,000
	<b>1,371,600,000</b>	<b>200,000,000</b>
<b>With financial institutions:</b>		
International Leasing & Financial Services Ltd.	148,800,000	148,800,000
Prime Finance & Investment Ltd.	35,600,000	42,500,000
Bangladesh Finance Limited	30,000,000	-
Strategic Finance & Investments Limited	100,000,000	-
National Finance Limited	20,000,000	50,000,000
GSP Finance Company (Bangladesh) Ltd	280,000,000	285,000,000
IPDC Finance Limited	500,000,000	650,000,000
Reliance Finance Limited	-	130,000,000
Lanka Bangla Finance Ltd	400,000,000	430,000,000
Bangladesh Finance & Investment Co Limited	-	103,000,000
Fareast Finance & Investment Limited	122,100,000	122,100,000
	<b>1,636,500,000</b>	<b>1,961,400,000</b>
<b>In Mobile Banking Accounts with</b>		
bKash Limited	939,357	1,285,801
	<b>939,357</b>	<b>1,285,801</b>
	<b>3,180,351,652</b>	<b>3,068,091,239</b>

## 5.2 Outside Bangladesh (NOSTRO Accounts) Conventional and Islamic banking

### Current accounts

Habib American Bank, New York	25,667,360	11,870,028
United Bank of India	14,005,087	10,373,408
Mizhuo Bank Ltd, Japan	61,503	38,975
Mashreq Bank PSC, New York	82,484,745	67,775,051
Aktif Bank, Turkey	1,487,932	2,844,560
Bank of Huzhou Co. Ltd.	67,482	-
AB Bank Limited, Mumbai	8,574,855	4,186,150
AXIS Bank Limited , India	15,190,076	-
BANCA UBAE, SPA	820,687	-
National Commercial Bank	756,908	2,480,183
	<b>149,116,635</b>	<b>99,568,355</b>

(Details are given in Annexure- B)





	31-Dec-2021 Taka	31-Dec-2020 Taka
<b>5.a Maturity grouping of balance with other banks and financial institutions</b>		
On demand	1,857,868,287	2,467,659,594
In more than one month but not more than three months	1,471,600,000	700,000,000
In more than three months but not more than one year	-	-
In more than one year but not more than five years	-	-
More than 5 years	-	-
	<b>3,329,468,287</b>	<b>3,167,659,594</b>
<b>6 Investments</b>		
Government (Note-6.1)	7,746,901,199	6,079,258,097
Others (Note-6.2)	2,637,712,139	1,586,126,625
	<b>10,384,613,338</b>	<b>7,665,384,722</b>
<b>6. a Investments classified as per Bangladesh Bank Circular:</b>		
Held for trading (HFT)	47,782,691	1,949,720,992
Held to maturity (HTM)	7,417,063,908	4,129,151,606
Bangladesh Government Investment SUKUK (Ijarah Sukuk)	281,220,000	-
Other securities	2,638,546,739	1,586,512,125
	<b>10,384,613,338</b>	<b>7,665,384,722</b>
<b>6.1 Government (Investment in govt. securities) conventional and Islamic Banking</b>		
Treasury bills (Note-6.1.1)	-	733,697,874
Treasury bonds (Note-6.1.2)	7,464,846,599	5,345,174,723
Bangladesh Government Investment SUKUK (Ijarah Sukuk)	281,220,000	-
Prize bonds	834,600	385,500
	<b>7,746,901,199</b>	<b>6,079,258,097</b>
<b>6.1.1 Treasury bills</b>		
Unencumbered		
14 days treasury bills	-	-
91 days treasury bills	-	-
182 days treasury bills	-	269,935,812
364 days treasury bills	-	463,762,062
	<b>-</b>	<b>733,697,874</b>
<b>6.1.2 Treasury bonds</b>		
Unencumbered		
2 years treasury bond	172,979,642	698,019,810
5 years treasury bond	1,376,831,481	685,623,791
10 years treasury bond	1,767,087,282	1,148,431,911
15 years treasury bond	2,068,740,695	1,282,122,922
20 years treasury bond	2,079,207,499	1,530,976,290
	<b>7,464,846,599</b>	<b>5,345,174,723</b>
<b>6.1.3 (i) Disclosure regarding outstanding repo as on 31 December 2021</b>		

		31-Dec-2021 Taka	31-Dec-2020 Taka
Counter party name	Agreement Date	Reversal Data	Amount in Taka
Janata bank Limited	29-01-2021	05-01-2022	501,491,057
(ii) Disclosure regarding outstanding reverse repo as on 31 December 2021			
Counter party name	Agreement Date	Reversal Data	Amount in Taka
-	-	-	-
(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
<b>Securities sold under repo:</b>			
With Bangladesh Bank	133,190,000	229,325,000	993,192
With other Banks & Financial Institutions	195,097,800	1,531,238,444	180,397,569
<b>Securities purchased under reverse repo:</b>			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	31,217,257	417,837,658	30,013,158

#### 6.b Investments classified as per Bangladesh Bank Circular:

##### Held for Trading (HFT)

HFT T-Bills 14 Days	-	-
HFT T-Bills 91 Days	-	-
HFT T-Bills 182 Days	-	269,935,812
HFT T-Bills 364 Days	-	463,762,062
2 Years BGTB – HFT	19,935,320	206,448,420
5 Years BGTB – HFT	10,563,852	286,008,282
10 Years BGTB – HFT	17,283,519	585,433,402
15 Years BGTB – HFT	-	138,133,014
20 Years BGTB – HFT	-	-
	<b>47,782,691</b>	<b>1,949,720,992</b>

##### Held to Maturity (HTM)

HTM T-Bills 91 Days	-	-
HTM T-Bills 182 Days	-	-
HTM T-Bills 364 Days	-	-
2 Years BGTB – HTM	153,044,322	491,571,390
5 Years BGTB – HTM	1,366,267,629	399,615,509
10 Years BGTB – HTM	1,749,803,763	562,998,509
15 Years BGTB – HTM	2,068,740,695	1,143,989,908
20 Years BGTB – HTM	2,079,207,499	1,530,976,290
	<b>7,417,063,908</b>	<b>4,129,151,606</b>



	31-Dec-2021 Taka	31-Dec-2020 Taka
	<b>7,464,846,599</b>	<b>6,078,872,597</b>

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 (Conventional and Islamic banking )

Corporate bonds (Note-6.2.1)	300,000,000	340,000,000
Ordinary shares and mutual funds (Note-6.2.2)	2,182,447,822	898,602,382
Preference share (Note-6.2.3)	155,264,318	277,924,243
Commercial paper (Note-6.2.4)	-	69,600,000
	<b>2,637,712,139</b>	<b>1,586,126,625</b>

### 6.2.1 Corporate bonds

Mercantile Bank Limited	-	40,000,000
United Commercial Bank Limited	300,000,000	300,000,000
	<b>300,000,000</b>	<b>340,000,000</b>

### 6.2.2 Ordinary Shares and Mutual Funds

#### Quoted Shares

#### General Portfolio

Active Fine Chemicals Limited	-	9,735,840
BRAC Bank Limited	-	4,950,882
Heidelberg Cement Bangladesh Limited	41,888,550	43,459,370
MJL Bangladesh Limited	97,181,028	97,181,052
ACI Limited	-	9,308,251
Grameenphone Limited	-	50,313,173
Premiere Bank Limited	-	4,579,140
Prime Bank Limited	-	7,434,880
Olympic industries Limited	34,395,197	25,436,724
Singer Bangladesh Limited	-	39,358,131
BBS Cables Limited	-	14,762,927
Esquire Knit Composite Limited	940,050	940,050
Runner Automobiles Limited	-	1,156,998
Sea Pearl Beach Resort & Spa Ltd	-	37,300
Coppertech Industries Limited	-	47,410
Mutual Trust Bank Limited	336,810	336,805
Ring Shine Textiles Ltd	19,905	2,010,600
Meghna Petroleum Limited	-	20,194,338
Robi Axiata Limited	18,289,185	2,712,530
Crystal Insurance Company Limited	-	108,790
Dominage Steel Building Systems Limited	-	248,130
Square Pharmaceuticals Limited	68,220,659	-
Pioneer Insurance Limited	358,319,222	-

	31-Dec-2021 Taka	31-Dec-2020 Taka
Paramount Insurance Limited	70,998,273	-
SK Trims Industries Limited	29,559,000	-
Linde (BD) Ltd	16,248,561	-
The City Bank Limited	41,383,715	-
Master feed Agrotec Ltd	266,490	-
Oryza Agro Industries Ltd	272,440	-
Summit Power Limited	60,132,875	-
Confidence Cement Limited	106,295,109	-
GPH Ishpat Limited	11,180,357	-
Mostafa Metal Industries Limited	269,590	-
LankaBangla Finance Ltd.	43,933,068	-
Beximco Pharmaceuticals Ltd	95,867,557	-
	<b>1,095,997,642</b>	<b>334,313,321</b>
<b>Special Purpose Fund Portfolio</b>		
Bank Asia Ltd.	-	9,248,460
Golden Harvest Agro Industries Ltd.	-	16,739,429
Linde Bangladesh Limited	-	12,548,422
National Polymer Industries Ltd.	-	9,232,685
Paramount Textile Limited	-	5,451,475
Renata Ltd.	-	7,288,285
Summit Power Limited	-	39,665,560
Pioneer Insurance Limited	389,640,665	-
SK Trims & Industries Limited	209,568,420	-
Beximco Green Sukuk Al-istisna'a	300,000,000	-
	<b>899,209,086</b>	<b>100,174,316</b>
	<b>1,995,206,728</b>	<b>434,487,637</b>
<b>Mutual Funds</b>		
AIBL 1st Islamic Mutual Fund	-	86,904,179
Grameen One : Scheme Two Mutual Fund	64,674,900	129,418,186
Peninsula Balanced Fund	10,000,000	10,000,000
LR Global Bangladesh Mutual Fund One	-	66,965,638
MBL 1st Mutual Fund	-	53,153,879
Southeast Bank 1st Mutual Fund	21,059,071	30,418,658
Ashuganj Power Station Company Limited Bond	-	10,000,000
IBBL Mudaraba Perpetual Bond	-	17,188,447
EXIM Bank 1st Mutual Fund	28,298,293	-
	<b>124,032,263</b>	<b>404,048,988</b>
<b>IPO Application</b>		
Union Bank Limited	21,403,000	-
Union Insurance Company Limited	822,840	-



	31-Dec-2021 Taka	31-Dec-2020 Taka
BD Thai Food and Beverage Limited	640,500	-
	<b>22,866,340</b>	<b>-</b>
<b>Equity Investment</b>		
Central Counterparty Bangladesh Limited	37,500,000	37,500,000
	<b>37,500,000</b>	<b>37,500,000</b>
Free fund available	2,842,491	22,565,758
	<b>2,182,447,822</b>	<b>898,602,382</b>
(Details are given in Annexure- C)		
<b>6.2.3 Preference Share</b>		
Union Capital Limited	8,900,682	8,000,000
Ace Alliance Power Limited	36,666,666	45,833,333
Doreen Power House & Technologies Limited	-	70,000,000
Raj Lanka Power Company Limited	9,696,970	29,090,910
Summit Gazipur II Power Limited	30,000,000	40,000,000
Kushiara Power Company Limited	70,000,000	85,000,000
	<b>155,264,318</b>	<b>277,924,243</b>
<b>6.2.4 Commercial Paper</b>		
Hashem Food Limited	-	69,600,000
	<b>-</b>	<b>69,600,000</b>
<b>6.c Remaining maturity grouping of investments</b>		
On demand	8,900,682	110,579,990
In more than one month but not more than three months	9,696,970	582,947,549
In more than three months but not more than one year	2,461,339,446	1,686,923,554
In more than one year but not more than five years	2,573,658,206	1,382,212,893
In more than five years	5,331,018,034	3,902,720,736
	<b>10,384,613,338</b>	<b>7,665,384,722</b>
<b>7 Loans and advances/Investments</b>		
Loans, cash credit, overdrafts etc./Investments (Note-7.1)	40,134,294,168	38,792,949,133
Bills purchased and discounted (Note-7.2)	109,505,158	55,621,257
	<b>40,243,799,326</b>	<b>38,848,570,390</b>
<b>7.1 Loans, cash credits, overdrafts etc./Investments</b>		
<b>Inside Bangladesh</b>		
Loans - General	31,359,258,379	29,659,062,265
Cash credit	-	-
Overdraft	8,535,637,384	8,859,874,903
Staff loan	239,398,404	274,011,965
	<b>40,134,294,168</b>	<b>38,792,949,133</b>
<b>Outside Bangladesh</b>	<b>-</b>	<b>-</b>
	<b>40,134,294,168</b>	<b>38,792,949,133</b>

	31-Dec-2021 Taka	31-Dec-2020 Taka
<b>7.2 Bills purchased and discounted/Investments</b>		
<b>Inside Bangladesh</b>		
Local bills /documents	62,694,034	41,911,590
Foreign bills /documents	46,811,124	13,709,667
	<b>109,505,158</b>	<b>55,621,257</b>
<b>7.2 a Residual maturity grouping of Bills Purchased &amp; Discounted</b>		
On demand	76,853,424	38,848,679
In more than one month but not more than three months	21,370,337	13,141,363
In more than three months but not more than one year	11,281,398	3,631,215
In more than one year but not more than five years	-	-
In more than five years	-	-
	<b>109,505,158</b>	<b>55,621,257</b>
<b>7.2.b Residual maturity grouping of loans and advances including Bills Purchased &amp; Discounted</b>		
On demand	7,329,530,262	10,980,436,339
In more than one month but not more than three months	5,686,035,802	2,731,148,893
In more than three months but not more than one year	9,697,431,912	9,441,179,878
In more than one year but not more than five years	10,329,744,442	11,464,814,091
In more than five years	7,201,056,908	4,230,991,189
	<b>40,243,799,326</b>	<b>38,848,570,390</b>
<b>7.3 Loans and advances/Investments on the basis of significant concentration</b>		
<b>7.3.1 Loans and advances/Investments to Directors, executives and others</b>		
Advance to Directors and their allied concerns	-	-
Advances to CEO & Managing Director	2,660,413	-
Advances to Other executives and staffs	239,398,404	274,011,965
Advances to Customers	24,502,766,784	22,752,855,070
Industrial loans and advances/Investments	15,498,973,725	15,821,703,355
	<b>40,243,799,326</b>	<b>38,848,570,390</b>
<b>7.3.2 Details of Large loan /Investments</b>		
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 7,180.11 million as at 31 December 2021.		
Number of the clients	36	36
Amount of outstanding loans and advances /Investments	13,802,341,474	14,528,855,098
Amount of classified loans and advances	-	-
	<b>13,802,341,474</b>	<b>14,528,855,098</b>





	31-Dec-2021 Taka	31-Dec-2020 Taka
<b>7.3.3 Industry-wise concentration of loans and advances/Investments</b>		
Agriculture	1,017,260,566	481,157,447
Food & allied industries	1,630,324,066	1,338,990,102
Tobacco	-	-
Readymade garments	2,346,691,561	2,006,095,214
Textiles	2,727,123,798	2,232,790,160
Ship breaking & ship building	218,016,596	813,632,347
Basic metal & steel engineering	1,002,355,315	858,075,130
Non-metallic mineral products	919,332,885	837,689,134
Pharmaceuticals industry	133,324,366	179,267,292
Chemical & chemical products	39,317,053	48,275,699
Rubber & plastic industries	584,740,352	720,659,342
Leather & leather products	480,462,488	645,078,995
Wood, furniture & fixtures	33,429,712	212,376,508
Paper & paper products	206,558,026	177,870,155
Electronic goods & machineries	2,263,893,771	1,965,906,644
Power & gas	860,034,471	1,192,318,080
Other manufacturing industries	2,053,369,266	2,592,678,553
Construction & commercial real estate	6,811,663,117	6,238,515,403
Transport & communication	185,366,313	119,975,227
IT & telecommunication	758,979,933	948,106,001
Medical services	-	14,888,032
Hotel & restaurant services	405,925	408,986
Printing & publishing industries	43,576,505	44,262,005
Other service industries	1,170,523,006	1,128,133,241
NBFIs	585,014,768	567,541,404
Trade & commerce	6,624,590,915	6,137,527,439
Consumer credit	3,238,194,142	3,202,652,826
Credit card	2,098,637,052	1,923,310,921
Staff loan	239,398,404	274,011,965
Others	1,971,214,955	1,946,376,139
	<b>40,243,799,326</b>	<b>38,848,570,390</b>
<b>7.3.4 Sector - wise concentration of loans and advances /Investments</b>		
Government sector	-	-
Public sector	-	-
Private sector	40,243,799,326	38,848,570,390
	<b>40,243,799,326</b>	<b>38,848,570,390</b>
<b>7.3.5 Business segment - wise concentration of loans and advances /Investments</b>		
Corporate	23,711,234,113	21,269,540,616

	31-Dec-2021 Taka	31-Dec-2020 Taka
SME	12,234,114,585	13,437,278,281
Consumer	4,059,052,224	3,867,739,527
Executives and staff	239,398,404	274,011,965
	<b>40,243,799,326</b>	<b>38,848,570,390</b>

### 7.3.6 Geographical location-wise concentration of loans and advances/Investments

#### Inside Bangladesh

Dhaka Division	29,886,471,945	28,092,312,325
Chittagong Division	6,040,354,178	6,492,682,502
Sylhet Division	1,458,706,652	1,223,515,997
Rajshahi Division	1,002,871,140	1,041,391,232
Khulna Division	1,042,790,601	1,459,355,371
Barisal Division	-	-
Rangpur Division	6,914,871	-
Mymensingh Division	805,689,939	539,312,963
	<b>40,243,799,326</b>	<b>38,848,570,390</b>

#### Outside Bangladesh

	-	-
	<b>40,243,799,326</b>	<b>38,848,570,390</b>

### 7.3.7 Security/Collateral-wise concentration of loans and advances/Investments

Collateral of movable/immovable assets	19,958,294,347	23,030,598,230
Fixed deposit receipts	10,103,140,082	3,077,501,997
FDR of other banks	276,199,810	271,497,159
Personal guarantee	2,979,713,461	10,565,885,995
Other securities	6,926,451,625	1,903,087,009
	<b>40,243,799,326</b>	<b>38,848,570,390</b>

### 7.3.8 Classified and unclassified bad loans & advances /Investments

#### Unclassified

Standard (Including Staff Loan)	38,420,486,793	37,136,010,530
Special Mention Accounts (SMA)	457,368,846	269,534,952
	<b>38,877,855,639</b>	<b>37,405,545,482</b>

#### Classified

Sub-standard	275,049,834	313,817,620
Doubtful	75,350,607	103,064,641
Bad/Loss	1,015,543,246	1,026,142,646
	<b>1,365,943,687</b>	<b>1,443,024,908</b>
	<b>40,243,799,326</b>	<b>38,848,570,390</b>

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

#### General Provision on unclassified loans and advances

Loans (excluding SMA)	320,254,893	305,797,251
Special mention account (SMA)	3,424,126	2,258,398



	31-Dec-2021 Taka	31-Dec-2020 Taka
Special general provision (COVID-19)	110,172,740	133,699,364
<b>Required provision on unclassified loans and advances</b>	<b>433,851,760</b>	<b>441,755,014</b>
<b>Total provision maintained for unclassified loans and advances</b>	<b>433,851,760</b>	<b>441,755,014</b>
<b>Excess/(shortage) of provision</b>	<b>-</b>	<b>-</b>
<b>Specific provision on classified loans and advances</b>		
Sub-standard	8,103,044	24,894,948
Doubtful	21,373,367	20,975,220
Bad/Loss	1,102,989,113	774,669,819
<b>Required provision on classified loans and advances</b>	<b>1,132,465,525</b>	<b>820,539,986</b>
<b>Total provision maintained for classified loans and advances</b>	<b>1,132,465,525</b>	<b>820,539,986</b>
<b>Excess/(shortage) of provision</b>	<b>-</b>	<b>-</b>
<b>Total Required provision for loans and advances</b>	<b>1,566,317,285</b>	<b>1,262,295,000</b>
<b>Total provision maintained for loans and advances</b>	<b>1,566,317,285</b>	<b>1,262,295,000</b>
<b>Total Excess/(shortage) of provision</b>	<b>-</b>	<b>-</b>

### 7.3.10 Particulars of loans and advances/investments

i)	Loans/investments considered good in respect of which the bank is fully secured	1,527,640,707	2,187,956,305
ii)	Loans/investments considered good against which the bank holds no security other than the debtors' personal guarantee	1,973,413,001	10,859,204,125
iii)	Loans/investments considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	1,156,618,801	1,195,968,025
iv)	Loans/investments adversely classified; provision not maintained there against	-	-
		<b>4,657,672,510</b>	<b>14,243,128,454</b>
v)	Loans/investments due by directors or officers of the bank or any of them either separately or jointly with any other persons	239,398,404	274,011,965
vi)	Loans/investments 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	-	-
vii)	Maximum total amount of advances/investments, 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.	255,150,394	337,278,006
viii)	Maximum total amount of advances/investments including temporary advances granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-
ix)	Due from banking companies	-	-
x)	Information in respect of classified loans and advances		
a)	Classified loans for which interest/profit not credited to income		

	31-Dec-2021 Taka	31-Dec-2020 Taka
i. (Decrease)/increase of provision (specific)	328,319,294	(282,695,493)
ii. Amount of loan written off	66,279,997	-
iii. Amount recovered from loans written off	45,966	
b) Amount of provision kept against loans classified as bad/loss	1,102,989,113	774,669,819
c) Amount of interest creditable to the interest suspense account	557,463,452	341,760,721
xi) Cumulative amount of written off loans/investments		
Opening Balance	-	-
Amount written off during the year	66,279,997	-
Closing Balance	66,279,997	-
The amount of written off loans/investments for which law suit has been filed	61,650,100	-

## 8 Fixed assets including premises, furniture and fixtures Conventional and Islamic banking

### Cost:

Computer and network equipment	228,325,584	175,544,556
Furniture and fixtures	436,588,130	384,500,794
Vehicle	57,345,395	52,358,282
Machinery and equipment	216,574,675	185,172,505
Mobile phone	3,511,336	2,314,322
Software	184,851,979	180,285,856
Patents	-	-
	<b>1,127,197,099</b>	<b>980,176,316</b>
Less: Accumulated depreciation	703,526,470	595,237,568
<b>Written down value at the end of the year</b>	<b>423,670,630</b>	<b>384,938,747</b>

Details are given in **Annexure- A**

## 9 Other assets-Conventional and Islamic banking

### Equity Investment

NRB Bank Securities PLC (note- 1.4)	499,999,920	-
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### Other Income generating

Income receivable (Note-9.1)	246,230,535	139,327,086
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### Non-income generating

Stationery, stamps, printing materials, etc.	1,231,346	1,613,825
Prepaid expenses	11,034,198	5,453,844
Advance rent	127,924,303	147,832,462
Security deposits with other entities	1,865,212	2,165,212
Advance income tax (Note-9.2)	1,072,873,071	907,288,139
Deferred tax assets (net of liabilities) (Note-9.3)	330,865,325	330,865,325
Advances to vendors	29,855,952	3,311,124
Advances to staff for expenses	2,706,949	1,140,464



	31-Dec-2021 Taka	31-Dec-2020 Taka
Dividend receivable	18,669,669	17,922,576
Q-Cash and ATM receivable	5,116,163	3,477,163
Receivable against Sanchaypatra & Bond Encashment	217,018,971	57,711,063
Sundry receivables	8,457,907	3,210,457
	<b>1,827,619,066</b>	<b>1,481,991,652</b>
	<b>2,573,849,520</b>	<b>1,621,318,738</b>
<b>9.1 Income receivable</b>		
Interest receivables on Placements	41,176,727	36,339,675
Interest receivables on Government Securities	117,515,212	93,756,240
Interest receivables on Non-government Securities	5,600,000	6,165,333
Interest receivables on Loans & Advances	49,829,364	-
Interest Receivables on Other Bank Balance	32,109,231	3,065,837
	<b>246,230,535</b>	<b>139,327,086</b>
<b>9.2 Advance income tax</b>		
Opening balance	907,288,139	564,345,083
Add: Addition during the year	165,584,932	342,943,056
<b>Closing balance</b>	<b>1,072,873,071</b>	<b>907,288,139</b>
<b>9.3 Deferred tax asset (net off liability)</b>		
Deferred tax asset	330,865,325	330,865,325
Deferred tax liability	-	-
	<b>330,865,325</b>	<b>330,865,325</b>
<b>10 Non-banking assets</b>		
The Bank was awarded absolute ownership on few mortgaged properties through the verdict of honorable court under section 33(7) of the Artharin Adalat Act 2003. These were recorded as non banking assets as per valuation report submitted by enlisted surveyor "Inspection Engineering & Survey Ltd.". Following are the details		
<b>Non earning asset</b>		
<b>Name of Parties</b>	<b>Asset details</b>	<b>Entitlement on</b>
Al-Fahad Air Ticketing and Medical Tourism Ltd.	133.66 decimals Land	'December 12, 2021
		80,196,000
		-
		<b>80,196,000</b>
		<b>-</b>
<b>11 Borrowings from other banks, financial institutions and agents-Conventional and Islamic banking</b>		
Inside Bangladesh (Note-11.a)	4,378,640,019	3,642,983,144
Outside Bangladesh	-	-
	<b>4,378,640,019</b>	<b>3,642,983,144</b>
<b>11.a In Bangladesh</b>		
<b>Demand Borrowing</b>		
Uttara Bank Ltd	400,000,000	-
Sonali Bank Ltd	-	100,000,000
One Bank Limited	150,000,000	-

	31-Dec-2021 Taka	31-Dec-2020 Taka
Eastern Bank Limited	110,000,000	-
Bank Asia Ltd.	-	-
Bangladesh Bank	136,596,167	41,128,163
	<b>796,596,167</b>	<b>141,128,163</b>
<b>Term Borrowing</b>		
Agrani Bank Ltd.	-	500,000,000
Bank Asia Ltd.	500,000,000	300,000,000
NCC Bank Ltd.	400,000,000	-
Uttara Bank Ltd.	-	800,000,000
Mutual Trust Bank Ltd.	-	200,000,000
Rupali Bank Ltd	1,000,000,000	600,000,000
Bangladesh Bank	1,682,043,851	1,101,854,981
	<b>3,582,043,851</b>	<b>3,501,854,981</b>
	<b>4,378,640,019</b>	<b>3,642,983,144</b>

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

On demand	796,596,167	1,441,128,163
In more than one month but not more than three months	2,119,976,006	1,308,931,161
In more than three months but not more than one year	1,462,067,846	817,297,890
In more than one year but not more than five years	-	75,625,930
In more than five years	-	-
	<b>4,378,640,019</b>	<b>3,642,983,144</b>

#### 12 Deposits and other accounts-Conventional and Islamic banking

Current deposits /Al-wadeeah current and other accounts (Note-12.1)	10,228,913,239	9,887,349,818
Bills payable (Note-12.2)	227,554,613	316,811,897
Savings bank deposits/Mudarabah savings bank deposits (Note-12.3)	4,748,996,643	3,831,217,604
Fixed deposits/Mudarabah fixed deposits (Note-12.4)	29,549,467,877	27,795,604,119
Bearer certificates of deposit	-	-
Other deposits	-	-
	<b>44,754,932,372</b>	<b>41,830,983,438</b>

#### 12.1 Current deposits /Al-wadeeah current and other accounts

Current accounts	9,209,977,259	9,060,135,970
Foreign currency deposits	306,004,891	171,198,864
Deposit margin on facilities	712,931,089	656,014,984
	<b>10,228,913,239</b>	<b>9,887,349,818</b>

#### 12.2 Bills payable

Local currency	227,554,613	316,811,897
Foreign currencies	-	-
	<b>227,554,613</b>	<b>316,811,897</b>





	31-Dec-2021 Taka	31-Dec-2020 Taka
<b>12.3 Savings bank deposits/Mudarabah savings bank deposits</b>		
NRB savers	1,953,576,816	1,530,252,724
NRB power savers	1,194,664,232	985,189,458
NRB staff	23,179,991	25,060,710
NRB my savings	527,099,827	414,853,550
NRB my study	9,634,787	9,003,943
NRB my salary	142,931,783	115,794,127
NRB my early	37,973,643	30,241,971
NRB pearl	597,262,445	526,647,214
NRB amar shopno	914,603	2,105,221
NRB isavings	8	756
Mudarabah Savings Account	40,689,983	-
Bondhu Shasroy Account	153,681,465	146,453,597
Bondhu Sonchita Account	64,607,596	44,306,090
Bondhu Student Account	2,779,464	1,308,244
	<b>4,748,996,643</b>	<b>3,831,217,604</b>
<b>12.4 Fixed deposits/Mudarabah fixed deposits</b>		
Fixed deposits	22,931,856,386	23,300,319,411
Short term deposits	6,617,611,490	4,495,284,708
	<b>29,549,467,877</b>	<b>27,795,604,119</b>
<b>12.5 Sector-wise break-up of deposits and other accounts</b>		
Government	1,011,486,813	1,048,447,163
Other public sector	4,734,118,302	7,243,282,030
Private sector	39,009,327,257	33,539,254,245
	<b>44,754,932,372</b>	<b>41,830,983,438</b>
<b>12.6 Segregation of deposits and other accounts</b>		
Other than inter-bank deposits	44,299,965,016	41,626,062,132
Inter-bank deposits	454,967,355	204,921,306
	<b>44,754,932,372</b>	<b>41,830,983,438</b>
<b>12.6.1 Details of inter-bank deposits</b>		
<b>In Current Deposit Account</b>		
Trust Bank Limited	2,547,160	2,478,042
Southeast Bank Limited	349,221	235,611
Jamuna Bank Limited	436,303	468,674
Premier Bank Limited	510,974	510,974
Mercantile Bank Limited	201,832	1,228,005
	<b>4,045,489</b>	<b>4,921,306</b>
<b>In Fixed Deposit Account</b>		
NCC Bank Limited	-	200,000,000
United Commercial Bank Limited	450,921,866	-

	31-Dec-2021 Taka	31-Dec-2020 Taka
	450,921,866	200,000,000
	454,967,355	204,921,306

## 12.7 Maturity-wise grouping of deposits and other accounts

On demand	5,895,949,217	4,766,798,642
In more than one month but not more than three months	7,475,038,927	6,449,822,756
In more than three months but not more than one year	25,037,239,960	24,386,199,436
In more than one year but not more than five years	3,984,469,553	3,344,934,303
In more than five years	2,362,234,715	2,883,228,301
	44,754,932,372	41,830,983,438

## 13 Other liabilities-Conventional and Islamic banking

Privileged creditors (Note-13.1)	144,813,187	131,273,997
Interest payable	531,864,382	532,551,343
Interest suspense account (Note-13.2)	557,463,452	341,760,721
Provision for loans and advances/investments (Note-13.3)	1,566,317,285	1,262,295,000
Provision for off-balance sheet exposures (Note-13.4)	113,968,263	102,571,227
Provision for diminution of quoted shares (Note-13.5)	265,607,630	73,545,791
Provision for other assets	131,339,854	127,088,955
Provision for expenses	28,493,695	18,824,638
Provision for current tax (Note-13.6)	1,403,720,081	1,202,242,642
Provision for non-banking assets	41,582,320	-
Provision for start-up fund	11,084,589	9,497,270
Q-Cash & ATM payable	42,741,679	24,321,279
Security deposits held	8,729,714	5,305,905
Sanchayapatra payable	200,000	15,350,000
Payable against BEFTN	1,848,260	1,181,806
Advance lease rental payable	19,042,493	40,558,134
Deposit Awaiting Disposal (DAD)	54,340,905	47,795,957
Suspense account - Trade	23,005,692	32,029,700
Interest subsidy-COVID-19	-	57,759,000
Miscellaneous payable	58,056,085	59,798,997
	5,004,219,566	4,085,752,364

### 13.1 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	45,335,308	45,843,656
VAT deduction at source	13,773,876	10,888,414
Excise duty	85,704,003	74,541,927
	144,813,187	131,273,997

### 13.2 Interest suspense account

Opening balance	341,760,721	186,423,673
Add: Amount transferred to "Interest Suspense" A/c during the year	282,788,899	162,471,773
	624,549,621	348,895,446
Less: Amount recovered from "Interest Suspense" A/c during the year	54,677,222	7,134,725
Amount written off during the year	12,408,946	



	31-Dec-2021 Taka	31-Dec-2020 Taka
	<b>557,463,452</b>	<b>341,760,721</b>
<b>13.3 Provision for loans and advance/ Investment</b>		
A. General		
Balance at the beginning of the year	441,755,013	348,050,818
Add: Provision made/(released) during the year		
On general loans and advances	14,457,643	(32,712,426)
On Special Mention Account (SMA)	1,165,728	(7,038,534)
Special general provision (COVID-19)	(23,526,624)	133,699,364
	<b>(7,903,253)</b>	<b>93,948,404</b>
Less : Provision reversed due to loan settlement	-	(244,209)
	<b>(7,903,253)</b>	<b>93,704,195</b>
Balance at the end of the year	<b>433,851,760</b>	<b>441,755,013</b>
B. Specific		
Balance at the beginning of the year	820,539,986	1,109,513,256
Add: Provision made/(released) (net of recovery) during the year	373,879,576	(129,777,502)
On recovery from loans written off earlier		
	<b>373,879,576</b>	<b>(129,777,502)</b>
Less : Provision reversed due to loan settlement	-	(159,195,768)
On fully provided debt written off during the year	(61,954,037)	-
Balance at the end of the year	<b>1,132,465,525</b>	<b>820,539,986</b>
C. Total provision on loans and advances/investments (A+B)	<b>1,566,317,285</b>	<b>1,262,295,000</b>
<b>13.4 Provision on off-balance sheet exposures</b>		
Opening balance	102,571,227	136,274,389
Add: Provision made during the year	11,397,036	(33,703,162)
	<b>113,968,263</b>	<b>102,571,227</b>
<b>13.5 Provision for diminution of quoted shares</b>		
Opening balance	73,545,791	139,504,988
Add: Provision made during the year	192,061,839	(65,959,197)
	<b>265,607,630</b>	<b>73,545,791</b>
<b>13.6 Provision for current tax</b>		
Opening balance	1,202,242,642	1,007,047,150
Add: Provision made during the year	201,477,439	195,195,492
	<b>1,403,720,081</b>	<b>1,202,242,642</b>

#### Reconciliation of effective tax rate

Particulars	2021 (Standalone)	2020 (Standalone)
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		31-Dec-2021 Taka		31-Dec-2020 Taka
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		629,370,643		508,452,454
Income tax as per applicable tax rate	40.00%	251,748,257	40%	203,380,982
<b>Factors affecting the tax charge for current year</b>				
Inadmissible expenses	79.91%	502,927,995	100%	507,960,275
Admissible expenses in the current year (i.e. write-off etc.)	-25.31%	(159,280,111)	-26%	(133,308,068)
Tax exempted income	-1.64%	(305,114,046)	-72%	(365,272,014)
Tax savings from reduced tax rates for dividend	-0.40%	(1,983,399)	-2%	(11,152,305)
Tax loss/(savings) from reduced tax rates for capital gain	0.00%	(83,005,124)	-2%	(7,889,261)
Reversal of previous years' excess tax	-7.60%	(49,000,000)	0%	-
Effect of deferred tax	-14.26%	45,183,867	0%	1,475,884
<b>Total income tax expenses</b>	<b>32.01%</b>	<b>201,477,439</b>	<b>38.39%</b>	<b>195,195,492</b>

### 13.a Nostro Reconciliation

	As Per Our Book		As per Their Book	
	Debit (USD)	Credit (USD)	Debit (USD)	Credit (USD)
Up to three months	208,782	1,462,240	2,211,455	1,270,300
More than three months but less than six months	-	-	-	15,702
More than six months but less than nine months	-	-	-	-
More than nine months but less than twelve months	-	-	-	-
More than twelve months	-	-	-	-
	<b>208,782</b>	<b>1,462,240</b>	<b>2,211,455</b>	<b>1,286,002</b>

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.

## 14 Share capital

### 14.1 Authorized capital

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

10,000,000,000

10,000,000,000

### 14.2 Issued, subscribed and fully paid up capital

590,587,200 ordinary shares of Taka 10 each issued for cash

5,905,872,000

4,665,600,000

### 14.3 Percentage of shareholdings

Particulars	2021		2020	
	Value of Share	% of Share Holding	Value of Share	% of Share Holding
<b>Shareholders' Group</b>				
Directors	2,778,884,560	47.05	2,307,314,470	49.45
Sponsor Shareholders	2,231,078,120	37.78	1,380,446,000	29.59
General Shareholders	895,909,320	15.17	977,839,530	20.96
Total	<b>5,905,872,000</b>	<b>100.00</b>	<b>4,665,600,000</b>	<b>100.00</b>



31-Dec-2021  
Taka

31-Dec-2020  
Taka

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

SL	Name of the directors	Designation	2021		2020	
			% of Share holding	Number of Shares	% of Share holding	Number of Shares
1	Mr. Mohammed Mahtabur Rahman	Chairman	3.58%	21,128,760	3.46%	16,160,000
2	Mr. Tateyama Kabir	Vice Chairman	2.59%	15,291,990	3.13%	14,580,000
3	Mr. Mohammed Jamil Iqbal	Vice Chairman	3.96%	23,412,564	4.63%	21,578,400
4	Mr. Ali Ahmed	Director	2.18%	12,897,113	1.38%	6,415,200
5	Mr. Khandakar R. Amin	Director	2.37%	13,981,744	2.00%	9,331,200
6	Mr. Iqbal Ahmed OBE DBA	Director	4.45%	26,257,000	4.63%	21,600,000
7	Mr. Mohammed Jahed Iqbal	Director	3.10%	18,308,724	2.63%	12,247,200
8	Mr. Abdul Karim	Director	4.27%	25,226,510	5.00%	23,328,000
9	Mr. M Badiuzzaman	Director	3.85%	22,751,669	4.49%	20,969,280
10	Mr. Humayen Kabir Khan	Director	1.48%	8,766,529	1.48%	6,925,500
11	Dr. Mohammed Ehsanur Rahman	Director	4.52%	26,701,970	4.80%	22,408,667
12	Mr. Mohammed Ashfaqur Rahman*	Director	4.08%	24,119,278	---	---
13	Mr. Mohammed Nazam Uddin*	Director	0.57%	3,386,936	---	---
14	Mr. Dulal Ahmed*	Director	0.31%	1,801,968	---	---
15	Ms. Bayzun N Chowdhury*	Director	0.75%	4,429,404	---	---
16	Dr. Rafa Jaigirdar*	Director	4.98%	29,426,297	---	---
17	Mr. Md. Abdul Jalil Chowdhury	Independent Director	N/A	N/A	N/A	N/A
18	Mr. Md. Motior Rahman	Independent Director	N/A	N/A	N/A	N/A
19	Dr. Md. Kamrul Ahsan	Independent Director	N/A	N/A	N/A	N/A
20	Mr. Imtiaz Ahmed**	---	---	---	0.50%	2,332,800
21	Dr. Nesar Ahmed Choudhury**	---	---	---	0.63%	2,916,000
22	Mr. Naveed Rashid Khan**	---	---	---	5.00%	23,328,000
23	Mr. Mohammed Idrish Farazy**	---	---	---	0.58%	2,700,000
24	Mr. Nafih Rashid Khan**	---	---	---	4.63%	21,578,400
25	Mr. Mohammed Giash Uddin**	---	---	---	0.50%	2,332,800
			<b>47.05%</b>	<b>277,888,456</b>	<b>49.45%</b>	<b>230,731,447</b>

\* Newly appointed Director during 2021

\*\* No longer Director as on 31 December 2021

#### 14.5 Capital to risk weighted assets ratio (CRAR)

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 21 December 2014.

##### Tier- I Capital:

##### A) Total Common Equity Tier 1 Capital

Paid up capital	5,905,872,000	4,665,600,000
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	31-Dec-2021 Taka	31-Dec-2020 Taka
Statutory reserve	786,381,698	660,507,569
Retained earnings	308,711,762	470,952,006
	<b>7,000,965,459</b>	<b>5,797,059,575</b>
Less: Regulatory adjustments	368,674,435	328,215,994
<b>A) Total Common Equity Tier 1 Capital</b>	<b>6,632,291,024</b>	<b>5,468,843,581</b>
<b>B) Additional Tier 1 Capital:</b>		
Add: Additional Tier 1 Capital	-	-
Less: Regulatory adjustments	-	-
<b>C) Total Tier-1 Capital</b>	<b>6,632,291,024</b>	<b>5,468,843,581</b>
<b>Tier 2 Capital (Gone -Concern Capital)</b>		
Subordinated Bond	-	-
General provision maintained against unclassified loan	433,851,760	441,755,013
General provision on off-balance sheet items	113,968,263	102,571,227
Asset revaluation reserve	-	-
Revaluation reserve of Government securities	-	-
	<b>547,820,023</b>	<b>544,326,240</b>
Less: Regulatory adjustments	-	-
<b>D) Total Tier 2 Capital</b>	<b>547,820,023</b>	<b>544,326,240</b>
<b>E) Total eligible capital (C+D)</b>	<b>7,180,111,047</b>	<b>6,013,169,821</b>
<b>F) Total risk weighted assets (RWA)</b>		
Credit risk		
Balance Sheet Business	29,344,919,126	28,770,427,615
Off- Balance Sheet Business	3,000,169,646	3,047,181,446
	32,345,088,773	31,817,609,061
Market Risk	3,263,338,938	1,853,015,303
Operational Risk	3,775,040,517	3,740,140,679
	<b>39,383,468,228</b>	<b>37,410,765,042</b>
<b>G) Required capital</b>	<b>4,000,000,000</b>	<b>4,000,000,000</b>
<b>H) Capital surplus</b>	<b>3,180,111,047</b>	<b>2,013,169,821</b>
<b>Capital to Risk-Weighted Assets Ratio/Capital adequacy ratio:</b>		
Common Equity Tier- 1 / core capital to RWA against minimum requirement 4.5%	16.84%	14.62%
Tier- 1 / core capital to RWA minimum requirement 6%	16.84%	14.62%
Capital to Risk Weighted Assets against minimum requirement 10%	18.23%	16.07%

## 15 Statutory reserve

As per Section 24(1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the year has been transferred to the statutory reserve fund.

Opening balance	660,507,569	470,693,317
Add: Addition during the year ( 20% of pre-tax profit)	125,874,129	189,814,252
	<b>786,381,698</b>	<b>660,507,569</b>





	31-Dec-2021 Taka	31-Dec-2020 Taka
<b>16 Other reserve</b>		
General Reserve	-	-
Investment revaluation reserve (Note-16.1)	1,516,910	6,707,198
	<b>1,516,910</b>	<b>6,707,198</b>
<b>16.1 Revaluation reserve</b>		
Held to maturity (HTM) (Note-16.1.1)	926,466	796,959
Held for trading (HTF) (Note-16.1.2)	590,444	5,910,239
	<b>1,516,910</b>	<b>6,707,198</b>
<b>16.1.1 Reserve for amortization of treasury securities (HTM)</b>		
Opening balance	796,959	1,078,288
Add: Addition during the year	497,036	132,668
	1,293,995	1,210,956
Less: Adjustment made during the year	367,529	(413,997)
	<b>926,466</b>	<b>796,959</b>
<b>16.1.2 Reserve for revaluation of treasury securities (HFT)</b>		
Opening balance	5,910,239	630,671
Add: Addition during the year	84,985,116	255,750,861
	90,895,355	256,381,532
Less: Adjustment made during the year	90,304,911	250,471,293
	<b>590,444</b>	<b>5,910,239</b>
<b>17 Retained earnings</b>		
Opening balance	470,952,006	(10,302,183)
Add: Net profit for the year	427,893,204	671,068,441
	898,845,210	660,766,258
Less: Transfer to statutory reserve	125,874,129	189,814,252
Less: Bonus Share issued	462,672,000	-
Transfer to start-up fund	1,587,319	-
	<b>308,711,762</b>	<b>470,952,006</b>
<b>18 Contingent liabilities Conventional and Islamic banking</b>		
Acceptances and endorsements (Note-18.1)	3,242,315,435	1,565,237,575
Letters of guarantee (Note-18.2)	6,156,223,432	7,366,294,585
Irrevocable letters of credit (Note-18.3)	1,998,287,406	1,325,590,543
Bills for collection (Note-18.4)	929,747,918	623,740,867
	<b>12,326,574,190</b>	<b>10,880,863,570</b>
<b>18.1 Acceptances and Endorsements Conventional and Islamic banking</b>		
Acceptances (ULC Cash)	1,787,460,137	897,347,818
Acceptances BTB Usance Local	1,319,363,852	561,693,470
Import Bills (Sight Contract)	-	-
Shipping Guarantee	135,491,446	106,196,287

	31-Dec-2021 Taka	31-Dec-2020 Taka
	<b>3,242,315,435</b>	<b>1,565,237,575</b>
<b>18.2 Letters of Guarantee</b>		
Directors	-	-
Government	-	-
Banks and other financial institution	-	-
Others (Customers etc.)	6,156,223,432	7,366,294,585
	<b>6,156,223,432</b>	<b>7,366,294,585</b>
<b>18.3 Irrevocable letters of credit</b>		
Letter of Credit Cash Sight	666,686,112	458,945,408
Letter of Credit Cash Usance	532,556,565	406,334,283
Letter of Credit Back to Back Sight	68,814,385	37,064,752
Letter of Credit Back to Back Usance	730,230,344	423,246,100
	<b>1,998,287,406</b>	<b>1,325,590,543</b>
<b>18.4 Bills for Collection</b>		
Foreign documentary bills collection	574,627,229	289,712,462
Local documentary bills collection	355,120,689	334,028,405
	<b>929,747,918</b>	<b>623,740,867</b>
<b>19 Income statement</b>		
<b>Income:</b>		
Interest, discount and similar income(Note-19.1)	3,931,659,436	4,612,648,706
Dividend income	64,916,993	55,761,525
Fees, commission and brokerage (Note-19.2)	407,585,490	317,521,093
Gains less losses arising from dealing in securities	305,114,046	365,272,014
Gains less losses arising from investment securities	276,683,748	26,297,538
Gains less losses arising from dealing in foreign currencies	56,425,318	70,565,537
Income from non-banking assets	-	-
Other operating income (Note-24)	34,856,069	61,478,441
Profit less losses on interest rate changes	-	-
	<b>5,077,241,100</b>	<b>5,509,544,854</b>
<b>Expenses:</b>		
Interest paid on deposits and borrowings, etc. (Note-21)	2,444,805,662	3,070,333,638
Losses on loans and advances	-	-
Administrative expenses (Note-19.3)	1,171,380,753	1,222,204,758
Other expenses (Note-34)	149,494,046	158,436,072
Depreciation on banks assets (Note-33)	108,503,901	108,843,358
	<b>3,874,184,362</b>	<b>4,559,817,826</b>
	<b>1,203,056,738</b>	<b>949,727,028</b>
<b>19.1 Interest, discount and similar income</b>		
Interest income (Note-20)	3,544,405,693	4,065,018,938



	31-Dec-2021 Taka	31-Dec-2020 Taka
Interest on treasury bills & bonds	387,253,743	547,629,768
	<b>3,931,659,436</b>	<b>4,612,648,706</b>
<b>19.2 Fees, commission and brokerage</b>		
Commission	407,585,490	317,521,093
Brokerage	-	-
	<b>407,585,490</b>	<b>317,521,093</b>
<b>19.3 Administrative expenses</b>		
Salaries and allowances (Note-25)	797,479,371	798,760,560
Rent, taxes, insurance, electricity, etc. (Note-26)	263,200,968	312,600,607
Legal and professional expenses (Note-27)	8,027,930	5,558,070
Postage, stamp, telecommunication, etc. (Note-28)	28,404,336	33,130,666
Stationery, printing, advertisement, etc. (Note-29)	18,538,989	19,632,693
Managing Director's salary and fees (Note-30)	9,532,144	13,600,000
Directors' fees & others expenses (Note-31)	5,885,377	742,421
Auditors' fees (Note-32)	400,000	400,000
Repair of Bank's assets (Note-33)	39,911,638	37,779,742
	<b>1,171,380,753</b>	<b>1,222,204,758</b>
<b>20 Interest income Conventional and Islamic banking</b>		
Interest on advances	3,296,720,833	3,878,946,570
Interest on money at call and short notice	19,873,148	23,589,862
Interest on balance with other banks	56,848,876	4,532,885
Interest on placement with other banks and Financial Institutions	170,962,836	157,949,621
	<b>3,544,405,693</b>	<b>4,065,018,938</b>
<b>21 Interest paid on deposits and borrowings etc.</b>		
<b>Conventional and Islamic banking</b>		
Interest on deposits	2,367,742,620	2,915,433,172
Interest on borrowings	77,063,042	154,900,466
	<b>2,444,805,662</b>	<b>3,070,333,638</b>
<b>22 Investment income (Conventional and Islamic banking)</b>		
Interest on Treasury Bill	2,433,085	64,681,064
Interest on Treasury Bond	563,051,638	529,429,572
Interest on Int. Income on Govt. SUKUK	7,376,241	-
Interest on bonds-Corporate	23,794,667	13,258,667
Interest on Commercial Paper	4,579,517	37,686,247
Capital Gain from trading in Govt. Securities	305,114,046	365,272,014
Trading loss on Govt. Securities	(157,130,680)	(97,425,782)
Capital Gain from sale of quoted Securities	276,683,748	26,297,538
Loss on sale of shares Traded in Secondary Market	(56,850,725)	-
Dividend on shares	64,916,993	55,761,525
	<b>1,033,968,530</b>	<b>994,960,846</b>

	31-Dec-2021 Taka	31-Dec-2020 Taka
<b>23 Commission, exchange and brokerage (Conventional and Islamic banking)</b>		
Fees, commission and charges (Note-23.1)	407,585,490	317,521,093
Exchange gain (net off exchange loss)	56,425,318	70,565,537
Brokerage	-	-
	<b>464,010,808</b>	<b>388,086,630</b>
<b>23.1 Fees, commission and charges (Conventional and Islamic banking)</b>		
Loan processing fees	12,526,392	4,655,391
Service charges (Periodic and adhoc)	75,618,485	59,010,763
Early settlement fees	2,851,621	4,178,812
Cards fees and charges (net of cards direct expenses) (Note-23.1.a)	154,412,709	120,923,727
Commission on general banking (PO, FDD, Remittance etc.)	16,227,850	6,824,259
Commission on trade business (LC, LG, Acceptance)	145,948,433	121,928,141
	<b>407,585,490</b>	<b>317,521,093</b>
<b>23.1.a Cards fees and charges (net of cards direct expenses)</b>		
<b>Cards fees and charges</b>		
Fees and charges (Debit, prepaid cards etc.)	16,708,146	14,309,411
<b>Fees and charges (Credit cards)</b>		
Annual fees	16,471,000	15,593,500
Late payment and overlimit fees	46,575,298	16,299,096
Cash advance fees	9,849,863	7,934,071
Interchange reimbursement fees	32,327,951	22,269,583
Risk assurance premium	34,671,015	31,221,857
Card cheque fees	26,638,503	26,530,306
Visa Markup Fees and EMI Commission	1,687,868	7,188,705
Replacement fees and others	1,406,580	1,196,805
	<b>169,628,077</b>	<b>128,233,923</b>
	<b>186,336,223</b>	<b>142,543,334</b>
<b>Cards direct expense</b>		
Membership Fee	3,798,413	2,121,250
VISA network charges	22,471,689	14,301,715
Other Charges	5,653,412	5,196,641
	<b>31,923,514</b>	<b>21,619,606</b>
<b>Total Cards fees and charges (net of cards direct expenses)</b>	<b>154,412,709</b>	<b>120,923,727</b>
<b>24 Other operating income (Conventional and Islamic banking)</b>		
Rebate on nostro account	6,919,456	7,155,878
Swift charge recovered	5,955,831	4,518,000
Postage/telex charge recovered	1,175,565	1,489,497
Gain from sale of fixed assets	-	4,572,226
Other Income - PF Forfeiture	5,000,000	14,981,382
Non operating income	15,805,217	28,761,458



	31-Dec-2021 Taka	31-Dec-2020 Taka
	<b>34,856,069</b>	<b>61,478,441</b>
<b>25 Salaries and allowances (Conventional and Islamic banking)</b>		
Basic salary	320,091,956	323,319,012
Allowances	360,941,169	374,776,269
Performance bonus	30,329,059	-
Festival bonus	51,860,933	54,099,715
Bank's Contribution to provident fund	26,016,613	27,137,948
Contribution to gratuity fund	8,239,640	19,427,616
	<b>797,479,371</b>	<b>798,760,560</b>
<b>26 Rent, taxes, insurance, electricity etc. (Conventional and Islamic banking)</b>		
Rent, rate and taxes	202,560,728	247,309,392
Insurance premium	30,418,007	29,291,199
Utilities	30,222,234	36,000,016
	<b>263,200,968</b>	<b>312,600,607</b>
<b>27 Legal expenses and professional expenses Conventional and Islamic banking</b>		
Legal expenses	4,852,321	3,136,353
Other professional expenses	3,175,609	2,421,717
	<b>8,027,930</b>	<b>5,558,070</b>
<b>28 Postage, stamps, telecommunication etc. (Conventional and Islamic banking)</b>		
Postage & Courier charges	2,504,034	2,865,038
Telephone	2,578,322	3,903,871
Swift and Bloomberg charges	7,849,105	10,063,442
Network link, internet, DC and DR	15,472,874	16,298,315
	<b>28,404,336</b>	<b>33,130,666</b>
<b>29 Stationery, printing, advertisements etc. (Conventional and Islamic banking)</b>		
Printing and stationery	10,295,688	8,645,144
Publicity and advertisement	5,686,161	9,139,372
Promotional Expense	2,557,140	1,848,177
	<b>18,538,989</b>	<b>19,632,693</b>
<b>30 Managing Director's salary and allowances</b>		
Basic salary	3,964,286	9,500,000
Allowances	3,171,429	1,250,000
Performance bonus	1,000,000	-
Festival bonus	1,000,000	1,900,000
Bank's Contribution to provident fund	396,429	950,000
	<b>9,532,144</b>	<b>13,600,000</b>
<b>31 Directors' fees and other expenses</b>		
Meeting attendance fees	4,416,000	304,000

	31-Dec-2021 Taka	31-Dec-2020 Taka
Other expenses	1,469,377	438,421
	<b>5,885,377</b>	<b>742,421</b>
<b>32 Auditors' fees</b>		
Statutory audit fees	400,000	400,000
	<b>400,000</b>	<b>400,000</b>
<b>33 Depreciation and repair of bank's assets (Conventional and Islamic banking)</b>		
<b>Depreciation: (Annexure 'A')</b>		
Furniture and fixtures	39,129,657	38,658,904
Machinery and equipment	23,437,790	23,204,948
Computer and network equipment	20,172,702	18,302,300
Mobile Phone	633,394	500,407
Vehicles	3,708,981	6,088,783
Software	21,421,377	22,088,016
	<b>108,503,901</b>	<b>108,843,358</b>
<b>Repair of bank's assets</b>		
Rented premises	3,414,483	2,486,132
Machinery and equipment	6,581,787	5,462,865
Computer and accessories	367,508	326,223
Software maintenance	29,547,860	29,504,522
	<b>39,911,638</b>	<b>37,779,742</b>
	<b>148,415,540</b>	<b>146,623,100</b>
<b>34 Other expenses (Conventional and Islamic banking)</b>		
Car expenses	3,447,295	5,542,925
Security Guard	34,803,830	32,534,349
Books, periodicals and publications	1,014,156	910,533
Donation and subscription	34,461,244	42,627,025
Staff recruitment and training expenses	157,318	608,682
Travelling expenses	3,374,984	3,137,744
Directors' travel and accommodation expenses	3,743,597	935,738
Entertainment	6,630,897	4,296,955
Business development expenses	1,891,142	4,780,492
Bank and other regulatory charges	6,620,160	1,425,266
Cash carrying expense	7,383,836	7,438,700
AGM expenses	338,469	-
Contract point verification expenses	2,160,227	2,747,876
Sales and collection commission	19,594,404	34,452,508
Miscellaneous expenses	23,872,488	16,997,279
	<b>149,494,046</b>	<b>158,436,072</b>





	31-Dec-2021 Taka	31-Dec-2020 Taka
<b>35 Provision for loans and advances/ investments &amp; off balance sheet items (Conventional and Islamic banking)</b>		
Provision for bad and doubtful loans and advances	373,879,576	(129,777,502)
Provision for unclassified loans and advances	(7,903,253)	93,948,404
Provision for off-balance sheet items	11,397,036	(33,703,162)
Provision for diminution in value of investments	192,061,839	(65,959,197)
Provision for other assets	4,250,898	126,649,955
	<b>573,686,096</b>	<b>(8,841,501)</b>
<b>36 Receipts from other operating activities (Conventional and Islamic banking)</b>		
Rebate on nostro account	6,919,456	7,155,878
Swift charge recovered	5,955,831	4,518,000
Postage/telex charge recovered	1,175,565	1,489,497
Non operating income	15,805,217	8,761,458
	<b>29,856,069</b>	<b>21,924,833</b>
<b>37 Payments for other operating activities (Conventional and Islamic banking)</b>		
Rent, rates and taxes	263,200,968	312,600,607
Legal expenses and professional expenses	8,027,930	5,558,070
Postage and communication charges, etc.	28,404,336	33,130,666
Stationery, printing, advertisements etc.	18,538,989	19,632,693
Directors' fees & other expenses	5,885,377	742,421
Miscellaneous expenses	189,805,685	196,615,814
	<b>513,863,284</b>	<b>568,280,270</b>
<b>38 Net asset value (NAV) per share</b>		
a) Capital / shareholders' equity for the year	7,002,482,370	5,803,766,773
b) Number of outstanding shares	590,587,200	466,560,000
<b>Net asset value (NAV) per share ( a÷b)</b>	<b>11.86</b>	<b>12.44</b>
<b>Net operating cash flow per share (NOCFPS)</b>		
a) Operating cash flow for the year	2,269,297,721	355,884,034
b) Weighted average number of share	590,587,200	466,560,000
<b>Net operating cash flow per share ( a÷b)</b>	<b>3.84</b>	<b>0.76</b>
The net operating cash flow has been significantly increased due to significant growth of deposit by private sector.		
<b>39 Earnings per share (Restated)</b>		
Net profit after tax	427,893,204	680,565,711
Number of ordinary shares outstanding	590,587,200	590,587,200
<b>Earnings per share (Restated)</b>	<b>0.72</b>	<b>1.15</b>

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

#### 40 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 126th

meeting held on 26 September 2021 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. Md. Motior Rahman	Independent Director	Chairman	M.Com (Accounting)
2	Mr. Mohammed Jamil Iqbal	Vice Chairman	Vice Chairman	B A (Hons)
3	Mr. Mohammed Ashfaqur Rahman	Director	Member	MBA
4	Mr. Dulal Ahmed	Director	Member	HSC
5	Dr. Md. Kamrul Ahsan	Independent Director	Member	Ph.D (Environmental Science)

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 as on 31.12.2021:

38th Audit Committee Meeting held on 26.01.2021	42nd Audit Committee Meeting held on 24.06.2021
39th Audit Committee Meeting held on 14.02.2021	43rd Audit Committee Meeting held on 08.07.2021
40th Audit Committee Meeting held on 21.03.2021	44th Audit Committee Meeting held on 15.09.2021
41st Audit Committee Meeting held on 26.04.2021	45th Audit Committee Meeting held on 01.11.2021

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.

#### 41 Related party disclosures

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operating decisions that fall within the definition of 'Related Party' as contained in Bangladesh Accounting Standards (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 LLC, UAE	Investor	100%
		Al Haramain Perfumes Holding LLC, UAE	Investor	100%
		Al Haramain Perfumes MFG & Oudh Processing Industry LLC, UAE	Managing Director	49%
		Al Halal Perfumes Industry LLC, UAE	Managing Director	25%
		Al Halal Perfumes LLC, UAE	Managing Director	49%
		Al Haramain Trading L.L.C, UAE	Partner	51%
		Noor Al Haramain Trading LLC, UAE*	Managing Director	25%
		Oud Al Haramain LLC, UAE	Investor	100%
		Shaikh Khalifa Bin Zayed Bangladesh Islamia (Pvt) School, UAE*	Sponsor	
		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 LLC, Oman	Managing Director	70%
		Al Haramain Perfumes, W.L.L, Qatar	Managing Director	49%
		Al Haramain Perfumes S.P.C, Bahrain	Managing Director	50%
		Al Haramain Perfumes PTE Limited, Singapore*	Managing Director	99%
		Al Haramain Perfumes SDN BHD, Malaysia*	Managing Director	50%
		Al Haramain Perfumes Pvt. Ltd. Bangladesh	Chairman	0.50%
		Al Haramain Hospitals Pvt. Ltd. Bangladesh	Chairman	0.10%
		Al Haramain Tea Co. Ltd. Bangladesh	Chairman	
		Al Arafah Islami Bank Limited, Bangladesh	Sponsor	0.93%
		Rich & Ruitz, France*	Director	
		Al Haramain Perfumes, London	Director	
		Al Haramain Perfumes Inc, New York, USA	Managing Director	
Mr. Tateyama Kabir	Vice Chairman	Kabir Auto Export Co. Ltd. Japan	President	100%
		Ocean Auto Limited, Dhaka, Bangladesh	Proprietor	100%
		K M Global Limited, Dhaka, Bangladesh	Proprietor	100%
		Sumday Development Company Ltd., Bangladesh	Managing Director	25%
		K M International	Proprietor	100%
		Soft Bangla Ltd.	Chairman	50%
Mr. Mohammed Jamil Iqbal	Vice Chairman	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%

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. 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. 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%
		Gallitos Mexicans (Restaurant), USA	Proprietor	100%
		Hotel New York (Residential), Dhaka	Proprietor	100%
		KH Carbon Factory, Faridpur	Proprietor	100%
		Khandakar 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. 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. Mohammed Jahed Iqbal	Director	M/S. Md. Jahed Iqbal, Bangladesh	Proprietor	100%
		Jahed Iqbal Ltd. UK	Director	100%
		Desert Star Trading LLC, UAE	Partner	24%
		Jamil Iqbal Ltd., Bangladesh	Managing Director	50%
		Sumday Development Company Ltd., Bangladesh	Director	25%
		Anurag Property Development Ltd.	Chairman	50%
		Iqbal Logistics Ltd.	Managing Director	50%
		Jl Trading & Co.	Proprietor	100%
		Iqbal Tours & Travels	Proprietor	100%
		Jahed Construction UK Ltd.	Director	100%
Mr. Abdul Karim	Director	Hassan Shahin Ahmed Perfumes L.L.C. Dubai, UAE	Proprietor	100%
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%
		Strategic Enterprises Pvt. Ltd., Bangladesh	Chairman	30%
		Pay Union BD limited, Bangladesh	Director	30%
Mr. Humayen Kabir Khan	Director	Khan and Son Services Inc	Owner	100%
		Khan and Son Property LLC, USA	Owner	100%
		Estate of Fazlur Khan, USA	Owner & CEO	50%
Dr. Mohammed Ehsanur Rahman	Director	Al Haramain Trading L.L.C, UAE	Director/ Partner	
		Al Haramain Hospital Pvt Ltd., BD	Managing Director	20%
		Al Haramain Perfumes Pvt Ltd., UAE	Director	20%
		Hamidia Tea State Ltd., BD	Director	33%
Mr. Mohammed Ashfaqur Rahman	Director	Al Haramain Trading Company LLC, UAE	Director	10%
		Al Haramain Perfumes Pvt. Limited, BD	Director	20%
		Al Haramain Hospital Pvt. Ltd, BD	Director	20%
		Hamida Tea Company Ltd., BD	Director	33%
		NRBC Bank Limited, BD	Shareholder	1.70%
Mr. Mohammed Nazam Uddin	Director	Nagor Property's Ltd, UK	Director	60%
		STTRN Ltd, London, UK	Director	60%
Mr. Dulal Ahmed	Director	The Voujon, UK	Managing Director	100%
		Spice Station, UK	Director	50%
		Pound Plus, UK	Director	50%
Ms. Bayzun N Chowdhury	Director	Al Haramain Perfumes Group LLC, UAE	Advisor	
		Sonali Securities Ltd	Director	20%
		Al Haramain Perfumes Pvt. Ltd., BD	Advisor	
		Al Haramain Hospital Pvt. Ltd., BD	Advisor	
Dr. Rafa Jaigirdar	Director	Al Haramain Hospital Pvt Ltd., BD	Deputy Managing Director	Nominated

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. Md. Abdul Jalil Chowdhury	Independent Director	Nil	Nil	Nil
Mr. Md. Motior Rahman	Independent Director	Nil	Nil	Nil
Dr. Md. Kamrul Ahsan	Independent Director	Nil	Nil	Nil
Mr. Mamoon Mahmood Shah	Managing Director & CEO	Nil	Nil	Nil

\* Not in operation as on 31.12.2021

- 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 Company 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: Nil

#### B) i) Transactions relating to procurement, service & rent:

Name of the Company/ Person	Related Directors of NRBBL	Nature of Transactions	Amount of Transaction made in 2021
Manru Shopping City	Mr. Iqbal Ahmed OBE DBA	Rental payment for NRBBL Sylhet Main Br, Sylhet.	3,571,155
Advance Zaman Centre	Mr. M. Badiuzzaman	Rental payment for NRBBL Ghonapar Br, Gopalgonj.	497,700
Ocean Auto	Mr. Tateyama kabir	Prado Jeep purchase for Honorable Chairman	4,500,000
Ocean Auto	Mr. Tateyama kabir	Lease rental payment of vehicle	1,500,000

- 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 Company Act 1991 : Nil
- vi) Investments in the Securities of Directors and their related concern : Nil

#### 42 Auditors work hour

The external auditor of the Bank, M/s Hoda Vasi Chowdhury & Co, Chartered Accountants worked about 2,985 man hour. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date..

#### 43 General

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





# Schedule of fixed assets

as at 31 December 2021

Annexure-A

(Amount in Taka)

Particulars	Cost				Rate of Depreciation	Accumulated Depreciation			Written down value as at 31 December 2021	
	Balance as at 1 January 2021	Additions during the year	Disposal/ adjustment during the year	Balance as at 31 December 2021		Balance as at 1 January 2021	Charged during the year	Disposal/ adjustment during the year		Balance as at 31 December 2021
Tangible assets:										
Furniture and fixture	384,500,794	52,087,336	-	436,588,130	10%	161,804,363	39,129,657	-	200,934,020	235,654,109
Machinery and equipment	185,172,505	31,402,170	-	216,574,675	20%	134,486,270	23,437,790	-	157,924,060	58,650,615
Computer and network equipment	175,544,557	52,996,028	(215,000)	228,325,585	20%	131,932,598	20,172,702	(215,000)	151,890,300	76,435,285
Mobile Phone	2,314,322	1,197,014	-	3,511,336	50%	1,944,297	633,394	-	2,577,691	933,645
Vehicle	52,358,282	4,987,113	-	57,345,395	20%	39,448,548	3,708,981	-	43,157,529	14,187,866
Intangible assets:										
Software	180,285,856	4,566,123	-	184,851,979	12.5%	125,621,492	21,421,377	-	147,042,869	37,809,110
As at 31 December 2021	980,176,316	147,235,784	(215,000)	1,127,197,100		595,237,568	108,503,901	(215,000)	703,526,470	423,670,630
As at 31 December 2020	948,258,621	49,143,111	(17,225,416)	980,176,316		499,341,553	108,843,358	(12,947,343)	595,237,568	384,938,747

# Balance with other banks-Outside Bangladesh(Nostro Account)

Annexure-B

as at 31 December 2021

Name of the Bank	Account type	Currency type	2021			2020		
			FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Habib American Bank, New York	CD	USD	299,153.38	85.80	25,667,360	139,974.93	84.80	11,870,028
United Bank of India	CD	ACU	119,424.38	85.80	10,246,612	75,770.19	84.80	6,425,395
United Bank of India	CD	ACU EUR	38,601.60	97.37	3,758,476	38,003.46	103.89	3,948,012
Mizhuo Bank Ltd, Japan	CD	JPY	82,388.00	0.75	61,503	47,588.00	0.82	38,975
Mashreq Bank PSC, New York	CD	USD	961,360.67	85.80	82,484,745	799,223.73	84.80	67,775,051
Aktif Bank, Turkey	CD	GBP	8,682.68	115.71	1,004,672	-	-	-
Aktif Bank, Turkey	CD	EUR	4,963.34	97.37	483,260	27,381.66	103.89	2,844,560
Bank of Huzhou Co. Ltd.	CD	RMB	5,008.46	13.47	67,482	-	-	-
AB Bank Limited, Mumbai	CD	ACU	99,940.04	85.80	8,574,855	49,364.34	84.80	4,186,150
AXIS Bank Limited , India	CD	ACU	177,040.51	85.80	15,190,076	-	84.80	-
BANCA UBAE, SPA	CD	EUR	8,428.90	97.37	820,687	-	-	-
National Commercial Bank	CD	SAR	33,108.13	22.86	756,908	109,758.13	22.60	2,480,183
					<b>149,116,635</b>			<b>99,568,355</b>

(Amount in Taka)



# Investment in Quoted Shares and Mutual Funds

as at 31 December 2021

Name of the Company	Face value per share	No. of shares	Cost of holding	Average Cost	Quoted rate per share as on 31.12.2021	Total market value of share as at 31.12.2021	Unrealised gain/(loss)
<b>Quoted Shares</b>							
<b>General Portfolio</b>							
Heidelberg Cement Bangladesh Limited	10	80,000	41,888,550	523.61	272.40	21,792,000	(20,096,550)
MJL Bangladesh Limited	10	840,000	97,181,028	115.69	88.30	74,172,000	(23,009,028)
Olympic Industries Limited	10	180,000	34,395,197	191.08	160.60	28,908,000	(5,487,197)
Esquire Knit Composite Limited	10	20,890	940,050	45.00	35.00	731,150	(208,900)
Mutual Trust Bank Limited	10	12,705	336,810	26.51	19.60	249,018	(87,792)
Ring Shine Textiles Ltd	10	2,312	19,905	8.61	9.60	22,195	2,290
Robi Axiata Limited	10	370,000	18,289,185	49.43	34.60	12,802,000	(5,487,185)
Square Pharmaceuticals Limited	10	300,000	68,220,659	227.40	214.30	64,290,000	(3,930,659)
Pioneer Insurance Limited	10	2,029,103	358,319,222	176.59	116.90	237,202,141	(121,117,082)
Paramount Insurance Limited	10	588,000	70,998,273	120.75	73.30	43,100,400	(27,897,873)
SK Trims Industries Limited	10	500,000	29,559,000	59.12	29.80	14,900,000	(14,659,000)
Linde (BD) Ltd	10	10,808	16,248,561	1,503.38	1,579.80	17,074,478	825,917
The City Bank Limited	10	1,440,000	41,383,715	28.74	27.30	39,312,000	(2,071,715)
Master feed Agrotec Ltd	10	26,649	266,490	10.00	9.60	255,830	(10,660)
Oryza Agro Industries Ltd	10	27,244	272,440	10.00	10.40	283,338	10,898
Summit Power Limited	10	1,300,000	60,132,875	46.26	38.90	50,570,000	(9,562,875)
Confidence Cement Limited	10	700,000	106,295,109	151.85	121.90	85,330,000	(20,965,109)
GPH Ishpat Limited	10	200,000	11,180,357	55.90	53.00	10,600,000	(580,357)
LankaBangla Finance Ltd.	10	1,100,000	43,933,068	39.94	37.30	41,030,000	(2,903,068)
Beximco Pharmaceuticals Ltd	10	465,000	95,867,557	206.17	192.70	89,605,500	(6,262,057)
Mostafa Metal Industries Limited	10	26,959	269,590	10.00	10.70	288,461	18,871
<b>Total</b>		<b>10,219,670</b>	<b>1,095,997,642</b>			<b>832,518,512</b>	<b>(263,479,130)</b>
<b>Mutual Funds</b>							
Southeast Bank 1st Mutual Fund	10	2,577,600	21,059,071	8.17	10.00	25,776,000	4,716,929
Grameen One : Scheme Two	10	3,600,000	64,674,900	17.97	15.40	55,440,000	(9,234,900)
EXIM Bank 1st Mutual Fund	10	3,000,000	28,298,293	9.43	6.20	18,600,000	(9,698,293)
Peninsula Balanced Fund	10	1,000,000	10,000,000	10.00	10.00	10,000,000	-
<b>Total</b>		<b>124,032,263</b>	<b>109,816,000</b>			<b>(14,216,263)</b>	<b>(2,128,500)</b>
			<b>1,220,029,905</b>			<b>942,334,512</b>	<b>(277,695,393)</b>

# Highlights on the overall activities

as at 31 December 2021

SL No.	Particulars		2021	2020
1	Paid-up capital	Taka	5,905,872,000	4,665,600,000
2	Total capital (Tier-1 & Tier-2)	Taka	7,180,111,047	6,013,169,821
3	Surplus\ (Shortage) Capital	Taka	3,180,111,047	2,013,169,821
4	Total assets	Taka	61,140,274,327	55,363,485,719
5	Total deposits	Taka	44,754,932,372	41,830,983,438
6	Total loans and advances/investments	Taka	40,243,799,326	38,848,570,390
7	Total contingent liabilities and commitments	Taka	12,326,574,190	10,880,863,570
8	Loans to deposits ratio (total loans/total deposits)	%	82.62%	85.52%
9	Percentage of classified loans against total loans and advances/investments	%	3.39%	3.71%
10	Profit after tax and provision	Taka	427,893,204	680,565,711
11	Classified loans during current year	Taka	1,365,943,687	1,443,024,908
12	Provisions kept against classified loans/investments	Taka	1,132,465,525	820,539,986
13	Provision surplus/(deficit) against classified loans /investments	Taka	-	-
14	Cost of fund (Interest expenses/Average deposits and borrowings)	%	5.09%	6.53%
15	Interest earning assets	Taka	58,308,788,711	53,496,555,319
16	Non-interest earning assets	Taka	2,831,485,615	1,866,930,400
17	Return on assets (ROA) [PBT/ Average assets]	%	0.73%	1.22%
19	Income from investment	Taka	1,033,968,530	994,960,846
18	Return on investment (ROI)	%	11.46%	12.50%
20	Earnings per share	Taka	0.72	1.15
21	Net income per share	Taka	0.72	1.15



# Islamic Banking Operations

AS AT FOR THE YEAR ENDED 31 DECEMBER 2021

The operation of our Islamic Banking is totally different from the Bank's conventional operation as the former operates their business on the basis of Islamic Shariah. Accounting system is vital for ensuring Shariah compliance in such banking operation. Our Islamic Banking operation is committed to follow the accounting principles that refrain from interest. In a nutshell, we follow under noted principles for accounting under its Islamic Banking umbrella.

## 1. Deposit Collection and Income Sharing Ratio (ISR) based Profit Distribution

For procuring funds from depositors, our Islamic Banking follows Al-Wadiah and Mudaraba principles. In case of Al-Wadiah Account, no profit is allowed at present. But for Mudaraba depositors, NRB is following Income Sharing technique in our Islamic Banking operation.

Income sharing module of NRB Bank has been appreciated by different quarters/institutions/ organizations, particularly by the Central Shariah Board for Islamic Banks of Bangladesh and Islamic Banks Consultative Forum. Our module offers pre-defined Income Sharing Ratio (ISR) for each type of depositor and the Bank. The ISR determines the portion of income for each type of depositor and the Bank. For example, the ISR of 75 : 25 would mean that 75% of distributable income is to be shared by the concerned depositors and the rest 25% to be shared by the Bank. The ISR between each type of Mudaraba depositors and the Bank are duly disclosed at the time of Account opening and/or beginning of the concerned period. Profit rate is emerged at actual, as derived from the income fetched from deployment of the concerned fund. As such our rate of profit on deposit under Islamic Banking is nothing but a post facto expression of the respective agreed sharing ratios. Our profit rate is an output based on the Bank's earning on investment.

## 2. Investment Operation and Return Thereon

Investments of our Islamic Banking are broadly categorized in the following two types in respect of charging (rate of) return:

\*Fixed return based investment

Fixed return base investment system is applicable for our Bai-Murabaha Investment mode. Under this mode, Bank sells the goods to a client at a fixed profit /mark-up on deferred payment including post import basis. Hire Purchase Shirkatul Melk (HPSM) is also a fixed return based investment mode. In this case rate of rent is fixed but amount of rent becomes variable on the basis of diminishing balance method.

## 3. Income/ Revenue Recognition Principle

The bank earns income from various sources such as charges, fees, commission and investment income. To recognize all sorts of income, Bank follows Shariah principle strictly. Usually charges, fees & commission etc. are recognized on actual basis. Recognition of income from investment follows principles as under:

### For Bai-Murabaha Investment

While creating each deal, in case of Bai-Murabaha mode of investment, markup/profit is added to the bank's purchase cost with a credit to unearned income A/c. Thereafter time apportionment of profit is recognized out of the unearned income amount at the end of each month on accrual basis. Allowance (rebate) for early repayment, if any, may however be applied at Bank's discretion.

### For Hire Purchase Shirkatul Melk (HPSM) Investment

In case of HPSM mode of investment rent is charged and taken into income account at the end of each month on accrual basis. If the account has a provision of gestation period, generally no income is earned during the period. In this case income starts just after the end of gestation period. However rent is chargeable in spite of gestation, if the delivery of asset is completed in usable condition such as a machine or a set of machinery or building etc.

All accrual income is subject to prevailing classification and provisioning rules of Bangladesh Bank.

## 4. Cost Recognition Principle

Cost in respect of profit paid on deposit is recognized on accrual basis. Monthly accruals in this respect are calculated on the basis of Income Sharing Ratio. Other costs are also recognized on the accrual basis following the matching concept of Accounting.

To ensure/ supervise Shariah compliance in banking operation, NRB Bank has a knowledgeable Shariah Supervisory Committee comprising renowned Fuqaha, Islamic bankers and academicians conversant in Islamic Economics & Finance.

# Balance Sheet

AS AT 31 DECEMBER 2021

PROPERTY AND ASSETS	31 December 2021	31 December 2020
<b>Cash</b>	<b>139,892,511</b>	-
Cash in hand (including foreign currencies)	15,802,511	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	124,090,000	-
<b>Balance with other banks and financial institutions</b>	<b>100,000,000</b>	-
In Bangladesh	100,000,000	-
Outside Bangladesh	-	-
<b>Placement with other banks and financial institutions</b>	<b>400,000,000</b>	-
<b>Investments</b>	<b>125,910,000</b>	-
Government	125,910,000	-
Others	-	-
<b>Investments</b>	<b>612,009,338</b>	-
General investments	612,009,338	-
Bills purchased and discounted	-	-
<b>Fixed assets including premises, furniture and fixtures</b>	<b>1,903,831</b>	-
<b>Other assets</b>	<b>2,214,807</b>	-
<b>Total assets</b>	<b>1,381,930,487</b>	-
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
Placement from other banks, financial institutions and agents	-	-
<b>Deposits and other accounts</b>	<b>844,650,414</b>	-
Al-Wadeeah Current Account and other accounts	12,352,409	-
Bills payable	15,806,818	-
Mudarabah Savings deposits	40,689,983	-
Mudarabah Term Deposit Account	775,801,204	-
<b>Other liabilities</b>	<b>537,280,073</b>	-
<b>Total liabilities</b>	<b>1,381,930,487</b>	-
<b>OFF-BALANCE SHEET ITEMS</b>		
Contingent liabilities	-	-
Acceptances and endorsements	-	-
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
<b>Total off-Balance Sheet items including contingent liabilities</b>	<b>-</b>	<b>-</b>





# Profit and Loss Account

AS AT 31 DECEMBER 2021

	31 December 2021	31 December 2020
Investment income	15,644,976	-
Profit paid on deposits and borrowings etc.	(4,974,218)	-
<b>Net investment income</b>	<b>10,670,758</b>	-
Profit from investments	32,169	-
Commission, exchange and brokerage	1,433,212	-
Other operating income	590	-
	1,465,971	-
<b>Total operating income (A)</b>	<b>12,136,729</b>	-
Salaries and allowances	1,263,087	-
Rent, taxes, insurance, electricity etc.	1,116,861	-
Legal and professional expenses	-	-
Postage, stamp, telecommunication etc.	9,969	-
Stationery, printing, advertisements etc.	218,303	-
Depreciation and repair of bank's assets	67,620	-
Other expenses	293,148	-
<b>Total operating expenses (B)</b>	<b>2,968,987</b>	-
<b>Profit before provision (C=A-B)</b>	<b>9,167,742</b>	-
Provision for investments		
General provision	6,120,093	-
Specific provision	-	-
	6,120,093	-
Provision for off-balance sheet items	-	-
<b>Total provision (D)</b>	<b>6,120,093</b>	-
<b>Total profit before tax (E=C-D)</b>	<b>3,047,649</b>	-



# Sustainable Finance

NRB Bank Limited has been awarded as one of the top ten sustainable banks through Sustainability Rating-2021 by Bangladesh Bank. Mr. Fazle Kabir, Governor, Bangladesh Bank handed over the Crest and Certificate to Mr. Mamoon Mahmood Shah, Managing Director and CEO of NRB Bank at Bangladesh Bank head office on Thursday, June 30, 2022. Mr. A.K.M Sajedur Rahman Khan & Abu Farah Md. Nasser, Deputy Governors, Nurun Nahar, Executive Director and Khondkar Morshed Millat, Director of Bangladesh Bank were also present on the occasion. Bangladesh Bank has published such rating based on four indicators such as Sustainable Finance, Corporate Social Responsibilities (CSR), Green Refinance and Core Banking Sustainability. A total number 10 private banks and 5 NBFIs in Bangladesh were recognized in the Sustainability Rating-2021.



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, Sustainable Linked Finance 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 CMSME category. Every year, we fulfill Agricultural and Rural Credit disbursement target as fixed by Bangladesh Bank. We started our Agent Banking activities from May, 2018 to provide financial services to underprivileged and rural people and till December, 2021 we establish 319 agent outlets throughout the country. NRB Bank is highly committed to serve the NRBs in all financial sectors; especially in Wage Earners' Remittance. Concentrating on the importance of Foreign Remittance, NRB Bank has formed its Foreign Remittance Department (FRD) dedicated for facilitating the Bangladeshi citizens residing abroad and started operation from 01st January, 2018.

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, Online Banking in our Bank and Mobile App (NRB Click). 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' and during the year 2020 we have issued 'Green Marketing Policy' 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.

## Greening the Head Office Environment:

NRB Bank is housed in a Building with the most efficient utility, energy and resources systems. Here corporate environment responsibilities are embodied through energy efficiency, water conservation and sustainable framework for corporate identities-

**Optimize Energy Performance:** In terms of energy consumption the building system achieves reduction in energy cost. To maximize energy performance and reduce the impact on the environment from excessive energy the building has daylight harvesting and energy efficient lighting. As a result, total energy consumption has been reduced by a significant level.

**More Green Less Carbon:** We have made our office environment breathable through greening with indoor plants which enhance our corporate image and reduce the carbon level of the premises.

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.

As of December 31, 2021 Loan Outstanding under direct Green Financing of our Bank stands BDT







1,316.22 million which is 3.27% of total Loan Outstanding–

BDT in Million	
Green Projects/Products	Loan Outstanding
Green Bricks Manufacturing Plant	108.17
Green Establishment	364.53
Leed Certified Green Estab.	172.73
Pet Bottle Recycling Plant	396.97
LED Bulb/Tube Manufacturing/Assembly Plant	52.84
Solar Panel	84.53
Used Lead Acid Battery Recycling Plant	95.79
Biological ETP	40.66
<b>Grand Total</b>	<b>1,316.22</b>

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-

- 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.
- 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.).
- Refinancing Scheme for TECHNOLOGY DEVELOPMENT /UPGRADATION of EXPORT ORIENTED INDUSTRIES:**

NRB Bank Ltd. has signed a participating agreement with Bangladesh Bank on 25.02.2021 for a newly developed Refinance Fund of BDT 1000.00 crore for "Technology Development / Up-gradation of Export Oriented Industries" to increase/develop the capacity of the export oriented industries aligned with the development roadmap of 2021

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-2021

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. During 2021, the Bank has contributed BDT 381.15 Lac under CSR activities.

#### Disaster Management:

The Bank had donated Blanket to “Prime Minister’s Relief Fund” to support the cold affected people of the country of BDT 42.00 Lac.

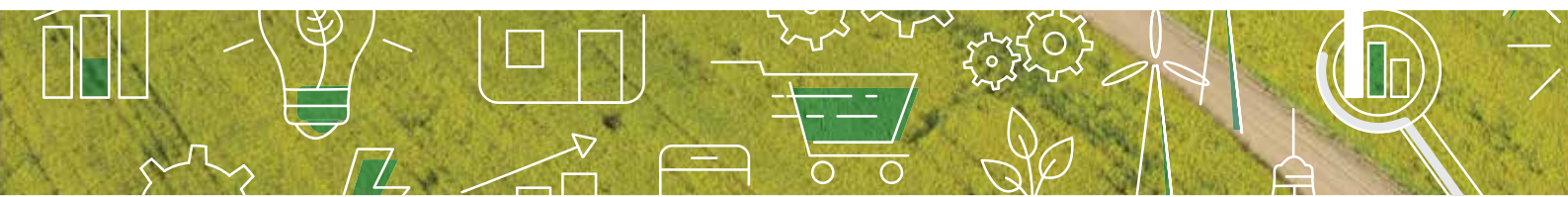
- NRB Bank has made significant contribution for disaster management this year by participating special CSR program and regular CSR program by distributing relief among the COVID-19 affected people of BDT 200.00 Lac.



As part of Corporate Social Responsibility, NRB Bank Limited has undertaken Essential Food Support Initiative to help families in dire need for food and welfare support under a nationwide shutdown to stem the spread of the deadly coronavirus (Covid-19) pandemic. Chairman of the Bank Mr. Mohammed Mahtabur Rahman, Directors, Shareholders and Management has decided to distribute essential foods among under privileged and ultra-poor people in the country. In this connection Mr. Tateyama Kabir, Vice Chairman of the Bank has distributed essential foods among the under privileged people.







RB Bank has contributed to disaster management by donating BDT 100.00 Lac towards the “Prime Minister’s Relief Fund” to support the flood affected people of the country.

- The Bank had also made donations of over BDT 20.00 Lac to Prime Minister’s Relief and Welfare fund to fight against CORONA Virus.

#### 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 6.25 Lac to “BIBM for the construction of their 15 Floor RCC Building in 2020 as 4th instalment and also donated BDT 0.5 Lac for BDDT to publish their monthly Braille newspaper for the visually impaired people.
- NRB Bank Ltd. has contributed to Deep Anandodhara School and College’ Rangpur, for the training of a group of teachers.



Mr. Mamoon Mahmood Shah, Managing Director & CEO of the NRB Bank Ltd. handed over cheque amounting BDT1.00 lac (One Lac Only) under the CSR activities. The chq handover program was held at the Corporate Head office of the Bank. Mr. Md. Shakir Amin Chowdhury, Deputy Managing Director, Mr. Md. Abdul Wadud, Deputy Managing Director are among others seen in the picture.

Mr. Mamoon Mahmood Shah, Managing Director & CEO of NRB Bank Ltd. has handed over the cheque amounting BDT20.00 lac (Twenty Lac Only) to the spouse of Ex-employee Late Kazi Nasir Uddin-FAVP, under the CSR activities of the Bank. The chq handover program was held at the Corporate Head office of the Bank. Mr. Md. Shakir Amin Chowdhury, Deputy Managing Director, are among others seen in the picture.



#### Financial Assistance to Health Sector:

- NRB Bank has made donations of BDT 100.00 Lac to Prime Minister’s Relief and Welfare fund to fight against CORONA Virus.
- The Bank has also donated BDT1.00 lac for the treatment of the Son of Mr. Md. Motiur Rahman’ Security Supervisor of G4S Security Company as a part of CSR activity.
- Financial assistance has been provided to the spouse of Ex-employee Late Kazi Nasir Uddin-FAVP.



# Brand & Communications

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.



# Products & Services

## RETAIL DEPOSIT PRODUCTS

### Current Account

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

### Savers

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

### Power Savers

Power Savers Account is an interest bearing savings 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.

### Amar Shopno Account

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

### RFCD Account

RFCD Account is a foreign currency account for Bangladeshi nationals which can be opened in USD / GBP / EUR.

It is an interest bearing account.

### SPECIAL NOTICE DEPOSIT Account

Special Notice Deposit (SND) is an interest bearing deposit account designed to facilitate the customers to get some return from their floating fund.

### Expat BDT Account

Expat BDT Account is 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 visa and work permit.

### Expat FCY Account

Expat FCY Account is a non interest bearing account which will be opened in USD, GBP or EUR for the foreign nationals residing abroad or in Bangladesh and also foreign firms registered abroad and operating in Bangladesh or abroad or Foreign missions and their expatriate employees.

### Retail Saving Scheme

#### Term Deposit

Term deposit is a smart solution to get more out of long term investments with choice of tenor option. Tenor : 30 days , 90 days , 100 days, 180 days, 200 days, 300 days, 360 days or 24 months.

#### Monthly benefit Scheme

Monthly Benefit Scheme is a term deposit product that offers monthly return on depositors fixed deposit amount over a certain period. Tenor: 1 Year, 3 Years, 5 Years.

#### My DPS

My DPS is a recurring monthly savings plan of any multiple of BDT 500 & any multiple of BDT 1,000 up to 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. This scheme tenure 5 years & 10 years.

#### DPS Purple

DPS Purple is a smart recurring monthly savings plan exclusively designed for female customers. Choice of monthly deposit amount: BDT 500 & any multiple of BDT 1,000 up to BDT 50,000 with flexible options of 3/5/ 7/10 years.

#### Benefit First

Benefit First is a special kind of term deposit product. It gives an unique facility to the customer to withdraw the interest amount at the time of opening the term deposit. The tenor of Benefit First are 100 days, 200 days, 300 days.

#### Millionaire Savings Scheme

Millionaire Savings Scheme is a monthly deposit scheme which will give an opportunity to a customer to be a millionaire after a certain period of time with flexible tenor 3/5/7/10/12 years

## RETAIL LOANS

### My Loan

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

### 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.

### 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 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.

### Quick Loan Single Payment (QLSP)

Quick Loan Single Payment (QLSP) is a secured monthly interest payment based credit facility for Retail Customers. This facility will provide the customers flexibility to pay monthly Interest of the loan amount in monthly installments and principal amount within maturity based on tenure against their cash collateral.

### NRB BANKING PROPOSITION – MY BANGLADESH

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

#### NRB FCY Account

NRB FCY account is an interest bearing Foreign Currency account featuring variety of currency – USD / GBP / EUR/JPY (subject to availability of Nostro).

#### NRB My Savings Account

A daily interest bearing Taka savings account for non-resident Bangladeshi.

#### NRB FCY Term Deposit (NRB Rising)

A Foreign Currency fixed deposit account with choice of tenure.

#### NRB My Deposit: Savings Account in BDT for NRBs'

NRB My Deposit account is a daily interest bearing and half yearly interest paying Taka savings account for the Non-Resident Bangladeshis. The account is aimed to encourage NRBs' to save their hard earned money in local currency for a secured future.

#### NRB Horizon: DPS for NRBs'

NRB Horizon is a monthly savings scheme designed for Non-resident Bangladeshis. It is a smart monthly savings plan to encourage NRBs' in saving their hard earned income in Bangladesh and turn small savings into a large amount of money over a certain period of time. Choice of monthly deposit amount BDT 500 but not exceeding BDT 20,000 with flexible tenor options 1/3/5/7/10 years.

#### NITA Account

NITA account is an account for the non-resident Bangladeshi investors for portfolio investment in Bangladesh. It is a non-interest bearing account.

#### NRB My Home Loan

NRB My Home Loan is for Non-Resident Bangladeshis who want to make their own home in their motherland.

#### Government Bonds for NRBs'

Non-Resident Bangladeshis can now invest in the Government bonds with certain valuable benefits

and features. There are three types of bonds, namely: WAGE EARNERS DEVELOPMENT BOND, U.S DOLLAR PREMIUM BOND, US DOLLAR INVESTMENT BOND.

### PAYROLL BANKING PROPOSITION – MY SALARY

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

#### My Salary Account

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

### STUDENT BANKING PROPOSITION – MY FUTURE

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

#### My Early Account

Savings account with flexible operating features for children aged 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

Especially designed daily interest bearing savings account for any Bangladeshi students aged 18 to 26 years.

### SERVICES

#### Locker Services

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

#### Student File Service

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

#### Online Account Opening Platform

Customer can open account from anywhere at their convenience by using online account



opening platform. They can access through NRB Bank's website (<https://www.nrbbankbd.com/online-application/account/>). Online account opening will allow customers to open account without visiting any branch.

## 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 45 ATMs.

### Internet Banking

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

### Call Center

24 Hours Call Center with world's leading technology solution "NU CALL MASTER" of BDCOM.

### NRB Click

Customers of NRB Bank can easily access their account and make transaction like cash-in, cash-out, fund transfer, utility bill payment etc.

## 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 1.67%.
- Interest calculation on reducing balance method
- Lower interest rate for Balance Transfer, Monthly 2% or BDT 150 whichever is higher.
- 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, 1.75% or BDT 200 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 11% interest (Flat) per annum.
- Triple benefit Credit Assurance Program with Insurance coverage up to tk. 50 Lac.
- Easy Payment facilities through Internet Banking.
- SMS alert service charge BDT 230 per annum.
- 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

NRB Bank introduce first forever international debit card against ATQ(Annual Travel Quota) shortly. Client gets international debit card against his operative account and enjoy home and abroad foreign transaction within annual travel quota.



# Information Technology @ NRB Bank

With a vision to be the leading dedicated financial institution, NRB Bank started its journey through focusing on establishing the bank with the advanced and sophisticated technological infrastructure. Currently NRB Bank is one the leading bank in terms of digital platform as well as IT infrastructure. Day by day bank is converging the conventional banking to digital transformations.



“Digital transformation is less of a digital problem than it is a transformation problem.”

— George Westerman MIT Abdul Latif Jameel World Education Lab

The year 2021 was critical for the banks not only for business expansion but also for overcoming the challenges of COVID-19 pandemic to provide banking services through digitally rather physically. During this period the attack of coronavirus had a significant impact on NRB Bank's digital transformation, creating a direct need for banks to communicate with the customers through digital channels, while social distancing was the norm. The pandemic crisis forced the banks and the customers to use digital tools and services to compensate physical movements through using digital technology.

Considering all such scenarios in the year 2021, IT and ADC Operations Divisions has taken several initiatives which includes system upgradations, introducing new technical features, new product developments, IT security enhancement etc.

A brief description of the major initiatives taken by IT and ADC Operations Division in 2021 explain below:

## Digital Banking service:

During the COVID crisis, NRB Bank IT & ADC Operations Division more focus on digital transformation. Considering customer convenience and new business need, bank added new services in digital banking platform such as Internet Banking, QR Code payments, modern corporate banking, Intelligent Mobile app, E-commerce, payment gateway integration, e-challan, e-tender, agent-based banking, introducing Islamic Banking Module, MFS integration, e-KYC implementation

## Defense against cyber threat:

The primary purpose of Cybersecurity in digital banking is to protect the customer's assets. As people go cashless, more and more activities or transactions are done online. People use their digital money like credit cards and debit cards

for transactions which require to be protected under Cybersecurity.

- **Cyber threat resistance:** For today's digital finance, Cyber threat is the most challenging factor. For mitigation we have adopted standard practices, policy, processes, guidelines, and technology like Firewalls, Web applications firewall (WAF), Privilege Access Management (PAM), Vulnerability assessment tool, SPAM protections, End Point Protections, Solid core, Centralized Patch Management and Security Information and Event Management (SIEM) etc.
- **Payment Card Industry Data Security Standard (PCI-DSS) Compliance certifications:** On the year of 2021, we have achieved most prestigious (PCI-DSS) Payment Card Industry Data Security Standard compliance certification. It will enhance the protection of the customer card data, minimize internal & external risk factors, increase customer confidence as well as reputation on e-commerce business.
- **Live operations conducted form Disaster Recovery sites:** Our certified (ISO/IEC 27001) Data Centers gives us confidence. As a part of business continuity plan we periodically conduct live operation from Disaster Recovery site for testing the effectiveness. Live operation from DR site covers all major system like Core banking systems, Card management system, ATM services, e-commerce channels, SWIFT system, Agent banking service etc.

## System Up-Gradation:

- **Card Management System:** To adaptations of the new card technology we up-graduate the previous Card Management system TranzWare application to latest version. Also we overcome the database constraint to upgrade Oracle 11g to Oracle 19c.
- **Data Center Hardware Refresh:** Considering system uptime we have refreshed old Oracle hardware with Oracle ODA (Oracle Database appliance), Dell servers, storage and central backup system.
- **Data Center (DC) and Disaster Recovery (DR) sites shifting:** To meet regulatory compliance and minimized the risk factor we have shifted our Data Center and Disaster Recovery site to new location. Distance between DC-DR site is 37 KM(Air distance), provides utmost physical security, highly capable Cooling systems, strong power distribution capacity, preserved standby redundant generators, 24/7 monitoring systems, schedule checklist as well maintained world standard data center certifications (ISO/IEC 27001) and more on.
- **Restructure Data Center with Network requirements:** For better manageability and efficiency we restructured our existing network. Introduced new core router, partner networks traffic with a VPN router, dedicated virtual firewall for SWIFT systems, Bach, and Internet traffic.

Globally the advancement of technology is going through the Fourth Industrial Revolution (4IR). Adaptation of the digital transformation ahead of the pandemic, requires proper readiness. The technology needed to be taken into consideration includes Cloud Computing, Artificial Intelligence (AI), Robotics, the Internet of Things (IoT), Blockchain, and so on.

Currently, NRB Bank IT Division is working on ISO 27001 Certifications, VISA Tap-To-Pay service, Cloud processing, and process re-engineering. As a part of the technical adaptation, it is also need to notify the customers about security awareness more frequently than before, make the customers more cautious about their security and that will ensure our journey towards digitalization more safe and smooth.



# Correspondent Banking

## (Financial Institutions)

Correspondent banking is an essential component of the global banking system, especially for cross-border transactions. Through correspondent banking relationships, banks can access financial services in different jurisdictions and provide cross-border banking services to their customers, supporting international trade and financial inclusions. Financial Institutions Department (FI) is one of the key business functions of NRB Bank. Since its inception, FI has been working constantly to accommodate trade transactions that require adding confirmation and financing facilities through different correspondents. We are maintaining strong bilateral business relationship with different local and foreign counterparts. We opened NOSTRO accounts in all major tradable currencies and a good volume of transactions is routed 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) i.e. ELTG2L.99999. SL.050. Our bank's name is subscribed in Bankers Almanac and all of our bank's relevant information and credentials are available in this global portal. We met all regulatory requirements related to compliance and guidelines through our continuous effort and internal insight. It will surely help our counterparts all over the world to feel additional comfort on our name.

NOSTRO Accounts						
FCY	Correspondent Bank	SWIFT/BIC	Account No	CP	FX	MM
ACU EUR	<b>United Bank of India, Kolkata</b>	UTBI IN BB	0084050097389	Y	Y	Y
ACU USD	<b>United Bank of India, Kolkata</b>	UTBI IN BB	0084050097370	Y	Y	Y
ACU USD	<b>AB Bank Limited, Mumbai</b>	ABBL IN BB	5001-000079-155	Y	Y	Y
ACU USD	<b>Axis Bank, Mumbai</b>	AXISINBBFIC	921020018065349	Y	Y	Y
EUR	<b>Aktif Yatirim Bankasi AS, Istanbul</b>	CAYT TR IS	7260597	Y	Y	Y
EUR	<b>Banca UBAE SPA, Rome</b>	UBAITRR	00020000280	Y	Y	Y
GBP	<b>Aktif Yatirim Bankasi AS, Istanbul</b>	CAYTTRIS	9397558	Y	Y	Y
JPY	<b>Mizuho Bank Ltd, Tokyo</b>	MHCB JP JT	7151010	Y	Y	Y
USD	<b>Habib American Bank, New York</b>	HANY US 33	20729250	Y	Y	Y
USD	<b>Mashreq Bank PSC, New York</b>	MSHQ US 33	70010167	Y	Y	Y
SAR	<b>National Commercial Bank, KSA</b>	NCBK SA JE	88347001005402	Y	Y	Y
CNY	<b>Bank Of Huzhou Co. Ltd., Zhejiang</b>	BKHZCNBH	811282826000112	Y	Y	Y

Although correspondent banking is the foundation for cross-border transaction, it is being threatened since last ten years by an overenthusiastic interpretation and enforcement of strict policies aimed at preventing money laundering and terrorist financing. The number of relationships between banks have been declining largely, because the industry has been trying to avoid risk-prone services, although there are ample business opportunities. Actually, they are cutting down the business appetite gauging their respective risk appetite.



Since last quarter of the previous year, we have been facing trade limit crunch from our counterparts due to the exhaustion of country limits as set by them. All the banks operated in Bangladesh faced such difficulties due to the import volume surge and the mass volume of tenor extension for UPAS transactions as circular issued by Bangladesh Bank to accommodate the genuine requirement of the importers of industrial raw materials and capital machineries. Reorganizing the scenario, NRB Bank were able to cater a good volume of trade transactions, which required UPAS and add-confirmation facilities from our local and foreign counterparts.

◀ Fig: RMA network of NRB Bank across the globe



# KEY

## Activities 2021



### NRB Bank Limited celebrates Happy New Year 2021

Mr. Yahya Al Qarni, Chargé d'affaires, Royal Saudi Embassy in Dhaka and Mr. Mohammed Mahtabur Rahman, Chairman of NRB Bank Limited along with Board of Directors and Senior Management Team is seen cutting cake to celebrate Happy New Year 2021 in a function held at Bank's Corporate Head Office, Dhaka on 03 January 2021. Vice Chairmen of the Bank Mr. Tateyama Kabir, Vice Chairman of the Executive Committee of the Board, Mr. Khandakar R. Amin, director Mohammed Jahed Iqbal, Managing Director & CEO (Current Charge) Mr. Mamoon Mahmood Shah, Chief of Finance & Administration of Royal Embassy of Saudi Arabia, Dhaka, Mr. Abdul Fattah A. Gharbi, Members of Senior Management Team and Senior Executives of the Corporate Head Office of NRB Bank Limited are, among others, seen in the picture.



### NRB Bank Holds Annual Business Conference-2021

The Annual Business Conference 2021 of NRB Bank Limited was held on 30 January at The Corporate Head Office, Gulshan, Dhaka with the slogan 'marching towards success & sustainability'. Mr. Mohammed Mahtabur Rahman, Chairman of the Bank presided over the meeting as chief guest. Vice Chairmen of the Bank Mr. Tateyama Kabir, & Mr. Mohammed Jamil Iqbal, Chairman of the Executive Committee Mr. Khandakar Ruhul Amin, Chairman of the Audit Committee Mr. Imtiaz Ahmed, Chairman of the Risk Management Committee Mr. Ali Ahmed, Founder Chairman of the Bank Mr. Iqbal Ahmed OBE DBA and other Directors, Managing Director & CEO (CC) Mr. Mamoon Mahmood Shah, Senior Management Team, All Branch Managers along with their respective team members, Divisional/Departmental heads were also present on the occasion. Due to Covid-19, some directors & Divisional/Departmental heads were present physically through following proper hygienic rules while others attended virtually.

The conference evaluated the performance of the last year and adopted necessary strategies and action plan to achieve the target for the year 2021.



### NRB Bank Limited signed a payroll agreement with Alliance Properties Ltd.

Mr. Mamoon Mahmood Shah, Managing Director & CEO of NRB Bank Limited and Mr. Syed Razi Haider Rizvi, Managing Director of Alliance Properties Ltd. has exchanged documents after signing a payroll agreement at the Head office of Alliance Properties Ltd., Dhaka recently. Under this agreement the employees of Alliance Properties Ltd. will enjoy privileged services in their My Salary account from NRB Bank Limited. Mr. Syed Zaki Haider Rizvi, Chairman - Alliance Properties Ltd., Syed Ali Jowher Rizvi - Chairman, Alliance Holdings Ltd. and Mr. Mr. Oli Ahad Chowdhury, Head of Retail Banking of NRB Bank Limited are among others seen in the picture.





### **Mamoon Mahmood Shah: New Managing Director & CEO of NRB Bank Limited**

Mr. Mamoon Mahmood Shah has been appointed as Managing Director & CEO of NRB Bank Limited.

A Postgraduate in Accounting from the University of Dhaka, Mr. Mamoon Mahmood Shah started his banking career as Probationary Officer of IFIC Bank Ltd. Mr. Mahmood joined NRB Bank Limited as Additional Managing Director in 2019. He has to his credit a wide range of banking experience of more than 30 years which includes serving in key positions in a number of both local and multinational banking institutions such as EBL, HSBC, Standard Chartered, ANZ Grindlays, etc. Mr. Shah also held the position of MD & CEO of ICB Islamic Bank, National Finance Ltd., GSP Finance.



### **NRB Bank Limited launched QR Merchant Online Account opening**

NRB Bank Limited launched QR Merchant online account opening with collaboration of SSLCOMMERZ. Mr. Mamoon Mahmood Shah, Managing Director & CEO of NRB Bank Limited and Mr. Ahmed Kamal Khan Chowdhury Group Advisor SSL Wireless formally launched the service by cutting a cake at a simple ceremony held at Bank's Corporate Head Office, Gulshan, Dhaka recently. NRB Bank is the first Bank in Bangladesh who launched the QR Merchant Online Account opening service and SSL Wireless is the Business & Technology partner. Mr. Md. Abdul Wadud and Mr. Md. Shakir Amin Chowdhury, Deputy Managing Directors of NRB Bank Limited, Mr. Mohammad Anwar Hossain, Chief Operating Officer, SSLCOMMERZ and Mr. Mohiuddin Tawfik, Head of Banking & Financial Services, SSL Wireless were also present on the occasion.



### **NRB Bank Limited launched Bangla QR Payment through "NRB Click"**

NRB Bank Limited launched Bangla QR from NRB Click App. Mr. Mohammed Mahtabur Rahman, Chairman of NRB Bank Limited and Mr. Ahmed Kamal Khan Chowdhury Group Advisor SSL Wireless formally launched Bangla QR Payment by cutting a cake at a simple ceremony held at Bank's Corporate Head Office, Gulshan, Dhaka on January 10, 2021. NRB Bank is the one of the first Bank in Bangladesh who launched the services. SSL Wireless is the Business & Technology partner for the payment system. NRB Bank click subscribers are given payment through Bangla QR code in any SSL merchant outlet all over the Bangladesh without using their Card & Cash and also can make payment from their account. Among others: Vice Chairman of the Bank Mr. Tateyama Kabir, Independent Director Mr. Mr. Md. Abdul Jalil Chowdhury and Managing Director & CEO (CC) Mr. Mamoon Mahmood Shah were also present on the occasion.





### Mr. Md. Shakir Amin Chowdhury, new Deputy Managing Director of NRB Bank Limited

NRB Bank Limited has appointed Mr. Md. Shakir Amin Chowdhury as its new Deputy Managing Director. Prior to the appointment, he was the Deputy Managing Director of Dhaka Bank Limited.

Mr. Md. Shakir Amin Chowdhury did his graduate in Agricultural Economics from Bangladesh Agricultural University, Mymensingh and started his banking career as trainee officer with Arab Bangladesh Bank Limited, having 35 years of banking experience where he played major role as Branch Manager, AML, Corporate Banking, Credit Management, Foreign Trade, Branch Operations etc. He also worked at AB Bank Limited where he had played major managerial role.



### NRB Bank Limited Celebrated International Women's Day 2021

NRB Bank Limited Celebrated International Women's Day 2021 with the participation of female colleagues of the Bank on 8th March 2021, at the Corporate Head Office by cutting cake. Managing Director and CEO Mr. Mamoon Mahmood Shah was present as the Guest of Honor to encourage the women's participation in the banking sector and to inspire all the women officials of the bank. Mr. Md. Abdul Wadud, Deputy Managing Director of the Bank was also present.



### NRB Bank Ltd. holds 3rd Extra Ordinary General Meeting

The 3rd Extra Ordinary General Meeting (EGM) of NRB Bank Limited was held on 11 March 2021 at The Corporate Head Office, Gulshan, Dhaka. Mr. Mohammed Mahtabur Rahman, Chairman of the Bank presided over the meeting. Among others Vice Chairman Mr. Tateyama Kabir, Chairman of Executive Committee Mr. Khandakar Ruhul Amin, and other members of the Board of Directors & Shareholders, Managing Director & CEO Mr. Mamoon Mahmood Shah also attended the meeting. Due to Covid-19, some directors & shareholders were present physically through following proper hygienic rules while others attended virtually.





## NRB Bank Limited gets Mr. Md. Mukhter Hossain as Advisor

NRB Bank Limited has appointed Mr. Md. Mukhter Hossain as Advisor. Prior to joining NRB Bank, he was the Managing Director & CEO of NRB Commercial Bank Ltd. Mentionable that he retired from the service of the Managing Director & CEO of NRB Bank Limited on 29 April 2021.

Mr. Mukhter Hossain did his Post-Graduate from Dhaka University and started his banking career as probationary officer with National Bank Limited in 1984. During 37 years of banking carrier he also worked in Prime Bank Limited, Shahjalal Islami Bank Limited and EXIM Bank Limited where he played major role in different areas of banking very efficiently with reputation.

Mentionable that he is the youngest brother of former Managing Director of National Bank Limited Mr. R. A. Howlader.



## NRB Bank Limited celebrates 8th Anniversary

Mr. Tatemaya Kabir & Mr. Mohammed Jamil Iqbal, Directors of NRB Bank Limited along with Mr. Mamoon Mahmood Shah, Managing Director & CEO, Mr. Md. Mukhter Hossain, Adviser and Senior Management Team is seen cutting cake to celebrate the Bank's 8th Anniversary with the slogan 'Together Towards a Better Future' in a function held at Bank's Corporate Head Office, Dhaka on 05 August 2021. NRB Bank Limited completed its 8th year of operations on 04 August, 2021. Due to Corona Virus Pandemic the Management of the Bank has decided to celebrate this anniversary through digital platform. Mr. Mr. Md. Abdul Wadud & Mr. Md. Shakir Amin Chowdhury, Deputy Managing Directors, Members of Senior Management Team and Senior Executives of the Corporate Head Office of NRB Bank Limited were present on this occasion.



## NRB Bank Limited opens Branch at Pragati Sarani, Dhaka

Mr. Mamoon Mahmood Shah, Managing Director & CEO of NRB Bank Limited has opened Bank's 47th Branch at Pragati Sarani, Dhaka today (01 March 2021). Mr. Oli Ahad Chowdhury, Head of Retail Banking, distinguished guests and valued customers were present in the occasion.





### NRB Bank Ltd. Holds 8th Annual General Meeting

The 8th Annual General Meeting (AGM) of NRB Bank Limited was held on 15 July 2021 at Bank's Corporate Head Office, Dhaka. The Bank has declared 8.5% stock dividend (Bonus Share) for the year 2020. Mr. Mohammed Mahtabur Rahman, Chairman of the Bank presided over the meeting. Among others Vice Chairman Mr. Tateyama Kabir & Mr. Mohammed Jamil Iqbal, Chairman of Executive Committee Mr. Khandakar R. Amin, Chairman of Audit Committee Mr. Imtiaz Ahmed, Chairman of Risk Management committee Mr. Ali Ahmed and other members of the Board of Directors & Shareholders, Advisor Mr. Md. Mukhter Hossain and Managing Director & CEO Mr. Mamoon Mahmood Shah also attended the meeting. Due to Covid-19, some directors & shareholders were present physically through following proper hygienic rules while others attended virtually.



### NRB Bank Limited opens Islamic Banking Branch at Gulshan

NRB Bank Limited, a leading 4th generation bank of the country starts Islamic Banking operation by opening its Islami Banking Gulshan Branch at Gulshan-1, Dhaka on 09 September 2021 by collecting more than Tk.200 crore deposit. Mr. Mohammed Mahtabur Rahman, Chairman of the bank formally inaugurated the Branch as the chief guest. Vice Chairmen, Mr. Tateyama Kabir & Mr. Mohammed Jamil Iqbal, Chairman of the Risk Management Committee of the Board, Mr. Khandakar R. Amin, Chairman of the Audit Committee of the Board, Mr. Md. Motior Rahman, Directors, Managing Director & CEO, Mr. Mamoon Mahmood Shah and Advisor of the Bank Mr. Md. Mukhter Hossain and are, among others, seen in the picture.





### NRB Bank Limited donates blankets to Prime Minister's Relief Fund

NRB Bank Limited has donated blankets to the Prime Minister's Relief Fund at a function held at Prime Minister's Office on 28 October 2021 for under privileged and cold-hit people of the country, under CSR Program of the Bank. Honorable Prime Minister Sheikh Hasina joined the program through video conference from Prime Minister's Residence Ganabhabon. On behalf of the Honorable Prime Minister Mr. Dr. Ahmad Kaikaus, Principal Secretary of the Prime Minister is receiving the token of blanket from Mr. Mohammed Jamil Iqbal, Vice Chairman & Mr. Khandakar R. Amin, Chairman, Risk Management Committee of the Board of Director of NRB Bank Limited.



### US Based KPC Group Chairman started banking with NRB Bank

US Based KPC Group Chairman Dr. CIP. Kali Pradeep Chaudhuri visited NRB Bank's Corporate Head office on 10 October 2021. The KPC Group is engaged in numerous businesses around the world serving diverse industries such as healthcare services and facilities, pharmaceutical and biotechnology, education, real estate, etc. Bank's Chairman Mr. Mohammed Mahtabur Rahman welcomed him through Zoom. Dr. Chaudhuri has started his Banking activities in Bangladesh with NRB Bank by opening a foreign currency and general bank account. Mr. Mamoon Mahmood Shah, Managing Director & CEO of NRB Bank Ltd is handing over the cheque book and Debit Card to Dr. CIP. Kali Pradeep Chaudhuri during his visit at NRB Bank. Vice Chairman of the Bank Mr. Tateyama Kabir, Independent Director, Mr. Md. Abdul Jalil Chowdhury, Advisor, Mr. Md. Mukhter Hossain and Deputy Managing Director, Mr. Md. Abdul Wadud were present.



### NRB Bank Limited launched International Debit Card

Mr. Mamoon Mahmood Shah, Managing Director & CEO of NRB Bank Limited formally launched the Bank's International Debit Card at a simple ceremony held at Bank's Corporate Head Office, Gulshan, Dhaka on October 18, 2021. Now NRB bank CASA account holder can enjoy foreign transactions through this card against annual travel quota. Mr. Md. Abdul Wadud and Mr. Md. Shakir Amin Chowdhury, Deputy Managing Directors and Mr. Abu Md. Sabbir Hassan Chowdhury, SVP & Head of IT & ADC were also present on the occasion.





### NRB Bank Limited opens 1st Sub-Branch at Niketon, Dhaka

NRB Bank Limited, a leading 4th generation bank of the country opens its 1st Sub-Branch at Niketon, Dhaka on 01 September 2021. Mr. Tatemama Kabir, Vice Chairman of NRB Bank Limited formally inaugurated the 1st sub-branch as the chief guest of the ceremony. Mr. Mamoon Mahmood Shah, Managing Director & CEO of Bank, Mr. Md. Mukhter Hossain, Adviser, Mr. Md. Abdul Wadud & Mr. Md. Shakir Amin Chowdhury, Deputy Managing Directors and Engr. Md. Habib Ahsan, President, Niketon Society are, among others, were present in the occasion.



### NRB Bank Limited opens Sub-Branch at Banasree, Dhaka

NRB Bank Limited, a leading 4th generation bank of the country opens Sub-Branch at Banasree, Dhaka on 01 September 2021. Mr. Mamoon Mahmood Shah, Managing Director & CEO of Bank formally inaugurated the sub-branch as the chief guest of the ceremony. Mr. Oli Ahad Chowdhury, head of Retail Banking along with senior officials of the Bank and some valued clients were present in the occasion.



### NRB Bank Limited opens another 2 Sub-Branches at Topkhana Road & Jatrabari, Dhaka

NRB Bank Limited, a leading 4th generation bank of the country opens another two Sub-Branches at Topkhana Road and Jatrabari, Dhaka recently. Mr. Mohammad Jamil Iqbal, Vice Chairman of NRB Bank Limited formally inaugurated the sub-Branches. Mr. Mamoon Mahmood Shah, Managing Director & CEO of the Bank, Mr. Md. Ali Hossain, Chief Consultant & Mr. Mohammad Alamgir Kabir FCA Managing Director (CC) of Fareast Islami Life Insurance Company Limited, Mr. Oli Ahad Chowdhury, Head of Retail Banking of NRB Bank Limited are, among others, were present in the occasion.



# Branch Network

<b>PRINCIPAL BRANCH</b> Simpletree Anarkali 89 Gulshan Avenue, Gulshan -1, Dhaka.	<b>DILKUSHA BRANCH</b> Baliadi Mansion (1st Floor) 16 Dilkusha C/A, Dhaka-1000.
<b>BANANI BRANCH</b> Classic Center (1 <sup>st</sup> Floor) House # 1, Road # 11, Block # F, Banani, Dhaka-1213.	<b>SYLHET MAIN BRANCH</b> ManRu Shopping City (Ground Floor) 891 Mir Box Tula Road, Chowhatta, Kotwali, Sylhet-3100.
<b>BOGURA BRANCH</b> Bogura Trade Centre (Ground Floor), 766(ii), Rangpur Road Dattabari, Borogola, Bogura-5800.	<b>MOULVIBAZAR BRANCH</b> Holding # 985 & 986 (1 <sup>st</sup> Floor) M Saifur Rahman Road, Moulvibazar.
<b>O.R. NIZAM ROAD BRANCH</b> Forum Central, 863/B, M.M. Ali Road Golpahar Circle, Mehediabag, Chattogram.	<b>PANCHDONA BRANCH</b> Jubayer Tower (1 <sup>st</sup> Floor) Panchdona Bazar, Narshingdi Sadar, Narshingdi-1603.
<b>JOYPARA BRANCH</b> Monowara Mansion (1 <sup>st</sup> Floor), East Lotakhola Joypara Dohar, Dhaka- 1330.	<b>HOTAPARA BRANCH</b> Surma Valley, KRC Commercial and Residential Building, (1 <sup>st</sup> Floor) Holding # 651, Hotapara, Gazipur Sadar, Gazipur- 1740.
<b>UTTARA BRANCH</b> S M Tower (Ground & 1 <sup>st</sup> Floor) House # 14, Road # 2, Sector # 3 , Jashimuddin Avenue , Uttara Model Town, Dhaka-1230.	<b>ASHULIA BRANCH</b> Ahsan Complex (1 <sup>st</sup> Floor) Holding No.356/1, Bashundhara EPZ Road Baipile, Ashulia, Savar, Dhaka-1349.
<b>CHATTOGRAM MAIN BRANCH</b> Joy Bangla Tower 36 Agrabad Commercial Area, Chattogram-4000.	<b>PATENGA BRANCH</b> 2455/2514 Airport Road, (Padma Oil Co. Ltd. Guptakhal) Patenga, Chattogram.
<b>GOALABAZAR BRANCH</b> Al Murad Plaza (1 <sup>st</sup> Floor) Goalabazar, Osmaninagar, Sylhet-3124.	<b>ZAJIRA BRANCH</b> House # 204, North Baiksha Zajira Municipality Thana-Zajira, District-Shariatpur.
<b>KHULNA MAIN BRANCH</b> Matribhasa Bhaban (1 <sup>st</sup> Floor), House # 63, KDA Avenue Sonadanga, Khulna.	<b>CHAWKBAZAR BRANCH</b> House #16, Water Works Road, Chawkbazar, Dhaka.
<b>ATI BAZAR BRANCH</b> Bepari Plaza, Ghatarchar (Nayagon), Taranagar, Keranigonj, Dhaka.	<b>BHULTA BRANCH</b> Rabet Al Hasan Shopping Center (1 <sup>st</sup> Floor) Bhulta, Thana Rupgonj, Narayanganj.
<b>PALLA BAZAR BRANCH</b> Vill- Palla, Thana- Chatkhil, Noakhali.	<b>LALDIGHIRPAR BRANCH</b> Rahman Chamber (1 <sup>st</sup> Floor), Holding # 3162 Raja G.C. Road, Laldighirpar, Bondarbaz, Sylhet.
<b>SATKANIA BRANCH</b> Ula Miah Market (1 <sup>st</sup> Floor), Keranihat Satkania, Chattogram.	<b>HEMAYETPUR BRANCH</b> Lalon Tower and Shopping Complex (1 <sup>st</sup> Floor) 1576 Hemayetpur, Savar, Dhaka.
<b>MADHABPUR BRANCH</b> Saiham Future Complex (1 <sup>st</sup> Floor) Madhabpur Bazar, Madhabpur, Habigonj-3331.	<b>RAJSHAHI BRANCH</b> 166 (1 <sup>st</sup> floor), Sultanabad (New Market) Ghoramara, Boalia, Rajshahi.
<b>RAHIMANAGAR BAZAR BRANCH</b> A. H. Munshi Tower (1 <sup>st</sup> floor) Rahimanagar Bazar, Kachua, Chandpur.	<b>DHANMONDI BRANCH</b> Green City Square, Plot # 750 (old) Satmasjid Road, Dhanmondi, Dhaka.

<b>CUMILLA BRANCH</b> Parvin Square, 36, Kandirpar, Ramghat, Laksham Road, Cumilla.	<b>MOGRAPARA BRANCH</b> Ambia Plaza, Mograpara Chowrasta. Sonargaon, Narayanganj.
<b>SREEPUR BRANCH</b> Nurul Islam Khan Complex, Plot # 243, Block # B, DB Road Sreepur Pourashava, Sreepur, Gazipur.	<b>SHAFIPUR BRANCH</b> K Z Tower, Holding # 70/1 Shafipur Bazar Kaliakoir Pourashava, Kaliakoir, Gazipur.
<b>FENI BRANCH</b> Hoque Square, 27/1, SSK Road, Feni Sadar, Feni.	<b>GOPALGANJ BRANCH</b> Nazrul Center 16, Chowrongi Road, Gopalganj Sadar, Gopalganj.
<b>PAHARTALI RAOZAN BRANCH</b> Haji Mogbul Tower (1 <sup>st</sup> floor), Pahartali, Chowmuhan Bazar Raozan, Chattogram.	<b>KAZIRHAT BRANCH</b> Five Star Super Market, Dubisaybor, Baro Kandi Kazirhat, Zajira, Shariatpur.
<b>KADAMTOLI BRANCH</b> Rashed Iron Market, 1 <sup>st</sup> Floor (North Side), Bondo Darkpara Highway Road, Kadamtali, Keraniganj, Dhaka.	<b>ISHWARDI BRANCH</b> Holding # 971/972 (1 <sup>st</sup> Floor), Station Road, Ishwardi, Pabna.
<b>MIRPUR BRANCH</b> HAL- GBDL Kazi Morning Glory, House # 15, Road # 03, Block # A Mirpur-11, Dhaka.	<b>MEDICAL ROAD BRANCH</b> Iscon Market, Medical Road, Jugaltila, Kazalshah, Sylhet.
<b>DEBIDWAR BRANCH</b> Shopnil Tower, Holding # 252, Ward # 05, Debidwar, Cumilla.	<b>PANCHABATI BRANCH</b> Abdur Gafur Super Complex, Harihorpara, Panchabati, Narayanganj.
<b>NAYABAZAR BRANCH</b> 2/1, Ananda Mohon Basak Lane, Nayabazar, Dhaka.	<b>PURBACHAL BRANCH</b> Hazi Abdul Samad Shopping Complex, Brammankhali (Habib Nagar) Near Kanchan Bridge, Rupganj, Narayanganj.
<b>JASHORE BRANCH</b> 16 R.N Road, Jashore.	<b>JAFLONG BRANCH</b> Lebu Chairman Building, Holding # 352 Mamar Bazar, Gowainghat, Jaflong, Sylhet.
<b>PRAGATI SARANI BRANCH</b> The Alliance Building (Ground Floor), 63/Ka, Paragati Sarani, Baridhara, Dhaka-1212.	<b>ISLAMI BANKING GULSHAN BRANCH</b> Uday Sanz (Ground Floor), 2/B Gulshan South Avenue Gulshan-1, Dhaka-1212, Bangladesh
<b>BARLEKHA BRANCH</b> Happy Complex, Barlekha Dakshin Bazar, Barlekha, Moulvibazar-3250, Bangladesh.	



# Sub-Branch Network

<b>Niketon Sub Branch</b> Rukaiya Palace, House # 06, Road # 08, Block # F, Niketon, Gulshan, Dhaka	<b>Banasree Sub Branch</b> Sarakar Plaza, House No. S-2, Avenue # 03, Block # D, Banasree, Rampura, Dhaka
<b>Rayerbagh Sub Branch</b> Arif Commercial Complex, 5/11, Janatabag, Rayerbagh, Kadamtoli, Dhaka	<b>Chatkhil Sub Branch</b> Aziz Super Market, Chatkhil, Noakhali
<b>Station Road Sub Branch</b> Matin Complex, Holding No.2906-00/2907-00, Station Road, Dakkhin Surma, Ward No. 26, Sylhet City Corporation, Sylhet	<b>Shahi Eidgah Sub Branch</b> Anamika, Holding No. A/68, Shahi Eidgah, Ward No. 18, Sylhet City Corporation, Sylhet.
<b>Bahaddarhat Sub Branch</b> Khan Plaza, Holding No.1051, Bahaddarhat Circle, City Corporation Ward No. 04, Chattogram	<b>Alankar Mor Sub Branch</b> K. Tower, Holding No. 617/A/555, Alankar Mor, Abdul Ali Nagar, Pahartali, Chattogram
<b>Tajmahal Road Sub Branch</b> Holding No. Z-20, Tajmahal Road, Mohammadpur Ward No. 31, Dhaka North City Corporation, Dhaka	<b>Topkhana Road Sub Branch</b> Fareast Tower situated at Holding No. 35 Topkhana Road, Dhaka-1000
<b>Jatrabari Sub Branch</b> Nowab Stone Tower, Holding No. 33/2, North Jatrabari, Dhaka	

# ATM Network

## Principal Branch ATM

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

## Banani ATM

House # 26 (Ground Floor) Road #11, Block # F  
Banani, Dhaka - 1213.

## Bogura Branch ATM

Bogra Trade Centre (Ground floor), 766(ii) Rangpur Road  
Datta Bari, Borogola, Bogra- 5800.

## O.R. Nizam Road Branch ATM

Forum Central, 863/B, M.M. Ali Road  
Golpahar Circle, Mehediabag, Chattogram.

## Joypara Branch ATM

Monowara Mansion (Ground floor)  
East Lotakhola, Joypara Dohar, Dhaka- 1330.

## Uttara Branch ATM

S M Tower, House # 14, Road # 2, Sector # 3  
Jashimuddin Avenue, Uttara Model Town, Dhaka-1230.

## Chattogram Main Branch ATM

Joy Bangla Tower  
36 Agrabad Commercial Area, Chattogram-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, Sonadanga, Khulna.

## Ati Bazar Branch ATM

Bapari Plaza, Ghatarchar (Nayagon) Taranagar, Keraniganj, Dhaka.

## PallaBazar Branch ATM

Vill- Palla, Thana- Chatkhil, Noakhali.

## Satkania Branch ATM

Ula Miah Market (1<sup>st</sup> Floor) Keranihat, Satkania, Chattogram.

## Madhabpur Branch ATM

Sayhum Future Complex Madhabpur Bazar Madhabpur, Habiganj-3331.

## Cumilla Branch ATM

Parvin Square 36, Kandirpar, Ramghat, Laksham Road, Cumilla.

## Dilkusha Branch ATM

Baliadi Mansion (1st Floor), 16 Dilkusha C/A, Dhaka-1000.

## Sylhet Main Branch ATM

ManRu Shopping City (Ground Floor) 891 Mir Box Tula Road  
Chowhatta, Kotwali, Sylhet- 3100.

## Moulvibazar Branch ATM

Holding # 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)  
Holding # 65, Hotapara, Gazipur Sadar Gazipur-1740.

## Ashulia Branch ATM

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

## Zajira Branch ATM

House # 204, North Baiksha Zajira Municipality  
Zajira, Shariatpur.

## Chawkbazar Branch ATM

House #16, Water Works Road, Chawkbazar, Dhaka.

## Bhulta Branch ATM

Rabet Al Hasan Shopping Center (1<sup>st</sup> Floor) Bhulta  
Rupganj, Narayanganj.

## Laldighirpar Branch ATM

Rahman Chamber, Holding # 3162, Raza G.C. Road  
Ward-14, Laldighirpar, Bondar Bazar, Sylhet.

## Hemayetpur Branch ATM

Lalon Tower And Shopping Complex  
1576 Hemayetpur, Savar, Dhaka.

## Rajshahi Branch ATM

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

## Dhanmondi Branch ATM

Green City Square, Plot # 750 (old)  
Satmasjid Road, Dhanmondi, Dhaka.

## Mograpara Branch ATM

Ambia Plaza, Mograpara Chowrasta, Sonargaon, Narayanganj.



<b>Sreepur Branch ATM</b> Nurul Islam Khan Complex, Plot # 243, Block # B, DB Road Sreepur Pourashava, Sreepur, Gazipur.	<b>Shafipur Branch ATM</b> K Z Tower, Holding # 70/1 Shafipur Bazar, Kaliakoir Pourashava Kaliakoir, Gazipur.
<b>Feni Branch ATM</b> Hoque Square 27/1 SSK Road, Feni Sadar, Feni.	<b>Ghonapara Branch ATM</b> Zaman Centre, Gobra, Ghonapara, Gopalganj.
<b>Pahartali Raozan Branch ATM</b> Haji Moqbul Tower, Pahartali, Chowmuhan Bazar Raozan, Chattogram.	<b>Kazirhat Branch ATM</b> Five Star Super Market, Dubisaybor, Baro Kandi Kazirhat, Zajira, Shariatpur.
<b>Kadomtoli Branch ATM</b> Rashed Iron Market (North Side), Bondo Darkpara, Highway Road Kadamtali, Keraniganj, Dhaka.	<b>Ishwardi Branch ATM</b> Holding # 971/972, Station Road, Ishwardi, Pabna.
<b>Mirpur Branch ATM</b> HAL- GBDL Kazi Morning Glory, House # 15, Road # 03, Block # A Mirpur-11, Dhaka.	<b>Medical Road Branch ATM</b> Iscon Market, Medical Road, Jugaltila, Kazalshah, Sylhet.
<b>Debidwar Branch ATM</b> Shopnil Tower, Holding # 252, Debidwar, Cumilla.	<b>Panchaboti Branch ATM</b> Abdur Gafur Super Complex, Harihorpara, Panchabati, Narayanganj.
<b>Purbachal Branch ATM</b> Hazi Abdul Samad Shopping Complex Brammankhali (Habib Nagar), Near Kanchan Bridge, Rupganj, Narayanganj.	<b>Jashore Branch ATM</b> 16 R.N Road, Jashore.
<b>Jaflong Branch ATM</b> Lebu Chairman Building, Holding # 352 Mamar Bazar, Gowainghat, Jaflong, Sylhet.	<b>PRAGATI SARANI BRANCH</b> The Alliance Building (Ground Floor), 63/Ka, Paragati Sarani, Baridhara, Dhaka-1212.
<b>Rahimanagar Bazar Branch ATM</b> A. H. Munshi Tower (Ground Floor) Rahimanagar Bazar, Kachua, Chandpur.	





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