



**AHMED ZAKER & Co.**  
CHARTERED ACCOUNTANTS

**Independent Auditors' Report**  
and  
**Financial Statements**  
of



**Corporate Head Office - Uday Sanz**  
**Block: SE (A), Plot: 2/B, Road: 134, South Avenue**  
**Gulshan - 1, Dhaka-1212.**

**Consolidated Financial Statements**  
**as at and for the year ended 31 December 2022**



**Auditor:**

**Ahmed Zaker & Co.**

Chartered Accountants

An Independent Member Firm of Geneva Group International (GGi)

Green City Edge (Level - 10), 89, Kakrail, Dhaka-1000, Bangladesh.

Tel: 88-2-8300504-8, Fax : 88-2-8300509

E-mail: azcbangladesh@ahmed-zaker.com Web: www.ahmed-zaker.com

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## **Independent Auditor's Report to the Shareholders of NRB Bank Limited Report on the Audit of the Consolidated and Separate Financial Statements**

### **Opinion**

We have audited the consolidated financial statements of NRB Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of NRB Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2022 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2022 and of its consolidated and separate statement of profit and loss accounts, its consolidated and separate statements of changes in equity and its consolidated and separate cash flow statements 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 Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We remained independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), guidelines issued by Bangladesh Bank and rules and regulations issued by Bangladesh Securities and Exchange Commission (BSEC) 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.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year. We summarize below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters are discussed below together with an explanation of how the risk and our audit response was tailored to address these specific areas.



All key audit matters are applicable to the consolidated and separate financial statements.

Sl.	Particulars	Risks	How the matter was addressed in our audit
I.	<p><b>Loans and advances/ investment:</b></p> <p>Loans and advances/ investment are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of Loans and advances/ investments. Management performance is highly dependent on the target achievement of Loans and advances/ investment. Loan and advance/ investment disbursement requires robust documentation followed by approval from appropriate level of authority.</p> <p>We have identified Loans and advances/ investment as key audit matter because there is an inherent risk of fraud in disbursement of Loans and advances/ investment by management to meet specific targets or expectations.</p> <p>At year end the Group and the Bank reported total gross Loans and advances of BDT 49,491 million (2021: BDT 40,244 million) and BDT 49,491 million (2021: BDT 40,244 million) respectively.</p> <p>Refer to note no. 7 to the financial statements.</p> <p>Our audit procedures were mainly tailored at Head Office Credit Division. We conducted audit as at December 31, 2022, were viewed all balances using paper work, digital platform, reports to Bangladesh Bank and verified loans and advances and provision with CL Statement submitted to Bangladesh Bank as at December 31, 2022.</p>	<p>The carrying value of loans and advances/investment may be materially misstated in case of inappropriate identification and estimation of provision either individually or collectively.</p> <p>As a part of risk assessment, we identified the following judgments which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> <li>➤ Measurement of the provision is dependent on the reasonable valuation of collateral security, estimates of exit values and the timing of cash flows,</li> <li>➤ Key assumption factors relating to probability of default, collateral and recovery process,</li> <li>➤ Estimation of future business performance and market value of collateral provided against loans and advances/ investments.</li> </ul>	<p>We have performed procedure to check whether the Bank has ensured appropriate documentation and calculation as per Bangladesh Bank regulations for provisioning on loans and advances/ investments. In addition, we have performed an audit procedure to check whether the documentation is completed as per approval of the Board of the Bank.</p> <p>We also performed procedure to check whether the loans and advances/ investments are recorded completely and accurately and that are existed at the reporting date based on available documents submitted and CL Classifications of loans and advances/ investments.</p> <p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>➤ Tested the control designed by management to ensure compliance with Bangladesh Bank investment guideline and approved internal loans and advances/ investments policy.</li> <li>➤ Checked whether they followed and documented verified identity of the customer, proper application for loans and advances/ investments facilities, latest CIB report of the customer, loans and advances/ investments risk grading, business and financial information and other document completely and accurately.</li> <li>➤ Reviewed the security arrangement against the loans and advances/ investments and proper documentation as per approval of the Board of the Bank.</li> <li>➤ Tested loans and advances/ investments monitoring and provisioning process.</li> <li>➤ Reviewed the principles of loans and advances as well as Islamic Shariah.</li> <li>➤ Reviewed the recovery prospects of loans and advances/ investments.</li> </ul> <p>Our substantive procedures in relation to the investment portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>➤ Tested the investment appraisal, investment disbursement procedures and monitoring.</li> <li>➤ Checked loans and advances/ investments outstanding, interest /profit suspense between system generated statements and loans and advances/ investments Classification report submitted to Bangladesh bank as on December 31, 2022.</li> <li>➤ Identification of loss events, including early warning and default warning process.</li> <li>➤ Finally assessed the appropriateness and presentation of disclosures against relevant</li> </ul>

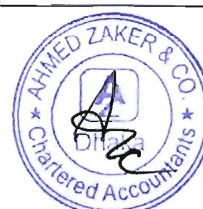


			<p>accounting standards and Bangladesh Bank guidelines.</p> <p><b>Optimum results:</b> We considered both the provision on investments and disclosures shown in financial statements to be acceptable.</p>
II.	<p><b>Measurement of provision for loans and advances/investments:</b></p> <p>The process for estimating provision for loans and advances/investments associated with credit risk is judgmental, significant and complex. While estimating such provision certain judgmental factors needed to be considered.</p> <p>Furthermore, these provisions are processed manually that deals with voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank issued time to time.</p> <p>Due to high level of judgment involved and using some manual process in estimating the provision for investments, we considered this to be a key audit matter.</p> <p>At year end the Bank reported total provision on loans and advances at BDT 1,443 million (2021: BDT 1,566 million).</p> <p>Ref: note no. 13 and 13.3 to the financial statements.</p>	<p>➤ Provision calculations on loans and advances and investment risk are significant and complex for manually processed vast databases, assumptions, design and implementation.</p> <p>➤ Actual business performance may be misleading due to under or over provision on loans and advances/investments.</p> <p>We have focused on the following significant judgements and estimates which could rise to material misstatement for management bias;</p> <p>➤ Completeness and timing of recognition of provision on loans and advances/investments in accordance with criteria set out in relevant BRPD circulars</p> <p>➤ For individually assessed provisions, the measurement of provision may be dependent on the valuation of collateral,</p> <p>➤ Estimates of exit values and the timing of cash flows</p> <p>➤ Provision measurement is primarily dependent on key assumptions relating to probability of default, ability to responses collateral and recovery rates</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Tested the control designed by management of the Bank to ensure compliance of Bangladesh Bank circular relating to provision requirement and provision calculations.</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information.</li> <li>• Checked calculation of individual provision considering loans and advances/investments status as per BRPD circular, interest/profit suspense, security value and base for provision.</li> <li>• Tested the loans and advances/investments appraisal, investment disbursement procedures, monitoring and provisioning process.</li> <li>• Reviewed identification of loss events, including early warning and default warning indicators.</li> </ul> <p>Our substantive procedure in relation to the provisions for loans and advances/investments portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed quarterly classification of loans and advances/investments and the adequacy of the Group and the Bank's general and specific provisions.</li> <li>• Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information.</li> <li>• In respect of DBI-5 through its letter ref no: DBI-5(IS)/154/2023-535 dated 27/04/2023, the bank has made provision as per instruction of Bangladesh bank</li> <li>• Finally Compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained. In this regard, the bank has made provision in compliance with Bangladesh Bank letter ref: DBI-5(IS)/154/2023-535 dated 27/04/2023.</li> </ul>





<p><b>III. Recognition of interest /profit income from loans and advances/investments:</b></p> <p>Recognition of interest/profit income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest/profit income has involvement of complex IT environment.</p> <p>While estimating such provision certain judgmental factors need to be considered including;</p> <ul style="list-style-type: none"><li>a) Future business performance of the borrower;</li><li>b) Key assumptions' relating to business performance of the borrower;</li><li>c) Market value of the collateral</li><li>d) Ability to responses collateral; and</li><li>e) Recovery rates</li></ul> <p>Furthermore, these provisions are processed manually using the voluminous data extracted IT system of the Bank and following the instructions of Bangladesh Bank (Central Bank of Bangladesh) issued from time to time. Due to high level judgement involved and using some manual process in estimating the provision for loans and advances/Investments, we considered this to be a key audit matter.</p> <p>Since interest /profit income from loans and advances/investments is one of the performance indicators of the bank there is an inherent risk of fraud and error in recognition of interest / profit income.</p> <p>Refer to note no. 20 to the financial statements.</p>	<p>We have identified recognition of income from loans and advances/investments as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of income by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of income from loans and advances/investments.</p> <p>For selected customers and investment files on samples basis we have also performed substantive test of details including recalculation and cut off testing to check the accuracy of interest/profit income.</p> <p>We have performed test of operating effectiveness on automated control in place to measure and recognize interest/profit income.</p> <p>We have also performed substantive procedure to check whether investment income is recognized completely and accurately.</p> <p>We also conducted substantive analytical procedures to assess reasonableness of profit recognized during the year with reference to the product wise outstanding investment balances.</p> <p>We have assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>
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<b>IV. Impairment assessment of unquoted shares:</b>  Due to high level of judgment and assumption involved in evaluating the impairment assessment of unquoted shares, we considered this to be a key audit matter.  Refer to note no. 6.2.2, 13.5 and annexure -C to the financial statements	In the absence of quoted price in an active market, the fair value of unquoted shares and securities, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence requires an elevated level of judgment and assumption.	We have assessed the process and controls put in place by the Bank to ensure that all major investment decisions are undertaken through a proper due diligence process.  We have tested a sample of investment valuation as at 31 December 2022 and compared our results to the recorded value.  Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
<b>V. Carrying value of investments in subsidiary(s) of the Bank:</b>  The NRB Bank Limited has invested an amount of BDT 49.99 crore in equity shares of its subsidiary NRB Bank Securities PLC.	Recoverability of the foreign investment is generally considered a high-risk matter. However, due to the materiality of the investment in the context of the parent company's financial statements, this is considered to be the area that had the great focus of our overall parent company audit.	We have focused on the appropriateness of the application of value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.  We have compared the carrying amount of the total investment balance with the relevant subsidiary's financial position to identify whether their net assets were in excess of their carrying amount and assessed historical financial performance.  <b>Optimum results:</b> We considered the banking group's assessment of the recoverability of the investment in subsidiaries to be acceptable.
<b>VI. Measurement of deferred tax asset:</b>  Calculation of income tax provision required compliance with income tax ordinance 1984 including careful consideration of various temporary and permanent differences. Furthermore, upon final settlement of pending tax assessment any excess or short provision of current tax is also adjusted in the current years. For the year ended 2022, the Bank report income tax provision amount 172 million (2021: 201 million). The deferred tax asset amounting to BDT 838 million were shown in the financial statements as at 31 December 2021. As the bank has 882 million deferred tax asset in the financial statement as at 31 December 2022, the differential amount 44 million has been recognized as deferred tax income during the financial year.	Recognition and measurement of deferred tax asset contain judgment and objective estimates regarding future taxable profit and the usability of unused tax losses and tax credits.  The significant risk arises from the estimation of future usability of the benefits. Such estimation required in relation to deferred tax asset as their recoverability is dependent on the forecasts of profitability available in near future.	We have conducted a risk assessment to obtain an understanding of the relevant tax laws and regulations considering the following: <ul style="list-style-type: none"><li>➤ Evaluation of the policies used for recognition and measurement of deferred tax liabilities in accordance with IAS 12 and Income Tax Ordinance, 1984.</li><li>➤ We assessed the accuracy and completeness of data used for estimation of deferred tax.</li><li>➤ Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax liabilities by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts.</li><li>➤ We reviewed the tax provision for those years where income tax assessment is pending and assess the adequacy of tax provision recorded by the bank. Special focus attention was given to any reversal /adjustment of income tax provision from prior year.</li><li>➤ Checked the computation of deferred tax by applying appropriate tax rates of tax schedule and identified temporary difference between tax base and accounting base depreciations and other liabilities.</li></ul>



	Refer to note number 3.7 and 9.3.1 to the financial statements.		<b>Optimum results:</b> We considered recognition and measurement of deferred tax liabilities in particular regarding the assumptions and parameters to develop the taxable profit and usability of tax losses and credits to be reasonable.
<b>VII.</b>	<p><b>Investment in Financial Institutions:</b></p> <p>The bank has invested in financial institutions amounting to TK 2,732,100,000 out of aforesaid amount Fixed Deposit amounting to 148,800,000 with International Leasing &amp; Financial Services Limited and Tk122,100,000 with Fareast Finance &amp; Investment Limited appears to be doubtful of recovery as the institutions have financial scams. However, no provision has been made against the doubtful investment as per Bangladesh Bank Circular No. BRPD(P-1)/661/13/2021-12262 Dated 27 December 2021. Accrual of interest income against those investments have been booked which is not correct.</p> <p>Ref: note no. 5.1 to the financial statements.</p>	<p>The carrying value of investment may be materially misstated in case of inappropriate identification and estimation of provision either individually or collectively.</p> <p>As a part of risk assessment, we identified the following judgments which could give rise to material misstatement or management biasness:</p> <ul style="list-style-type: none"> <li>➤ Measurement of the provision is dependent on the reasonable valuation of investment.</li> <li>➤ Estimation of investment</li> <li>➤ Provision calculations on investment are significant and complex for assumptions, design and implementation.</li> <li>➤ Actual business performance may be misleading due to under or over provision on investment</li> </ul> <p>Completeness and timing of recognition of provision on investment in accordance with criteria set out in relevant BRPD circulars.</p>	<p>We have performed procedure to check whether the Bank has ensured appropriate documentation and calculation as per Bangladesh Bank regulations for provisioning on investment. In addition, we have performed an audit procedure to check whether the documentation is completed as per approval of the Board of the Bank.</p> <p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>➤ Tested the control designed by management to ensure compliance with Bangladesh Bank investment guideline and approved internal investment policy.</li> <li>➤ Reviewed the investment and proper documentation as per approval of the Board of the Bank.</li> <li>➤ Tested investment monitoring and provisioning process.</li> <li>➤ Reviewed the principles of Credit Rating Management.</li> <li>➤ Reviewed the recovery prospects of Loans and advances/Investments</li> </ul>
<b>VIII.</b>	<p><b>Legal and regulatory matters:</b></p> <p>We focused on this area because the Bank and its subsidiary (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the</p>	<p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Overall, the legal provision represents the Group's best estimation for existing legal matters that have a probable and</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group and Bank's key controls over the legal provision and contingency processes.</p> <p>We enquired those charged with governance to obtain their views on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Group and the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We</p>







	outcome may be difficult to predict.	estimable impact on the Group's financial position.	also received formal confirmations from external counsel.  We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.  We also assessed the Group and the Bank's provisions and contingent liabilities disclosure.
IX.	<b>IT Systems and Internal Controls:</b> Our audit procedures have a focus on IT systems and control due to the previous nature and complexity of the IT environment, the large volume of transactions proceeds in numerous locations daily and the reliance on automated and manual with automated (IT dependent) controls.  We have focused on Bank's compliance with the Internal control set out in the "Guideline on ICT Security for Banks and NBFIs by Bangladesh Bank.	Information Technology risk arises from the use of computer systems in the day-to-day conduct of the bank's operations, reconciliation of books of accounts, and storage and retrieval of information and reports. The risk can occur due to the choice of faulty or unsuitable technology and adoption of untried or obsolete technology. Major risk arises from breaches of security for access to the computer system, tampering with the system, and unauthorized use of it. Historically, information technology was used as a supporting tool for fast and accurate delivery of financial services. Over the period, the uses of information technology in financial services have substantially widened. Fierce competition among banks induced them to enlarge their network of banking products and services, and compelled them to offer services off-site and allow the customers to access the computers from their end. Banks are facing greater threats from rapid changes occurring in the technological systems applicable to financial services.	We have tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.  We have obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems. We also assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights.  We have reviewed the System of Internal Control which is designed to manage all the risks of failure to a reasonable level and this System provides reasonable assurance of effective and efficient operations covering all controls including financial & operational controls, reliability of the financial information, compliance with applicable laws & regulations, adherence to management policies.  We have checked standards over systems related process and documentation, and IT General controls to get reasonable assurance that the IT environment being used to generate, process and transmit financial information/records has reasonable level of control in place.  <b>Optimum result:</b> We considered the user access management, segregation of duties and change management controls in relation to financial accounting and reporting systems to be reasonable.
X.	<b>Investment in shares and securities:</b>  Investment in shares and securities other than	All shares and securities are state at cost as per Bangladesh Bank guidelines. Market price of all quoted share	We assessed the process and controls put in place by the bank to identify and confirm the existence of Bangladesh Govt Treasury bills, Treasury bond, Bangladesh Government Investment SUKUK (Ijarah Sukuk) and





<p>Bangladesh Government Investment SUKUK (Ijarah Sukuk) is measured initially and subsequently at cost. Any reduction in market value of share is charged to profit and loss account as provision for diminution in value of shares and shown as other liabilities in Balance sheet. Bangladesh Government Investment SUKUK (Ijarah Sukuk) is measured initially and subsequently at cost, which is also the fair value. Profit on investment in Bangladesh Government Investment SUKUK (Ijarah Sukuk) is recognised on accrual basis.</p>	<p>diminished the cost price by BDT 445,802,114 as at 31 December 2022. Adequate provision has been made for such diminution in value of investment in shares for all quoted shares. Provision for diminution in the value of investment in shares is not netted off with investment in shares and securities rather shown under other liability in annexure -C</p>	<p>corporate bonds, preference shares, ordinary shares and mutual Fund. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the Bangladesh Govt Treasury bills, Treasury bond, Bangladesh Government Investment SUKUK (Ijarah Sukuk) and corporate bonds, preference shares, ordinary shares and mutual Fund, bonds valuations/impairment assessment process, including controls over market data inputs into valuation models, model governance and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a comparing input to available market data. Finally assessed the appropriateness and presentation of the disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
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### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Report other than the consolidated and separate financial statements and our auditors' report thereon.

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

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

When we read the Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2 and 3, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (as amended up to date) and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the group and 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 consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.



## **Auditor's Responsibilities for the audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercised professional judgment and maintained professional scepticism throughout the audit.

### **We also:**

- Identified and assessed the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded 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 Group's and 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 consolidated and separate 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 Group and the Bank to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.
- We also provided 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 determined those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined 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 Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) To the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on antifraud 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 Group 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 Group and its related entities other than matters disclosed in these financial statements;
- (iii) Financial Statements of subsidiary company of the Bank namely NRB Bank Securities PLC has been audited by K. M. HASAN & Co, Chartered Accountants. The accounts of NRB Bank Securities PLC have been properly reflected in the consolidated financial statements;
- (iv) In our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) The records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) The consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) The expenditures incurred were for the purpose of the Bank's business for the year ended;
- (viii) The consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) Adequate provisions have been made on advance and other assets which are in our opinion, doubtful of recovery;
- (x) The information and explanations required by us have been received and found satisfactory;



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(xi) We have reviewed over 80% of the risk weighted assets of the Bank; and spent over 2,150 person hours; and

(xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year ended.

Place: Dhaka

Dated: 30 APR 2023

DVC No: 2304300478 AS 269364

**Ahmed Zaker & Co.**

Chartered Accountants

M. Zabed Ali Mridha FCA

Senior Partner

Enrolment No: 478.



**NRB Bank Limited**  
**Consolidated Balance Sheet**  
**as at 31 December 2022**

	Notes	31 December 2022	31 December 2021
		Taka	Taka
<b><u>PROPERTY AND ASSETS</u></b>			
<b>Cash</b>	4	<b>4,069,579,561</b>	<b>3,819,277,226</b>
Cash in hand (including foreign currencies)		1,427,538,450	1,041,954,491
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		2,642,041,111	2,777,322,735
<b>Balance with other banks and financial institutions</b>	5	<b>3,528,749,847</b>	<b>3,329,468,287</b>
In Bangladesh		3,409,236,754	3,180,351,652
Outside Bangladesh		119,513,093	149,116,635
<b>Money at call on short notice</b>	5.i	<b>592,060,000</b>	<b>285,400,000</b>
<b>Investments</b>	6	<b>13,063,656,826</b>	<b>10,384,613,338</b>
Government	6.1	8,668,781,155	7,746,901,199
Others	6.2	4,394,875,671	2,637,712,139
<b>Loans and advances</b>	7	<b>49,490,759,327</b>	<b>40,243,799,326</b>
Loans, cash credit, overdrafts etc.	7.1	49,419,142,074	40,134,294,168
Bills purchased and discounted	7.2	71,617,253	109,505,158
<b>Fixed assets including premises, furniture and fixtures</b>	8	<b>449,541,492</b>	<b>423,670,630</b>
<b>Other assets</b>	9	<b>2,949,829,230</b>	<b>2,622,403,955</b>
Non - banking assets	10	80,196,000	80,196,000
<b>Total assets</b>		<b>74,224,372,282</b>	<b>61,188,828,760</b>
<b><u>LIABILITIES AND CAPITAL</u></b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	5,975,635,034	4,378,640,019
<b>Deposits and other accounts</b>	12	<b>54,419,368,144</b>	<b>44,296,377,072</b>
Current deposits and other accounts		12,835,513,633	10,228,913,239
Bills payable		713,431,060	227,554,613
Savings bank deposits		5,916,707,228	4,748,996,643
Fixed deposits		34,953,716,223	29,090,912,577
Bearer certificates of deposit		-	-
Other deposits		-	-
<b>Other liabilities</b>	13	<b>6,066,128,519</b>	<b>5,006,386,301</b>
<b>Total liabilities</b>		<b>66,461,131,697</b>	<b>53,681,403,392</b>
<b>Capital/shareholders' equity</b>			
Paid up capital	14.2	5,905,872,000	5,905,872,000
Statutory reserve	15	923,227,700	786,381,698
Other reserve	16	5,100,679	1,516,910
Non-controlling (Minority) interest		80	80
Retained earnings	17	929,040,126	813,654,681
<b>Total shareholders' equity</b>		<b>7,763,240,585</b>	<b>7,507,425,368</b>
<b>Total liabilities and shareholders' equity</b>		<b>74,224,372,282</b>	<b>61,188,828,760</b>



**AHMED ZAKER & Co.**  
CHARTERED ACCOUNTANTS

**OFF-BALANCE SHEET ITEMS**

	Notes	31 December 2022 Taka	31 December 2021 Taka
<b>Contingent liabilities</b>	18	<b>11,879,207,266</b>	<b>12,326,574,190</b>
Acceptances and endorsements	18.1	2,685,484,777	3,242,315,435
Letters of guarantee	18.2	6,805,131,215	6,156,223,432
Irrevocable letters of credit	18.3	1,424,901,046	1,998,287,406
Bills for collection	18.4	963,690,227	929,747,918
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>11,879,207,266</b>	<b>12,326,574,190</b>
Net asset value per share (NAV)	38	13.14	12.71

*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  
Dated: 29 April 2023  
DVC: 2304300478 AS 269364

  
**Ahmed Zaker & Co**  
Chartered Accountants  
M.Zabed Ali Mridha FCA  
Senior Partner  
Enrolment No.: 478

**NRB Bank Limited**  
**Consolidated Profit and Loss Account**  
**for the year ended 31 December 2022**

	Notes	2022 Taka	2021 Taka
Interest income	20	3,835,851,249	3,544,405,693
Interest paid on deposits and borrowings etc.	21	(2,878,211,397)	(2,444,805,662)
<b>Net interest income</b>		<b>957,639,852</b>	<b>1,099,600,032</b>
Income from investments	22	578,706,980	1,033,968,530
Commission, exchange and brokerage	23	755,741,768	464,010,808
Other operating income	24	33,047,565	34,856,069
		<b>1,367,496,313</b>	<b>1,532,835,407</b>
<b>Total operating income (A)</b>		<b>2,325,136,165</b>	<b>2,632,435,439</b>
Salaries and allowances	25	844,643,381	797,479,371
Rent, taxes, insurance, electricity etc.	26	260,804,746	263,200,968
Legal and professional expenses	27	1,502,017	8,027,930
Postage, stamp, telecommunication etc.	28	28,391,190	28,404,336
Stationery, printing, advertisements etc.	29	29,964,174	18,538,989
Managing Director's salary and fees	30	12,396,429	9,532,144
Directors' fees and other expenses	31	4,024,820	5,885,377
Auditors' fees	32	515,000	457,500
Depreciation and repair of bank's assets	33	163,175,333	148,415,540
Other expenses	34	210,314,502	149,535,196
<b>Total operating expenses (B)</b>		<b>1,555,731,593</b>	<b>1,429,477,350</b>
<b>Profit before provision (C=A-B)</b>		<b>769,404,572</b>	<b>1,202,958,088</b>
Provision for loans and advances			
General provision		82,886,660	(7,903,253)
Specific provision		(205,808,713)	373,879,576
		(122,922,053)	365,976,323
Provision for off-balance sheet items		(4,813,092)	11,397,036
Provision for diminution in value of investments		198,628,383	192,061,839
Other provisions		17,274,746	4,250,898
<b>Total provision (D)</b>	35	<b>88,167,984</b>	<b>573,686,096</b>
<b>Total profit before tax (E=C-D)</b>		<b>681,236,589</b>	<b>629,271,993</b>
<b>Provision for tax</b>			
Provision for current tax	13.6	172,443,301	201,477,439
Deferred tax expense/(income)		(44,292,552)	(210,923,490)
<b>Total provision for tax (F)</b>		<b>128,150,749</b>	<b>(9,446,051)</b>
<b>Net profit after tax (G=E-F)</b>		<b>553,085,840</b>	<b>638,718,043</b>
<b>Appropriations</b>			
Statutory reserve	15	136,846,002	125,874,129
Start-up fund		5,560,793	3,696,554
General reserve		-	-
		<b>142,406,795</b>	<b>129,570,683</b>
<b>Retained surplus for the year</b>		<b>410,679,045</b>	<b>509,147,361</b>
<b>Earnings per share (EPS)</b>	39	<b>0.94</b>	<b>1.08</b>

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

  
 Managing Director & CEO

As per our report of same date.

Dhaka


Dated: 29 April 2023

DVC: 2304300478 AS 269364

  
 Director

  
 Vice Chairman

  
 Chairman

  
**Ahmed Zaker & Co**  
 Chartered Accountants  
 M.Zabed Ali Mridha FCA  
 Senior Partner  
 Enrolment No.: 478



**NRB Bank Limited**  
**Consolidated Cash Flow Statement**  
**for the year ended 31 December 2022**

Notes	2022	2021
	Taka	Taka
<b>Cash flows from operating activities</b>		
Interest receipts in cash	4,583,376,985	3,981,886,667
Interest payments	(2,784,693,478)	(2,445,492,623)
Dividend receipts	80,999,172	64,169,900
Fees and commission receipts	755,741,768	464,010,808
Cash payments to employees	(857,039,810)	(807,011,515)
Cash payment to suppliers	(15,873,038)	(10,295,688)
Income tax paid	(344,447,219)	(165,584,932)
Receipts from other operating activities	33,047,565	29,856,069
Payments for other operating activities	(576,214,096)	(513,863,284)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>874,897,851</b>	<b>597,675,403</b>
<b>Increase/(decrease) in operating assets and liabilities:</b>		
Loans and advances to customers	(9,246,960,001)	(1,395,228,936)
Other assets	(506,625,316)	(345,627,414)
Deposits from customers	10,122,991,073	2,923,948,933
Other liabilities	966,109,298	488,529,735
<b>Cash generated from operating assets and liabilities</b>	<b>1,335,515,054</b>	<b>1,671,622,318</b>
<b>Net cash generated from operating activities</b>	<b>2,210,412,905</b>	<b>2,269,297,721</b>
<b>Cash flows from investing activities</b>		
(Purchase)/sale of trading securities	(921,879,956)	(1,667,643,101)
Gain/loss from sale of trading securities, shares, bonds, etc.	(236,129,439)	424,667,114
(Purchase)/sale of shares and bonds	(1,757,163,532)	(1,051,585,514)
(Purchase) of property and equipment	(147,357,499)	(147,020,784)
Investment in subsidiary	-	(499,999,920)
<b>Net cash used in investing activities</b>	<b>(3,062,530,426)</b>	<b>(2,941,582,205)</b>
<b>Cash flows from financing activities</b>		
Borrowings from other banks, financial institutions and agents	1,596,995,015	735,656,875
Paid up capital through issuing right share	-	777,600,000
Cash dividend paid	(295,293,600)	-
<b>Net Cash flows/(used in) from financing activities</b>	<b>1,301,701,415</b>	<b>1,513,256,875</b>
<b>Net increase in cash and cash equivalents (A+ B + C)</b>	<b>449,583,895</b>	<b>840,972,391</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>7,148,745,513</b>	<b>6,307,773,122</b>
<b>Cash and cash equivalents at end of the year (D+E+F)</b>	<b>7,598,329,408</b>	<b>7,148,745,513</b>
<b>Cash and cash equivalents at end of the year represents</b>		
Cash in hand (including foreign currencies)	1,427,538,450	1,041,954,491
Balance with Bangladesh Bank and its agent bank (s)	2,642,041,111	2,777,322,735
Balance with other banks and financial institutions	3,528,749,847	3,329,468,287
	<b>7,598,329,408</b>	<b>7,148,745,513</b>
<b>Net operating cash flow per share (NOCFPS)</b>	<b>3.74</b>	<b>3.84</b>

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

  
Managing Director & CEO

  
Director

  
Vice Chairman

  
Chairman

**NRB Bank Limited**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 31 December 2022**

Particulars	Paid up capital	Statutory reserve	Other Reserve	Minority Interest	Retained earnings	Total
Restated balance as at 1 January 2022	5,905,872,000	786,381,698	1,516,910	80	813,654,681	7,507,425,368
Cash dividend paid for 2021	-	-	-	-	(295,293,600)	(295,293,600)
Net profit/(loss) after tax for the year	-	-	-	-	553,085,840	553,085,840
Transfer to statutory reserve	-	136,846,002	-	-	(136,846,002)	-
Start-up fund	-	-	-	-	(5,560,793)	(5,560,793)
Addition/(adjustment) made during the year	-	-	3,583,769	-	-	3,583,769
Balance as at 31 December 2022	5,905,872,000	923,227,700	5,100,679	80	929,040,126	7,763,240,585

**for the year ended 31 December 2021**

Particulars	Paid up capital	Statutory reserve	Other Reserve	Minority Interest	Retained earnings	Total
Balance as at 1 January 2021	4,665,600,000	660,507,569	6,707,198	80	470,952,006	5,803,766,853
Adjustment of deferred tax assets	-	-	-	-	296,227,314	296,227,314
Restated balance as at 1 January 2021	4,665,600,000	660,507,569	6,707,198	80	767,179,320	6,099,994,167
Right share issued	777,600,000	-	-	-	(462,672,000)	777,600,000
Bonus share issued for 2020	462,672,000	-	-	-	638,718,043	638,718,043
Net profit/(loss) after tax for the year	-	-	-	-	(125,874,129)	-
Transfer to statutory reserve	-	125,874,129	-	-	(3,696,554)	(3,696,554)
Start-up fund	-	-	(5,190,288)	-	-	(5,190,288)
Addition/(adjustment) made during the year	-	-	-	-	-	-
Restated balance as at 31 December 2021	5,905,872,000	786,381,698	1,516,910	80	813,654,681	7,507,425,368

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

  
Managing Director & CEO

  
Vice Chairman

  
Chairman







**NRB Bank Limited**  
**Consolidated Liquidity Statement**  
**(Assets and liabilities maturity analysis)**  
**as at 31 December 2022**

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)	4,069,579,561	-	-	-	-	4,069,579,561
Balance with other banks and financial institutions	3,028,749,847	500,000,000	-	-	-	3,528,749,847
Money at call and on short notice	592,060,000	-	-	-	-	592,060,000
Investments	107,510,525	966,366,188	2,226,916,585	4,129,266,469	5,633,597,058	13,063,656,826
Loans and advances	7,026,147,817	6,344,373,730	14,722,390,556	12,744,307,300	8,653,539,924	49,490,759,327
Fixed assets including premises, furniture and fixtures	-	-	-	-	449,541,492	449,541,492
Other assets	139,717,145	217,150,008	162,253,026	2,374,373,520	56,335,530	2,949,829,230
Non banking assets	-	-	80,196,000	-	-	80,196,000
<b>Total assets (A)</b>	<b>14,963,764,895</b>	<b>8,027,889,926</b>	<b>17,191,756,167</b>	<b>19,247,947,289</b>	<b>14,793,014,005</b>	<b>74,224,372,282</b>
<b>Liabilities:</b>						
Borrowings from other banks, financial institutions and agents	4,686,778,869	477,675,612	811,180,553	-	-	5,975,635,034
Deposits	4,566,721,838	11,745,832,611	30,974,066,157	5,379,531,415	1,753,216,124	54,419,368,144
Provision and other liabilities	316,216,851	1,659,503,219	794,338,540	6,708,966	3,289,360,942	6,066,128,519
<b>Total liabilities (B)</b>	<b>9,569,717,558</b>	<b>13,405,335,830</b>	<b>32,579,585,250</b>	<b>5,386,240,381</b>	<b>5,042,577,066</b>	<b>66,461,131,697</b>
<b>Net liquidity gap (A - B)</b>	<b>5,394,047,337</b>	<b>(5,377,445,903)</b>	<b>(15,387,829,083)</b>	<b>13,861,706,907</b>	<b>9,750,436,938</b>	<b>7,763,240,585</b>



**NRB Bank Limited**  
**Balance Sheet**  
**as at 31 December 2022**

	Notes	31 December 2022	31 December 2021
		Taka	Taka
<b><u>PROPERTY AND ASSETS</u></b>			
Cash	4	4,069,530,555	3,819,277,226
Cash in hand (including foreign currencies)	4.1	1,427,489,444	1,041,954,491
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	4.2	2,642,041,111	2,777,322,735
Balance with other banks and financial institutions	5	3,522,167,925	3,329,468,287
In Bangladesh	5.1	3,402,654,833	3,180,351,652
Outside Bangladesh	5.2	119,513,093	149,116,635
Money at call on short notice	5.i	592,060,000	285,400,000
Investments	6	13,063,656,826	10,384,613,338
Government	6.1	8,668,781,155	7,746,901,199
Others	6.2	4,394,875,671	2,637,712,139
Loans and advances	7	49,490,759,327	40,243,799,326
Loans, cash credit, overdrafts etc.	7.1	49,419,142,074	40,134,294,168
Bills purchased and discounted	7.2	71,617,253	109,505,158
Fixed assets including premises, furniture and fixtures	8	439,276,521	423,670,630
Other assets	9	3,418,399,553	3,081,000,325
Non - banking assets	10	80,196,000	80,196,000
Total assets		<u>74,676,046,707</u>	<u>61,647,425,131</u>
<b><u>LIABILITIES AND CAPITAL</u></b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	5,975,635,034	4,378,640,019
Deposits and other accounts		54,874,699,485	44,754,932,372
Current deposits and other accounts	12.1	12,835,513,633	10,228,913,239
Bills payable	12.2	713,431,060	227,554,613
Savings bank deposits	12.3	5,916,707,228	4,748,996,643
Fixed deposits	12.4	35,409,047,564	29,549,467,877
Bearer certificates of deposit		-	-
Other deposits		-	-
Other liabilities	13	6,059,379,611	5,006,328,801
Total liabilities		<u>66,909,714,131</u>	<u>54,139,901,192</u>
<b>Capital/shareholders' equity</b>			
Paid up capital	14.2	5,905,872,000	5,905,872,000
Statutory reserve	15	923,227,700	786,381,698
Other reserve	16	5,100,679	1,516,910
Retained earnings	17	932,132,198	813,753,331
Total shareholders' equity		<u>7,766,332,576</u>	<u>7,507,523,939</u>
Total liabilities and shareholders' equity		<u>74,676,046,707</u>	<u>61,647,425,131</u>





**OFF-BALANCE SHEET ITEMS**

	Notes	31 December 2022 Taka	31 December 2021 Taka
<b>Contingent liabilities</b>	18	<b>11,879,207,266</b>	<b>12,326,574,190</b>
Acceptances and endorsements	18.1	2,685,484,777	3,242,315,435
Letters of guarantee	18.2	6,805,131,215	6,156,223,432
Irrevocable letters of credit	18.3	1,424,901,046	1,998,287,406
Bills for collection	18.4	963,690,227	929,747,918
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>11,879,207,266</b>	<b>12,326,574,190</b>
Net asset value per share (NAV)	38	<b>13.15</b>	<b>12.71</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

Dated: 29 April 2023

DVC: 2304300478 AS 269364

  
**Ahmed Zaker & Co**  
Chartered Accountants  
M.Zabed Ali Mridha FCA  
Senior Partner  
Enrolment No.: 478



**NRB Bank Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2022**

	Notes	2022 Taka	2021 Taka
Interest income	20	3,835,851,241	3,544,405,693
Interest paid on deposits and borrowings etc.	21	(2,878,211,397)	(2,444,805,662)
<b>Net interest income</b>		<b>957,639,844</b>	<b>1,099,600,032</b>
Income from investments	22	578,706,980	1,033,968,530
Commission, exchange and brokerage	23	755,730,972	464,010,808
Other operating income	24	33,047,565	34,856,069
		<b>1,367,485,517</b>	<b>1,532,835,407</b>
<b>Total operating income (A)</b>		<b>2,325,125,362</b>	<b>2,632,435,439</b>
Salaries and allowances	25	843,836,929	797,479,371
Rent, taxes, insurance, electricity etc.	26	260,271,146	263,200,968
Legal and professional expenses	27	1,502,017	8,027,930
Postage, stamp, telecommunication etc.	28	28,391,190	28,404,336
Stationery, printing, advertisements etc.	29	29,773,390	18,538,989
Managing Director's salary and fees	30	12,396,429	9,532,144
Directors' fees and other expenses	31	4,024,820	5,885,377
Auditors' fees	32	400,000	400,000
Depreciation and repair of bank's assets	33	162,779,561	148,415,540
Other expenses	34	209,351,885	149,494,046
<b>Total operating expenses (B)</b>		<b>1,552,727,368</b>	<b>1,429,378,700</b>
<b>Profit before provision (C=A-B)</b>		<b>772,397,994</b>	<b>1,203,056,738</b>
Provision for loans and advances			
General provision		82,886,660	(7,903,253)
Specific provision		(205,808,713)	373,879,576
		(122,922,053)	365,976,323
Provision for off-balance sheet items		(4,813,092)	11,397,036
Provision for diminution in value of investments		198,628,383	192,061,839
Other provisions		17,274,746	4,250,898
<b>Total provision (D)</b>	35	<b>88,167,984</b>	<b>573,686,096</b>
<b>Total profit before tax (E=C-D)</b>		<b>684,230,010</b>	<b>629,370,643</b>
<b>Provision for tax</b>			
Provision for current tax	13.6	172,443,301	201,477,439
Deferred tax expense/(income)		(44,292,552)	(210,923,490)
<b>Total provision for tax (F)</b>		<b>128,150,749</b>	<b>(9,446,051)</b>
<b>Net profit after tax (G=E-F)</b>		<b>556,079,262</b>	<b>638,816,693</b>
<b>Appropriations</b>			
Statutory reserve	15	136,846,002	125,874,129
Start-up fund		5,560,793	3,696,554
General reserve		-	-
		<b>142,406,795</b>	<b>129,570,683</b>
<b>Retained surplus for the year</b>		<b>413,672,467</b>	<b>509,246,011</b>
<b>Earnings per share (EPS)</b>	39	<b>0.94</b>	<b>1.08</b>

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

Managing Director & CEO

As per our report of same date.

Director

Vice Chairman

Chairman

Dhaka  
Dated: 29 April 2023  
DVC: 2304300470 AS 269364

Ahmed Zaker & Co  
Chartered Accountants  
M.Zabed Ali Mridha FCA  
Senior Partner  
Enrolment No.: 478

**NRB Bank Limited**  
**Cash Flow Statement**  
**for the year ended 31 December 2022**

	Notes	2022 Taka	2021 Taka
<b>Cash flows from operating activities</b>			
Interest receipts in cash		4,583,376,977	3,981,886,667
Interest payments		(2,784,693,478)	(2,445,492,623)
Dividend receipts		80,999,172	64,169,900
Fees and commission receipts		755,730,972	464,010,808
Cash payments to employees		(856,233,358)	(807,011,515)
Cash payment to suppliers		(15,858,834)	(10,295,688)
Income tax paid		(344,447,219)	(165,584,932)
Receipts from other operating activities	36	33,047,565	29,856,069
Payments for other operating activities	37	(575,403,146)	(513,863,284)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>		<b>876,518,653</b>	<b>597,675,403</b>
<b>Increase/(decrease) in operating assets and liabilities:</b>			
Loans and advances to customers		(9,246,960,001)	(1,395,228,936)
Other assets		(515,737,422)	(345,627,414)
Deposits from customers		10,119,767,114	2,923,948,933
Other liabilities		959,532,891	488,529,735
<b>Cash generated from operating assets and liabilities</b>		<b>1,316,602,582</b>	<b>1,671,622,318</b>
<b>Net cash generated from operating activities</b>		<b>2,193,121,234</b>	<b>2,269,297,721</b>
<b>Cash flows from investing activities</b>			
(Purchase)/sale of trading securities		(921,879,956)	(1,667,643,101)
Gain/loss from sale of trading securities, shares, bonds, etc.		(236,129,439)	424,667,114
(Purchase)/sale of shares and bonds		(1,757,163,532)	(1,051,585,514)
(Purchase) of property and equipment		(136,696,756)	(147,020,784)
Investment in subsidiary		-	(499,999,920)
<b>Net cash used in investing activities</b>		<b>(3,051,869,683)</b>	<b>(2,941,582,205)</b>
<b>Cash flows from financing activities</b>			
Borrowings from other banks, financial institutions and agents		1,596,995,015	735,656,875
Paid up capital through issuing right share		-	777,600,000
Cash dividend paid		(295,293,600)	-
<b>Net Cash flows/(used in) from financing activities</b>		<b>1,301,701,415</b>	<b>1,513,256,875</b>
<b>Net increase in cash and cash equivalents (A+ B + C)</b>		<b>442,952,967</b>	<b>840,972,391</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>7,148,745,513</b>	<b>6,307,773,122</b>
<b>Cash and cash equivalents at end of the year (D+E+F)</b>		<b>7,591,698,480</b>	<b>7,148,745,513</b>
<b>Cash and cash equivalents at end of the year represents</b>			
Cash in hand (including foreign currencies)		1,427,489,444	1,041,954,491
Balance with Bangladesh Bank and its agent bank (s)		2,642,041,111	2,777,322,735
Balance with other banks and financial institutions		3,522,167,925	3,329,468,287
		<b>7,591,698,480</b>	<b>7,148,745,513</b>
<b>Net operating cash flow per share (NOCFPS)</b>	38	<b>3.71</b>	<b>3.84</b>

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

  
 Managing Director & CEO

  
 Director

  
 Vice Chairman

  
 Chairman





**NRB Bank Limited**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2022**

Particulars	Paid up capital	Statutory reserve	Other Reserve	Retained earnings	Total
<b>Restated balance as at 1 January 2022</b>	5,905,872,000	786,381,698	1,516,910	813,753,331	7,507,523,939
Cash dividend paid for 2021	-	-	-	(295,293,600)	(295,293,600)
Net profit/(loss) after tax for the year	-	-	-	556,079,262	556,079,262
Transfer to statutory reserve	-	136,846,002	-	(136,846,002)	-
Start-up fund	-	-	-	(5,560,793)	(5,560,793)
Addition/(adjustment) made during the year	-	-	3,583,769	-	3,583,769
<b>Balance as at 31 December 2022</b>	<b>5,905,872,000</b>	<b>923,227,700</b>	<b>5,100,679</b>	<b>932,132,198</b>	<b>7,766,332,576</b>

**for the year ended 31 December 2021**

Particulars	Paid up capital	Statutory reserve	Other Reserve	Retained earnings	Total
<b>Balance as at 1 January 2021</b>	4,665,600,000	660,507,569	6,707,198	470,952,006	5,803,766,773
Adjustment of deferred tax assets	-	-	-	296,227,314	296,227,314
<b>Restated balance as at 1 January 2021</b>	<b>4,665,600,000</b>	<b>660,507,569</b>	<b>6,707,198</b>	<b>767,179,320</b>	<b>6,099,994,087</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	-	-	-	638,816,693	638,816,693
Transfer to statutory reserve	-	125,874,129	-	(125,874,129)	-
Start-up fund	-	-	-	(3,696,554)	(3,696,554)
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>813,753,331</b>	<b>7,507,523,939</b>

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

  
**Managing Director & CEO**

  
**Director**

  
**Vice Chairman**

  
**Chairman**



**NRB Bank Limited**  
**Liquidity Statement**  
(Assets and liabilities maturity analysis)  
as at 31 December 2022

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)	4,069,530,555	-	-	-	-	4,069,530,555
Balance with other banks and financial institutions	3,022,167,925	500,000,000	-	-	-	3,522,167,925
Money at call and on short notice	592,060,000	-	-	-	-	592,060,000
Investments	107,510,525	966,366,188	2,226,916,585	4,129,266,469	5,633,597,058	13,063,656,826
Loans and advances	7,026,147,817	6,344,373,730	14,722,390,556	12,744,307,300	8,653,539,924	49,490,759,327
Fixed assets including premises, furniture and fixtures	-	-	-	-	439,276,521	439,276,521
Other assets	139,717,145	217,150,008	162,253,026	2,374,373,519	524,905,854	3,418,399,553
Non banking assets	-	-	80,196,000	-	-	80,196,000
<b>Total assets (A)</b>	<b>14,957,133,967</b>	<b>8,027,889,926</b>	<b>17,191,756,167</b>	<b>19,247,947,288</b>	<b>15,251,319,358</b>	<b>74,676,046,707</b>
<b>Liabilities:</b>						
Borrowings from other banks, financial institutions and agents	4,686,778,869	477,675,612	811,180,553	-	-	5,975,635,034
Deposits	4,565,863,043	11,745,832,611	31,430,256,293	5,379,531,415	1,753,216,124	54,874,699,485
Provision and other liabilities	316,216,851	1,652,754,311	794,338,540	6,441,756	3,289,628,153	6,059,379,611
<b>Total liabilities (B)</b>	<b>9,568,858,764</b>	<b>13,398,586,922</b>	<b>33,035,775,385</b>	<b>5,385,973,171</b>	<b>5,042,844,276</b>	<b>66,909,714,131</b>
<b>Net liquidity gap (A - B)</b>	<b>5,388,275,203</b>	<b>(5,370,696,996)</b>	<b>(15,844,019,218)</b>	<b>13,861,974,116</b>	<b>10,208,475,082</b>	<b>7,766,332,576</b>



**NRB Bank Limited**  
**Notes to the Financial Statements**  
**as at and for the year ended 31 December 2022**

**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 49 branches, 01 Islamic Banking Branch, 22 sub branches & 49 ATM booths and NPSB shared ATM booths all over Bangladesh. The Bank had no overseas branches as at 31 December 2022. 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, islamic 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 Islamic 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 commence it's business on 10.11.2022. 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 Baliaaree (4th Floor), House#30, Road# 130, Gulshan South Avenue, Gulshan 1, Dhaka.

**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 per instruction of another DOS circular letter no. 10 dated 28 June 2015, investment in Mutual Fund (Open-end) is revalued at lower of cost and (higher of market value and 95% 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.

**xvii) Lease assets**

**IFRS:** As per IFRS 16 'Leases', record interest expense on lease liabilities and depreciation on RoU assets instead of charging rental expense against rented premises treat as lease assets and show in the balance sheet as RoU assets.

**Bangladesh Bank:** As per BRPD 14 dated 25th June 2003, rent expense should be charged and presented under Rent, taxes, insurance, electricity etc.

**2.2 Basis of consolidation**

The consolidated financial statements include the financial statements of the Bank and its one subsidiary, NRB Bank Securities-PLC, made up to the end of the financial year as on 31 December 2022. The consolidated financial statements have been prepared in accordance with IFRS 10 "Consolidated Financial Statements" using purchase method. The consolidated financial statements have been prepared by using uniform accounting policies for like transactions and other events in similar circumstances.

**Subsidiary**

Subsidiary is an enterprise which is controlled by the parent company. Control exists when the parent company has the power, directly and indirectly, to govern the financial and operating policies of an enterprise from the date of control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that the control effectively commences until the date that it control effectively ceases.

**Transactions eliminated on consolidation**

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and Loss resulting from transactions is also eliminated on consolidation.

**2.3 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.

**2.4 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.

**2.5 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.

**2.6 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.

## 2.7 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.

## 2.8 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.

## 2.9 Reporting period

These financial statements of the bank cover from 1 January to 31 December 2022.

## 2.10 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.

## 2.11 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	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 an 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 receive 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 Non-controlling (minority) interest in subsidiary

Non-controlling (minority) interest in subsidiary is an accounting concept that refers to the portion of a subsidiary corporation's stock that is not owned by the parent corporation. The magnitude of the non-controlling (minority) interest in the subsidiary company is always less than 50% of outstanding shares, else the corporation would cease to be a subsidiary of the parent. Non-controlling (minority) interest belongs to other investors and is reported on the consolidated balance sheet of the owing company to reflect the claim on assets belonging to other, non-controlling shareholders.

### 3.5 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.

#### **Profit on investment (islamic banking)**

Income from general investments is accounted for on accrual basis except investments under Musharaka, Mudaraba, Bai-Salam, Bai-as-Sarf and Ijarah modes, where the investment income is accounted for on realization basis. The islamic banking does not charge any rent during the gestation period of investment against Hire Purchase under Shirkatul Melk (HPSM) mode but it fixes the sale price of the assets at a higher level in such a way to cover its expected rate of return. Such income is recognized on realization basis.

#### **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".

### **3.6 Employee benefits**

#### **Provident fund**

The Bank operates a contributory provident fund for its permanent employees funded by both the employees and the Bank equally; employees contribute 10% basic salary and the Bank contributes an equal amount. The Bank's contribution is made each month and recorded under salary and allowances. This fund is managed by a separate trustee board i.e. "NRB Bank Employees' Provident Fund" and any investment decision out of this fund is made separately from that of the Bank's funds. The Commissioner of taxes, LTU, Dhaka has approved the provident fund as a recognized provident fund within the meaning of section 2 (52), read with the provisions of part – B of the first Schedule of Income Tax Ordinance, 1984. The recognition took effect from 30 April 2015.

### **Gratuity fund**

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

### **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.

## **3.7 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 (15% 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.

## **3.8 Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

## **3.9 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. Previous year's figure have been re-arranged and restated whenever considered necessary to ensure comparability with the current year's presentation as per IAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors".

## **3.10 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).



### 3.11 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.

### 3.12 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.

### 3.13 Related party disclosures

A party is related to the company if:

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

### 3.14 Compliance of 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 2022.

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.

	31-Dec-2022	31-Dec-2021
	Taka	Taka
<b>4 Cash-Consolidated</b>		
<b>Cash in hand (including foreign currencies)</b>		
NRB Bank Limited	1,427,489,444	1,041,954,491
NRB Bank Securities-PLC	49,006	-
	<u>1,427,538,450</u>	<u>1,041,954,491</u>
<b>Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)</b>		
NRB Bank Limited	2,642,041,111	2,777,322,735
NRB Bank Securities-PLC	-	-
	<u>2,642,041,111</u>	<u>2,777,322,735</u>
	<u>4,069,579,561</u>	<u>3,819,277,226</u>
<b>Cash-the Bank</b>		
<b>Conventional and Islamic banking</b>		
Cash in hand (including foreign currencies) (Note-4.1)	1,427,489,444	1,041,954,491
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies) (Note-4.2)	2,642,041,111	2,777,322,735
	<u>4,069,530,555</u>	<u>3,819,277,226</u>
<b>4.1 Cash in hand (including foreign currencies)</b>		
<b>Conventional and Islamic banking</b>		
Local currency	1,419,865,711	1,019,931,774
Foreign currencies	7,623,733	22,022,717
	<u>1,427,489,444</u>	<u>1,041,954,491</u>
<b>4.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)</b>		
<b>Conventional and Islamic banking</b>		
Local currency	2,538,093,568	2,582,234,534
Foreign currencies	103,947,543	195,088,201
	<u>2,642,041,111</u>	<u>2,777,322,735</u>
<b>4.a Cash Reserve Ratio (CRR)</b>		
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 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 2022 is based on weekly average balance of October 2022). Reserve maintained by the bank as at 31 December are as follows:		
<b>Conventional Banking</b>		
Average total demand and time liabilities of October 2022	<u>50,687,941,472</u>	<u>45,198,046,775</u>
<b>Daily basis</b>		
Required reserve (3.5% of ATDTL)	1,774,077,952	1,581,931,637
Actual reserve held (4.32 % of ATDTL)	2,190,468,685	2,082,452,967
Surplus / (deficit)	<u>416,390,733</u>	<u>500,521,330</u>
<b>Bi-weekly basis:</b>		
The bank maintained Daily excess cash reserve of TK.41,63,90,732.97 as on December 31, 2022 and Tk.224,69,21,454.84/- (Tk.296,89,82,427.752/- was in December 2021) 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, 2022.		
<b>Islamic Banking</b>		
Average total demand and time liabilities of October 2022	<u>1,186,609,311</u>	<u>256,150,582</u>
<b>Daily basis</b>		
Required reserve (3.5% of ATDTL)	41,531,326	8,965,270
Actual reserve held (7.24% of ATDTL)	85,916,745	124,090,000
Surplus / (deficit)	<u>44,385,420</u>	<u>115,124,730</u>



31-Dec-2022	31-Dec-2021
Taka	Taka

**Bi-weekly basis:**

The bank maintained Daily excess cash reserve of TK.4,43,85,419.56 as on December 31, 2022 and Tk.66,25,37,563.31 /- 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 2022.

**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 2022 is based on weekly average balance of October 2022. Reserve maintained by the bank as at 31 December, 2022 are as follows:

Required reserve (13% of ATDTL)	(Note-4.c)	6,589,432,391	5,875,746,081
Actual reserve held (19.94% of ATDTL)		10,109,035,073	8,989,618,056
Surplus / (deficit)		<u>3,519,602,682</u>	<u>3,113,871,975</u>

**4.c Actual reserve held**

Cash in hand	1,413,034,463	1,026,151,980
Excess reserve on CRR	162,951,026	274,531,096
Balance with Sonali Bank (local Currency)	90,178,431	67,943,781
Unencumbered approved securities (HFT)	957,345,582	47,782,691
Unencumbered approved securities (HTM)	7,329,594,173	7,417,063,908
Unencumbered approved securities (other eligible)	155,931,400	156,144,600
	<u>10,109,035,073</u>	<u>8,989,618,056</u>

**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 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 December 2022 is based on weekly average balance of October 2022. Reserve maintained by the bank as at 31 December, 2022 are as follows:

Required reserve (5.50 % of ATDTL)	(Note-4.c.i)	65,263,512	14,088,282
Actual reserve held (23.50 % of ATDTL)		278,817,354	255,556,488
Surplus / (deficit)		<u>213,553,842</u>	<u>241,468,206</u>

**4.c.i Actual reserve held**

Cash in hand	14,454,981	15,802,511
Excess reserve on CRR	38,452,373	113,843,977
Balance with Sonali Bank (local Currency)	-	-
Unencumbered approved securities (HFT)	-	-
Unencumbered approved securities (HTM)	-	-
Unencumbered approved securities (other eligible)	225,910,000	125,910,000
	<u>278,817,354</u>	<u>255,556,488</u>

**4.d Maturity grouping of Cash**

On demand	4,069,530,555	3,819,277,226
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	-	-
	<u>4,069,530,555</u>	<u>3,819,277,226</u>

		31-Dec-2022	31-Dec-2021
		Taka	Taka
<b>5</b>	<b>Balance with other banks and financial institutions-Consolidated</b>		
	<b>In Bangladesh</b>		
	NRB Bank Limited	3,402,654,833	3,180,351,652
	NRB Bank Securities-PLC	461,913,263	458,555,300
		3,864,568,095	3,638,906,952
	Less: Inter-company Transaction	455,331,341	458,555,300
		3,409,236,754	3,180,351,652
	<b>Outside Bangladesh</b>		
	NRB Bank Limited	119,513,093	149,116,635
	NRB Bank Securities-PLC	-	-
		119,513,093	149,116,635
	<b>Total</b>	<b>3,528,749,847</b>	<b>3,329,468,287</b>
	<b>Balance with other banks and financial institutions-the Bank</b>		
	<b>Conventional and Islamic banking</b>		
	In Bangladesh (Note-5.1)	3,402,654,833	3,180,351,652
	Outside Bangladesh (Note-5.2)	119,513,093	149,116,635
		<b>3,522,167,925</b>	<b>3,329,468,287</b>
<b>5.1</b>	<b>In Bangladesh</b>		
	<b>Conventional and Islamic banking</b>		
	<b><i>In Current Accounts with</i></b>		
	Trust Bank Limited	-	8,228
	Brac Bank Limited	1,345,836	1,359,698
	Agrani Bank Ltd, Zajira Branch	2,607,565	9,304,767
	Eastern Bank Limited	152,409,665	53,949,616
		<b>156,363,066</b>	<b>64,622,309</b>
	<b><i>In Special Notice Deposits Accounts with</i></b>		
	Janata Bank Ltd	3,524,426	6,511,403
	Rajshahi Krishi unnyan Bank Ltd	6,759,558	178,583
	Agrani Bank Limited Islami Banking , Amin Court Branch	205,858	100,000,000
		<b>10,489,842</b>	<b>106,689,986</b>
	<b><i>In Fixed Deposit Accounts</i></b>		
	<b>With banks:</b>		
	Global Islami Bank		200,000,000
	Union Bank limited		200,000,000
	Modhumoti Bank Ltd		171,600,000
	Rajshahi Krishi unnyan Bank Ltd		500,000,000
	AB Bank Ltd		300,000,000
	National Credit & Commerce Bank Limited.	500,000,000	
		<b>500,000,000</b>	<b>1,371,600,000</b>
	<b>With financial institutions:</b>		
	International Leasing & Financial Services Ltd.	148,800,000	148,800,000
	Prime Finance & Investment Ltd.	18,300,000	35,600,000
	Bangladesh Finance Limited	26,900,000	30,000,000
	Strategic Finance & Investments Limited	100,000,000	100,000,000
	National Finance Limited		20,000,000
	GSP Finance Company (Bangladesh) Ltd	266,000,000	280,000,000
	JPDC Finance Limited	500,000,000	500,000,000
	Lanka Bangla Finance Ltd	400,000,000	400,000,000
	Fareast Finance & Investment Limited	122,100,000	122,100,000
	IDLC Finance Limited	1,150,000,000	-
		<b>2,732,100,000</b>	<b>1,636,500,000</b>
	<b><i>In Mobile Banking Accounts with</i></b>		
	bKash Limited	3,701,925	939,357
		<b>3,701,925</b>	<b>939,357</b>
		<b>3,402,654,833</b>	<b>3,180,351,652</b>

		31-Dec-2022	31-Dec-2021
		Taka	Taka
<b>5.2</b>	<b>Outside Bangladesh (NOSTRO Accounts)</b>		
	<b>Conventional and Islamic banking</b>		
	<b>Current accounts</b>		
	Habib American Bank, New York	1,040,064	25,667,360
	United Bank of India	33,086,044	14,005,087
	Mizhuo Bank Ltd, Japan	66,172	61,503
	Mashreq Bank PSC, New York	15,319,174	82,484,745
	Aktif Bank, Turkey	1,549,946	1,487,932
	Bank of Huzhou Co. Ltd.	73,632	67,482
	AB Bank Limited, Mumbai	55,919,258	8,574,855
	AXIS Bank Limited, India	10,703,029	15,190,076
	BANCA UBAE, SPA	1,451,260	820,687
	National Commercial Bank	276,679	756,908
	Mashreq Bank, Dubai	27,835	-
		<b>119,513,093</b>	<b>149,116,635</b>
	<i>(Details are given in Annexure- B)</i>		
<b>5.a</b>	<b>Maturity grouping of balance with other banks and financial institutions</b>		
	On demand	3,022,167,925	1,857,868,287
	In more than one month but not more than three months	500,000,000	1,471,600,000
	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>3,522,167,925</b>	<b>3,329,468,287</b>
<b>5.i</b>	<b>Money at call on short notice</b>		
	<b>With banks:</b>		
	Community Bank Bangladesh Limited	100,000,000	-
	The City Bank Limited	204,440,000	-
	Standard Bank Limited	102,220,000	-
	South Bangla Agriculture And Commerce Bank Limited	-	100,000,000
		<b>406,660,000</b>	<b>100,000,000</b>
	<b>With financial institutions:</b>		
	Fareast Finance & Investment Limited	81,100,000	81,100,000
	Premier Leasing & Finance Limited	104,300,000	104,300,000
		<b>185,400,000</b>	<b>185,400,000</b>
		<b>592,060,000</b>	<b>285,400,000</b>
<b>6</b>	<b>Investments</b>		
	Government (Note-6.1)	8,668,781,155	7,746,901,199
	Others (Note-6.2)	4,394,875,671	2,637,712,139
		<b>13,063,656,826</b>	<b>10,384,613,338</b>
<b>6.a</b>	<b>Investments classified as per Bangladesh Bank Circular:</b>		
	Held for trading (HFT)	957,345,582	47,782,691
	Held to maturity (HTM)	7,329,594,173	7,417,063,908
	Bangladesh Government Investment SUKUK (Ijarah Sukuk)	381,220,000	281,220,000
	Other securities	4,395,497,071	2,638,546,739
		<b>13,063,656,826</b>	<b>10,384,613,338</b>
<b>6.1</b>	<b>Government (Investment in govt. securities)</b>		
	<b>conventional and Islamic Banking</b>		
	Treasury bills (Note-6.1.1)	914,077,430	-
	Treasury bonds (Note-6.1.2)	7,372,862,325	7,464,846,599
	Bangladesh Government Investment SUKUK (Ijarah Sukuk)	381,220,000	281,220,000
	Prize Bonds	621,400	834,600
		<b>8,668,781,155</b>	<b>7,746,901,199</b>

	31-Dec-2022	31-Dec-2021
	Taka	Taka
<b>6.1.1 Treasury bills</b>		
<i>Unencumbered</i>		
14 days treasury bills	-	-
91 days treasury bills	890,151,603	-
182 days treasury bills	23,925,827	-
364 days treasury bills	-	-
	<b>914,077,430</b>	<b>-</b>
<b>6.1.2 Treasury bonds</b>		
<i>Unencumbered</i>		
2 years treasury bond	90,921,888	172,979,642
5 years treasury bond	1,777,595,432	1,376,831,481
10 years treasury bond	1,459,218,710	1,767,087,282
15 years treasury bond	2,009,757,770	2,068,740,695
20 years treasury bond	2,035,368,525	2,079,207,499
	<b>7,372,862,325</b>	<b>7,464,846,599</b>

**6.1.3 (i) Disclosure regarding outstanding repo as on 31 December 2022**

Counter party name	Agreement Date	Reversal Date	Amount in Taka
Bank Al-Falah Ltd.	27-12-2022	03-01-2023	401,537,958
Eastern Bank LTD.	27-12-2022	02-01-2023	292,748,718
Eastern Bank LTD.	26-12-2022	02-01-2023	148,794,900

**(ii) Disclosure regarding outstanding reverse repo as on 31 December 2022**

Counter party name	Agreement Date	Reversal Date	Amount in Taka
		NILL	

**(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	85,000,000	1,758,735,000	506,648,411
With other Banks & Financial Institutions	110,601,734	2,586,131,950	950,878,596
<b>Securities purchased under reverse repo:</b>			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	25,958,737	1,170,637,123	75,356,577

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

**Held for Trading (HFT)**

HFT T-Bills 14 Days	-	-
HFT T-Bills 91 Days	890,151,603	-
HFT T-Bills 182 Days	23,925,827	-
HFT T-Bills 364 Days	-	-
2 Years BGTB – HFT	-	19,935,320
5 Years BGTB – HFT	10,067,899	10,563,852
10 Years BGTB – HFT	33,200,253	17,283,519
15 Years BGTB – HFT	-	-
20 Years BGTB – HFT	-	-
	<b>957,345,582</b>	<b>47,782,691</b>

**Held to Maturity (HTM)**

 HTM T-Bills 91 Days  
 HTM T-Bills 182 Days  
 HTM T-Bills 364 Days  
 2 Years BGTB – HTM  
 5 Years BGTB – HTM  
 10 Years BGTB – HTM  
 15 Years BGTB – HTM  
 20 Years BGTB – HTM

31-Dec-2022	31-Dec-2021
Taka	Taka
-	-
-	-
-	-
90,921,888	153,044,322
1,767,527,533	1,366,267,629
1,426,018,457	1,749,803,763
2,009,757,770	2,068,740,695
2,035,368,525	2,079,207,499
<b>7,329,594,173</b>	<b>7,417,063,908</b>
<b>8,286,939,755</b>	<b>7,464,846,599</b>

As per DOS Circular N0. 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)

Ordinary Shares and Mutual Funds

(Note-6.2.2)

Preference Share

(Note-6.2.3)

1,900,000,000	300,000,000
2,226,916,585	2,182,447,822
267,959,086	155,264,318
<b>4,394,875,671</b>	<b>2,637,712,139</b>

**6.2.1 Corporate bonds**

United Commercial Bank Limited

NRB Commercial Bank Limited

Eastern Bank Limited

Bank Asia 1st Perpetual Bond

300,000,000	300,000,000
700,000,000	-
700,000,000	-
200,000,000	-
<b>1,900,000,000</b>	<b>300,000,000</b>

**6.2.2 Ordinary Shares and Mutual Funds**
**Quoted Shares**
**General Portfolio**

Heidelberg Cement Bangladesh Limited

MJL Bangladesh Limited

Olympic industries Limited

Esquire Knit Composite Limited

Mutual Trust Bank Limited

Ring Shine Textiles Ltd

Robi Axiata Limited

Square Pharmaceuticals Limited

Pioneer Insurance Limited

Paramount Insurance Limited

SK Trims Industries Limited

Linde (BD) Ltd

The City Bank Limited

Master feed Agrotec Ltd

Oryza Agro Industries Ltd

Summit Power Limited

Confidence Cement Limited

GPH Ishpat Limited

Mostafa Metal Industries Limited

LankaBangla Finance Ltd.

Beximco Pharmaceuticals Ltd

Union Bank Limited

Islami Commercial Insurance Company Limited

41,888,552	41,888,550
97,181,028	97,181,028
34,395,196	34,395,197
940,050	940,050
336,810	336,810
19,905	19,905
18,289,185	18,289,185
68,220,658	68,220,659
358,319,219	358,319,222
70,998,273	70,998,273
29,590,000	29,559,000
2,004,577	16,248,561
41,385,484	41,383,715
-	266,490
-	272,440
60,132,873	60,132,875
106,295,107	106,295,109
11,180,357	11,180,357
-	269,590
43,933,068	43,933,068
95,867,557	95,867,557
1,978,640	-
87,980	-
<b>1,083,044,518</b>	<b>1,095,997,642</b>



	31-Dec-2022	31-Dec-2021
	Taka	Taka
<b>Special Purpose Fund Portfolio</b>		
Beximco Pharmaceuticals Limited	1,495,389	-
Grameens2 Mutual Fund	30,575,832	-
Linde Bangladesh Limited	6,979,237	-
Grameen Phone Limited	5,747,973	-
British American Tobacco (BD) Limited	30,861,410	-
Summit Power Limited	3,399,371	-
Pioneer Insurance Limited	389,640,650	389,640,665
SK Trims & Industries Limited	209,568,415	209,568,420
Beximco Green Sukuk Al-istisna'a	277,108,600	300,000,000
	955,376,876	899,209,086
	<u>2,038,421,395</u>	<u>1,995,206,728</u>
<b>Mutual Funds</b>		
EDGE Al Amin Shariah Consumer Fund	20,000,000	-
Grameen One : Scheme Two Mutual Fund	64,674,720	64,674,900
Peninsula Balanced Fund	10,000,000	10,000,000
Southeast Bank 1st Mutual Fund	-	21,059,071
EXIM Bank 1st Mutual Fund	28,298,293	28,298,293
	<u>122,973,013</u>	<u>124,032,263</u>
<b>IPO Application</b>		
Chartered Life Insurance Company Limited	-	-
Union Bank Limited	-	21,403,000
Union Insurance Company Limited	-	822,840
BD Thai Food and Beverage Limited	-	640,500
	<u>-</u>	<u>22,866,340</u>
<b>Equity Investment</b>		
Central Counterparty Bangladesh Limited	37,500,000	37,500,000
	<u>37,500,000</u>	<u>37,500,000</u>
Free fund available	28,022,178	2,842,491
	<u>2,226,916,585</u>	<u>2,182,447,822</u>
<i>(Details are given in Annexure- C)</i>		
<b>6.2.3 Preference Share</b>		
Union Capital Limited	7,959,086	8,900,682
Ace Alliance Power Limited	-	36,666,666
Fair Electronics Limited	200,000,000	-
Raj Lanka Power Company Limited	-	9,696,970
Summit Gazipur II Power Limited	-	30,000,000
Kushiara Power Company Limited	60,000,000	70,000,000
	<u>267,959,086</u>	<u>155,264,318</u>
<b>6.c Remaining maturity grouping of investments</b>		
On demand	107,510,525	8,900,682
In more than one month but not more than three months	966,366,188	9,696,970
In more than three months but not more than one year	2,226,916,585	2,461,339,446
In more than one year but not more than five years	4,129,266,469	2,573,658,206
In more than five years	5,633,597,058	5,331,018,034
	<u>13,063,656,826</u>	<u>10,384,613,339</u>
<b>7 Loans and advances</b>		
Loans, cash credit, overdrafts etc.	(Note-7.1) 49,419,142,074	40,134,294,168
Bills purchased and discounted	(Note-7.2) 71,617,253	109,505,158
	<u>49,490,759,327</u>	<u>40,243,799,326</u>
<b>7.1 Loans, cash credits, overdrafts etc.</b>		
<b>Inside Bangladesh</b>		
Loans - General	38,718,742,426	31,359,258,379
Cash credit	-	-
Overdraft	10,457,603,713	8,535,637,384
Staff Loan	242,795,935	239,398,404
	<u>49,419,142,074</u>	<u>40,134,294,168</u>
<b>Outside Bangladesh</b>	-	-
	<u>49,419,142,074</u>	<u>40,134,294,168</u>

	31-Dec-2022	31-Dec-2021
	Taka	Taka
<b>7.2 Bills purchased and discounted</b>		
<i>Inside Bangladesh</i>		
Local bills /documents	39,575,586	62,694,034
Foreign bills /documents	32,041,667	46,811,124
	<b>71,617,253</b>	<b>109,505,158</b>
<b>7.2.a Residual maturity grouping of Bills Purchased &amp; Discounted</b>		
On demand	51,469,831	76,853,424
In more than one month but not more than three months	16,264,110	21,370,337
In more than three months but not more than one year	3,883,312	11,281,398
In more than one year but not more than five years	-	-
In more than five years	-	-
	<b>71,617,253</b>	<b>109,505,158</b>
<b>7.2.b Residual maturity grouping of loans and advances including Bills Purchased &amp; Discounted</b>		
On demand	7,026,147,817	7,329,530,262
In more than one month but not more than three months	6,344,373,730	5,686,035,802
In more than three months but not more than one year	14,722,390,556	9,697,431,912
In more than one year but not more than five years	12,744,307,300	10,329,744,442
In more than five years	8,653,539,924	7,201,056,908
	<b>49,490,759,327</b>	<b>40,243,799,326</b>
<b>7.3 Loans and advances on the basis of significant concentration</b>		
<b>7.3.1 Loans and advances to Directors, executives and others</b>		
Advance to Directors and their allied concerns	-	-
Advances to CEO & Managing Director	1,961,326	2,660,413
Advances to Other executives and staffs	242,795,935	239,398,404
Advances to Customers	30,664,578,438	24,502,766,784
Industrial loans and advances	18,581,423,627	15,498,973,725
	<b>49,490,759,327</b>	<b>40,243,799,326</b>
<b>7.3.2 Details of Large loan</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 7,990.13 million as at 31 December 2022.		
Number of the clients	47	36
Amount of outstanding loans and advances*	22,436,035,950	20,629,513,444
Amount of classified loans and advances	-	-
	<b>22,436,035,950</b>	<b>20,629,513,444</b>
* This amount represents total loans and advances (comprising funded and non funded facilities) to each customer.		
<b>7.3.3 Industry-wise concentration of loans and advances</b>		
Agriculture	924,864,557	1,017,260,566
Food & allied industries	1,945,234,613	1,630,324,066
Tobacco	-	-
Readymade garments	2,294,294,345	2,346,691,561
Textiles	2,739,339,387	2,727,123,798
Ship breaking & ship building	568,232,550	218,016,596
Basic metal & steel engineering	1,985,922,814	1,002,355,315
Non-metallic mineral products	1,252,826,149	919,332,885
Pharmaceuticals industry	108,890,709	133,324,366
Chemical & chemical products	49,292,010	39,317,053
Rubber & plastic industries	654,265,177	584,740,352
Leather & leather products	424,974,881	480,462,488
Wood, furniture & fixtures	35,080,606	33,429,712
Paper & paper products	461,561,234	206,558,026
Electronic goods & machineries	2,301,070,218	2,263,893,771
Power & gas	1,439,084,280	860,034,471
Other manufacturing industries	2,322,679,014	2,053,369,266
Construction & commercial real estate	8,401,578,343	6,811,663,117

	31-Dec-2022	31-Dec-2021
	Taka	Taka
Transport & communication	198,367,427	185,366,313
IT & telecommunication	1,015,569,093	758,979,933
Medical services	-	-
Hotel & restaurant services	1,495,926	405,925
Printing & publishing industries	45,409,987	43,576,505
Other service industries	1,096,844,854	1,170,523,006
NBFIs	661,535,377	585,014,768
Trade & commerce	7,940,744,798	6,624,590,915
Consumer credit	3,319,986,843	3,238,194,142
Credit card	2,440,596,044	2,098,637,052
Staff loan	242,795,935	239,398,404
Others	4,618,222,154	1,971,214,955
	<b>49,490,759,327</b>	<b>40,243,799,326</b>
<b>7.3.4 Sector - wise concentration of loans and advances</b>		
Government sector	-	-
Public sector	-	-
Private sector	49,490,759,327	40,243,799,326
	<b>49,490,759,327</b>	<b>40,243,799,326</b>
<b>7.3.5 Business segment - wise concentration of loans and advances</b>		
Corporate	31,257,629,147	23,711,234,113
SME	13,515,940,488	12,234,114,585
Consumer	4,474,393,757	4,059,052,224
Executives and staff	242,795,935	239,398,404
	<b>49,490,759,327</b>	<b>40,243,799,326</b>
<b>7.3.6 Geographical location-wise concentration of loans and advances</b>		
<b>Inside Bangladesh</b>		
Dhaka Division	36,905,524,821	29,886,471,945
Chittagong Division	7,689,894,606	6,040,354,178
Sylhet Division	1,877,182,497	1,458,706,652
Rajshahi Division	1,154,463,713	1,002,871,140
Khulna Division	1,050,274,005	1,042,790,601
Barisal Division	9,923,505	-
Rangpur Division	-	6,914,871
Mymensingh Division	803,496,180	805,689,939
	<b>49,490,759,327</b>	<b>40,243,799,326</b>
<b>Outside Bangladesh</b>	-	-
	<b>49,490,759,327</b>	<b>40,243,799,326</b>
<b>7.3.7 Security/Collateral-wise concentration of loans and advances</b>		
Collateral of movable/immovable assets	24,877,558,836	19,958,294,347
Fixed deposit receipts	9,592,757,423	10,103,140,082
FDR of other banks	312,069,884	276,199,810
Personal guarantee	1,361,206,741	2,979,713,461
Other securities	13,347,166,443	6,926,451,625
	<b>49,490,759,327</b>	<b>40,243,799,326</b>
<b>7.3.8 Classified and unclassified bad loans &amp; advances</b>		
<u>Unclassified</u>		
Standard (Including Staff Loan)	46,812,368,119	38,420,486,793
Special Mention Accounts (SMA)	1,086,208,217	457,368,846
	<b>47,898,576,336</b>	<b>38,877,855,639</b>
<u>Classified</u>		
Sub-standard	363,095,228	275,049,834
Doubtful	325,807,055	75,350,607
Bad/Loss	903,280,709	1,015,543,246
	<b>1,592,182,991</b>	<b>1,365,943,687</b>
	<b>49,490,759,327</b>	<b>40,243,799,326</b>

**7.3.9 Particulars of required provision for loans and advances**
**General Provision on unclassified loans and advances**

	31-Dec-2022 Taka	31-Dec-2021 Taka
Loans (excluding SMA)	414,231,695	320,254,893
Special mansion account (SMA)	6,800,865	3,424,126
Special general provision (COVID-19)	95,705,860	110,172,740
<b>Required provision on unclassified loans and advances</b>	<b>516,738,420</b>	<b>433,851,760</b>
<b>Total provision maintained for unclassified loans and advances</b>	<b>516,738,420</b>	<b>433,851,760</b>
Excess/(shortage) of provision	-	-

**Specific provision on classified loans and advances**

Sub-standard	25,628,155	8,103,044
Doubtful	42,099,821	21,373,367
Bad/Loss	858,928,836	1,102,989,113
<b>Required provision on classified loans and advances</b>	<b>926,656,812</b>	<b>1,132,465,525</b>
<b>Total provision maintained for classified loans and advances</b>	<b>926,656,812</b>	<b>1,132,465,525</b>
Excess/(shortage) of provision	-	-

**Total Required provision for loans and advances**

<b>Total provision maintained for loans and advances</b>	<b>1,443,395,232</b>	<b>1,566,317,285</b>
<b>Total Excess/(shortage) of provision</b>	<b>-</b>	<b>-</b>

**7.3.10 Particulars of loans and advances**

i) Loans considered good in respect of which the bank is fully secured	2,343,973,493	1,527,640,707
ii) Loans considered good against which the bank holds no security other than the debtors' personal guarantee	2,269,630,223	1,973,413,001
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	1,099,715,529	1,156,618,801
iv) Loans adversely classified; provision not maintained there against	-	-
	<b>5,713,319,245</b>	<b>4,657,672,510</b>
v) Loans due by directors or officers of the bank or any of them either separately or jointly with any other persons	242,795,935	239,398,404
vi) Loans due from companies or firms in which the directors or officers of the bank have interest as directors, partners or managing agents or in case of private companies, as members	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other person.	242,795,935	255,150,394
viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-
ix) Due from banking companies	-	-

	31-Dec-2022	31-Dec-2021
	Taka	Taka
x) Information in respect of classified loans and advances		
a) Classified loans for which interest/profit not credited to income		
i. (Decrease)/increase of provision (specific)	(244,060,277)	328,319,294
ii. Amount of loan written off	66,279,997	66,279,997
iii. Amount recovered from loans written off	3,088,568	45,966
b) Amount of provision kept against loans classified as bad/loss	858,928,836	1,102,989,113
c) Amount of interest creditable to the interest suspense account	985,047,207	557,463,452
xi) Cumulative amount of written off loans		
Opening Balance	66,279,997	-
Amount written off during the year	-	66,279,997
Closing Balance	66,279,997	66,279,997
The amount of written off loans/investments for which law suit has been filed	61,650,100	61,650,100
<b>8 Fixed assets including premises, furniture and fixtures-Consolidated</b>		
NRB Bank Limited	439,276,521	423,670,630
NRB Bank Securities-PLC	10,264,971	-
	<b>449,541,492</b>	<b>423,670,630</b>
<b>Fixed assets including premises, furniture and fixtures-the Bank</b>		
<b>Conventional and Islamic banking</b>		
<b>Cost:</b>		
Computer and Network Equipment	267,443,266	228,325,584
Furniture and fixtures	493,200,350	436,588,130
Vehicle	63,630,395	57,345,395
Machinery and Equipment	245,026,422	216,574,675
Mobile Phone	4,402,320	3,511,336
Software	190,191,102	184,851,979
Patents	-	-
	<b>1,263,893,855</b>	<b>1,127,197,099</b>
Less: Accumulated depreciation	824,617,334	703,526,470
Written down value at the end of the year	<b>439,276,521</b>	<b>423,670,630</b>
<i>Details are given in 'Annexure-A'.</i>		
<b>9 Other Assets-Consolidated</b>		
<b>Income generating</b>		
NRB Bank Limited	721,694,378	746,230,455
NRB Bank Securities-PLC	-	-
	<b>721,694,378</b>	<b>746,230,455</b>
<b>Non-income generating</b>		
NRB Bank Limited	2,696,705,175	2,334,769,869
NRB Bank Securities-PLC	48,744,394	41,403,550
	<b>2,745,449,568</b>	<b>2,376,173,419</b>
	3,467,143,947	3,122,403,875
Less: Inter-company Transaction	517,314,717	499,999,920
Total	<b>2,949,829,230</b>	<b>2,622,403,955</b>
<b>Other assets -the Bank</b>		
<b>Conventional and Islamic banking</b>		
<b>Equity Investment</b>		
NRB Bank Securities PLC (note- 1.4)	499,999,920	499,999,920
<b>Other Income generating</b>		
Income receivable	(Note-9.1) 221,694,458	246,230,535



	31-Dec-2022	31-Dec-2021
	Taka	Taka
<b>Non-income generating</b>		
Stationery, stamps, printing materials, etc.	3,798,975	1,231,346
Prepaid expenses	27,264,861	11,034,198
Advance rent	121,397,190	127,924,303
Security deposits with other entities	665,212	1,865,212
Advance income tax (Note-9.2)	1,417,320,290	1,072,873,071
Deffered tax assets (Note-9.3)	882,308,681	838,016,130
Advances to vendors	20,368,509	29,855,952
Advances to staff for expenses	6,976,795	2,706,949
Dividend Receivable	29,517,256	18,669,668
Q-Cash and ATM receivable	14,066,163	5,116,163
Receivable against Sanchaypatra & Bond Encashment	95,422,400	217,018,971
Receivable from NRB Bank Securities-PLC	16,116,127	-
Sundry receivables	61,482,716	8,457,907
	<u>2,696,705,175</u>	<u>2,334,769,869</u>
	<b>3,418,399,553</b>	<b>3,081,000,325</b>
<b>9.1 Income receivable</b>		
Interest receivables on Placements	24,977,558	41,176,727
Interest receivables on Government Securities	121,443,970	117,515,212
Interest receivables on Non-government Securities	68,497,722	5,600,000
Interest receivables on Loans & Advances	6,564,292	49,829,364
Interest Receivables on Other Bank Balance	210,917	32,109,231
	<u>221,694,458</u>	<u>246,230,535</u>
<b>9.2 Advance income tax</b>		
Opening balance	1,072,873,071	907,288,139
Add: Addition during the year	344,447,219	165,584,932
	<u>1,417,320,290</u>	<u>1,072,873,071</u>
Less: Adjustment against provision	-	-
Closing balance	<u>1,417,320,290</u>	<u>1,072,873,071</u>
<b>9.3 Deferred tax asset</b>	<u>882,308,681</u>	<u>838,016,130</u>
<b>9.3.1 Deferred tax asset</b>	<u>882,308,681</u>	<u>838,016,130</u>
<b>(A) Temporary timing difference between charging specific provision and writing off Bad/Loss loans.</b>		
Cumulative provision made against Bad/Loss loans	926,656,812	1,194,419,562
Adjustment of corresponding provision on write off		61,954,037
<b>Deductible temporary difference</b>	<b>926,656,812</b>	<b>1,132,465,525</b>
Tax rate	40%	40%
<b>Deferred tax asset</b>	<b>370,662,725</b>	<b>452,986,210</b>
Opening deferred tax asset	452,986,210	328,215,994
<b>Deferred tax expense/(income)</b>	<b>82,323,485</b>	<b>(124,770,216)</b>
<b>(B) Temporary timing difference between charging general provision loans and off balance sheet and others provisions.</b>		
Cumulative provision made against general provision loans and off balance sheet	625,893,590	547,820,023
Cumulative provision made against diminution in value of investments	464,236,013	265,607,630
Cumulative provision made against other assets	148,614,599	131,339,854
<b>Deductible temporary difference</b>	<b>1,238,744,202</b>	<b>944,767,506</b>
Tax rate	40%	40%
<b>Deferred tax asset</b>	<b>495,497,681</b>	<b>377,907,002</b>
Opening deferred tax asset	377,907,002	297,984,394.80
<b>Deferred tax expense/(income)</b>	<b>(117,590,679)</b>	<b>(79,922,608)</b>

	31-Dec-2022	31-Dec-2021
	Taka	Taka
(C) Temporary timing difference in written down value of fixed assets		
Carrying amount of fixed assets	439,276,521	423,670,630
Tax base	479,647,210	441,477,923
Taxable temporary difference	40,370,689	17,807,293
Tax rate	40%	40%
Deferred tax assets	16,148,276	7,122,917
Opening deferred tax assets	7,122,917	892,250
Deferred tax expense/(Income)	(9,025,358)	(6,230,667)
<b>9.3.3 Deferred tax expense/(income ) (D=A+B+C)</b>	<b>(44,292,552)</b>	<b>(210,923,490)</b>

#### 10 Non-banking assets

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

##### Non earning asset

Name of Parties	Asset details	Entitlement on		
Al-Fahad Air Ticketing and Medical Tourism Ltd.	133.66 decimals Land	December 12, 2021	80,196,000	80,196,000
			80,196,000	80,196,000

#### 11 Borrowings from other banks, financial institutions and agents-Consolidated

NRB Bank Limited	5,975,635,034	4,378,640,019
NRB Bank Securities-PLC	-	-
	<b>5,975,635,034</b>	<b>4,378,640,019</b>

##### Borrowings from other banks, financial institutions and agents-the Bank

##### Conventional and Islamic banking

Inside Bangladesh	(Note-11.a)	5,975,635,034	4,378,640,019
Outside Bangladesh		-	-
		<b>5,975,635,034</b>	<b>4,378,640,019</b>

#### 11.a In Bangladesh

##### Demand Borrowing

Uttara Bank Ltd	-	400,000,000
Midland Bank Limited	100,000,000	-
One Bank Ltd	-	150,000,000
Eastern Bank Ltd.	200,000,000	110,000,000
Bank Al-Falah Ltd.	100,000,000	-
Prime Bank Limited	102,220,000	-
Bangladesh Bank	177,898,869	136,596,167
	<b>680,118,869</b>	<b>796,596,167</b>

##### Term Borrowing

IPDC Finance Limited	500,000,000	-
Bank Asia Ltd.	-	500,000,000
NCC Bank Ltd.	500,000,000	400,000,000
Eastern Bank Limited	300,000,000	-
BASIC Bank Limited	600,000,000	-
Modhumoti Bank Limited	900,000,000	-
Lankan Alliance Finance Limited	50,000,000	-
Rupali Bank Ltd	-	1,000,000,000
IDLC Finance Limited	750,000,000	-
Delta Brac Housing Finance Corporation Ltd.	100,000,000	-
Bangladesh Krishi Bank	204,440,000	-

	31-Dec-2022	31-Dec-2021
	Taka	Taka
One Bank Limited	102,220,000	-
Bangladesh Bank	1,288,856,165	1,682,043,851
	<u>5,295,516,165</u>	<u>3,582,043,851</u>
	<u>5,975,635,034</u>	<u>4,378,640,019</u>

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

On demand	4,686,778,869	796,596,167
In more than one month but not more than three months	477,675,612	2,119,976,006
In more than three months but not more than one year	811,180,553	1,462,067,846
In more than one year but not more than five years	-	-
In more than five years	-	-
	<u>5,975,635,034</u>	<u>4,378,640,019</u>

#### 12 Deposits and other accounts - Consolidated

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

NRB Bank Limited	12,835,513,633	10,228,913,239
NRB Bank Securities-PLC	-	-
	<u>12,835,513,633</u>	<u>10,228,913,239</u>

##### Bills payable

NRB Bank Limited	713,431,060	227,554,613
NRB Bank Securities-PLC	-	-
	<u>713,431,060</u>	<u>227,554,613</u>

##### Savings bank deposits/Mudarabah savings bank deposits

NRB Bank Limited	5,916,707,228	4,748,996,643
NRB Bank Securities-PLC	-	-
	<u>5,916,707,228</u>	<u>4,748,996,643</u>

##### Fixed deposits/Mudarabah fixed deposits

NRB Bank Limited	35,409,047,564	29,549,467,877
NRB Bank Securities-PLC	-	-
	<u>35,409,047,564</u>	<u>29,549,467,877</u>

Less : Inter-company transactions

	455,331,341	458,555,300
	<u>34,953,716,223</u>	<u>29,090,912,577</u>
	<u>54,419,368,144</u>	<u>44,296,377,072</u>

##### Deposits and other accounts-the Bank

##### Conventional and Islamic banking

Current deposits /Al-wadeeah current and other accounts	(Note-12.1)	12,835,513,633	10,228,913,239
Bills payable	(Note-12.2)	713,431,060	227,554,613
Savings bank deposits/Mudarabah savings bank deposits	(Note-12.3)	5,916,707,228	4,748,996,643
Fixed deposits/Mudarabah fixed deposits	(Note-12.4)	35,409,047,564	29,549,467,877
Bearer certificates of deposit		-	-
Other deposits		-	-
		<u>54,874,699,485</u>	<u>44,754,932,373</u>

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

Current accounts	11,091,954,830	9,209,977,259
Foreign currency deposits	344,273,061	306,004,891
Deposit margin on facilities	1,399,285,743	712,931,089
	<u>12,835,513,633</u>	<u>10,228,913,239</u>

	31-Dec-2022	31-Dec-2021
	Taka	Taka
<b>12.2 Bills payable</b>		
Local currency	713,431,060	227,554,613
Foreign currencies	-	-
	<b>713,431,060</b>	<b>227,554,613</b>
<b>12.3 Savings bank deposits/Mudarabah savings bank deposits</b>		
NRB savers	2,541,492,948	1,953,576,816
NRB power savers	1,367,806,707	1,194,664,232
NRB staff	32,129,355	23,179,991
NRB my savings	685,231,204	527,099,827
NRB my study	5,272,316	9,634,787
NRB my salary	208,969,410	142,931,783
NRB my early	46,058,914	37,973,643
NRB pearl	692,569,442	597,262,445
NRB amar shopno	1,117,138	914,603
NRB isavings	8	8
Mudarabah Savings Account	109,025,816	40,689,983
Mudarabah Salary Account	282,693	-
Bondhu Shasroy Account	154,462,422	153,681,465
Bondhu Sonchita Account	69,862,918	64,607,596
Bondhu Student Account	2,425,936	2,779,464
	<b>5,916,707,228</b>	<b>4,748,996,643</b>
<b>12.4 Fixed deposits</b>		
Fixed deposits	29,390,604,616	22,931,856,386
Short term deposits	6,018,442,948	6,617,611,490
	<b>35,409,047,564</b>	<b>29,549,467,877</b>
<b>12.5 Sector-wise break-up of deposits and other accounts</b>		
Government	1,464,348,867	1,011,486,813
Other public sector	6,677,768,689	4,734,118,302
Private sector	46,732,581,929	39,009,327,257
	<b>54,874,699,485</b>	<b>44,754,932,372</b>
<b>12.6 Segregation of deposits and other accounts</b>		
Other than inter-bank deposits	52,831,455,406	44,299,965,016
Inter-bank deposits	2,043,244,079	454,967,355
	<b>54,874,699,485</b>	<b>44,754,932,372</b>
<b>12.6.1 Details of inter-bank deposits</b>		
<b>In Current Deposit Account</b>		
Trust Bank Limited	2,315,127	2,547,160
Southeast Bank Limited	606,979	349,221
Jamuna Bank Limited	262,115	436,303
Premier Bank Limited	-	510,974
Mercantile Bank Limited	-	201,832
	<b>3,184,222</b>	<b>4,045,489</b>
<b>In Special Notice Deposits Accounts with</b>		
UCB Taqwa Islamic Banking	59,857	-
	<b>59,857</b>	<b>-</b>

	31-Dec-2022	31-Dec-2021
	Taka	Taka
<b>In Fixed Deposit Account</b>		
United Commercial Bank Limited	-	450,921,866
NRBC Bank Ltd.	700,000,000	-
Eastern Bank Ltd	700,000,000	-
Bank Asia Limited	250,000,000	-
Bengal Commercial Bank Limited	390,000,000	-
	<b>2,040,000,000</b>	<b>450,921,866</b>
	<b>2,043,244,079</b>	<b>454,967,355</b>
<b>12.7 Maturity-wise grouping of deposits and other accounts</b>		
On demand	4,565,863,043	5,895,949,217
In more than one month but not more than three months	11,745,832,611	7,475,038,927
In more than three months but not more than one year	31,430,256,293	25,037,239,960
In more than one year but not more than five years	5,379,531,415	3,984,469,553
In more than five years	1,753,216,124	2,362,234,715
	<b>54,874,699,485</b>	<b>44,754,932,372</b>
<b>13 Other liabilities - Consolidated</b>		
NRB Bank Limited	6,059,379,611	5,006,328,801
NRB Bank Securities-PLC	6,748,908	57,500
	<b>6,066,128,519</b>	<b>5,006,386,301</b>
Less : Inter-company transactions	-	-
	<b>6,066,128,519</b>	<b>5,006,386,301</b>
<b>Other liabilities-the Bank</b>		
Privileged creditors (Note-13.1)	178,219,098	144,813,187
Interest payable (Note-13.2)	625,382,302	531,864,382
Interest suspense account (Note-13.3)	985,047,207	557,463,452
Provision for loans and advances/investments (Note-13.4)	1,443,395,232	1,566,317,285
Provision for off-balance sheet exposures (Note-13.5)	109,155,170	113,968,263
Provision for diminution of quoted shares (Note-13.5)	464,236,013	265,607,630
Provision for other assets	148,614,599	131,339,854
Provision for expenses	27,688,433	28,493,695
Provision for current tax (Note-13.6)	1,576,163,382	1,403,720,081
Provision for non-banking assets	41,582,320	41,582,320
Provision for start-up fund	18,754,617	13,193,824
Q-Cash & ATM payable	171,019,969	42,741,679
Security deposits held	6,708,966	8,729,714
Sanchayapatra payable	6,550,000	200,000
Payable against BEFTN	6,703,499	1,848,260
Advance Lease Rental Payable	18,980,116	19,042,493
Deposit Awaiting Disposal (DAD)	39,767,238	54,340,905
Suspense Account - Trade	28,273,784	23,005,692
Miscellaneous payable	163,137,665	58,056,085
	<b>6,059,379,611</b>	<b>5,006,328,801</b>
<b>13.1 Privileged creditors</b>		
Three major categories of government dues are reported. Tax deduction at source, VAT and Excise duty payable to govt. exchequer.		
Tax deduction at source	75,941,981	45,335,308
VAT deduction at source	16,390,402	13,773,876
Excise duty	85,886,715	85,704,003
	<b>178,219,098</b>	<b>144,813,187</b>



	31-Dec-2022	31-Dec-2021
	Taka	Taka
<b>13.2 Interest suspense account</b>		
Opening balance	557,463,452	341,760,721
Add: Amount transferred to "Interest Suspense" A/c during the year	516,295,100	282,788,899
	<b>1,073,758,552</b>	<b>624,549,621</b>
Less: Amount recovered from "Interest Suspense" A/c during the year	88,711,346	54,677,222
Amount written off during the year	-	12,408,946
	<b>985,047,207</b>	<b>557,463,452</b>
<b>13.3 Provision for loans and advances</b>		
<b>A. General</b>		
Balance at the beginning of the year	433,851,760	441,755,013
Add: Provision made/(released) during the year		
On general loans and advances	93,976,801	14,457,643
On Special Mention Account (SMA)	3,376,739	1,165,728
Special general provision (COVID-19)	(14,466,880)	(23,526,624)
	<b>82,886,660</b>	<b>(7,903,253)</b>
Balance at the end of the year	<b>516,738,420</b>	<b>433,851,760</b>
<b>B. Specific</b>		
Balance at the beginning of the year	1,132,465,525	820,539,986
Add: Provision made/(released) during the year	(205,808,713)	373,879,576
On recovery from loans written off earlier	-	-
	<b>(205,808,713)</b>	<b>373,879,576</b>
Less : Provision reversed due to loan settlement	-	-
On fully provided debt written off during the year	-	(61,954,037)
Balance at the end of the year	<b>926,656,812</b>	<b>1,132,465,525</b>
<b>C. Total provision on loans and advances (A+B)</b>	<b>1,443,395,232</b>	<b>1,566,317,285</b>
<b>13.4 Provision on off-balance sheet exposures</b>		
Opening balance	113,968,263	102,571,227
Add: Provision made during the year	(4,813,092)	11,397,036
	<b>109,155,170</b>	<b>113,968,263</b>
<b>13.5 Provision for diminution of quoted shares</b>		
Opening balance	265,607,630	73,545,791
Add: Provision made during the year	198,628,383	192,061,839
	<b>464,236,013</b>	<b>265,607,630</b>
<b>13.6 Provision for current tax</b>		
Opening balance	1,403,720,081	1,202,242,642
Add: Provision made during the year	172,443,301	201,477,439
	<b>1,576,163,382</b>	<b>1,403,720,081</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	33,758	780,767	1,294,277	1,608,475
More than three months but less than six months	-	-	-	-
More than six months but less than nine months	-	-	-	-
More than nine months but less than twelve months	-	-	-	-

	31-Dec-2022	31-Dec-2021
	Taka	Taka
More than twelve months	-	-
	33,758	780,767
	1,294,277	1,608,475

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
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##### 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	5,905,872,000
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##### 14.3 Percentage of shareholdings as at 31 December.

Particulars	31 December 2022		31 December 2021	
	Value of shares	(%) of share holding	Value of shares	(%) of share holding
Shareholders' group				
Directors	2,434,945,540	41.23	2,778,884,560	47.05
Sponsor Shareholders	2,729,085,310	46.21	2,231,078,120	37.78
General Shareholders	741,841,150	12.56	895,909,320	15.17
	5,905,872,000	100.00	5,905,872,000	100.00

##### 14.4 Name of the Directors and their shareholdings as at.

SL No.	Name of the directors	Designation	31 December 2022		31 December 2021	
			(%) of share holding	Number of Shares	(%) of share holding	Number of Shares
1	Mr. Mohammed Mahtabur Rahman	Chairman	3.58%	21,128,760	3.58%	21,128,760
2	Mr. Golam Kabir	Vice Chairman	2.59%	15,291,990	2.59%	15,291,990
3	Mr. Mohammed Jamil Iqbal	Vice Chairman	3.80%	22,412,564	3.96%	23,412,564
4	Mr. Ali Ahmed	Director	2.18%	12,897,113	2.18%	12,897,113
5	Mr. Khandakar R. Amin	Director	2.37%	13,981,744	2.37%	13,981,744
6	Mr. Mohammed Jahed Iqbal	Director	3.10%	18,308,724	3.10%	18,308,724
7	Mr. Imtiaz Ahmed *	Director	0.49%	2,920,386		
8	Mr. Abdul Karim	Director	4.27%	25,226,510	4.27%	25,226,510
9	Mr. Humayen Kabir Khan	Director	2.57%	15,173,346	1.48%	8,766,529
10	Dr. Mohammed Ehsanur	Director	4.52%	26,701,970	4.52%	26,701,970
11	Mr. Mohammed Ashfaqur	Director	4.08%	24,119,278	4.08%	24,119,278
12	Ms. Bayzun N Chowdhury	Director	2.44%	14,429,404	0.75%	4,429,404
13	Dr. Rafa Jaigirdar	Director	4.98%	29,426,297	4.98%	29,426,297
14	Mr. Helal Rahman*	Director	0.25%	1,476,468		
15	Mr. Md. Abdul Jalil Chowdhury	Independent Director	N/A	N/A	N/A	N/A
16	Mr. Md. Motior Rahman	Independent Director	N/A	N/A	N/A	N/A
17	Dr. Md. Kamrul Ahsan	Independent Director	N/A	N/A	N/A	N/A

					31-Dec-2022	31-Dec-2021
					Taka	Taka
18	Mr. Iqbal Ahmed OBE DBA**	---	---	---	4.45%	26,257,000
19	Mr. M Badiuzzaman**	---	---	---	3.85%	22,751,669
20	Mr. Mohammed Nazam Uddin**	---	---	---	0.57%	3,386,936
21	Mr. Dulal Ahmed**	---	---	---	0.31%	1,801,968
	<b>Total</b>		<b>41.23%</b>	<b>243,494,554</b>	<b>47.05%</b>	<b>277,888,456</b>

\* Newly appointed Director during 2022

\*\* No longer Director as on 31 December 2022

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

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-1 Capital:

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

Paid up capital	5,905,872,000	5,905,872,000
Statutory reserve	923,227,700	786,381,698
Retained earnings	929,040,126	813,654,681
	<b>7,758,139,826</b>	<b>7,505,908,379</b>
Less: Regulatory adjustments	396,999,684	479,323,169
<b>A) Total Common Equity Tier 1 Capital</b>	<b>7,361,140,142</b>	<b>7,026,585,210</b>

##### B) Additional Tier 1 Capital:

Add: Additional Tier 1 Capital	-	-
Less: Regulatory adjustments	-	-
<b>C) Total Tier-1 Capital</b>	<b>7,361,140,142</b>	<b>7,026,585,210</b>

##### Tier 2 Capital (Gone -Concern Capital)

Subordinated Bond	-	-
General provision maintained against unclassified loan	516,738,420	433,851,760
General provision on off-balance sheet items	109,155,170	113,968,263
Asset revaluation reserve	-	-
Revaluation reserve of Government securities	-	-
	<b>625,893,590</b>	<b>547,820,023</b>
Less: Regulatory adjustments	-	-
<b>D) Total Tier 2 Capital</b>	<b>625,893,590</b>	<b>547,820,023</b>

##### E) Total eligible capital(C+D)

<b>7,987,033,732</b>	<b>7,574,405,232</b>
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##### F) Total risk weighted assets (RWA)

##### Credit risk

Balance Sheet Business	37,933,341,151	29,344,919,126
Off- Balance Sheet Business	3,325,594,994	3,000,169,646
	<b>41,258,936,145</b>	<b>32,345,088,773</b>
Market Risk	2,760,134,848	3,263,338,938
Operational Risk	4,097,703,177	3,775,040,517
	<b>48,116,774,170</b>	<b>39,383,468,228</b>

##### G) Required capital

<b>4,811,677,417</b>	<b>4,000,000,000</b>
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##### H) Capital surplus

<b>3,175,356,315</b>	<b>3,574,405,232</b>
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##### Capital to Risk-Weighted Assets Ratio/Capital adequacy ratio:

Common Equity Tier- 1 / core capital to RWA against minimum requirement 4.5%	15.30%	17.84%
Tier- 1 / core capital to RWA minimum requirement 6%	15.30%	17.84%
Capital to Risk Weighted Assets against minimum requirement 10%	16.60%	19.23%

31-Dec-2022	31-Dec-2021
Taka	Taka

**Capital to risk weighted assets ratio (CRAR)-the Bank**

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-1 Capital:**
**A) Total Common Equity Tier 1 Capital**

Paid up capital	5,905,872,000	5,905,872,000
Statutory reserve	923,227,700	786,381,698
Retained earnings	932,132,198	813,753,331
	<b>7,761,231,898</b>	<b>7,506,007,029</b>
Less: Regulatory adjustments	396,999,684	479,323,169
<b>A) Total Common Equity Tier 1 Capital</b>	<b>7,364,232,214</b>	<b>7,026,683,860</b>

**B) Additional Tier 1 Capital:**

Add: Additional Tier 1 Capital	-	-
Less: Regulatory adjustments	-	-
<b>C) Total Tier-1 Capital</b>	<b>7,364,232,214</b>	<b>7,026,683,860</b>

**Tier 2 Capital (Gone -Concern Capital)**

Subordinated Bond	-	-
General provision maintained against unclassified loan	516,738,420	433,851,760
General provision on off-balance sheet items	109,155,170	113,968,263
Asset revaluation reserve	-	-
Revaluation reserve of Government securities	-	-
	<b>625,893,590</b>	<b>547,820,023</b>
Less: Regulatory adjustments	-	-
<b>D) Total Tier 2 Capital</b>	<b>625,893,590</b>	<b>547,820,023</b>

**E) Total eligible capital(C+D)**

<b>7,990,125,804</b>	<b>7,574,503,882</b>
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**F) Total risk weighted assets (RWA)**
**Credit risk**

Balance Sheet Business	38,508,789,084	29,344,919,126
Off- Balance Sheet Business	3,325,594,994	3,000,169,646
	<b>41,834,384,078</b>	<b>32,345,088,773</b>
Market Risk	2,760,134,848	3,263,338,938
Operational Risk	4,097,697,775	3,775,040,517
	<b>48,692,216,701</b>	<b>39,383,468,228</b>

**G) Required capital**

<b>4,869,221,670</b>	<b>4,000,000,000</b>
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**H) Capital surplus**

<b>3,120,904,134</b>	<b>3,574,503,882</b>
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**Capital to Risk-Weighted Assets Ratio/Capital adequacy ratio:**

Common Equity Tier- 1 / core capital to RWA against minimum requirement 4.5%	15.12%	17.84%
Tier- 1 / core capital to RWA minimum requirement 6%	15.12%	17.84%
Capital to Risk Weighted Assets against minimum requirement 10%	16.41%	19.23%

**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	786,381,698	660,507,569
Add: Addition during the year ( 20% of pre-tax profit)	136,846,002	125,874,129
	<b>923,227,700</b>	<b>786,381,698</b>



		31-Dec-2022	31-Dec-2021
		Taka	Taka
<b>16 Other reserve</b>			
General Reserve		-	-
Revaluation reserve	(Note-16.1)	5,100,679	1,516,910
		<u>5,100,679</u>	<u>1,516,910</u>
<b>16.1 Revaluation reserve</b>			
Held to maturity (HTM)	(Note-16.1.1)	3,544,334	926,466
Held for trading (HTF)	(Note-16.1.2)	1,556,345	590,444
		<u>5,100,679</u>	<u>1,516,910</u>
<b>16.1.1 Reserve for amortization of treasury securities (HTM)</b>			
Opening balance		926,466	796,959
Add Addition during the year		3,243,442	497,036
		4,169,908	1,293,995
Less Adjustment made during the year		625,574	367,529
		<u>3,544,334</u>	<u>926,466</u>
<b>16.1.2 Reserve for revaluation of treasury securities (HFT)</b>			
Opening balance		590,444	5,910,239
Add: Addition during the year		23,549,856	84,985,116
		24,140,299	90,895,355
Less: Adjustment made during the year		22,583,955	90,304,911
		<u>1,556,345</u>	<u>590,444</u>
<b>Non-controlling (Minority) interest</b>			
Share capital		80	80
Retained earnings		-	-
		<u>80</u>	<u>80</u>
<b>17 Retained earnings-Consolidated</b>			
Opening balance		813,654,681	767,179,320
Add Net profit/(loss) for the year		553,085,840	638,718,043
		1,366,740,521	1,405,897,364
Less Transfer to statutory reserve		136,846,002	125,874,129
Cash Dividend paid		295,293,600	-
Bonus Share issued		-	462,672,000
Transfer to start-up fund		5,560,793	3,696,554
		<u>929,040,126</u>	<u>813,654,681</u>
<b>Retained earnings-the Bank</b>			
Opening balance		813,753,331	767,179,320
Add: Net profit/(loss) for the year		556,079,262	638,816,693
		1,369,832,593	1,405,996,014
Less: Transfer to statutory reserve		136,846,002	125,874,129
Cash Dividend paid		295,293,600	-
Bonus Share issued		-	462,672,000
Transfer to start-up fund		5,560,793	3,696,554
		<u>932,132,198</u>	<u>813,753,331</u>
<b>18 Contingent liabilities</b>			
<b>Conventional and Islamic banking</b>			
Acceptances and Endorsements	(Note-18.1)	2,685,484,777	3,242,315,435
Letters of Guarantee	(Note-18.2)	6,805,131,215	6,156,223,432
Irrevocable letters of credit	(Note-18.3)	1,424,901,046	1,998,287,406
Bills for Collection	(Note-18.4)	963,690,227	929,747,918
		<u>11,879,207,266</u>	<u>12,326,574,190</u>





		31-Dec-2022	31-Dec-2021
		Taka	Taka
<b>18.1</b>	<b>Acceptances and Endorsements</b>		
	Acceptances (ULC Cash)	1,299,586,877	1,787,460,137
	Acceptances BTB Usance Local	1,203,411,981	1,319,363,852
	Import Bills (Sight Contract)	-	-
	Shipping Guarantee	182,485,919	135,491,446
		<u>2,685,484,777</u>	<u>3,242,315,435</u>
<b>18.2</b>	<b>Letters of Guarantee</b>		
	Directors	-	-
	Government	-	-
	Banks and Other Financial Institution	-	-
	Others (Customers etc.)	6,805,131,215	6,156,223,432
		<u>6,805,131,215</u>	<u>6,156,223,432</u>
<b>18.3</b>	<b>Irrevocable letters of credit</b>		
	Letter of Credit Cash Sight	639,659,875	666,686,112
	Letter of Credit Cash Usance	177,107,675	532,556,565
	Letter of Credit Back to Back Sight	111,215,795	68,814,385
	Letter of Credit Back to Back Usance	496,917,701	730,230,344
		<u>1,424,901,046</u>	<u>1,998,287,406</u>
<b>18.4</b>	<b>Bills for Collection</b>		
	Foreign Documentary Bills Collection	380,266,811	574,627,229
	Local Documentary Bills Collection	553,430,930	355,120,689
	Local Sight Bills Collection	29,992,487	-
		<u>963,690,227</u>	<u>929,747,918</u>
<b>19</b>	<b>Income statement</b>		
	<b>Income:</b>		
	Interest, discount and similar income (Note-19.1)	4,199,551,785	3,931,659,436
	Dividend income	91,846,760	64,916,993
	Fees, commission and brokerage (Note-19.2)	481,246,906	407,585,490
	Gains <i>less</i> losses arising from dealing in securities	105,095,898	305,114,046
	Gains <i>less</i> losses arising from investment securities	18,063,779	276,683,748
	Gains <i>less</i> losses arising from dealing in foreign currencies	274,484,067	56,425,318
	Income from non-banking assets	-	-
	Other operating income (Note-24)	33,047,565	34,856,069
	Profit less losses on interest rate changes	-	-
		<u>5,203,336,759</u>	<u>5,077,241,100</u>
	<b>Expenses:</b>		
	Interest paid on deposits and borrowings, etc. (Note-21)	2,878,211,397	2,444,805,662
	Losses on loans and advances	-	-
	Administrative expenses (Note-19.3)	1,222,284,618	1,171,380,753
	Other expenses (Note-34)	209,351,885	149,494,046
	Depreciation on banks assets (Note-33)	121,090,864	108,503,901
		<u>4,430,938,765</u>	<u>3,874,184,362</u>
		<u>772,397,994</u>	<u>1,203,056,738</u>
<b>19.1</b>	<b>Interest, discount and similar income</b>		
	Interest income (Note-20)	3,835,851,241	3,544,405,693
	Interest on treasury bills & bonds	363,700,543	387,253,743
		<u>4,199,551,785</u>	<u>3,931,659,436</u>



		31-Dec-2022	31-Dec-2021
		Taka	Taka
<b>19.2 Fees, commission and brokerage</b>			
Commission		481,246,906	407,585,490
Brokerage		-	-
		<u>481,246,906</u>	<u>407,585,490</u>
<b>19.3 Administrative expenses</b>			
Salaries and allowances	(Note-25)	843,836,929	797,479,371
Rent, taxes, insurance, electricity, etc.	(Note-26)	260,271,146	263,200,968
Legal and professional expenses	(Note-27)	1,502,017	8,027,930
Postage, stamp, telecommunication, etc.	(Note-28)	28,391,190	28,404,336
Stationery, printing, advertisement, etc.	(Note-29)	29,773,390	18,538,989
Managing Director's salary and fees	(Note-30)	12,396,429	9,532,144
Directors' fees & others expenses	(Note-31)	4,024,820	5,885,377
Auditors' fees	(Note-32)	400,000	400,000
Repair of Bank's assets	(Note-33)	41,688,697	39,911,638
		<u>1,222,284,618</u>	<u>1,171,380,753</u>
<b>20 Interest income/Profit-Consolidated</b>			
NRB Bank Limited		3,835,851,241	3,544,405,693
NRB Bank Securities-PLC		8	-
		<u>3,835,851,249</u>	<u>3,544,405,693</u>
Less: Inter-company Transaction		-	-
		<u>3,835,851,249</u>	<u>3,544,405,693</u>
<b>Interest income/Profit-the Bank</b>			
<b>Conventional and Islamic banking</b>			
Interest on advances		3,659,287,129	3,296,720,833
Interest on money at call and short notice		21,162,620	19,873,148
Interest on balance with other banks		8,840,451	56,848,876
Interest on placement with other banks and Financial Institutions		146,561,042	170,962,836
		<u>3,835,851,241</u>	<u>3,544,405,693</u>
<b>21 Interest paid on deposits and borrowings etc.</b>			
<b>Conventional and Islamic banking</b>			
Interest on deposits		2,612,526,924	2,367,742,620
Interest on borrowings		265,684,473	77,063,042
		<u>2,878,211,397</u>	<u>2,444,805,662</u>
<b>22 Investment income</b>			
<b>Conventional and Islamic banking</b>			
Interest on Treasury Bill		20,858,705	2,433,085
Interest on Treasury Bond		601,706,768	563,051,638
Interest on Int. Income on Govt. SUKUK		16,466,464	7,376,241
Interest on bonds-Corporate		83,957,722	23,794,667
Interest on Commercial Paper		-	4,579,517
Capital Gain from trading in Govt. Securities		105,095,898	305,114,046
Trading loss on Govt. Securities		(359,289,116)	(157,130,680)
Capital Gain from sale of quoted Securities		18,063,779	276,683,748
Loss on sale of shares Traded in Secondary Market		-	(56,850,725)
Dividend on shares		91,846,760	64,916,993
		<u>578,706,980</u>	<u>1,033,968,530</u>
<b>23 Commission, exchange and brokerage-Consolidated</b>			
NRB Bank Limited		755,730,972	464,010,808
NRB Bank Securities-PLC		10,796	-
		<u>755,741,768</u>	<u>464,010,808</u>
Less : Inter-company transactions		-	-
		<u>755,741,768</u>	<u>464,010,808</u>



		31-Dec-2022	31-Dec-2021
		Taka	Taka
<b>Commission, exchange and brokerage-the Bank</b>			
<b>Conventional and Islamic banking</b>			
Fees, commission and changes	(Note-23.1)	481,246,906	407,585,490
Exchange gain (net off exchange loss)		274,484,067	56,425,318
Brokerage		-	-
		<b>755,730,972</b>	<b>464,010,808</b>
<b>23.1 Fees, commission and charges</b>			
<b>Conventional and Islamic banking</b>			
Loan processing fees		20,586,564	12,526,392
Service charges (Periodic and adhoc)		119,998,941	75,618,485
Early settlement fees		1,158,529	2,851,621
Cards fees and charges (net of cards direct expenses)	(Note-23.1.a)	152,630,785	154,412,709
Commission on general banking (PO, FDD, Remittance etc.)		11,494,948	16,227,850
Commission on trade business (LC, LG, Acceptance)		175,377,138	145,948,433
		<b>481,246,906</b>	<b>407,585,490</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.)		22,782,319	16,708,146
<b>Fees and charges (Credit cards)</b>			
Annual fees		15,929,861	16,471,000
Late payment and overlimit fees		52,424,776	46,575,298
Cash advance fees		16,412,638	9,849,863
Interchange reimbursement fees		30,735,409	32,327,951
Risk assurance premium		41,206,411	34,671,015
Card cheque fees		20,927,942	26,638,503
Visa Markup Fees and EMI Commission		14,865	1,687,868
Replacement fees and others		3,388,803	1,406,580
		<b>181,040,704</b>	<b>169,628,077</b>
		<b>203,823,022</b>	<b>186,336,223</b>
<b>Cards direct expense</b>			
Membership Fee		13,873,135	3,798,413
VISA network charges		30,891,796	22,471,689
Other Charges		6,427,306	5,653,412
		<b>51,192,237</b>	<b>31,923,514</b>
<b>Total Cards fees and charges (net of cards direct expenses)</b>		<b>152,630,785</b>	<b>154,412,709</b>
<b>24 Other operating income</b>			
<b>Conventional and Islamic banking</b>			
Rebate on nostro account		8,902,299	6,919,456
Swift charge recovered		6,355,952	5,955,831
Postage/telex charge recovered		2,077,217	1,175,565
Gain from sale of fixed assets		-	-
Other Income - PF Forfeiture		-	5,000,000
Non operating income		15,712,097	15,805,217
		<b>33,047,565</b>	<b>34,856,069</b>
<b>25 Salaries and allowances-Consolidated</b>			
NRB Bank Limited		843,836,929	797,479,371
NRB Bank Securities-PLC		806,452	-
		<b>844,643,381</b>	<b>797,479,371</b>



	31-Dec-2022	31-Dec-2021
	Taka	Taka
<b>Salaries and allowances-the Bank</b>		
<b>Conventional and Islamic banking</b>		
Basic salary	351,770,224	320,091,956
Allowances	392,108,913	360,941,169
Performance bonus	-	30,329,059
Festival bonus	55,161,123	51,860,933
Bank's Contribution to provident fund	27,640,684	26,016,613
Contribution to gratuity fund	17,155,985	8,239,640
	<b>843,836,929</b>	<b>797,479,371</b>
<b>26 Rent, taxes, insurance, electricity etc.-Consolidated</b>		
NRB Bank Limited	260,271,146	263,200,968
NRB Bank Securities-PLC	533,600	-
	<b>260,804,746</b>	<b>263,200,968</b>
<b>Rent, taxes, insurance, electricity etc.-the Bank</b>		
<b>Conventional and Islamic banking</b>		
Rent, rate and taxes	199,975,684	202,560,728
Insurance premium	32,971,577	30,418,007
Utilities	27,323,885	30,222,234
	<b>260,271,146</b>	<b>263,200,968</b>
<b>27 Legal expenses and professional expenses</b>		
<b>Conventional and Islamic banking</b>		
Legal expenses	419,048	4,852,321
Other professional expenses	1,082,969	3,175,609
	<b>1,502,017</b>	<b>8,027,930</b>
<b>28 Postage, stamps, telecommunication etc.</b>		
<b>Conventional and Islamic banking</b>		
Postage & Courier charges	3,454,087	2,504,034
Telephone	2,644,575	2,578,322
Swift and Bloomberg charges	5,490,023	7,849,105
Network link, internet, DC and DR	16,802,505	15,472,874
	<b>28,391,190</b>	<b>28,404,336</b>
<b>29 Stationery, printing, advertisements etc.-Consolidated</b>		
NRB Bank Limited	29,773,390	18,538,989
NRB Bank Securities-PLC	190,784	-
	<b>29,964,174</b>	<b>18,538,989</b>
<b>Stationery, printing, advertisements etc.-the Bank</b>		
<b>Conventional and Islamic banking</b>		
Printing and stationery	15,858,834	10,295,688
Publicity and advertisement	5,253,385	5,686,161
Promotional Expense	8,661,171	2,557,140
	<b>29,773,390</b>	<b>18,538,989</b>
<b>30 Managing Director's salary and allowances-the Bank</b>		
Basic salary	6,331,158	3,964,286
Allowances	5,015,271	3,171,429
Performance bonus	-	1,000,000
Festival bonus	1,000,000	1,000,000
Bank's Contribution to provident fund	50,000	396,429
	<b>12,396,429</b>	<b>9,532,144</b>



	31-Dec-2022	31-Dec-2021
	Taka	Taka
<b>31 Directors' fees and other expenses</b>		
Meeting attendance fees	3,344,000	4,416,000
Other expenses	680,820	1,469,377
	<b>4,024,820</b>	<b>5,885,377</b>
<b>32 Auditors' fees-Consolidated</b>		
NRB Bank Limited	400,000	400,000
NRB Bank Securities-PLC	115,000	57,500
	<b>515,000</b>	<b>457,500</b>
<b>Auditors' fees-the Bank</b>		
Statutory audit fees	400,000	400,000
	<b>400,000</b>	<b>400,000</b>
<b>33 Depreciation and repair &amp; mainenance of assets-Consolidated</b>		
NRB Bank Limited	162,779,561	148,415,540
NRB Bank Securities-PLC	395,772	-
	<b>163,175,333</b>	<b>148,415,540</b>
<b>Depreciation and repair of bank's assets</b>		
<b>Conventional and Islamic banking</b>		
<b>Depreciation: ( Annexure 'A')</b>		
Furniture and fixtures	46,074,022	39,129,657
Machinery and equipment	23,969,562	23,437,790
Computer and network equipment	28,776,384	20,172,702
Mobile Phone	857,621	633,394
Vehicles	4,602,001	3,708,981
Software	16,811,274	21,421,377
	<b>121,090,864</b>	<b>108,503,901</b>
<b>Repair of bank's assets</b>		
Rented premises	3,608,107	3,414,483
Machinery and equipment	14,556,704	6,581,787
Computer and accessories	484,657	367,508
Software maintenance	23,039,228	29,547,860
	<b>41,688,697</b>	<b>39,911,638</b>
	<b>162,779,561</b>	<b>148,415,540</b>
<b>34 Other expenses-Consolidated</b>		
NRB Bank Limited	209,351,885	149,494,046
NRB Bank Securities-PLC	962,617	41,150
	<b>210,314,502</b>	<b>149,535,196</b>
Less : Inter-company transactions	-	-
	<b>210,314,502</b>	<b>149,535,196</b>
<b>Other expenses-the Bank</b>		
<b>Conventional and Islamic banking</b>		
Car expenses	3,624,902	3,447,295
Security Guard and Support Staff	40,940,580	34,803,830
Books, periodicals and publications	1,247,787	1,014,156
Donation and subscription	76,999,805	34,461,244
Staff recruitment and training expenses	394,483	157,318
Travelling expenses	5,255,703	3,374,984
Directors' travel and accommodation expenses	8,970,869	3,743,597
Entertainment	9,478,779	6,630,897
Business development expenses	4,587,980	1,891,142
Bank and other regulatory charges	1,826,231	6,620,160
Cash carrying expense	5,707,078	7,383,836
AGM expenses	307,792	338,469



	31-Dec-2022	31-Dec-2021
	Taka	Taka
Contract point verification expenses	3,824,731	2,160,227
Sales and collection commission	13,579,027	19,594,404
Miscellaneous expenses	32,606,137	23,872,488
	<b>209,351,885</b>	<b>149,494,046</b>
<b>35 Provision for loans, investments &amp; off balance sheet items</b>		
<b>Conventional and Islamic banking</b>		
Provision for bad and doubtful loans and advances	(205,808,713)	373,879,576
Provision for unclassified loans and advances	82,886,660	(7,903,253)
Provision for off-balance sheet items	(4,813,092)	11,397,036
Provision for diminution in value of investments	198,628,383	192,061,839
Provision for other assets	17,274,746	4,250,898
	<b>88,167,984</b>	<b>573,686,096</b>
<b>36 Receipts from other operating activities</b>		
<b>Conventional and Islamic banking</b>		
Rebate on nostro account	8,902,299	6,919,456
Swift charge recovered	6,355,952	5,955,831
Postage/telex charge recovered	2,077,217	1,175,565
Non operating income	15,712,097	15,805,217
	<b>33,047,565</b>	<b>29,856,069</b>
<b>37 Payments for other operating activities-the Bank</b>		
NRB Bank Limited	575,403,146	513,863,284
NRB Bank Securities-PLC	810,950	41,150
	<b>576,214,096</b>	<b>513,904,434</b>
<b>Payments for other operating activities-the Bank</b>		
<b>Conventional and Islamic banking</b>		
Rent, rates and taxes	260,271,146	263,200,968
Legal expenses and professional expenses	1,502,017	8,027,930
Postage and communication charges, etc.	28,391,190	28,404,336
Stationery, printing, advertisements etc.	29,773,390	18,538,989
Directors' fees & other expenses	4,024,820	5,885,377
Miscellaneous expenses	251,440,582	189,805,685
	<b>575,403,146</b>	<b>513,863,284</b>
<b>38 Net asset value (NAV) per share-Consolidated</b>		
a) Capital / shareholders' equity for the year	7,763,240,585	7,507,425,368
b) Number of outstanding shares	590,587,200	590,587,200
Net asset value (NAV) per share ( a÷b)	<b>13.14</b>	<b>12.71</b>
<b>Net operating cash flow per share (NOCFPS) per share</b>		
a) Operating cash flow for the year	2,210,412,905	2,269,297,721
b) Weighted average number of share	590,587,200	590,587,200
Net operating cash flow per share ( a÷b)	<b>3.74</b>	<b>3.84</b>
<b>Net asset value (NAV) per share-the Bank</b>		
a) Capital / shareholders' equity for the year	7,766,332,576	7,507,523,939
b) Number of outstanding shares	590,587,200	590,587,200
Net asset value (NAV) per share ( a÷b)	<b>13.15</b>	<b>12.71</b>
<b>Net operating cash flow per share (NOCFPS) per share</b>		
a) Operating cash flow for the year	2,193,121,234	2,269,297,721
b) Weighted average number of share	590,587,200	590,587,200
Net operating cash flow per share ( a÷b)	<b>3.71</b>	<b>3.84</b>



**39 Earnings per share-Consolidated**

31-Dec-2022	31-Dec-2021
Taka	Taka
553,085,840	638,718,043
590,587,200	590,587,200
0.94	1.08

Net profit after tax  
Number of ordinary shares outstanding  
Earnings per share

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

**Earnings per share-the Bank**

556,079,262	638,816,693
590,587,200	590,587,200
0.94	1.08

Net profit after tax  
Number of ordinary shares outstanding  
Earnings per share

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 143rd meeting held on 07 August 2022 re-constituted 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, Dhaka University)
2	Mr. Imtiaz Ahmed	Director	Vice Chairman	MSS, LLB, Dhaka University
3	Mr. Mohammed Jamil Iqbal	Vice Chairman	Member	MBA
4	Mr. Mohammed Ashfaque	Director	Member	MBA
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 31.12.2022:

46th Audit Committee Meeting held on 17.01.2022  
 47th Audit Committee Meeting held on 14.03.2022  
 48th Audit Committee Meeting held on 27.04.2022  
 49th Audit Committee Meeting held on 26.05.2022  
 50th Audit Committee Meeting held on 01.09.2022  
 51st Audit Committee Meeting held on 10.11.2022  
 52nd Audit Committee Meeting held on 21.12.2022

##### 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	Managing Director	100%
		Al Haramain Perfumes Holding LLC, UAE	Owner	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	Managing Director	51%
		Oud Al Haramain LLC, UAE	Managing Director	100%
		Al Haramain Perfumes Int'l W.L.L, Kuwait	Managing Director	49%
		Noor Al Haramain Perfumes Company W.L.L, Kuwait	Managing Director	49%
		Al Haramain Perfumes 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 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%
		Al Haramain Perfumes, London	Director	
		Al Haramain Perfumes Inc, New York, USA	Managing Director	
Mr. Golam Kabir	Vice Chairman	Kabir Auto Export Co. Ltd. Japan	President	100%
		Ocean Auto Limited, Dhaka, Bangladesh	Proprietor	100%
		K M Global Limited, Dhaka, Bangladesh	Managing Director	50%
		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%
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 Express (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. Mohammed Jahed Iqbal	Director	M/S. Md. Jahed Iqbal	Proprietor	100%
		Jahed Iqbal Ltd. UK	Director	100%
		Desert Star Trading LLC	Partner	24%
		Jamil Iqbal Ltd., Bangladesh	Managing Director	50%
		Anurag Property Development Ltd.	Chairman	50%
		Iqbal Logistics Ltd.	Managing Director	50%
		JI Trading & Co.	Proprietor	100%
		Iqbal Tours & Travels	Proprietor	100%
		Jahed Construction UK Ltd.	Director	100%
Mr. Imtiaz Ahmed	Director	Easy Let Early Sale, UK	Director	100%
		Mr. Imtiaz Ahmed & Mrs Aktar Nasim Ahmed (LPP)	Partner	50%
Mr. Abdul Karim	Director	Hassan Shahin Ahmed Perfumes L.L.C. Dubai, UAE	Proprietor	100%
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	0%
		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%
Ms. Bayzun N Chowdhury	Director	Al Haramain Perfumes Group LLC, UAE	Director	Nominated
		Sonali Securities Ltd	Director	20%
		Al Haramain Perfumes Pvt. Ltd., BD	Director	Nominated
		Al Haramain Hospital Pvt. Ltd., BD	Advisor	Nominated
Dr. Rafa Jaigirdar	Director	Al Haramain Hospital Pvt Ltd., BD	Deputy Managing Director	Nominated
Mr. Helal Rahman	Director	Klsapad Ltd., London, UK	Director & Chairman	20%
		Auditream Ltd. UK	Director & Chairman	25%
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

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) Transactions relating to procurement, service & rent:

Name of the Company/ Person	Related Directors of NRBBL	Nature of Transactions	Amount of Transaction made in 2022
Manru Shopping City	Mr. Iqbal Ahmed OBE	Rental payment for NRBBL Sylhet Main Br, Sylhet.	3,618,360

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



NRB Bank Limited  
Schedule of fixed assets  
as at 31 December 2022

Particulars	Cost				Rate of Depreciation	Accumulated Depreciation			Written down value as at 31 December 2022
	Balance as at 1 January 2022	Additions during the year	Disposal/ adjustment during the year	Balance as at 31 December 2022		Balance as at 1 January 2022	Charged during the year	Disposal/ adjustment during the year	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka
<b>Tangible assets:</b>									
Furniture and fixture	436,588,130	56,612,220	-	493,200,349	10%	200,934,020	46,074,022	-	246,192,307
Machinery and equipment	216,574,675	28,451,747	-	245,026,422	20%	157,924,060	23,969,562	-	63,132,800
Computer and network equipment	228,325,585	39,117,682	-	267,443,267	20%	151,890,300	28,776,384	-	86,776,583
Mobile Phone	3,511,336	890,984	-	4,402,320	50%	2,577,691	857,621	-	967,008
Vehicle	57,345,395	6,285,000	-	63,630,395	20%	43,157,529	4,602,001	-	15,870,865
<b>Intangible assets:</b>									
Software	184,851,979	5,339,123	-	190,191,102	12.5%	147,042,869	16,811,274	-	26,336,959
<b>As at 31 December 2022</b>	<b>1,127,197,100</b>	<b>136,696,756</b>	<b>-</b>	<b>1,263,893,855</b>		<b>703,526,470</b>	<b>121,090,864</b>	<b>-</b>	<b>439,276,521</b>
<b>As at 31 December 2021</b>	<b>980,176,316</b>	<b>147,235,784</b>	<b>(215,000)</b>	<b>1,127,197,100</b>		<b>595,237,568</b>	<b>108,503,901</b>	<b>(215,000)</b>	<b>423,670,630</b>





Annexure-B

**NRB Bank Limited**  
**Balance with other banks-Outside Bangladesh (Nostro Account)**  
**as at 31 December 2022**

Name of the Bank	Account type	Currency type	2022			2021		
			FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Habib American Bank, New York	CD	USD	10,174.76	102.22	1,040,063.97	299,153.38	85.80	25,667,360.00
United Bank of India	CD	ACU	256,259.31	102.22	26,194,826.67	119,424.38	85.80	10,246,611.80
United Bank of India	CD	ACU EUR	63,551.60	108.44	6,891,217.75	38,601.60	97.37	3,758,475.67
Mizhuo Bank Ltd, Japan	CD	JPY	87,045.00	0.76	66,171.61	82,388.00	0.75	61,502.64
Mashreq Bank PSC, New York	CD	USD	149,864.74	102.22	15,319,173.69	961,360.67	85.80	82,484,745.46
Aktif Bank, Turkey	CD	GBP	3,958.04	122.80	486,035.04	8,682.68	115.71	1,004,672.03
Aktif Bank, Turkey	CD	EUR	9,811.51	108.44	1,063,911.09	4,963.34	97.37	483,259.57
Bank of Huzhou Co. Ltd.	CD	RMB	5,025.99	14.65	73,631.76	5,008.46	13.47	67,481.99
AB Bank Limited, Mumbai	CD	ACU	547,048.11	102.22	55,919,257.80	99,940.04	85.80	8,574,855.43
AXIS Bank Limited, India	CD	ACU	104,705.82	102.22	10,703,028.92	177,040.51	85.80	15,190,075.76
BANCA UBAE, SPA	CD	EUR	13,383.69	108.44	1,451,260.43	8,428.90	97.37	820,686.59
National Commercial Bank	CD	SAR	10,171.81	27.20	276,679.34	33,108.13	22.86	756,908.14
Mashreq Dubai	CD	AED	1,000.00	27.83	27,834.70			
					<b>119,513,093</b>			<b>149,116,635</b>





**NRB Bank Limited**  
**Investment in Quoted Shares and Mutual Funds**  
**as at 31 December 2022**

*Annexure- C*

Name of the Company	Face value per share	No. of shares	Cost of holding	Average Cost	Quoted rate per share as on 31.12.2022	Total market value of share as at 31.12.2022	Unrealised gain/(loss)
<b>Quoted Shares</b>							
<b>General Portfolio</b>							
Pioneer Insurance Limited	10	2,232,012	358,319,219	160.54	71.50	159,588,858	(198,730,361)
Paramount Insurance Limited	10	588,000	70,998,273	120.75	44.50	26,166,000	(44,832,273)
Confidence Cement Limited	10	735,000	106,295,107	144.62	89.00	65,415,000	(40,880,107)
MJL (BD) Limited	10	840,000	97,181,028	115.69	86.70	72,828,000	(24,353,028)
Heidelberg Cement (BD) Limited	10	80,000	41,888,552	523.61	179.10	14,328,000	(27,560,552)
SK Trims Industries Limited	10	500,000	29,590,000	59.18	23.80	11,900,000	(17,690,000)
Beximco Pharmaceuticals Limited	10	465,000	95,867,557	206.17	146.20	67,983,000	(27,884,557)
Summit Power Limited	10	1,300,000	60,132,873	46.26	34.00	44,200,000	(15,932,873)
Olympic Industries Limited	10	180,000	34,395,196	191.08	124.00	22,320,000	(12,075,196)
Lanka Bangla Finance Limited	10	1,100,000	43,933,068	39.94	26.00	28,600,000	(15,333,068)
Robi Axiata Limited	10	370,000	18,289,185	49.43	30.00	11,100,000	(7,189,185)
Square Pharmaceuticals Limited	10	300,000	68,220,658	227.40	209.80	62,940,000	(5,280,658)
The City Bank Limited	10	1,620,000	41,385,484	25.55	21.80	35,316,000	(6,069,484)
GPH Ispat Limited	10	211,000	11,180,357	52.99	44.80	9,452,800	(1,727,557)
Esquire Knit Composite Limited	10	20,890	940,050	45.00	34.50	720,705	(219,345)
Mutual Trust Bank Limited	10	13,975	336,810	24.10	16.70	233,383	(103,427)
Linde (BD) Limited	10	1,460	2,004,577	1,373.00	1,397.70	2,040,642	36,065
Ringshine Textiles Limited	10	2,312	19,905	8.61	9.80	22,658	2,752
Union Bank Limited	10	197,864	1,978,640	10.00	9.30	1,840,135	(138,505)
Islami Commercial Insurance Company Ltd.	10	8,798	87,980	10.00	28.10	247,224	159,244
<b>Total</b>			<b>1,083,044,518</b>			<b>637,242,404</b>	<b>(445,802,114)</b>

Name of the Mutual Fund	Face value per share	No. of shares	Cost of holding	Average Cost	Quoted rate per share as on 31.12.2022	Total market value of share as at 31.12.2022	Unrealised gain/(loss)	NAV @ Market Price	85% of NAV @ Market Price	Required Provision
<b>Mutual Funds</b>										
EXIM 1ST Mutual Fund	10	3,000,000	28,298,293	9.43	5.80	17,400,000	(10,898,293)	10.16	8.64	(2,390,293)
Graneens2 Mutual Fund	10	3,600,000	64,674,720	17.97	15.20	54,720,000	(9,954,720)	18.87	16.04	(6,932,520)
Peninsula Balanced Fund	10	1,000,000	10,000,000	10.00	11.82	11,820,000	1,820,000	11.95	10.16	-
EDGE Al Amin Shariah Consumer Fund	10	2,000,000	20,000,000	10.00	9.92	19,840,000	(160,000)	9.92	9.42	(1,152,000)
<b>Total</b>			<b>122,973,013</b>			<b>103,780,000</b>	<b>(19,193,013)</b>			<b>(10,474,813)</b>
			<b>1,206,017,531</b>			<b>741,022,404</b>	<b>(464,995,127)</b>			



**Annexure-D**

**NRB Bank Limited**  
**Highlights on the overall activities**  
**as at 31 December 2022**

SL No.	Particulars		2022	2021
1	Paid-up capital	Taka	5,905,872,000	5,905,872,000
2	Total capital (Tier-1 & Tier-2)	Taka	7,990,125,804	7,574,503,882
3	Surplus\ (Shortage) Capital	Taka	3,120,904,134	3,574,503,882
4	Total assets	Taka	74,676,046,707	61,647,425,131
5	Total deposits	Taka	54,874,699,485	44,754,932,372
6	Total loans and advances	Taka	49,490,759,327	40,243,799,326
7	Total contingent liabilities and commitments	Taka	11,879,207,266	12,326,574,190
8	Loans to deposits ratio (total loans/total deposits)	%	84.42%	82.62%
9	Percentage of classified loans against total loans and advances	%	3.22%	3.39%
10	Profit after tax and provision	Taka	556,079,262	638,816,693
11	Classified loans during current year	Taka	1,592,182,991	1,365,943,687
12	Provisions kept against classified loans	Taka	926,656,812	1,132,465,525
13	Provision surplus/(deficit) against classified loans	Taka	-	-
14	Cost of fund (Interest expenses/Average deposits and borrowings)	%	5.39%	5.09%
15	Interest earning assets	Taka	70,959,869,091	58,308,788,711
16	Non-interest earning assets	Taka	3,716,177,616	3,338,636,419
17	Return on assets (ROA) [PBT/ Average assets]	%	0.82%	0.73%
18	Income from investment	Taka	578,706,980	1,033,968,530
19	Return on investment (ROI)	%	4.94%	11.46%
20	Earnings per share	Taka	0.94	1.08
21	Net income per share	Taka	0.94	1.08

**NRB Bank Limited**  
**Islamic Banking Operations**  
 as at for the year ended 31 December 2022

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.

**NRB Bank Limited**  
**Islamic Banking Operations**  
**Balance Sheet**  
**as at 31 December 2022**

	Notes	31 December 2022	31 December 2021
		Taka	Taka
<b><u>PROPERTY AND ASSETS</u></b>			
Cash		103,152,764	139,892,511
Cash in hand (including foreign currencies)		14,454,981	15,802,511
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		88,697,783	124,090,000
Balance with other banks and financial institutions		205,858	100,000,000
In Bangladesh		205,858	100,000,000
Outside Bangladesh		-	-
Placement with other banks and financial institutions		-	400,000,000
Investments		225,910,000	125,910,000
Government		225,910,000	125,910,000
Others		-	-
Investments		1,162,893,754	612,009,338
General investments		1,162,893,754	612,009,338
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures		5,368,640	1,903,831
Other assets		2,019,852	2,214,807
<b>Total assets</b>		<b>1,499,550,866</b>	<b>1,381,930,487</b>
<b><u>LIABILITIES AND CAPITAL</u></b>			
Liabilities			
Placement from other banks, financial institutions and agents		-	-
Deposits and other accounts		1,309,780,178	844,650,414
Al-Wadeeah Current Account and other accounts		56,471,231	12,352,409
Bills payable		31,645,093	15,806,818
Mudarabah Savings deposits		109,308,510	40,689,983
Mudarabah Term Deposit Account		1,112,355,343	775,801,204
Other liabilities		189,770,688	537,280,073
<b>Total liabilities</b>		<b>1,499,550,866</b>	<b>1,381,930,487</b>
<b><u>OFF-BALANCE SHEET ITEMS</u></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>





**AHMED ZAKER & Co.**  
CHARTERED ACCOUNTANTS

**NRB Bank Limited**  
**Islamic Banking Operations**  
**Profit and Loss Account**  
**for the year ended 31 December 2022**

	January to December 2022	January to December 2021
	Taka	Taka
Investment income	38,639,325	15,644,976
Profit paid on deposits and borrowings etc.	(47,545,117)	(4,974,218)
<b>Net investment income</b>	<b>(8,905,791)</b>	<b>10,670,758</b>
Profit from investments	9,182,425	32,169
Commission, exchange and brokerage	5,476,239	1,433,212
Other operating income	468,372	590
	<b>15,127,036</b>	<b>1,465,971</b>
<b>Total operating income (A)</b>	<b>6,221,245</b>	<b>12,136,729</b>
Salaries and allowances	9,452,834	1,263,087
Rent, taxes, insurance, electricity etc.	3,503,055	1,116,861
Legal and professional expenses	10,000	-
Postage, stamp, telecommunication etc.	22,411	9,969
Stationery, printing, advertisements etc.	273,998	218,303
Depreciation and repair of bank's assets	837,229	67,620
Other expenses	1,317,243	293,148
<b>Total operating expenses (B)</b>	<b>15,416,770</b>	<b>2,968,987</b>
<b>Profit before provision (C=A-B)</b>	<b>(9,195,525)</b>	<b>9,167,742</b>
Provision for investments		
General provision	5,358,862	6,120,093
Specific provision	-	-
	5,358,862	6,120,093
Provision for off-balance sheet items	81,598	-
<b>Total provision (D)</b>	<b>5,440,460</b>	<b>6,120,093</b>
<b>Total profit before tax (E=C-D)</b>	<b>(14,635,986)</b>	<b>3,047,649</b>

