

ANNUAL REPORT 2016



squeezed into the agent banking stall are among the country's 4.5 million ready-made garment (RMG) workers, many of whom have relocated from the countryside to work in factories in and around Dhaka, the nation's nearby capital. Collectively, they are turning the sector—the world's second-largest after China's—into the engine of Bangladesh's economic growth.

“This is a group that would not qualify for microfinance, but they're also not big enough for mainstream financial institutions to come and support them,” Bhowmik says. “They've got a relatively stable source of income; they're not really poor, but they're not really well-off.”



Only 5 percent of these workers save through traditional banking channels. They're more accustomed to hiding cash under a mattress or relying on informal financial arrangements to send money to family back home than to save on their own behalf. By the time Swisscontact completes the 15-month pilot phase in March, the nonprofit hopes to have opened accounts for 1,100 garment workers, demonstrating the business case for other financial institutions to compete for this market.

“RMG workers display some savings behaviors, but those behaviors are informal,” says Jaheed Parvez, Swisscontact's team leader for its inclusive finance initiative. “They would keep money with their relatives, which doesn't earn any interest. People who are performing that savings behavior don't have an option to go to the bank and open an account. We would like to start offering a platform where they can easily,

conveniently and affordably access a banking channel, open a bank account and then get access to other financial products.”

Most agent points in Swisscontact's program rely on biometric data to create new accounts. After filling out the required paperwork (with an agent's help, if necessary), customers provide all 10 fingerprints on a biometric reader. Their account and identification information is transmitted to the bank's head office; once validated, customers can withdraw funds from the agent point using a single fingerprint.

The biometrics guard against fraud and simplify access for new bank customers, some of whom are illiterate. “Going to a bank and filling out a deposit slip, which is generally in English, is not something they are comfortable with,” Parvez says. “With agent banking, they don't need to fill out any of these forms. You go there, you give your fingerprint, and it will search for your account number and give you the information.”

The agent model overcomes other obstacles posed by formal banks. Banks open at 9 a.m., but most RMG workers clock in an hour earlier and don't leave until 5 p.m.—the same time the banks close. There's also the intimidation factor, due in part to the slick, formal atmosphere of most bank branches.

“The moment they go into a branch, they're shocked,” Bhowmik says. “Even if we have an appropriate financial product, people are afraid to go to a branch and access it.”

Swisscontact hopes agent points will make for an easy fit with their surrounding communities, while their low operating costs draw broader bank support.

“The people who are running these digital centers are entrepreneurs. It's a public-private partnership initiative; they've already been provided with all the logistics—laptop, printer—so they can provide services to the local people,” he says. The agent model itself creates jobs. Agents earn a commission or service fee for setting up accounts and conducting transactions.

“We aren't just offering financial inclusion to the unbanked,” Parvez says. “People are becoming agents, and we are ensuring their job sustainability.”



BANGLADESH BANK
(Central Bank of Bangladesh)

Fazle Kabir
Governor

Ref: ACD(MD)/101(3)/2016-1497

Date: 12 April, 2016

Managing Director
NRB Commercial Bank Limited
Head Office
Dhaka.

Letter of Appreciation

Bangladesh Bank is pleased to compliment you and your bank for achieving the disbursement target of Agricultural and Rural Credit for the FY 2014-15. It would be highly appreciated if you continue your wholehearted support and endeavour in facilitating Agricultural and Rural Credit Programme of Bangladesh Bank in future.

(Fazle Kabir)



AWARD

For the first time ever in our country, Bangladesh Bank arranged "Banking Fair Bangladesh-2015" which was held from 24-28 November, 2015 at Bangla Academy Compound, Dhaka with the participation of different Banks and Financial Institutions of the country. NRBC Bank with its green and grey theme had its own stall with visuals of products and services which attracted the visitors noticeably. Bangladesh Bank awarded NRBC Bank with 'The Award of Excellence' for a unique presentation of our stall in the fair.

*building
a caring future...*



We are doing business to build a caring future for our stakeholders. Our endeavor is to ingrain the Bank's core values and beliefs deeply in our way of doing business so that the process benefits our clients, shareholders, employees and other stakeholders. We are the responsible partner taking care of our stakeholders' money, dreams and ambitions for a caring future.



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LETTER OF TRANSMITTAL

All Shareholders
Bangladesh Bank
Bangladesh securities & Exchange Commission
Registrar of Joint Stock Companies & Firms

Subject : Annual Report of NRB Commercial Bank Limited (NRBC Bank) for the period ended on 31st December 2016.

Dear Sir(s)

We are pleased to present before you the Bank's (NRBC Bank Limited) Annual Report – 2016, along with the Audited Consolidated Financials, as at and for the period ended on 31st December 2016.

The Report includes consolidated Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement, along with Notes thereon and Directors' Report, of NRBC Bank for the period ended on 31st December 2016.

The Report is forwarded for your kind information and record.

Best regards

Sincerely yours

Md. Masum Haider
Vice President & Company Secretary





Notice Of The 4th Annual General Meeting

Notice is hereby served that the 4th Annual General Meeting (AGM) of NRBC Bank Limited will be held on 23rd April 2017, Sunday, at 11:30 am at FARS Hotel & Resorts at 212, Shahid Syed Nazrul Islam Sharani (Bijoynagar), Dhaka-1000, Bangladesh to transact the following business:

Agenda

- 1) To confirm Minutes of the 3rd Annual General Meeting (AGM) held on 18th April 2016.
- 2) To receive, consider and adopt the Profit and Loss Account of the Company for the period ended on 31st December 2016 and the Balance Sheet as at the date together with the Reports of the Auditors and Directors thereon.
- 3) To declare Dividend out of the profits for the period ended on 31st December 2016.
- 4) To elect/re-elect/appoint Directors/Independent Directors of the Bank in accordance with relevant Act and Memorandum and Articles of Association.
- 5) To appoint Auditors of the Company for the term until conclusion of the next Annual General Meeting and to fix their remunerations.
- 6) To transact any other business with permission of the Chair.

By order of the Board

Md. Masum Haider

Vice President & Company Secretary

Dated : Dhaka, 6th April 2017

NOTES

- a) The Members (Sponsor Shareholders) whose names appear in the Register of the Company shall attend the AGM.
- b) Any Member (Sponsor Shareholder) of the Company entitled to attend and vote at the general meeting may appoint a Proxy to attend and vote on his/her behalf.
- c) The Proxy Form duly filled in and signed by the Member (Sponsor Shareholder) and stamped, must be submitted at the Registered Office of the Company at least 48 (Forty eight) hours before the meeting.
- d) Members (Sponsor Shareholders) are requested to notify the change of address, if any, well in time.
- e) The Board of Directors has recommended @ 12.00% (5% cash & 7% stock) dividend for the period ended on 31st December 2016 to be considered in the AGM.



Corporate Profile

Publication Facts & Figure as on
31 December 2016

CORPORATE PROFILE

Name of The Company	: NRB Commercial Bank Limited
Registered Office	: Red Crescent Jashim Trade Centre 114 Motijheel C/A, Dhaka-1000, Bangladesh. Phone - 88-02-9573423-7, Fax - 88-02-9573421 SWIFT Code - NRBB BDDH Email - nrbcb@nrbcommercialbank.com Web - www.nrbcommercialbank.com
Legal Form	: Public Limited Company
Date of Incorporation	: February 20, 2013
Formal Inauguration	: April 2, 2013
Core Banking Segment	: Conventional Banking System
Agent Banking	: Bangladesh Bank Approval - May 29, 2015 Inauguration - December 17, 2015 Sub -Agents - 155
NRBC Bank's Subsidiary	: NRBC Bank Securities Limited Incorporation - September 20, 2015 Commercial Operation - December 12, 2016 Registered Office - 114 Motijheel C/A, Dhaka-1000, Bangladesh.
Network	: Total Branch - 51, Total ATM - 42, Total RMA - 148 Total Nastro Account - 13
Publication	: Annual Report - 2016
Auditors	: ACNABIN Hoque Bhattacharjee Das & Co. Chartered Accountants
Tax Consultants	: Hasan & Associates, Chartered Accountants
Rating Agency	: Credit Rating Information & Service Limited (CRISL)
Authorized Capital	: Tk. 10,000 Million
Capital	: Tk. 6,200.61 Million
Paid-up Capital	: Tk. 4,579.44 Million Tk. 4,900.00 Million (Subject to approval of 7% Stock Dividend in the 4 th AGM)
Employees	: No. of Officials -545 , No. Of Staff - 12
Return on Investment/Equity (ROI/ROE)	: 15.97%
Return on Asset (ROA)	: 1.93%
Capital to Risk Weighted Assets Ratio	: 13.50%
Chairman	: Engr. Farasath Ali
Vice Chairman	: Dr. Toufique Rahman Chowdhury
Chairman-Executive Committee	: Mr. Mohammed Manzurul Islam
Chairman Risk Managt. Committee	: Engr. Syed Munsif Ali
Chairman Audit Committee	: Dr. Nuran Nabi
Managing Director	: Mr. Dewan Mujibur Rahman
Chief Anti-Money Laundering Officer	: Mr. Kazi Ahsan Khalil
Chief Risk Officer	: Mr. Md. Shafiet Wahed
Chief Financial Officer	: Mr. Harunur Rashid
Company Secretary	: Mr. Md. Masum Haider
Reserves	: Tk. 480.76 Million
Total Assets	: Tk. 53,619.10 Million
Earning per Share	: Tk. 1.90
Net Asset Value	: Tk. 5,728.74 Million
Net Asset Value Per Share	: Tk. 12.42 Per Share
Net Operating Cash flow Per Share	: Tk. 6.56 Per Share



Vision
Mission
Strategic Objectives

Our Mission

Strengthen the business and investment opportunities.
Create confidence among the NRBs for investment.
Strengthen inflow of remittance.
Deliver service excellence.
Maintain good financial health.
Create dignified working environment for Employees.



Our Vision

To become a peerless bank

Strategic Objectives

Create opportunities for NRBs to invest their earnings, utilize their professional expertise in the economic development of Bangladesh.

Channelize idle and less remunerative fund of NRB.

Attract FDI of NRBs through diverse products and projects.

Balanced and sustainable growth.

Maximization of shareholders' wealth.

Accomplish the long cherished desire and dream of NRBs to have a bank of their 'own'.

Excellence of manpower efficiency through attractive compensation package, promoting staff moral through training, development and career plan.

To invest in the thrust sector for the overall economic development.

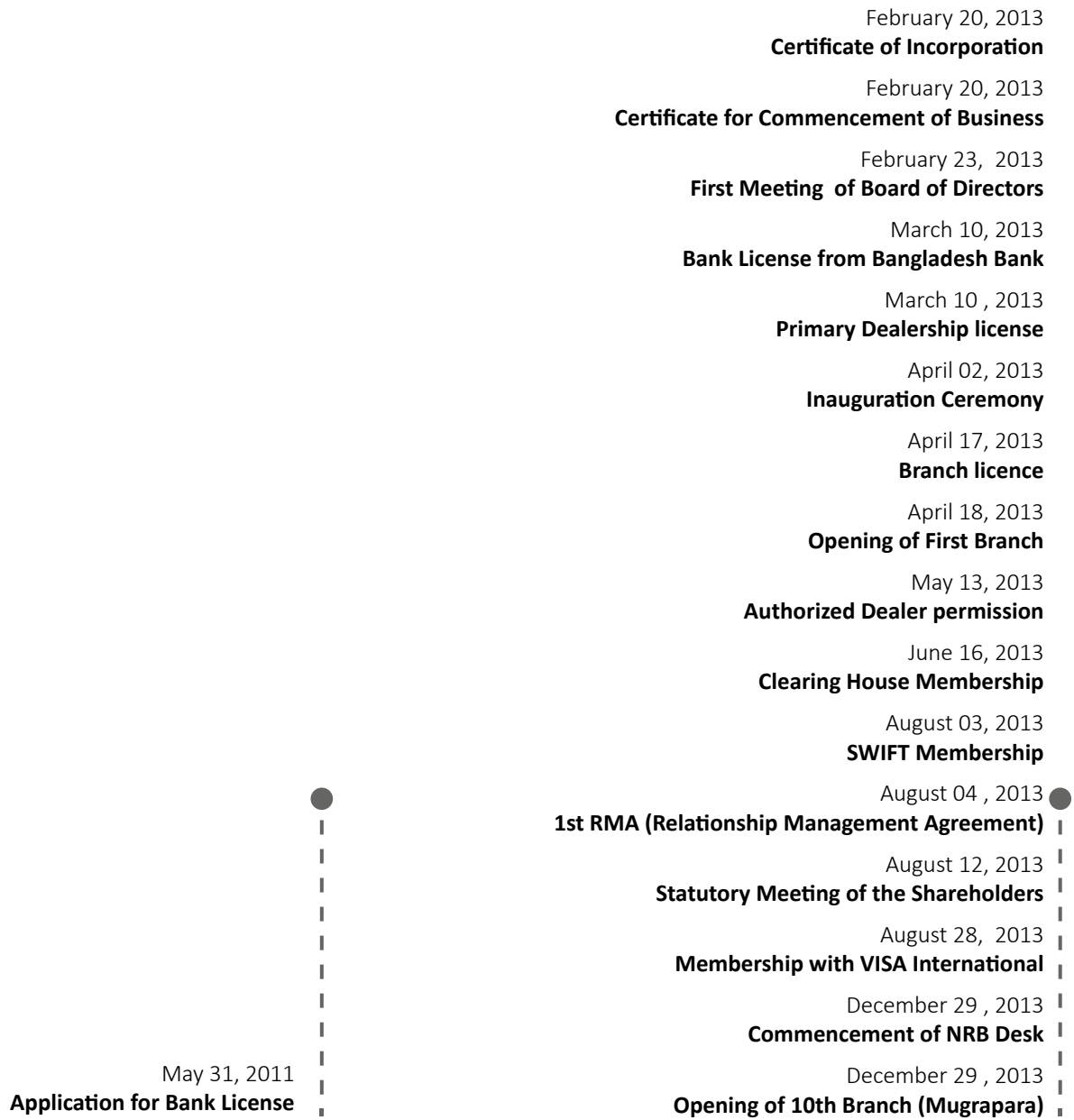
Technology transfer with the help of the well educated professionals and experienced sponsors of the Bank to have a green banking practice.

Ensure best Corporate Social Responsibility (CSR) practice.

Promise to make the world of NRBC Bank a little bigger, everyday.



Chronicles



2011

2012

2013



NRBC Bank's Chronicles

January 07, 2015

Opening Training Institute

March 08, 2015

Achievement of Fifty Thousand Accounts

July 12, 2015

Opening of 30th Branch (Rangpur)

September 20, 2015

Formation of Subsidiary Company: NRBC Bank Securities Ltd.

December 17, 2015

Launching of Agent Banking

December 30, 2015

Opening of 40th Branch (Bhulta)

2014

January 23, 2014

Achievement of Ten Thousand Accounts

April 02, 2014

Launching of Internet Banking

April 02, 2014

Launching of VISA Card

August 11, 2014

Opening of 20th Branch (Rajshahi)

2015

2016

May 26, 2016

Achievement of One Lac Accounts

November 24, 2016

**Opening of 50th Branch
(Chandina, Comilla)**

December 12, 2016

**Resume of Commercial Operation
of NRBC Bank Securities Ltd.**

December 28, 2016

**Opening of first Mohila Branch
(Dhanmondi)**



Message from the Chairman

NRB Commercial Bank Limited is a valiant effort of a number of individuals, through which we, the 53 Sponsors of the Bank, came under an umbrella to establish this institution through our hard earned money. The Hon'ble Sponsors came together from different corners of the globe, be it the USA, the UK or the UAE, we have been working day and night to get this Bank to this level that we are now standing witness to. In only about 4 years of its journey, NRBC Bank Limited has faced a lot of obstacles from different quarters but the Bank has stood its ground and continued to do well against all odds. Today, it is our pride to claim that NRBC Bank Limited has stepped into the arena of real and honest business, with a view to offering its clients, depositors and the sponsors the best returns their money could buy. It is indeed a pleasure for me to present the audited Financial Statement on behalf of all the shareholders.

Our Bank has started its operations with only 1 branch in April 2013. By the end of 2016, we opened 51 branches in different locations throughout the country. Apart from these branches, our Bank has introduced agent points to reach out to the unbanked

segments of the society as well as the existing bank customers with a range of financial services, especially to geographically dispersed locations. Our aim is to bring the underprivileged, backward and unbanked population within the fold of banking system.

However, during the reporting period, we showed a sustained performance and growth in all the business segments despite sluggish Credit Market and Stiff competition. Our bank was able to make a robust credit portfolio. We hope that we would be able to take it into a significant level by the time of yearly closing of 2017. However, the falling interest rates have hit the interest spread of the industry and affected the income of the bank significantly.

In 2016, our Import and Export Business flourished as well. In the case of Import Business, the Bank showed a remarkable growth by going up to hit at Tk.18133.73 million which is almost 46.50% of growth over that of the 2015's. As for the Export business, the Bank hit the mark of 43.43% growth, which is very encouraging as well. Falling interest rates, increasing access to finance and improvement in working conditions at garment

factories have made the bank confident of taking new challenges and boosting export earnings.

Farmers' access to finance is one of the major problems in rural areas. This is a major drawback in achieving self-sufficiency in food and alleviating poverty. Because of lack of finance, farmers have to cultivate crops with lower cost and lower return. Keeping these poor farmers in mind, our bank has disabused agri -loan and achieved its target, fixed by the central Bank. In recognition, Bangladesh Bank has accoladed a certificate of recognition to us.

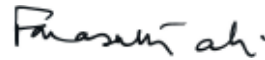
From inception, NRBC Bank concentrates on issues where we can make it a socially responsible institution. We deliver humanitarian services through various CSR activities across the country ensuring social benefits and balanced economic growth. Our aim is to bring the poor and marginalized people to the main stream of the development.

In the meantime, Bangladesh economy embraces 2017 with some other challenges that include declining remittance and rising nonperforming loans from the domestic side. Volatile global and gulf region politics, and troubled European economy pose threats as external sources.

Our loyal clients play a critical role in the continued success of the Bank, and we will continue to focus on serving their needs while managing shareholders' capital prudently, a commitment which is central to our long-term value proposition. The Board has full confidence in the ability of our high-calibre Management team to respond to the challenges in a proactive and dynamic manner.

We hope that NRBC Bank will be one of the compliant banks in the country's banking sector in 2017 and expands its financial services that covers the entire spectrum of banking operations including corporate finance, retail banking, SME financing, agricultural credit, e-banking, mobile banking, ATM, etc.

The Bank shall continue with its efforts of bringing in better products, processes & services so as to make banking experience a joyful one with us. We are thankful for your continued goodwill & trust and look forward to your suggestions for making us serve you better.



Engr. Farasath Ali
Chairman





Review of the Managing Director and CEO

To the honorable directors, sponsors, customers, employees and all the stakeholders of the bank, I feel honored to report the year 2016 as another inspiring year for NRBC Bank.

Over last 04 years of journey, NRBC Bank has been able to secure a prominent and respectful position in banking industry as emerging banking institution with innovative and modern banking services tailored to serve all sectors of people. It is my enormous pleasure to pass another challenging year: 2016 with many success stories for NRBC Bank.

A challenging year for Bangladesh Economy: 2016

Bangladesh economy passed through various challenges over last year. ATM booth scam and heist of Bangladesh Bank reserve money to Philippines and Sri Lanka put adverse impact initially. Decline in inward foreign remittance also had negative impact on the economy.

Deposit and lending interest rates of banks and financial institutions have been coming down as like previous year. However, despite of declining rates of loans and advances, most of the banks were able to make good amount of operating profit at the end of 2016.

Low demand for credit continued from previous year resulted to huge idle money to the tune of around Tk.122,000 crore (approx.) in the banks. Banks were also hit by non-performing loans and the recovery of banks' assets was lower than expected.

Despite several odds, Bangladesh economy is still expected to make GDP growth over 7% and we are now considered as Lower Middle Income Country (LMIC) by World Bank. Bangladesh is considered as an ideal place for foreign investment and set up of several Economic Zones are under process to inspire foreign investors.

Advancing with sustainable growth:

I will begin with the people we serve. In 2016, we opened 11 new branches and reached the total number to 51 which will be increased by 10 more in this year as expected. Certainly, our goal is to reach mass people at different corners of Bangladesh quickly to ensure providing them quality banking services at ease.

We have reached over 1,30,000 of different types of accounts with 58.72% growth, which is increasing day-by-day. Deposit of the bank was Tk.4559.05 crore, increased by 52.08%. Loans & advance of the bank was Tk.3740.79 crore with 61.05% growth with minimum NPL.



At different sectors of SME, we have outstanding figure of Tk.579.00 crore of loans. It is our gory that as per SME rating of Bangladesh Bank, NRBC Bank was in 5th position among all banks. We were also awarded 'Appreciation Letter' by Bangladesh Bank for achieving Agricultural Credit target. We kept diversification of our credit portfolio to different business sectors & industries. We also encouraged extending loans to different Green Finance, Women Entrepreneurs and Agriculture sectors.

We also focused on popularization of our Plastic Money products. No. of our different types of cards was over 20,000 and no. of ATM booth was 39. We have executed agreements with various famous hotels, Consumer & Electronics Selling brands providing various benefits & privilege to NRBC Bank cardholders. Now, our cardholders can enjoy fine dining with warm accommodation facilities and can do happier shopping at different famous outlets of Bangladesh.

As promised, NRBC Bank also made its Agent Banking operation stronger with 155 nos. of Agents and over 3000 account holders. Last year Tk.6.50 crore of transaction was made through Agent Banking and approx. Tk.20.00 lac inward foreign remittance was made. Presently, REB Electric bills are also being collected through Agents as well as all sorts of deposit accounts can be opened through. With support of Access to Information (a2i) program of Prime Minister's Office, Bangladesh, NRBC Bank has been providing allowances for widows and Freedom Fighters under Govt's Social Safety Net Program.

Thus NRBC Bank has been contributing to financial inclusion of unbanked people or to those who are far from bank branches. It is expected to increase no. of Agents to 1000 in 2017 with whom we can enhance our banking operation.

With our dedicated and brilliant team of officers, we are serving customers by collection of different utility bills of DPDC, DESCO and REB and different types of fee collection of BRTA with the help of our modern banking services.

Foreign Exchange operation has been flourishing. Import business was made of an amount of Tk.1813.37 crore with 46.50% growth while export business was done of Tk.1688.56 crore, increased by 43.43% over previous year. Inward foreign remittance was made of Tk.40.97 crore with 2.61% growth.

With constant support of our valued customers and with the help of our work force's team effort, we managed to achieve operating profit of Tk.171.36 crore with 61.80% growth; which has put NRBC Bank in a firm position at banking industry of Bangladesh as a 4th generation bank.

Priorities: 2017

We are planning to set up at least 10 more branches all over the country. We would like to reach at every corner of our country at the shortest possible time. Spreading out our service is one of our most priorities. We will keep focus on providing quality services and assistance to our regular business clients, focusing more on small, medium & micro credit industry.

We always endeavor to develop more modern banking technologies in addition to existing conventional methods. Diversification of credit portfolio with sustainable growth and development of new deposit products are always top concerns of our bank. We will put more effort to expand toward unexplored promising SME & Micro financing sector in 2017.

We wish to reach our Card & other alternative delivery channel products as pioneer brand to boost up financial inclusion as well as to serve citizens of different corners.

2017: Another mile stone to be reached

As always, we must be agile and adaptive, but what will not change are the principles upon which we run NRBC Bank. Our people and their commitment to NRBC Bank customers and clients, are the reasons why we have such confidence in our capacity to realize our potential as a company. Regardless of role or location, seniority or age, it is amazing to see the talent and endeavor that we have within NRBC Bank people and the dedication they show to this institution. Such dedication is NRBC Bank's one of the strongest assets and it is because of it that bright years lie ahead for our bank.

Dewan Mujibur Rahman
Managing Director & CEO

BOARD OF DIRECTORS

Chairman

Engr. Farasath Ali

Vice Chairman

Dr. Toufique Rahman Chowdhury

Directors

Mr. ABM Abdul Mannan

Mr. Mohammed Oliur Rahman
Mr. Mohammed Enayet Hossain
Mr. Md. Amir Hossain
Mr. Tamal S.M. Parvez
Mr. Rafikul Islam Mia Arzoo
Mr. Mohammed Adnan Imam
Mrs. Kamrun Nahar Sakhi
Mr. Abu Bakr Chowdhury
Mr. Mohammad Shahid Islam

Mr. Loquit Ullah
Mr. Mohammed Nazim
Engr. Syed Munsif Ali
Dr. Nuran Nabi
Mr. Mohammed Manzurul Islam

Managing Director & CEO

Mr. Dewan Mujibur Rahman



Directors' Profiles



Engr. Farasath Ali
Chairman

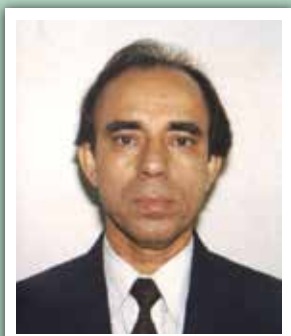
Engr. Farasath Ali, a US citizen, is a Textile Technologist from the University of Leeds, UK. Born in 1955, he bravely fought in the Liberation War of Bangladesh.

Engr. Ali heads SNA Knitting Mills Inc. in the USA, a knitwear unit, as its President. He has been involved in different social activities in the USA and has contributed significantly to the welfare of the NRBs living in the USA and thus in the process he has engaged himself towards making contribution to the growth of his motherland in many fronts culminating in his endeavour to spearheading this NRB Commercial Bank Limited.



Dr. Toufique Rahman Chowdhury
Vice Chairman

Dr. Toufique Rahman Chowdhury, a permanent resident of the UK (British Bangladeshi business person having family business in the UK, UAE and Canada since 1960). He passed B.A. (Honours) & M.A. degrees in Economics from the University of Dhaka in 1975 & 1976 respectively and was conferred Ph.D. from BIU. He received DAIBB from the Institute of Bankers in 1986. He started his career in Banking in 1979 and served Sonali Bank, National Bank Limited and Prime Bank Limited until 1998 in different capacities. In 1999, he had pioneered sponsoring Mercantile Bank Limited and assumed the Office of the Director, which he held with intervals until 2012. He also had been the Chairman of the Board of Directors of Mercantile Bank Limited from January 2000 to July 2001. He was the Founder Chairman and now a Director of Mercantile Bank Securities Limited and was a Director of Mercantile Bank Exchange House (UK) Limited. He is the Director of NRBC Bank Securities Ltd. There is a sheer blending of experience of a Banker in him from the both the sides of the table. Dr. Chowdhury is the Founder and Chairman of Metropolitan University, Sylhet, which was established in 2003, Founder President of Sylhet Metropolitan Chamber of Commerce & Industry (SMCCI), Founder Chairman, Vice Chairman and now a Director of National Credit Ratings Limited (NCR), a Director of East Anglia Resources Limited (UK), Life Member of Bangladesh Economic Association and also of Dhaka University Alumni Association.



Mr. A B M Abdul Mannan
Director

Mr. A B M Abdul Mannan is a Bangladeshi US citizen. He obtained his Undergraduate and Graduate Degree from Islamia College Karachi, Pakistan. He is an established businessman in the US having more than 10 years of business experience. Mr. Mannan is the owner of AAA Wash & Clean in the USA. He has a very strong socio-economic and socio-cultural background.



Mr. Mohammed Oliur Rahman
Director

Mr. Mohammed Oliur Rahman is a permanent Resident of Dubai, UAE and is engaged in the business of Retail, Wholesales & Export of Fragrance, Perfumery, Cosmetic products & Accessories in the names and styles of Al Haramain Trading LLC, Dubai, UAE, Al Haramain Perfumes MFG & OUDH Processing Industry LLC, Ajman, UAE, Al Haramain Perfumes LLC, Dubai, UAE, Best in Fragrance, Hilton Tower, Makkah, KSA & Noor Al Haramain LLC, Dubai, UAE. Mr. Rahman has the long successful business career & he is an influential & respected personality among the expatriate Bangladeshis in Dubai, UAE. He is deeply involved in the welfare of the Bangladeshi community.



Mr. Mohammed Enayet Hossain
Director

Mr. Mohammed Enayet Hossain, is a Bangladeshi expatriate & an Italian citizen. He is engaged in the business of Jewellery & Garments, Cleaning in Italy. Mr. Hossain is the Director of TANJIL-CO & TANJIL-CO Cleaning Company in Italy. He has also established business in UAE.



Mr. Md. Amir Hossain
Director

Mr. Md. Amir Hossain lives in the USA. He had earned his Master's from Chittagong University in 1989. He runs recycling Industry & does Export & Import in the USA. Mr. Hossain is CEO of Trimx International-LLC, Trimx Ventures LLC, Trimx Recycling LLC and Trimx Demolition LLC in USA. He is committed to the development of the Bangladeshi communities living in the USA. Mr. Hossain had a long cherished desire to contribute to the development & growth of his motherland & his dream came true when he had the opportunity of becoming a sponsor of the NRB Commercial Bank Ltd.



Mr. Tamal S.M. Parvez
Director

Mr. Tamal S.M. Parvez, a Bangladeshi expatriate & a Russian resident, has attained Post Graduation from Moscow institute of Statistics & Economics. He is engaged in IT distribution, Real Estate Holdings, Manufacturing of Household Product & Logistic consultations in Russia. Mr. Parvez is CEO and President of OY STN Electronics Ltd., Finland. He is also the Director of Oldi Group and engaged in other companies related to manufacturing and branding of different products.



Mr. Mohammed Adnan Imam, FCCA
Director

Mr. Mohammed Adnan Imam, a Bangladeshi Origin and a British citizen, is an FCCA and is engaged in the business of private Equity and Real Estate as Managing Director in a number of business houses. Mr. Imam is the Managing Director of IPE Capital Limited, London. He is also Managing Director of AWR Developments Limited, AWR Real Estate Limited, IPE Building Products Ltd., Oracle Services Ltd. and Genex Infosys Ltd.



Mr. Rafikul Islam Mia Arzoo
Director

Mr. Rafikul Islam Mia Arzoo, is a Bangladeshi Russian citizen. He did his M.Sc in Electrical Engineering from Georgian Polytechnic Institute in 1988. He is a successful businessman having interest in investment. Mr. Mia is the President, CEO of Bonanza and Mela, Russia. He is also the Director of Lisichka, Russia.



Mrs. Kamrun Nahar Sakhi
Director

Mrs. Kamrun Nahar Sakhi, an NRB and a Canadian citizen was born on September 01, 1972 in Chittagong, Bangladesh. She did her Graduation from Govt. Women's College, Chittagong in 1993. Mrs. Sakhi is the Director of 7069367 Canada Inc. Canada, Mishmak Developments Ltd. and Mishmak Lands Developments Ltd.



Mr. Abu Bakr Chowdhury
Director

Mr. Abu Bakr Chowdhury is a UAE citizen. He hails from Chittagong and obtained his Graduation from Chittagong University. He is a very successful businessman. Mr. Chowdhury is the Chairman of Baizid Group of Companies. He is also the Managing Director of CSS Corporation (BD) Ltd., CSS Power Ltd., ABC Marks Holdings Ltd. and ABC Associates Ltd. He has a very strong socio-economic and socio-cultural background.



Mr. Mohammad Shahid Islam
Director

Mr. Mohammad Shahid Islam, a permanent resident of Kuwait, is a Graduate and is involved in the Trading & Contracting Business in the State of Kuwait as a Partner, MD & CEO in the Company named Marafie Kuwaitia Group.



Mr. Loquit Ullah
Director

Mr. Loquit Ullah, an NRB & an Italian citizen, is engaged in wholesale business since 1980. Mr. Loquit Ullah is Managing Director of STORE ALAMIN S.N.C., Rome, Italy.



Mr. Mohammed Nazim

Director

Mr. Mohammed Nazim is a permanent resident of UAE. Mr. Nazim is a Graduate and is engaged in the business of Car Wash & Car Maintenance in as many as five business entities in Sharjah and Ajman, UAE in the capacities of the Managing Director since 1998.



Engr. Syed Munsif Ali

Director

Engr. Syed Munsif Ali, a permanent Canadian resident, is an Engineer by profession and is engaged in Real Estate business in the capacities of Chairman & CEO of Multiplan Canada Limited & Multiplan Limited in Bangladesh. He was the founding Chairman of Golden Life Insurance Limited. His association with the abovementioned well-reputed organization makes him a forward looking and progressive-businessman who has already reached an enviable height. Furthermore, he has deep affinity and also attachment with various socio-cultural activities like Life Fellow, The Institution of Engineers, Bangladesh, Life Member BAAS (AOTS of Japan), Life Member, Narayanganj Rifle Club, Life Member, Manikganj Rifle Club, Member, Dhaka Rifle Club, Member Kurmitola Golf Club, Member of the Executive Committee, Mohammedan Sporting Club, Dhaka, Member, Dhaka Club Limited, Founding Chairman, Chattak Doara Unnayan Parishad, Dhaka, Former President, Sunamganj Shamity. He is also associated with many other socio-economic development activities.



Dr. Nuran Nabi

Director

Dr. Nuran Nabi, a US citizen and an NRB, is a valiant Freedom Fighter of Bangladesh Liberation War. He did his Honors and Masters degrees from Dhaka University and obtained Ph.D from Japan. He was an accomplished scientist at Colgate Palmolive Co., USA. He is a board member of the Plainsboro Free Public Library Foundation. He has a strong socio-economic background. A prolific writer, Dr. Nabi is a Councilman of Plainsboro Township, NJ, USA since 2007.



Mr. Mohammed Manzurul Islam

Director

Mr. Mohammed Manzurul Islam, an NRB living in the USA, obtained BA (Hons.) and MA degrees from Dhaka University and MA from New York University, USA. He was a certified teacher in New York City School for 10 years. He is a Director, Editor-in-Chief and CEO of Dhaka Bangla Channel (DBC) News – the first 24/7 live Bangla news channel in Bangladesh. He is also a Director of ATN News, another popular TV channel of the country. An internationally known journalist, TV anchor and a media personality, Mr. Islam was former CEO of Re/Max Universal, USA. He is also a very successful Real Estate Businessman with a strong background in socio-political and socio-economic affairs.



Mr. Dewan Mujibur Rahman

Managing Director & CEO

Mr. Dewan Mujibur Rahman worked as Managing Director & CEO of Mercantile Bank Ltd. (MBL), a private sector commercial bank established in 1999, from 9th October 2007 to 7th October 2010. Before joining MBL, he worked for more than three years as Managing Director of Karmasangstan Bank, a government owned specialized financial institution that provides credit, especially to SMEs located in the rural areas and engaged himself in productive activities. Prior to joining Karmasangstan Bank, he worked as Deputy Managing Director of Janata Bank, the second largest nationalized commercial Bank of the country. Before joining Janata Bank in April 2003, he worked for about three and a half year as General Manager in BASIC Bank Ltd. - a state owned specialized bank engaged in financing small and medium scale industries. Before joining BASIC Bank Ltd. in November 1999, he worked in Agrani Bank for long 23 years in various capacities such as Head of Division, Head of Corporate Branch, Zonal Head, Branch Manager with the rank and status of Deputy General Manager, Assistant General Manager, etc. He attended a number of International Trainings/Workshops/Seminars in the relevant fields of management in the USA, UAE, India, Singapore and Hong Kong. In total, he has 34 years of professional experience in all areas of commercial banking including Trade Financing, Industrial Financing, Rural Financing and Foreign Exchange.

A passionate lover and patron of art and culture especially music, Mr. Dewan comes from Habiganj.

He is a life member of a number of professional associations. Besides attending meetings, seminars and workshops/trainings. Mr. Dewan has also travelled and visited Malaysia, Cambodia, Thailand, China, South Korea, Qatar, Oman and Saudi Arabia.

Graduated in Commerce from Dhaka University, Mr. Dewan is also an MBA from the Institute of Business Administration of the same University.

SPONSORS

Engr. Farasath Ali
Dr. Toufique Rahman Chowdhury
Mr. Tanwir M O Rahman Chowdhury
Mr. ABM Abdul Mannan
Mr. Mohammed Oliur Rahman
Mr. Mohammed Enayet Hossain
Mr. Md. Amir Hossain
Mr. Abu Mohammad Tushar Iqbal Rahman
Mr. Firoz Haider Khan
Mrs. Kamrun Nahar Sakhi
Mr. Abu Bakr Chowdhury
Mr. Mohammad Shahid Islam
Mr. Loquit Ullah
Mr. Tamal S M Parvez
Mr. Rafikul Islam Mia Arzoo
Mr. Mohammed Nazim
Engr. Syed Munsif Ali
Mrs. Shamimatun Nasim

Mr. Mohammed Adnan Imam
Dr. Nizam Mohammad Meah
Dr. Nuran Nabi
Mrs. Kaniz Farzana Rashed
Dr. Rafiqul Islam Khan
Dr. Shahanara Begum Ali
Mr. Sarwar Zaman Chaudri
Mr. Mohammad Zakaria Khan
Mr. Shabbir Ahmed Mubin
Mr. Izaharul Islam Halder
Mr. Mostafisur Prince Rahman
Mr. Aziz U Ahmad
Mr. Mohammed Manzurul Islam
Mr. Mohammed Jamal Uddin
Mr. Faruk Ali
Mr. Zulfiker Alim
Mrs. Ferdoushe Begum
Mr. Mohammed Ashraf Ali

Mr. Fahad Madani Islam
Mr. Shamim Ali
Mr. Shakawat Ali
Mr. Mohammed Shofiqul Islam
Mr. Nahid Ahmed Chowdhury
Mr. Tohel Ahmed
Mr. Azadul Haq
Mr. Mohammad Iqbal Rashed
Mr. Mohammed Jahangir Alam
Mrs. Nazni Mansur
Mr. Anwar Hossain
Mr. Sunahwar Ali
Mr. Mohammed Sabbir Ahmed
Mr. Mohammad Kashem
Mr. Mohammed Tanvir Ahmed
Dr. Abul M. Ibrahim
Mr. S.M. Gulam Robbani Chowdhury



Sponsors



Engr. Farasath Ali



Dr. Toufique Rahman Chowdhury



Mr. Tanwir M O Rahman Chowdhury



Mr. ABM Abdul Mannan



Mr. Mohammed Oliur Rahman



Mr. Mohammed Enayet Hossain



Mr. Md. Amir Hossain



Mr. Abu Mohammad Tushar Iqbal Rahman



Mr. Firoz Haider Khan



Mrs. Kamrun Nahar Sakhi



Mr. Abu Bakr Chowdhury



Mr. Mohammad Shahid Islam



Mr. Loquit Ullah



Mr. Tamal S M Parvez



Mr. Rafikul Islam Mia Arzoo



Mr. Mohammed Nazim



Engr. Syed Munsif Ali



Mrs. Shamimatun Nasim



Mr. Mohammed Adnan Imam



Dr. Nizam Mohammad Meah



Dr. Nuran Nabi



Mrs. Kaniz Farzana Rashed



Dr. Rafiqul Islam Khan



Dr. Shahanara Begum Ali



Mr. Sarwar Zaman Chaudri



Mr. Mohammad Zakaria Khan



Mr. Shabbir Ahmed Mubin



Mr. Izaharul Islam Halder



Mr. Mostafisur Prince Rahman



Mr. Aziz U Ahmad



Mr. Mohammed Manzurul Islam



Mr. Mohammed Jamal Uddin



Mr. Faruk Ali



Mr. Zulfiker Alim



Mrs. Ferdoushe Begum



Mr. Mohammed Ashraf Ali



Mr. Fahad Madani Islam



Mr. Shamim Ali



Mr. Shakawat Ali



Mr. Mohammed Shofiqul Islam



Mr. Nahid Ahmed Chowdhury



Mr. Tohel Ahmed



Mr. Azadul Haq



Mr. Mohammad Iqbal Rashed



Mr. Mohammed Jahangir Alam



Mrs. Nazni Mansur



Mr. Anwar Hossain



Mr. Sunahwar Ali



Mr. Mohammed Sabbir Ahmed



Mr. Mohammad Kashem



Mr. Mohammed Tanvir Ahmed



Dr. Abul M. Ibrahim



Mr. S.M. Gulam Robbani Chowdhury



Committees
of
NRBC Bank

Executive Committee
Audit Committee
Risk Management Committee
Management Committee
Asset-Liability Committee



●	Dr. Nuran Nabi	Chairman
	Mr. Mohammed Oliur Rahman	Member
	Mr. Md. Amir Hossain	Member
	Mr. Mohammed Nazim	Member
	Mr. Shabbir Ahmed Mubin	Member

EXECUTIVE COMMITTEE		AUDIT COMMITTEE	RISK MANAGEMENT COMMITTEE		
	Mr. Mohammed Manzurul Islam	Chairman		Engr. Syed Munsif Ali	Chairman
	Engr. Farasath Ali	Member		Dr. Toufique Rahman Chowdhury	Member
	Dr. Toufique Rahman Chowdhury	Member		Mr. A B M Abdul Mannan	Member
	Mr. Mohammad Shahid Islam	Member		Mr. Mohammed Enayet Hossain	Member
	Mr. Loquit Ullah	Member		Mr. Md. Amir Hossain	Member
	Engr. Syed Munsif Ali	Member	●		
●					



Mr. Dewan Mujibur Rahman	Managing Director & CEO
Mr. Md. Shafiet Wahed	Deputy Managing Director
Mr. Kazi Md. Talha	Deputy Managing Director
Mr. Kazi Ahsan Khalil	Deputy Managing Director
Mr. Kabir Ahmed	Executive Vice President
Mr. Tanusree Mitra	Executive Vice President
Mr. Kazi Md. Safayet Kabir	Executive Vice President
Mr. Harunur Rashid	Senior Vice President
Mr. Dipak Kumar Chakraborty	Senior Vice President
Mr. Md. Mynul Hossain Kabir	Senior Vice President
Mr. AIM Mostafa	Senior Vice President
Mr. Mohammad Mostahaque	Vice President
Mr. Md. Masum Haider	Vice President
Mr. Md. Haider Akhlaque	Vice President
Mr. Md. Abdullah Al Mamun	Assistant Vice President

MANAGEMENT COMMITTEE

ASSET - LIABILITY COMMITTEE

Mr. Dewan Mujibur Rahman	Chairman
Mr. Md. Shafiet Wahed	Member
Mr. Kazi Ahsan Khalil	Member
Mr. Kabir Ahmed	Member
Mr. Md. Mynul Hossain Kabir	Member
Mr. Md. Abdul Gofur Raana	Member
Mr. Harunur Rashid	Member Secretary



Management Committee (MANCOM)



Sitting From the Left Side: Mr. Md. Shafiet Wahed , Mr. Dewan Mujibur Rahman , Mr. Kazi Md. Talha and Mr. Kazi Md. Ahsan Khalil.

Standing From the Left Side: Md. Haider Akhlaque, Mr. A.I, M. Mostafa, Mr. Md. Masum Haider, Mr. Tanusree Mitra, Mr. Dipak Kumar Chakraborty, Mr. Md. Mynul Hossain Kabir, Mr. Kazi Md. Safayet Kabir, Mr. Mohammad Mostahaque, Mr. Md. Abdullah Al. Mamun, Mr. Harunur Rashid and Mr. Kabir Ahmed.

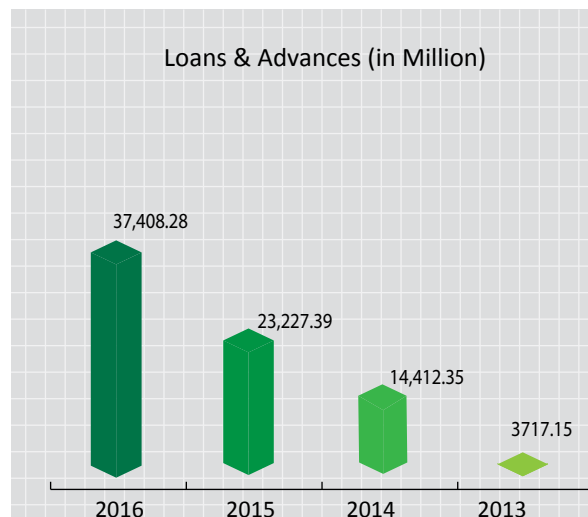
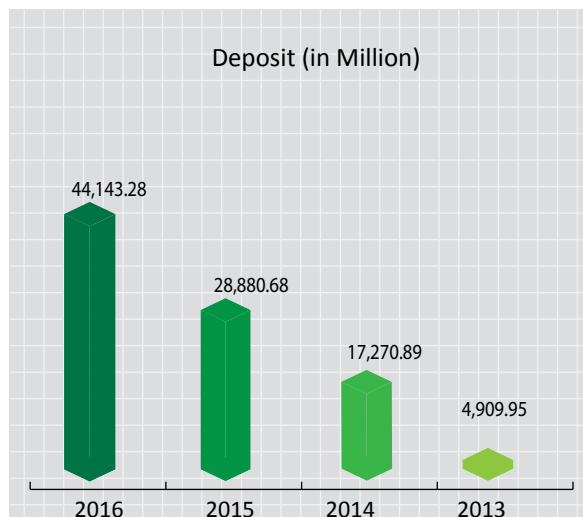
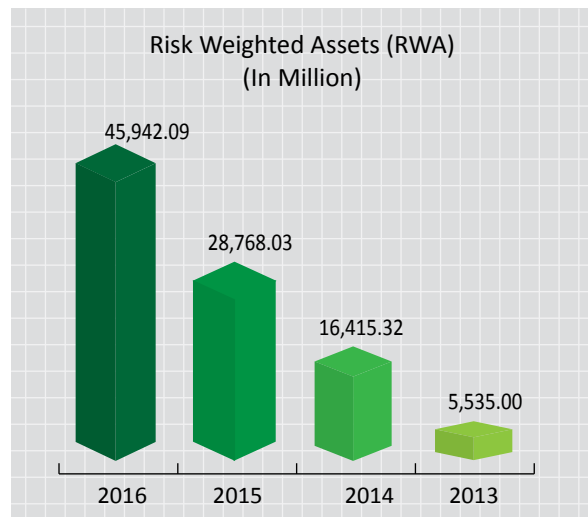
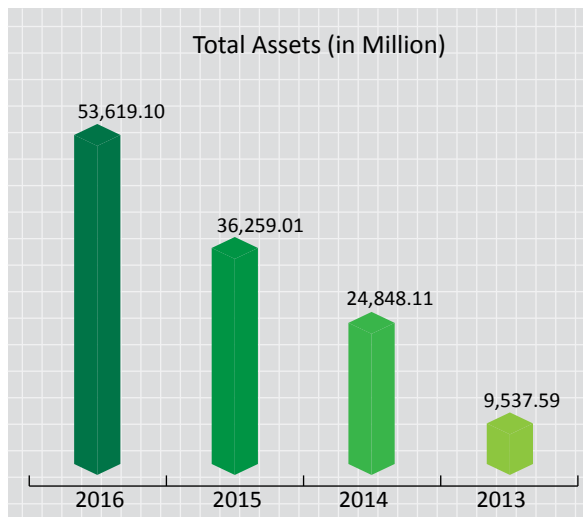
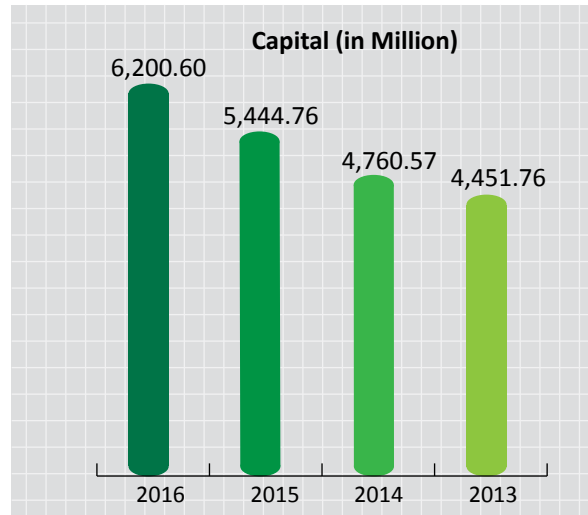
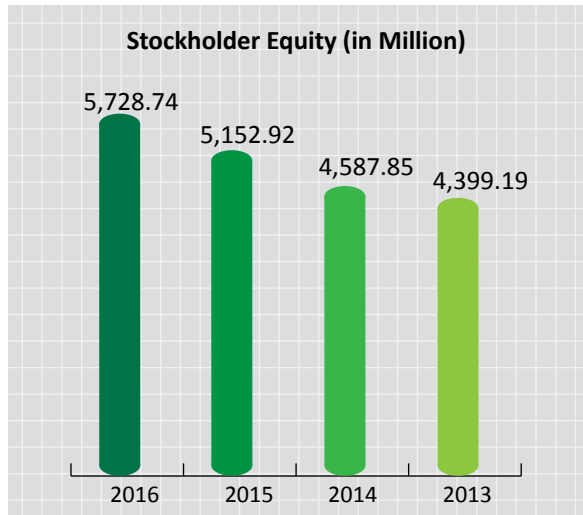


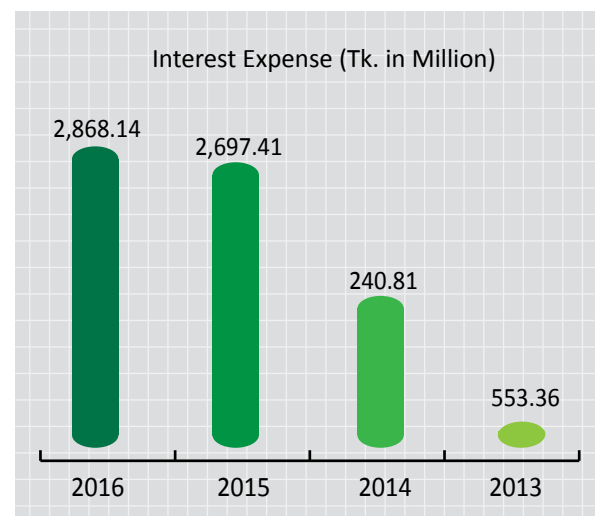
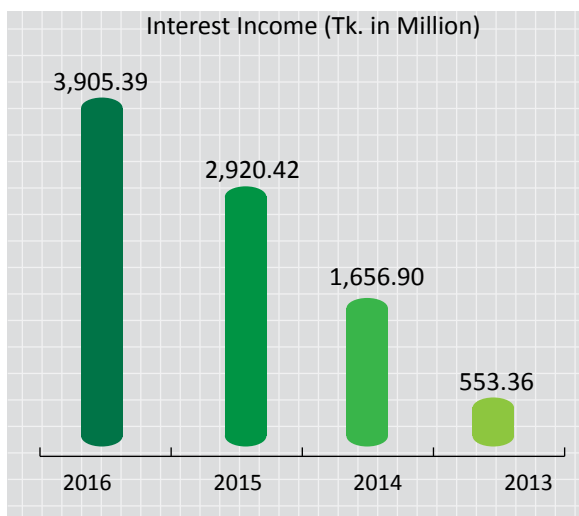
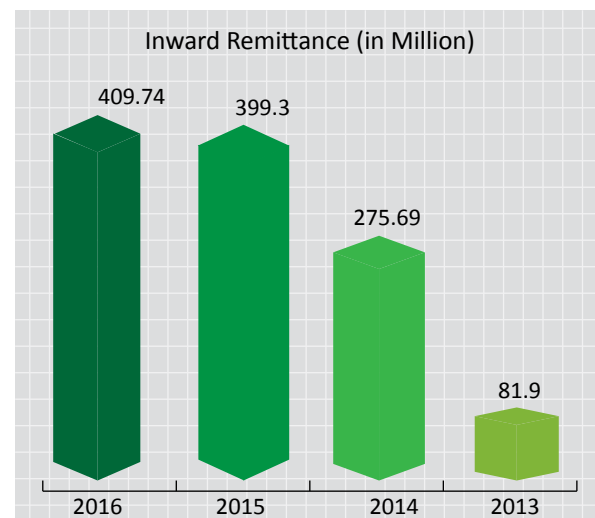
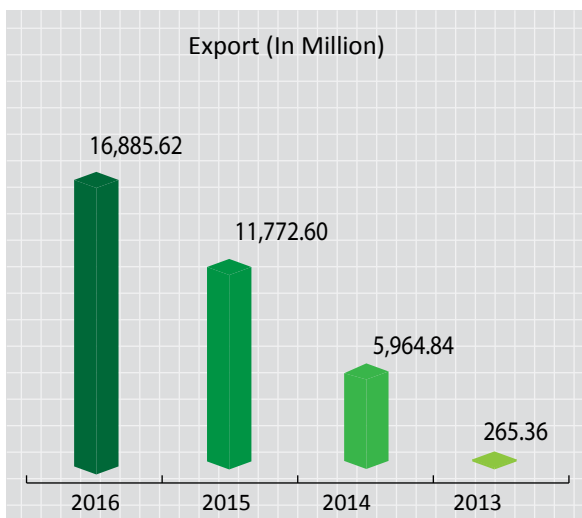
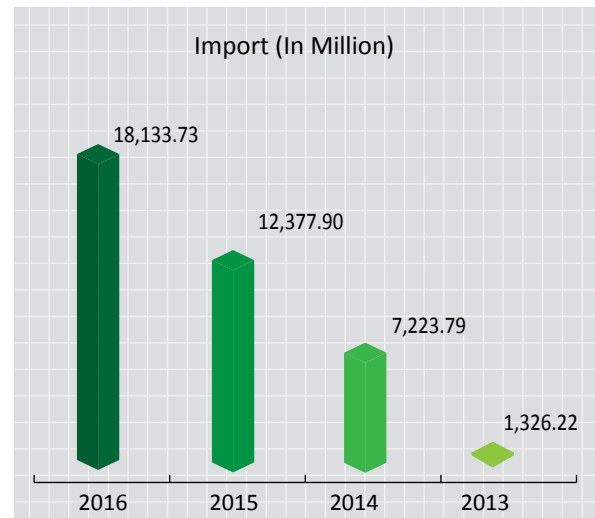
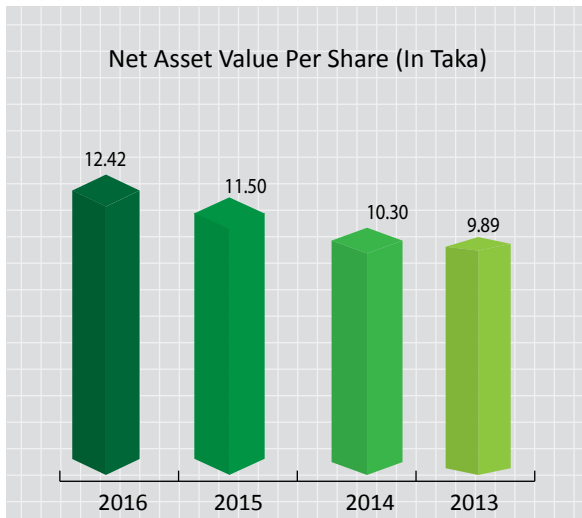
Key Financial Indicators

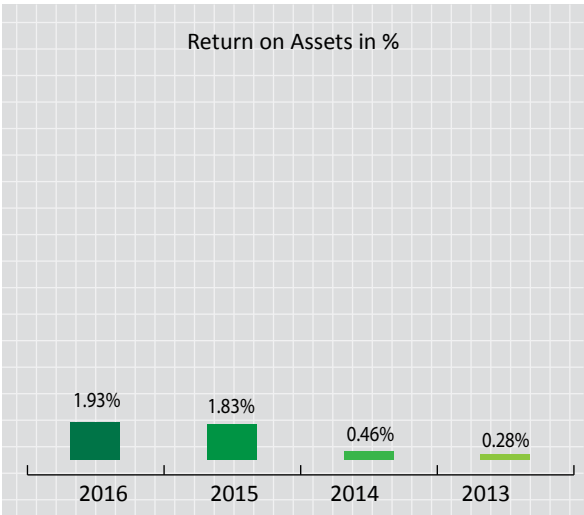
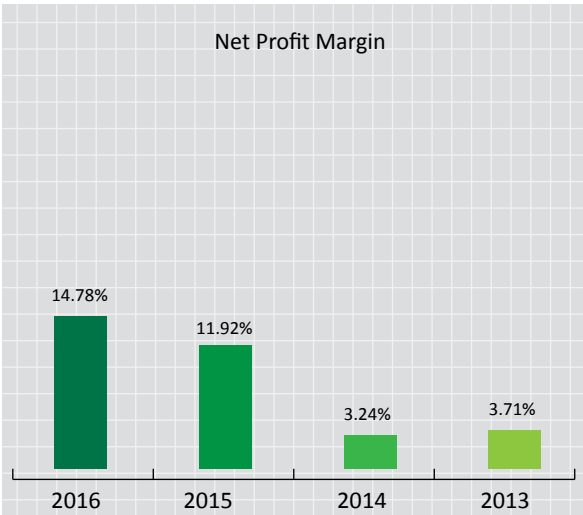
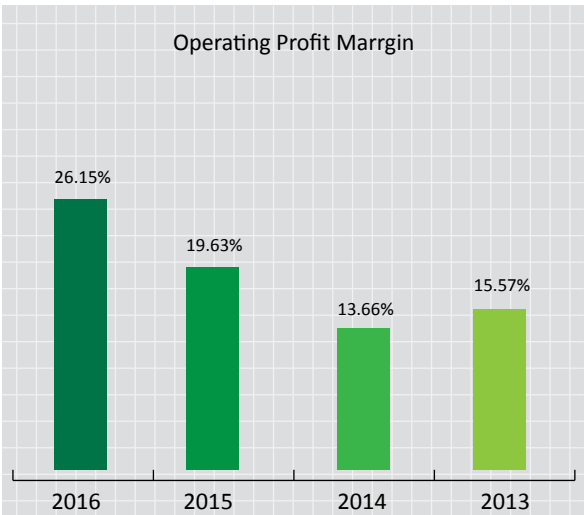
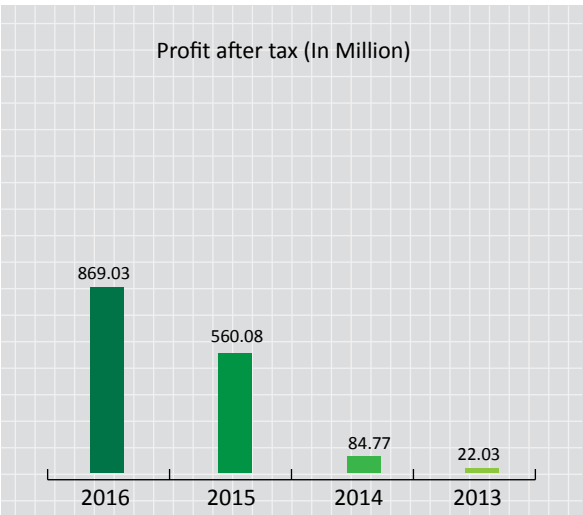
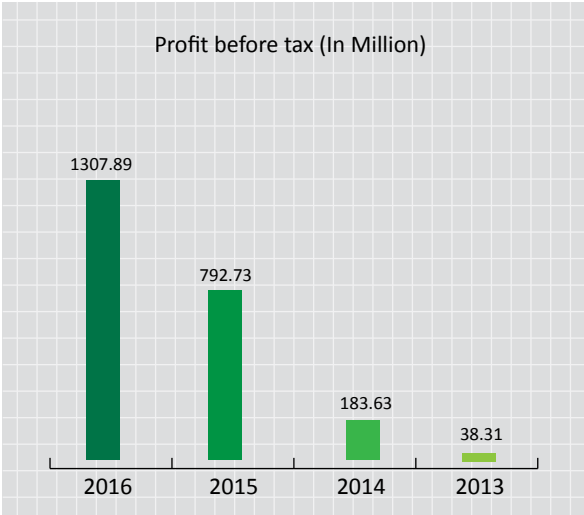
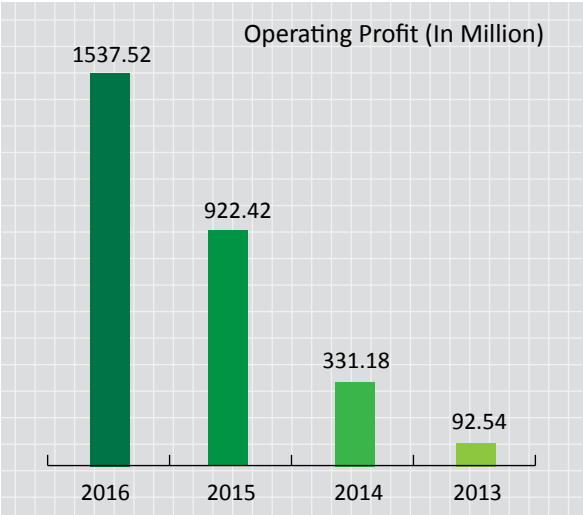
Million Taka otherwise specified

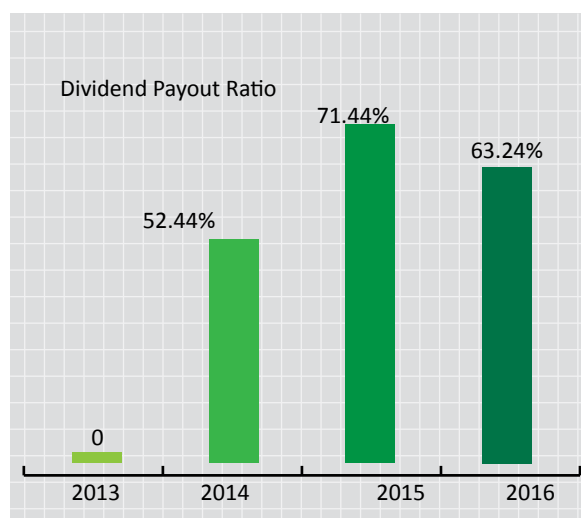
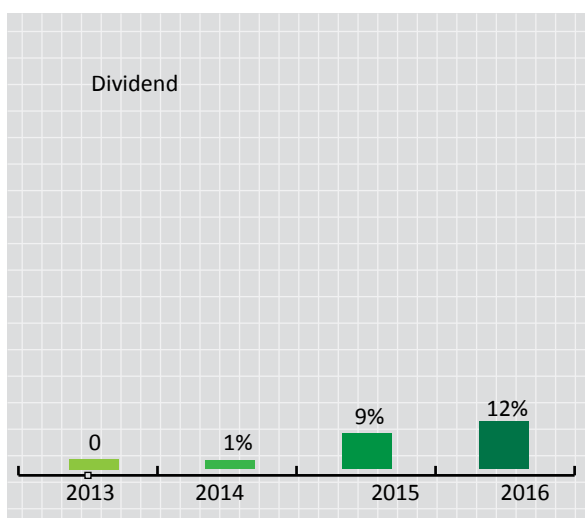
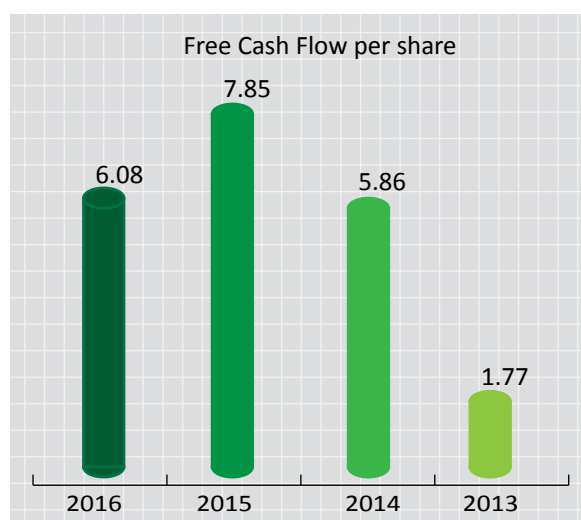
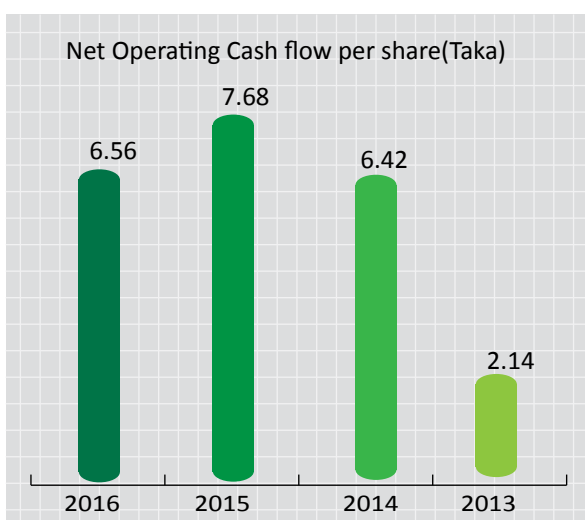
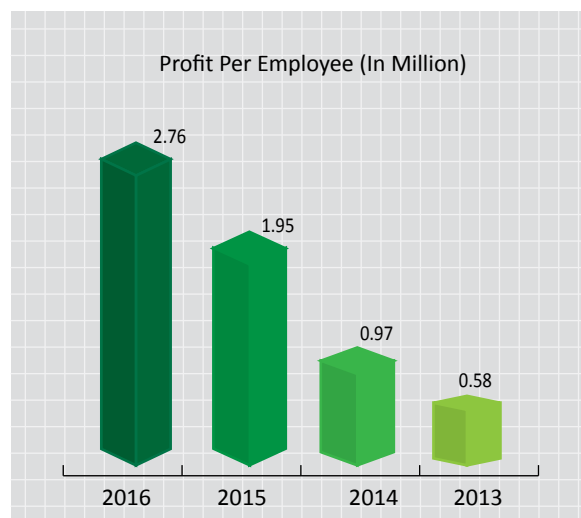
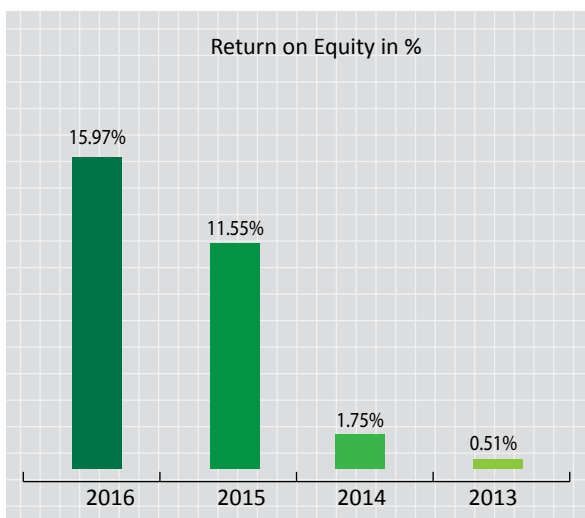
Particulars	2016	2015	2014	2013
Balance Sheet Matrix				
Authorized Capital	10000	10000	10000	10000
Paid up capital	4,900.00[If bonus share approved by shareholder in the 4 th AGM]	4,579.44	4,446.06	4,373.85
Reserved Fund & Surplus	1,108.62	666.96	141.79	25.33
Total Stockholder Equity	5,728.74	5,152.92	4,587.85	4,399.19
Deposit	44,143.28	28,880.68	17,270.89	4,909.95
Loans & Advances	37,408.28	23,227.39	14,412.35	3,717.15
Investments	7,527.58	6485.87	5,669.75	643.24
Fixed Assets	560.10	464.9	342.89	145.15
Total Assets	53,619.10	36,259.01	24,848.11	9,537.59
Total Off-balance sheet Items	12,934.95	8,651.75	4,492.66	1,083.11
Interest Earning Assets	48,816.25	31,991.23	22,288.91	8,554.98
Non-Interest Earning Assets	4,802.85	4,267.78	2,559.05	982.61
Income Statements Matrix				
Interest Income	3,905.39	2,920.42	1,656.90	553.36
Interest Expense	2,868.14	2,697.41	1,433.07	240.81
Investment income	1,488.94	1,468.89	609.35	28.48
Non-Interest Income	485.67	310.31	157.81	12.65
Operating Expense	1,474.34	1,079.80	659.8	261.14
Total Income	5,880.00	4,699.62	2,424.05	594.49
Total Expense	4,342.48	3,777.21	2,092.87	501.95
Operating Profit	1,537.52	922.42	331.18	92.54
Profit before tax	1,307.90	792.73	183.63	38.31
Profit after tax	869.03	560.08	84.77	22.03
Capital Measure				
Risk Weighted Assets	45,942.09	28,768.03	16,415.32	5,535.00
Core Capital (Tier I)	5,690.30	5,106.67	4,581.57	4,395.88
Supplementary Capital (Tier II)	510.30	338.09	214.01	55.88

Particulars	2016	2015	2014	2013
Total Capital	6,200.60	5,444.76	4,760.57	4,451.76
Capital Surplus/(Deficit)	1,319.26	2,567.96	3,119.05	3,898.26
Tier – I Capital Ratio	12.39%	17.75%	27.70%	79.42%
Tier – II Capital Ratio	1.11%	1.18%	1.30%	1.01%
Total Capital to Risk Weighted Assets Ratio (CRAR)	13.50%	18.93%	29.00%	80.43%
Asset Quality				
Classified Loan	193.02	62.86	Nil	Nil
% Classified Loan in terms of LDOs	0.52%	0.27%	0.00%	0.00%
Provision for Unclassified Loan	370.49	237.59	158.01	43.40
Provision for classified Loan	58.65	4.76	Nil	Nil
Provision for Off-balance Items	129.35	86.52	38.50	10.83
Foreign Exchange Business				
Import	18,133.73	12,377.90	7,223.79	1,326.22
Export	16,885.62	11,772.60	5,964.84	265.36
Remittance (inward)	409.74	399.30	275.69	81.90
Operating Profit Ratio				
Credit Deposit Ratio	82.99%	79.11%	79.79%	75.71%
Operating Profit Margin	26.15%	19.63%	13.66%	15.57%
Net Profit Margin	14.78%	11.92%	3.24%	3.71%
Yield on Loans & Advances	13.04%	14.10%	14.42%	15.17%
Cost to Deposit	6.91%	8.40%	9.81%	11.14%
Administrative Cost	2.70%	3.17%	3.57%	5.70%
Cost of fund	9.61%	11.57%	13.38%	16.84%
Spread in term of Cost of Fund	3.43%%	2.53%	1.04%	-1.67%
Return on Equity	15.97%	11.55%	1.75%	0.51%
Return on Assets	1.93%	1.83%	0.46%	0.28%
Equity Multiplier	8.26 times	6.30 times	3.83 times	1.83 times
PERFORMANCE RATIO				
Profit Per Employee	2.76	1.95	0.97	0.58
Burden Ratio	28.71%	31%	58%	86%
Cost to income ratio	49.72%	53.93%	66.58%	73.84%
Dividend				
Cash	5%	6%	1%	Nil
Stock	7%	3%	Nil	Nil
Total Dividend	12%	9%	1%	Nil
Dividend Payout Ratio	63.24%	71.44%	52.44%	Nil
Share Information Matrix				
Share Outstanding (No. in Million)	490.00 [If bonus share approved by shareholder in the 4 th AGM]	457.95	444.61	444.61
No. of Share Holder/Sponsor	53	53	53	53
Earnings Per Share (Taka)	1.90	1.26	0.18	0.05
Net Asset Value Per Share (Taka)	12.42	11.5	10.3	9.89
Net Operating Cash flow per share(Taka)	6.56	7.68	6.42	2.14
Free Cash Flow per share	6.08	7.85	5.86	1.77
Other Information				
No. of Branches	51	40	26	10
No. of ATM	42	29	15	10
No. of Relationship Management Account	148	135	116	70
No. of employees	557	479	340	160
No. of NOSTRO Account	13	11	10	9











DIRECTORS' REPORT

Bismillahir Rahmanir Rahim

Honorable Shareholders

On behalf of the Board of Directors of NRBC Bank Limited, I am immensely pleased to welcome you all to the 4th Annual General Meeting (AGM) and present the Annual Report of the Bank. NRBC Bank is the first Bank among the 4th Generation Banks, which started its operation on 18th April 2013 being promoted and sponsored by 53 distinguished Non-Resident Bangladeshis.

Taking this opportunity, I am pleased to present the Directors' Report along with the audited Financial Statements of the Bank for the year ending 31st December 2016 for consideration, approval, and adoption by our valued Shareholders. The Financial Statements of the Bank have been prepared with an eye to providing the widest possible coverage in terms of compliance with the related regulators and financial standards and to give a fair view of the business activities in a transparent manner to our shareholders, regulators and stakeholders.



View of the 3rd annual general meeting (AGM) held on 18 April 2016 at the silver, 52 Gulshan Avenue, Gulshan-1. Honorable Chairman Mr. Farasath Ali presided the meeting in the presence of respected Directors and Sponsors Shareholders of the AGM.

"THE DIRECTOS' REPORT" presents in compliance with Section 184 of the Companies Act 1994 and Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07th August 2012 of the Securities and Exchange Commission:

1a) The State of the Company's Affairs [Section # 184(1a) of the act]

Bangladesh has come into the spot-light over the past decade with drastically improved its economic indicators and attained average growth rate of GDP around 6.50 % throughout the financial crisis and global recession. The market-based economy of Bangladesh is the 44th largest in the world in nominal terms, and 32nd largest by purchasing power parity. It is classified among the next eleven emerging market economies and a frontier market.

According to the IMF, Bangladesh economy is the second fastest growing major economy in 2016, and Bangladesh is now considered as a lower middle income country. The simplest measure of economic well-being of a country is its GDP and per capita which is a measure of the value of total goods and services produced in a country divided by the

total population. Although, global economic growth was 3.40% in 2016, Bangladesh Economy grew at the highest ever record of GDP growth of 7.11% in the last 2015-16 financial year (FY16). It is expected that the economy will grow at 7.20% in the current 2016-17 financial year (FY17). Besides the phenomenal rise in the GDP, the per-capita income surged to \$1,465.00, which is also the highest record. Inflation rate of Bangladesh reduced to 5.15% which was about 5.65% at the beginning of the year, unlike the world inflation rate. Bangladesh's foreign exchange reserves rose to record \$32.09 billion and the BOP surplus grew to \$3.7 billion at the end of December, 2016. Investment GDP ratio of Bangladesh reaches at 28.97% in the year 2016. To attain targeted growth rate investment GDP ratio need to be increased.

To increase investment, the Government is trying to reduce its borrowing from market so that the private sector investors are not crowded out. It seeks to ensure available fund for private sector investors to accelerate investment and growth rate. Unemployment Rate of Bangladesh was approximately 4.30 % by the end of year 2016. It is expected that Bangladesh Economy will experience positive BOP, BOT, higher Investment & GDP growth, lower inflation & unemployment rate and will attain its targeted growth rate in the FY 2016-2017.

NRBC Bank also articulates the economic stability and continues its progress which is reflected in the state of the company's "Bank" affairs in 2016.

Cash Management

Cash management refers to the prudent and efficient management of holding cash in such a way so that a bank can earn maximum benefit keeping the risk at a minimum level. A bank's prudential regulation is to ensure its safety and soundness to protect the interest of the community as a whole. NRBC Bank has also tried in the best possible way to manage its cash in the most prudent manner, meeting all cash needs and maintaining the risk at its minimum level. However, holding cash liquidity is being increased, keeping pace with the expansion of the branch network of the Bank over the years.

Year	in million otherwise specified			
	2016	2015	2014	2013
Cash in Hand & at Bank	7,099.34	5,313.93	3,715.25	4,522.54
CRR	6.62%	6.55%	6.51%	6.11%
Cash to Deposit Ratio	7.01%	7.74%	9.00%	28.10%
Operating Cash Flow per share	5.56	8.32	6.42	2.14

According to MPD Circular No. 01 dated 23 June 2014 of Bangladesh Bank, Cash Reserve Requirement increased to 6.5% on bi-weekly basis with effect from 24 June 2014 and the Bank has accordingly maintained the regulatory requirement since 2013.

The operating cash flow per share is a reliable measure of a bank's/company's financial strength. Although earnings per share directly measures the amount an investor makes on his/her shares and is, therefore, the more popular investment measure used as a more reliable measure in terms of the company's financial strength in the operating cash flow per share.

Operating cash flow comes down to Tk.5.56 per share in 2016 indicates credit growth somewhat increased to have effect on Earning per Share (EPS) of Tk.1.90

Treasury Management

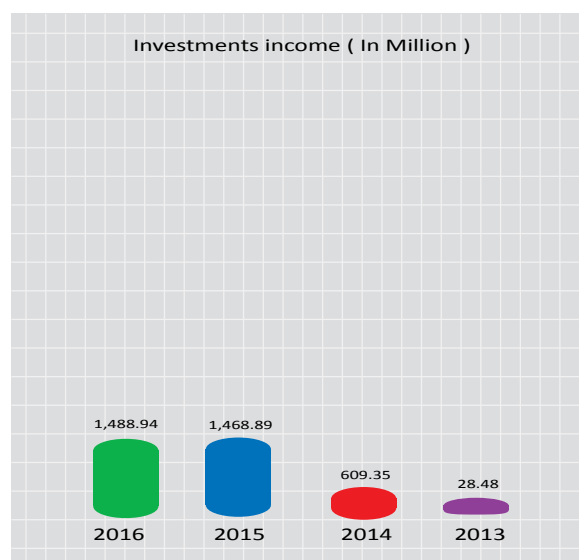
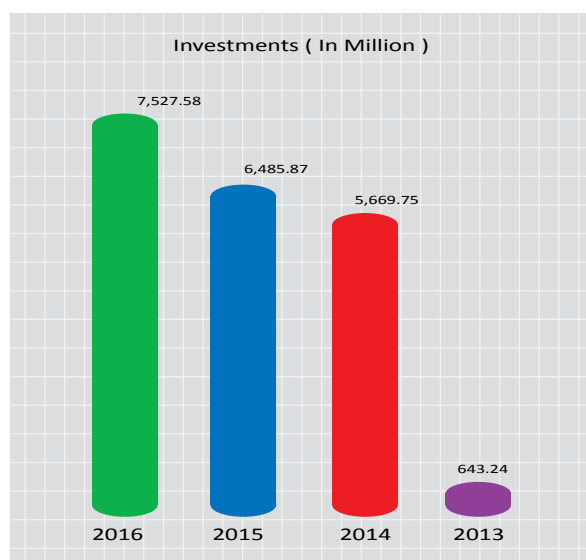
NRBC Bank has an innovative and dynamic treasury team adept in diversified investment opportunities and consistent contribution in Bank's profitability. In addition to its responsibility for compliance with reserve requirements and management of liquidity and interest rate risk on the Bank's balance sheet, it offers a wide range of treasury products and services to corporate and individual customers. The Bank enters into foreign exchange and derivative deals with counter parties after setting up its appropriate counter party credit limits based on its evaluation of the ability of the counter party to meet its obligations in the event of crystallization of the exposure.

NRBC Bank has been acting as a Primary Dealer since its inception in the treasury market. As a primary dealer, The Bank is required to make bids or offers when Bangladesh Bank conducts open market operations and to participate actively in government treasury securities auctions. The Table below shows the scenario of stable growth of treasury investment over the year.

in million otherwise specified

Year	2016	2015	2014	2013
Total Investment	7,174.16	6,200.87	5,669.75	643.24
Investment In Govt. Securities	5,253.16	4,138.47	4,196.29	643.24
Ratio of Govt. Investment to Total Investment	73.23%	66.74%	74.01%	100.00%
Net Treasury Income	1,295.69	831.03	397.12	14.54

Investment in government treasury securities such as T-bills and T-bonds vastly increased over the year. During the last three years NRBC Bank traded and had re-invested in government treasury security such as T-bills and T-bonds and earned significant income having “0” tax implication.



Persistent growth in net treasury income was contributed in the overall profit portfolio. In 2016, net treasury income stood Tk. 1,295.69 million which was ever highest in volume as well as 55.91% higher than 2015.

Loans and Advances

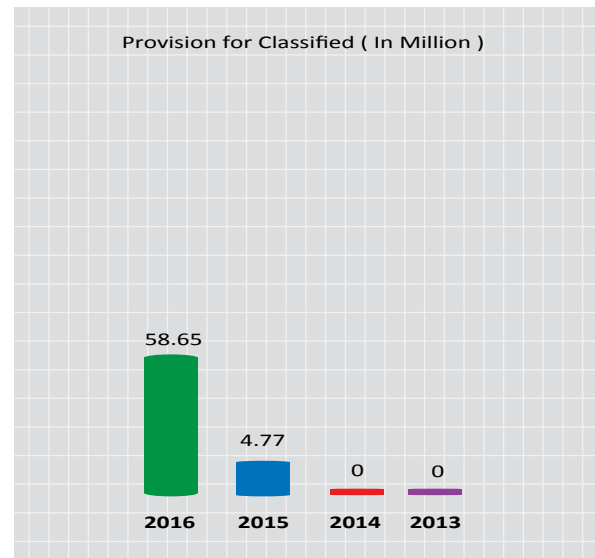
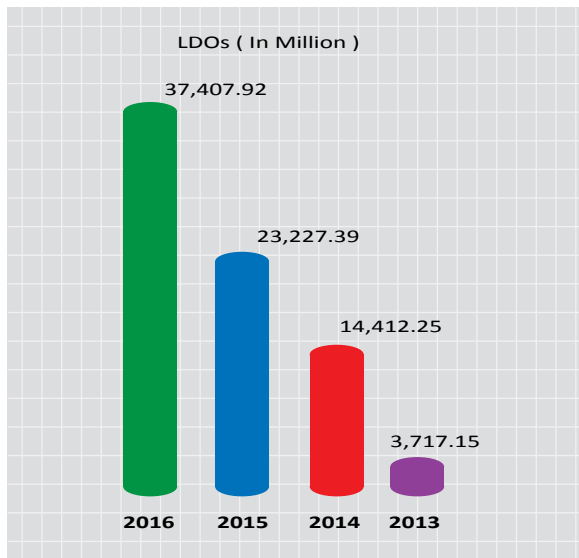
Over the past two years, the country experienced a significant decline in interest rates, partially driven by low inflation. However, build-up of excess liquidity caused by low credit demand, current account surpluses and low government borrowing also played a major role in driving interest rates lower.

Furthermore, over the past couple of years, a large number of local corporate customers borrowed from external foreign sources which lead low credit growth in banking sector.

in million otherwise specified

Year	2016	2015	2014	2013
LDOs	37,407.92	23,227.39	14,412.25	3,717.15
AD Ratio	82.99%	79.11%	76.83%	72.81%
% of Classified Loan	0.52%	0.27%	0.00%	0.00%
% of Large loan	33.14%	25.81%	32.35%	48.65%
No. of loan Account	7,860	5,039	2,491	491

NRBC Bank registered a remarkable credit growth in 2016, which is observed a 61.05% growth over the previous year performance.

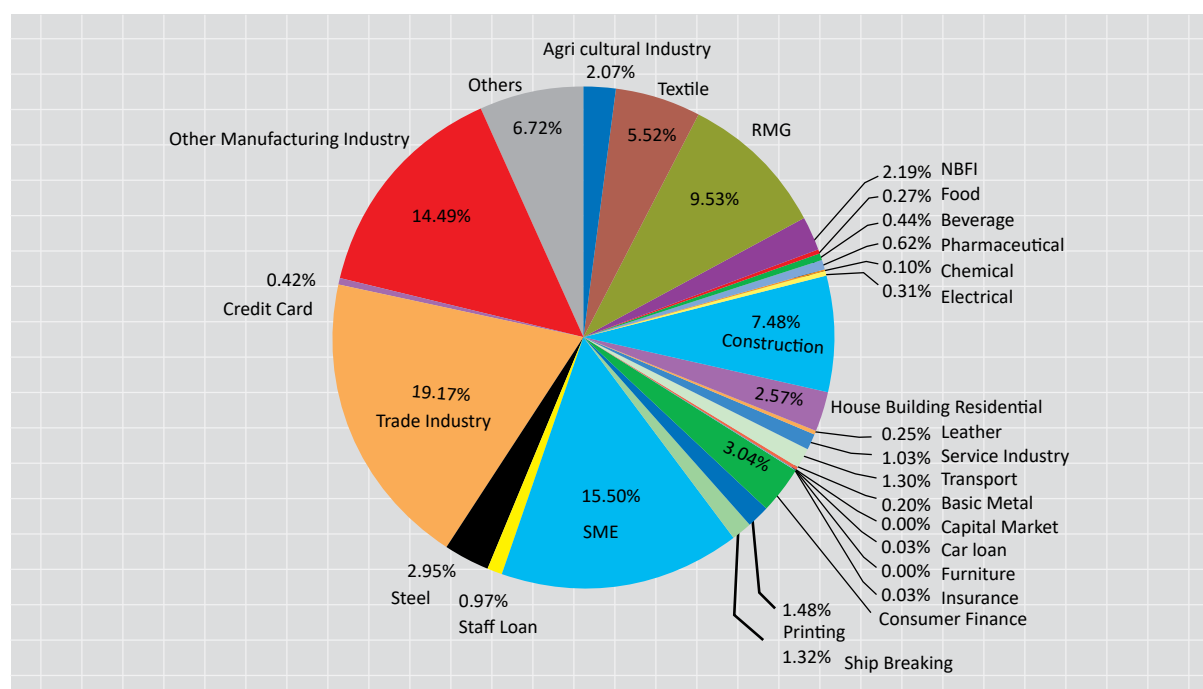


The management team entertained credit file on the basis of its merit, credit worthiness, security and market reputation etc. This sagacious process helped the bank to build a healthy assets portfolio. As a result, Non-Performing Assets (NPA) in 2016 was recorded at 0.52% of total loans & Advances which is one of the lowest in the industry.

Sector wise distribution of credit portfolio of NRBC Bank

LDOs Portfolio	Taka in Million	% in the Portfolio
Agri cultural Industry	773.16	2.07%
Textile	2,066.05	5.52%
RMG	3,565.48	9.53%
NBFI	820.28	2.19%
Food	99.93	0.27%
Beverage	166.12	0.44%
Pharmaceutical	231.20	0.62%
Chemical	38.11	0.10%
Electrical	114.67	0.31%
Construction	2,799.20	7.48%
House Building Residential	961.37	2.57%
Leather	92.11	0.25%
Service Industry	384.78	1.03%
Transport	485.38	1.30%
Basic Metal	73.78	0.20%
Capital Market	-	0.00%
Car loan	11.65	0.03%
Furniture	1.43	0.00%
Insurance	11.95	0.03%
Consumer Finance	1,137.39	3.04%
Printing	552.93	1.48%
Ship Breaking	495.06	1.32%
SME	5,796.86	15.50%

LDOs Portfolio	Taka in Million	% in the Portfolio
Staff Loan	361.64	0.97%
Steel	1,103.56	2.95%
Trade Industry	7,171.33	19.17%
Credit Card	157.46	0.42%
Other Manufacturing Industry	5,422.05	14.49%
Others	2,512.98	6.72%
Total	37,407.92	100.00%



Deposits Mobilization:

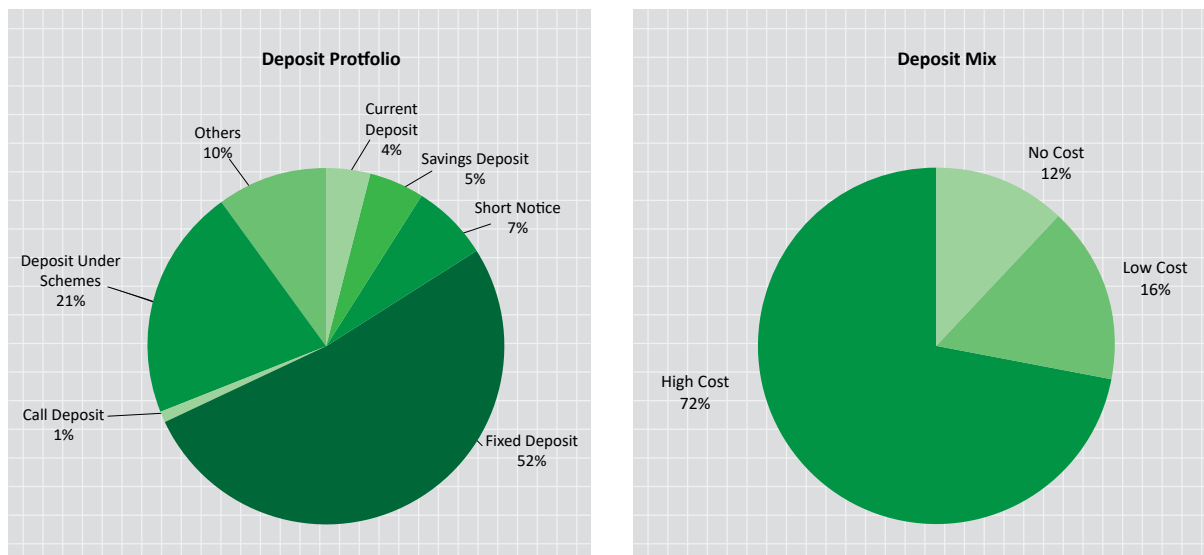
The country is passing through an overall pessimistic investment climate as huge amounts of idle money are piled up in the banking system. However, NRBC Bank has launched a drive for deposit mobilization to keep pace with credit growth by maintaining its Advance-Deposit ratio within prescribed limit suggested by Bangladesh Bank.

in million otherwise specified

Year	2016	2015	2014	2013
Deposits	44,143.28	28,880.68	17,270.88	4,909.96
Cost of Deposit	6.91%	8.40%	9.81%	11.13%
No. of Deposit A/c	122,179	76,890	42,132	8,259
% of low cost deposit mixing (CASA)	28.08%	17.49%	13.35%	10.26%

NRBC Bank has consistently been maintaining strong deposits since its inception and concentrating on mobilizing no cost or low cost deposit. Low-cost deposits i.e. CASA (CD, SB and SND) are the key factors for a bank's profitability in the long run, though its sustainability would depend on factors such as credit growth and return on assets. NRBC Bank has gradually increased the CASA ratio in the deposit basket i.e. Tk. 13,120.72 million CASA deposit out of total Deposit of Tk. 44,143.28 million in 2016, which is 159.75% higher than 2015.

In deposit portfolio, following are the product wise deposit and deposit mix on merit of cost:



Shareholder Equity Value

Remaining rest to the shareholder is the par value of equity wherein assets are being excess over the liabilities. Consistently increase of equity value of NRBC Bank Shareholders despite of ever highest dividend payout ratio 71.44% for the year 2015. The under mentioned table shows that equity and capital coincide over the years consistently, which indicates that good quality assets are contributed in the growth of the bank.

in million otherwise specified

Year	2016	2015	2014	2013
Equity	5,728.73	5,152.92	4,587.85	4,399.19
Capital	6,200.61	5,444.76	4,766.86	4,451.76
NAV	12.42	11.50	10.30	9.89
Capital Surplus/(Deficit)	1,319.26	2,567.96	3,125.33	3,898.26
Risk Weighted Assets	45,942.09	28,768.03	16,415.32	5,534.95
Capital Adequacy Ratio	13.50%	18.93%	29.04%	80.43%
Capital- Core (Tier I)	5,690.27	5,106.67	4,552.86	4,395.88
Capital- Supplementary (Tier II)	510.34	338.09	214.00	55.88

Net Assets Value (NAV) per share stood at Tk.12.42, which is higher than previous year by 8%. Both healthy equity and capital is symbol of safe investment by the investors resulting NAV ahead of par value of share.

NRB Commercial Bank Limited, with its focused strategy on risk management, has always been consistent in managing capital adequacy ratio above the regulatory requirements. The Bank has been successfully managing the incremental growth of the Risk Weighted Assets by ensuring diversification of the portfolio in SME, Retail and Corporate segments.

Operational Performance

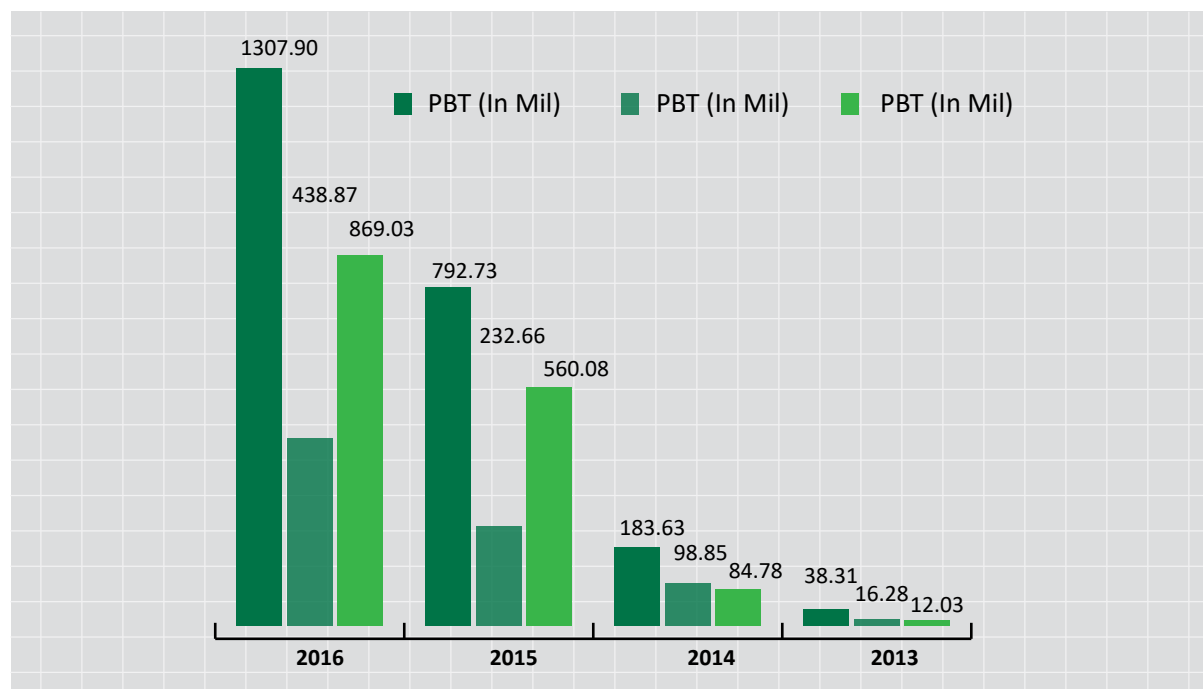
NRBC Bank has maintained its operating-profits growth despite a downturn in interest-rate spread in banking sector,

but remarkable 66.68% operating profit growth achieved in 2016 is really mentionable.

in million otherwise specified

Particulars	2016	2015	Change
Total operating income	5,880.00	4,699.63	25.12%
Total operating expense	4,342.48	3,777.21	14.97%
Operating profit (Profit before provision and tax)	1,537.52	922.42	66.68%
Profit before tax for the year	1,307.90	792.73	64.99%
Tax provision	438.87	232.66	88.63%
Profit after tax (PAT)	869.03	560.08	55.16%
Earnings per share (EPS)	1.90	1.26	50.79%
Cost income ratio	49.03%	53.93%	-9.09%
Return on investment (ROI)	15.97%	11.55%	1.38 Times
Return on assets (ROA)	1.93%	1.83%	1.05 Times

NRBC Bank earned an extra ordinary gain from capital market of Tk. 142.04 million as well as gain from dealing with govt. securities of Tk. 253.70 million in 2016. Less tax bracket of these income has reduced the effective tax burden to the bank, in effect, increase in EPS by 50.79% than the previous year of 2015.



Like previous year, NRBC Bank Limited has maintained upward trend of Return on Equity (ROE) and Return on assets (ROA) resulting in enhancement of dividend by 3% than the previous year of 2015.

Foreign Trade Business:

Bangladesh is still under the suspension of Generalized System of Preferences (GSP) in the USA market for readymade garments. Despite the fact, Bangladesh's exports grew 14 percent over the period while the average export growth of the Asia-Pacific region was 7.5 percent, according to the Asia-Pacific Trade and Investment Report 2016.

NRBC Bank achieved on growth 46.50% in export business over the year of 2015 and, at the same time, import growth was 43.43%. Achievement in foreign trade business was the result because of proper intervention by the management to build up credit line, Relationship Management Account (RMA) with corresponded and Nostro account with leading bank abroad. Year wise result of foreign trade performance is shown below:

in million otherwise specified

Particulars	2016	2015	2014	2013
Import	18,133.73	12,377.90	7,223.80	1,326.20
Export	16,885.62	11,772.60	5,964.80	265.40
Remittance	409.74	399.30	275.70	81.90
RMA	148	135	116	70
Nostro Account	13	11	10	09
Foreign Remittance Agencies	5	3	1	0

However, comparing the foreign trade business with the year 2015, it showed that volume of business was increasing in 2016, but was decreasing trend in term of percentage.

Last year, foreign remittance did not achieve the expected growth. The country's remittance inflow witnessed a sharp fall by 11.13% in the just concluded year 2016 due to wide difference in exchange rate between institutions and curb market amid falling oil price. The Gulf countries, the largest labour market for Bangladeshi expatriates and also the main source of remittance, are going through an economic crisis due to the oil price slump. As a result, remittance inflow from those countries declined which hit hard the overall remittance inflow in Bangladesh. The Bank management is trying to increase foreign remittance by agreement with the renowned remittance agencies. The Bank has signed two additional remittance agencies in 2016.

(1b) Maintenance of Required Reserve in the Audited Financial Statement approved by Board [Section 184 (1b) of the act]:

Pursuant to Section 24 of the Bank Companies Act 1991, as amended 2013, at least 20% of net profit before tax is to be transferred to statutory reserve account each year until the cumulative balance of the statutory reserve is equal to the amount of paid up capital account. During the year 2016, 20% of Pre-tax profit has been transferred to statutory reserve for the reason mentioned earlier, and the balance stood as under:

Statutory Reserve	Taka In million
Beginning Balance	203.22
Transfer during the period from pre-tax profit	259.55
Closing Balance of Statutory Reserve	462.77

Net Assets Value (NAV) was Tk.12.42 per share as of 31 December 2016, because of Tk. 259.55 million of statutory reserve transferred from profit before tax. No other reserve was maintained/proposed by Board of Directors during the period under consideration.

(1c) Recommendation of dividend by the Board of Directors [Section 184 (1c) of the act]

Stable dividend policy indicates maximization of profitability of the shareholder. The Board of Directors is continuously trying to uphold and protect the interest of all sponsors and ensure stable growth of the Bank. In continuation of the previous two financial years, the Board of Directors in its 51st meeting held on 26th February 2017 recommended for 12% dividend (5% in the form of cash & 7% in the form of Stock) on the holding of shares for the year 2016. Therefore, distribution of dividend shall be as under:

Taka In Million			
Rate of Dividend Recommended by the Board	Form	Amount	Remarks
5%	Cash	228.97	Will be distributed among the shareholder after AGM, if approved by shareholder
7%	Stock	320.56	Paid up capital will Stand Tk.4,900.00 million

In 2015, Board recommended 9% dividend (6% in the form of cash & 3% in the form of Stock) which duly approved in 3rd AGM held on 18 April 2016. The stating fact was that change of combination of dividend for 2016 with a view to strengthening the capital base as per BASEL III requirement has undergone implementation by Bangladesh Bank since 2014. Strong and large capital base of the Bank is being enhanced the capacity of large loan/investment exposure.

However, the Dividend recommended by the Board of Directors is placed before the next 4th Annual General Meeting for approval which is will be held on 23rd April 2017, Sunday, at 11:30 am at FARS Hotel & Resorts at 212, Shahid Syed Nazrul Islam Sharani (Bijoynagar), Dhaka-1000, Bangladesh.



Signing ceremony of the Financial Statements – 2016 in the presence of Honorable Directors after duly accord/recommended by Board of Directors in its 51st Meeting held on 26 February 2017.

(1d) Material changes and commitments have occurred between the end of the financial year and the date of the Directors' Report [Section 184 (1d) of the act]:

No material changes have occurred between the end of the financial year and the date of the Directors' Report i.e. AGM notice issuing date on 06 April 2017, except the Board of Directors in its 51st meeting held on 26 February 2017 recommendation of Dividend @ 12% dividend (5% in the form of cash & 7% in the form of Stock) on the holding of shares for the year 2016 which is expected to be approved in the 4th Annual General Meeting.

(2) Material Change of the state of company's affairs [Section 184 (2) of the Act]:

In the Directors' Report, it was mentioned that no material changes for appreciation of the state of the company's affairs by its members have occurred during the financial year 2016:

(a) Change in Company's Business Nature [Section 184 (2a) of the Act]:

No change has occurred in the company nature of business for the 2016 i.e. Bank run three types of business operations that mentioned in the Previous Year Directors' Report. NRBC Bank emphasis to establish agent banking service to the unbanked people through alternative delivery channel (ADC) and expansion of capital market operation along with conventional banking operation.

(b) Change in the company's subsidiaries or in the nature of the business carried on [Section 184 (2b) of the Act]:

Bank Subsidiary M/s. NRBC Bank Securities Limited resumed its commercial Operation on December 12, 2016 after getting Broker and Dealer permission from Bangladesh Securities and Exchange Commission.

However, The Company has no intention to change its nature of business in the near future.

(c) Change in classes of business in which the Bank has an interest [Section 184 (2c) of the Act]:

No other changes occurred during the financial year except exploiting the banking business as mentioned earlier.

(3) Fullest information and Explanation contained in the Auditors' Report [Section 184 (3) of the Act]:

The Board of Directors have duly reviewed the Auditors' Reports issued by the Auditors M/s. ACNABIN, Chartered Accountants and M/s. Hoque Bhattacharjee Das & Co., Chartered Accountants, based on the consolidated financial statements of the Group for the year ended 31 December 2016. The Auditors did not mention any material misstatement or significant disagreement of the Bank's consolidated financial statements. The Auditors expressed an unmodified opinion on the consolidated financial statements of the Group viz. true and fair view opinion on the consolidated financial statements of the Group for the year ended 31 December 2016.



The Additional Statement in the Directors' Report according to Notification No. SEC/CMRRCD/2006 158/134/ Admin/ 44 dated 07 August 2012 of the Securities and Exchange Commission apart from the Section 184 of Companies 1994:

i. Banking Industry outlook and possible future developments in the Banking industry:

World Economy perspective :

The Global Economic Prospects published in January 2017 by the World Bank viewed that Stagnant global trade, subdued investment, and heightened policy uncertainty marked another difficult year for the world economy. A moderate recovery is expected for 2017, with receding obstacles to activity in commodity exporters and solid domestic demand in commodity importers. Weak investment is weighing on medium-term prospects across many emerging markets and developing economies (EMDEs). Although fiscal stimulus in major economies, if implemented, may boost global growth above expectations, risks to growth forecasts remain tilted to the downside. Important downside risks stem from heightened policy uncertainty in major economies.

Bangladesh Economy :

Both economic and political stability in Bangladesh was strong in 2016. This has helped in achieving higher growth of gross domestic product that crossed 7 percent in fiscal year 2016. Industry played the main role in higher GDP followed by the services sector. Low petroleum prices in the global market helped inflation rates to stay low since Bangladesh spends a significant amount on petroleum products. Export earnings increased at a higher rate than imports and export-GDP ratio increased in Financial Year 2016 while import-GDP ratio declined. Higher export of readymade garments contributed to this growth.

Banking Industry in 2016:

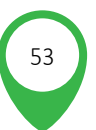
The political stability in 2016 has helped the banking sector pass a steady year. Economic growth and political stability are deeply interconnected. On the one hand, the uncertainty associated with an unstable political environment may reduce investment and the pace of economic development. Moreover, the poor economic performance might lead the government to collapse and unrest.

However, banking sector featured many ways in 2016:

1. Still the huge amount of excess liquidity approximately more than Taka 1,00,000 crore according to central bank data.
2. Public sector credit growth was volatile registering 3.00% to 4.00% against projected growth of 18.00% to 19.00%.
3. The credit demand had been bolstering @ 16.6% at the end of Financial Year16 which was far above the target of 14.8%.
4. Domestic credit growth reached 14.3% at the end of Financial Year against the target of 15.5% set in the monetary policy.
5. Lending rate continued to fall even amid growing credit demand over the previous year.
6. The forex reserve hit a record of \$32 billion in 2016, which was enough for meeting the country's eight months import costs.
7. Inflow of remittance witnessed a downward trend in the fiscal year because of depressed economic performance in the oil exporting countries has led to a cut in remittance flow to the country despite increase in migrant workers.
8. Soaring of non-performing loan piled up during the year and put pressure on capital adequacy.

ii. Segment-wise performance:

The Subsidiary Company M/s. NRBC Bank Securities limited made profit immediate after resuming its commercial operation on 12 December 2016. At the same time, volume of business and profitability of the parent company increased substantially over the previous year which was outlined in our previous analysis.



Particulars	Solo	Subsidiary	Consolidated
Cash in Hand & at Bank	3,094.03	100.62	3,094.05
Investment	7,174.16	353.42	7,527.58
Loan & Advances	37,407.92	0.36	37,408.28
Fixed Assets	554.88	5.22	560.10
Others Assets	1,344.62	40.79	1,023.80
Borrowing	763.43	-	763.43
Deposits	44,218.69	-	44,143.28
Other Liabilities	2,966.14	93.68	2,983.66
Shareholder Equity	5,681.99	40.67	5,728.74
Balance Sheet Size	53,619.10	500.42	53,619.10
Operating Profit	1,527.37	10.15	1,537.52
Profit after Tax	861.35	7.68	869.03

Contribution of the parent company (NRBC Bank) is 99.07 % in the group net income. The Subsidiary Company M/s. NRBC Bank Securities limited did not declare dividend for the year ending in 2016 resulting no financial inflow to the parent. However, 10% non-controlling interest has impact on regulatory capital of the company due to profitability of the subsidiary.

iii. Risks factors and concern by Bank to mitigate such risk

The smooth movement of the wheels of an economy depends on some vital sectors that directly contribute to sustainable economic growth and development. The banking sector is considered as one of the most significant players in strengthening the soundness of an economy. However, in the recent past banking sector was annoyed by the Cybersecurity and Non-performing loans (NPLs).

The term cyber security is used to refer to the security offered through on-line services to protect online information of the Bank. It's also the body of technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorized access. The banking sector at the moment is the biggest risk of cyber-crime.

Special initiatives and measures have to be undertaken by bank to strengthen cyber-security. A huge amount of cost was incurred in this regard in banking sector. NRBC Bank has experienced the same scenario. Bangladesh Bank issued directives on ICT Security guideline [May 2015, Sl. No. 9.2.11, page 40]. NRBC Bank has done the following activities for combating the same:

- The Bank has successfully completed VAPT (vulnerability assessment & penetration test) and other measures.
- The Bank has implemented and integrated Bio-Matrix authentication verification system in view to prevent unauthorized access to the Core Banking Software (CBS). This also implement in all agent banking transaction for rural and urban account holder.
- ICT Division has been arranging "Cyber Security Awareness" workshops for all employees of the Bank.
- The Bank has implemented Next Generation Firewall and Unified Threat Management Device to protect unwanted access; threats infiltrate the interior of the Bank Network- the core, the distribution layer, and the user access edge- where threat defenses and visibility are minimal.
- Time Base and Fixed IP Base security policy has been implemented both in LAN site and WAN site.
- Adopt the security system for the first time mandatory PIN change for all debit cardholders.

Non-performing loans (NPLs) is a burning issue of the banking sector. In NPL management, The Bank has given strong drive as well as vigilant to recovery of classified loan. NRBC Bank is vigorously following the Credit norms, policy and rules & regulations promulgated by Bangladesh viz. entertain credit on the basis of its merit, credit worthiness, physical verification of the security, market reputation of the customer etc. This sagacious process helped the bank to build up a healthy assets portfolio.

iv. Economic value of the Shareholder or Multiplier Analysis on Profitability to the shareholder value

Return on equity (ROE) measures the level of income attributed to shareholders against the investment that shareholders put into the Bank. In other words, it measures how efficiently a Bank is able to generate profits using shareholders' equity, which includes stock offerings and retained earnings. Profitability, efficiency and financial leverage are the basic elements in multiplier analysis which have impact on shareholder value.

The table below shows the improvement in burden coverage ratio over the years which increased the profitability in the year of 2016.

Particulars	2016	2015	2014	2013
Profit margin	14.78%	11.92%	3.24%	3.71%
Asset turnover	0.1308 times	0.1538 times	0.1410 times	0.0751 times
Equity multiplier	8.2592 times	6.299 times	3.826 Times	1.827 time
Return on Equity/shareholder	15.97%	11.55%	1.75%	0.51%

Though assets utilization was fall short in previous year, low cost fund mobilization by the management for investable fund help contribute in shareholder return.

v. Continuity of Extra-Ordinary gain by NRBC Bank

2016 is another successful year for NRBC Bank. The Capital market of the country was stable and consistent during the year of 2016. Therefore, Banking sector explored its avenue in the capital market under the prescribed limit set by Bangladesh. Active and prudent investment/participation in the capital market has been created to extract the capital gain of Tk. 142.04 million. At the same time, Govt. bond/securities market was low yield because of Govt. borrowing substantially decrease from banking sector in the last year. Despite the negative tone in the Govt. bond/securities market, Bank was able to earn a sizable capital gain of Tk. 253.70 million by dealing (buying/selling) with Government bond/securities. Low tax burden of such income, in effect, had impact on healthy bottom line.

vi. Related party transactions and its disclosure

The basis for related party transactions has been stated in the Corporate Governance Report and a statement of related party transactions has been presented in the Annexure I1 of Notes to the Audited Financial Statements.

vii. Utilization of proceeds from public issues, rights issues and/or through any others instruments

The Bank is yet to go for Initial Public Offering (IPO) which is supposed to be direct listing in the year of 2016. However, at the request of Board of Directors, Bangladesh Bank accorded delayed direct listing with any Stock Exchange in Bangladesh through Initial Public Offering (IPO) by three years. Subsequently, Bangladesh Security and Exchange Commission (BSEC) accorded the same. Therefore, the Bank would go for IPO in the year 2019.

viii. An explanation for deteriorate of financial results after Initial Public Offering IPO, if any

Such explanation is not applicable for NRBC because no proceed has yet been collected through Initial Public Offering (IPO). At the same time, the financial results were so much impressive in 2016 than the previous years that discussed in "The State of Affairs of the Company" Segment.

ix. Significant variance occurs between Quarterly Financial Performance and Management explanation about the variance

Operating Income was increasing over the quarters. The joint efforts of the Board and the management were behind the success of this trend.

						Fig. in Million
Particulars	Q1, 2016	Q2, 2016	Q3, 2016	Q4, 2016	*QA, 2016	Annual, 2016
Net Interest Income	112.49	243.82	283.09	397.84	259.31	1,037.25
Non-Interest Income	481.62	389.07	310.09	793.83	493.65	1,974.61
Operating Income	594.12	632.89	593.18	1,191.67	752.96	3,011.86
Operating Expenses	292.04	322.34	318.53	541.43	368.58	1,474.34
Operating Profit	302.08	310.56	274.65	650.24	384.38	1,537.52

*QA = Quarterly Average

In capital market operation in 4th quarter the profitability created a big chunk as well as exceptional gain on sale of Treasury Bonds by an amount of Tk. 395.74 million in the reporting quarter. These exceptional performances in the 4th quarter improved the Quarterly average than other three quarters of the Bank.

x. Remuneration to directors including independent directors

The Bank is yet to be listed with any stock exchange in Bangladesh. Hence, The Bank has no obligation to appoint an Independent Director for the same. Each Director is entitled to get meeting attending fees of Tk.8000.00 and also travelling expenses at actual basis for attending board and committee meetings as per BRPD Circular Letter #11 dated October 04, 2015. No other financial benefits were provided to the Directors of the Bank. The total amount of Directors' remuneration and the travelling expenses for the year 2016 are shown at the Table below.

Sl	Description	Taka
1	Directors' Fees with VAT	1,858,400.00
2	Travelling and Haulage	7,375,323.00

xi. Fair Presentation of the financial statements prepared by the management

The Management of NRBC bank is responsible for preparation and fair presentation of the Financial Statements. The said consolidated financial statements prepared by the Management as at and for the year ending on December 31, 2016 have been presented fairly, in all material respect, its state of affairs, the results of its operations, cash flows and changes in equity. The external auditors i.e. M/s. ACNABIN, Chartered Accountants and M/s. Hoque Bhattacharjee Das & Co., Chartered Accountants, have also provided their opinions on the same by issuing an unqualified audit report. We are referring to page No. 112- 113 to see the audit report issued by the external auditors.

xii. Proper books of account maintained by the Bank

Proper books of accounts, as required by law, have been kept by NRBC Bank. The Bank has a core banking solution "Bank Ultimus" for proper recording of all transactions in compliance with the Companies Act, 1994 and Bank Companies Act, 1991. The external auditors i.e. M/s. ACNABIN, Chartered Accountants and M/s. Hoque Bhattacharjee Das & Co., Chartered Accountants have also opined on the same in point (d) in the "Report on Other Legal and Regulatory Requirements" of their audit report. The said audit report has been mentioned in page No. 113

xiii. Accounting policies as well as accounting estimates have been consistently applied in preparation of the financial statements

Appropriate accounting policies have been consistently applied in preparing the financial statements of the Bank and that of the accounting estimates are based on reasonable and prudent judgment. Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to these are recognized in the period in which the estimate was revised and in any future period affected. The significant accounting policies applied and accounting estimates used for preparing the financial statements of the Bank have been stated in detail in the notes # 2 (Page No. 125- 146) in the Audited Financial Statement.

xiv. Preparation of Financial Statements in compliance with BAS/BFRS, as applicable in Bangladesh, and any Departure there-from has been adequately disclosed

The financial statements of the Bank as at and for the year ending on 31 December 2016 have been prepared under historical cost convention and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the “First Schedule” (section 38) of the Bank Companies Act 1991, as amended (up to 2013), BRPD Circular No. 14 dated 25th June 2003, other Bangladesh Bank Circulars, the Companies Act 1994, the Securities and Exchange Commission Rules 1987, and other laws and rules applicable in Bangladesh.

However, if the requirement of provisions and circulars issued by Bangladesh Bank differ from those of other regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Bank has departed from certain specific requirements of BAS/BFRSs which contradict with those of Bangladesh Bank, being the prime regulator, which are adequately disclosed in Note 2.2 (i) to (xiv) in the financial statements.

xv. The system of internal control has been effectively implemented and monitored

An internal control system comprises the whole network of systems established in an organization to provide reasonable assurance that organizational objectives will be achieved.

NRBC Bank has designed its internal controls system (i.e. structured Internal Control and Compliance (ICC) Division) in such so that safeguard of shareholders’ investments and the Bank’s assets are to be ensured. Therefore, the main objective of internal control in NRBC is to help the bank perform better through the use of its resources. Through internal control system bank identifies its weakness and takes appropriate measures to overcome the same. The Board retains the ultimate responsibility for its operations, though it has delegated to the Audit Committee for the review of the adequacy and effectiveness of the system of internal controls.

A resonant internal control system helps a bank grow in a safe and sustainable way. The design and implementation of any internal control system depends largely on a bank’s size, the mode of its operation and its risk profile. Effective control practices generally include –

- ✓ Control Environment
- ✓ Risk Assessment
- ✓ Control Activities
- ✓ Segregation of Duties
- ✓ Accounting Information and Reconciliation
- ✓ ICT Security
- ✓ Self-Assessment/Monitoring

Banks properly delegate authority to employees, written employee job description and required written approval for changes made to information systems. NRBC Bank has written recruitment policy and complied with it, have training program, have given instructions to new employees and have periodic rotation of duties. As per directive of Bangladesh Bank, The Bank duly perform separation of function of assets marketing at branch level, Credit assessment & Approval by Credit Risk Management division and activities of documentation & monitoring by Credit Administration.

NRBC bank has formed a Risk Management Committee (RMC) of the Board and a Risk Management Unit (RMU) as per Bangladesh Bank guidelines to oversee and monitor bank wide risk assessment, identification, measurement, analysis and mitigation activities performed by different risk management functions. RMU under supervision of RMC of the Board sets the risk appetite of the Bank.

NRBC bank always properly authorizes all transactions and activities and there is no deviation among them regarding authorization. The Bank regularly segregate authorization functions, recording and custodian function.

NRBC bank always maintains accurate records of all financial transactions in the Core Banking Solution “Bank Ultimus” as well as ensure to restrict physical access to the system by unauthorized users to protect records and documents. Furthermore ensures reconciliation between two independently maintained records.

NRBC bank has an independent Internal Control and Compliance (ICC) in place who are regularly evaluating, assessing and rating the risks of various Departments and Branches and submit these audit reports periodically to the Audit Committee of the Board for their further evaluation and recommendation. The Compliance Unit of ICCD is also monitoring the regulatory compliance status of NRBC on a continuous basis and updating the relevant departments upon the compliance of any new issue imposed by regulatory authorities.

However, Bangladesh Bank vide their DOS circular letter no: 17/2012 has launched a Self-Assessment Format in order to aid Bank for assessing itself and advised Bank to send a quarterly assessment to BB. NRBC has submitted its self- assessment activities to report to Bangladesh Bank timely.

The external auditors i.e. M/s. ACNABIN, Chartered Accountants and M/s. Hoque Bhattacharjee Das & Co., Chartered Accountants also provided their opinions on adequacy of internal audit, internal control and risk management functions of the bank under point (b) of the “Report on Other Legal and Regulatory Requirements” of their audit report. The said audit report has been mentioned in page no. 113

xvi. Going Concern of NRBC’s Business Ability

There is no significant doubt upon Bank’s ability to continue as a going concern in the foreseeable future. The consolidated financial statements of the Bank have been prepared on the assumption that the entity is a going concern and will continue in operation for the foreseeable future.

Hence, it is assumed that NRBC has neither any intention nor in need of liquidate or curtail materially the scale of its operations in near future.

xvii. Significant deviations from the last year’s operating results and the reasons thereof

NRBC Bank is becoming medium size Bank in Banking Industry of Bangladesh. Changes of all indicators over the last year’s operating results are showing positive. It is expected that increase of interest income shall be more than interest expense in terms of amount and percentage.

Furthermore, TheBank Management was able to lower the cost to income ratio as well as massive lowering the cost of fund has made significant difference in ROI and ROA and, therefore, Board of Directors recommended @ 12% dividend (5% in form cash & 7% in form of Stock) its 51st meeting held on 26th February 2017 on the holding of shares for the year 2016.

Amount in Million otherwise specified

Operation Result	2016	2015	Change over 2015	Change (%) Over 2015
Interest Income	3,905.39	2,920.42	984.97	33.73%
Interest Expenses	2,868.14	2,697.41	170.73	6.33%
Investment Income	1,488.94	1,468.89	20.05	1.36%
Non-Interest Income	485.67	310.31	175.36	56.51%
Non-Interest Expenses	1,497.64	1,079.80	417.84	38.70%
Total Income	6,940.11	4,699.62	2,240.49	47.67%
Total Expenses	5,660.24	3,777.21	1,883.03	49.85%
Operating Profit	1,537.52	922.42	615.10	66.68%
Provision for Loans and Others	186.79	129.68	57.11	44.04%
Profit Before Tax	1,307.90	792.73	515.17	64.99%
Provision for Tax	438.87	232.66	206.21	88.63%

Operation Result	2016	2015	Change over 2015	Change (%) Over 2015
Profit After Tax	869.03	560.08	308.95	55.16%
Cost income ratio	49.03%	53.81%	-4.78%	-8.88%
Return on investment (ROI)	15.97%	11.55%	4.42%	38.27%
Return on assets (ROA)	1.93%	1.83%	0.10%	5.67%
Cost of Deposit	6.91%	8.40%	-1.49%	-17.74%
Net Assets Per Value	12.42	11.5	92.00%	8.00%
Earnings Per Share	1.90	1.26	64.00%	50.79%

xviii. Summarized all key operating and financial data over last preceding 5 (five) years

NRBC Bank has completed 4th year of its operations and achieved a sustainable growth in operation which is given below:

Amount in Million otherwise specified

key operating and financial data	2016	2015	2014	2013
Loans & Advances	37,408.28	23,227.39	14,412.25	3,717.15
Deposits	44,143.28	28,880.68	17,270.88	4,909.96
Equity	5,728.73	5,152.92	4,587.85	4,399.19
Balance Sheet Size	53,619.10	36,259.01	24,848.11	9,537.59
Total Contingent Liabilities & Commitments	12,934.95	8,651.75	4,492.66	1,083.11
Import	18,133.73	12,377.90	7,223.80	1,326.20
Export	16,885.62	11,772.60	5,964.80	265.4
Remittance	409.74	399.3	275.7	81.9
Operating Profit	1,537.52	922.42	331.18	92.54
Profit Before Tax	1,307.90	792.73	183.63	38.31
Profit After Tax	869.03	560.08	84.78	22.03
Earnings Per Share	1.90	1.26	0.19	0.05
Capital- Core (Tier I)	5,690.27	5,106.67	4,552.86	4,395.88
Capital- Supplementary (Tier II)	517.33	338.09	214.00	55.88
Total Capital	6,200.61	5,444.76	4,766.86	4,451.76
Capital Surplus/(Deficit)	1,319.26	2,567.96	3,125.33	3,898.26
Statutory Reserve	462.77	203.22	44.39	7.66
Retained Earnings	627.86	419.29	62.42	14.37
Capital Adequacy Ratio	13.50%	18.93%	29.04%	80.43%
Cost income ratio	49.03%	53.81%	66.58%	73.84%
Return on investment/Equity (ROI/ROE)	15.97%	11.55%	1.75%	0.51%
Return on assets (ROA)	1.93%	1.83%	0.46%	0.28%
Cost of Deposit	6.91%	8.40%	9.81%	11.13%
Loan Deposit Ratio	82.99%	77.00%	76.83%	72.81%
% CL to Total Loans & Advances	0.52%	0.27%	0.00%	0.00%

There was impressive combination of LDOs ratio and the management is able to maintain the Assets quality resulting in only 0.52% of Loan and advances had become classified.

xix. Reasons thereof if the issuer company has not declared dividend

The Board of Directors of NRBC Bank recommended @ 12% dividend (5% in form cash & 7% in form of Stock) on the holding of shares for the year 2016 and, therefore, explanation would not require in this regard.

xx. Board meetings held during the year 2016 and Members' attendance thereof

The present Board of Directors has been in effect since it was reconstituted in the 2nd Annual General Meeting held on 28 February 2015. The Board holds meeting on a regular basis usually once in a month, but emergency meetings are called when required. The Management provides information, references and detailed working papers for each issue of agenda to all the Directors well ahead of time are fixed for the BoD meeting for consideration. In the meeting, the Chairman of the BoD allocates sufficient time for the Directors to consider each matter in a prudent way and allow them to freely discuss, inquire, and express opinions on the items of interest so that they can fulfill their duties to the best of their abilities. During the year 2016, a total 10 Board Meetings were held. The attendance records of those meetings are as follow:

Sl.	Name of the Members	Position	Total Number of Meetings Attended
01	Engr. Farasath Ali	Chairman	10 / 10
02	Dr. Toufique Rahman Chowdhury	Vice Chairman	10 / 10
03	Mr. A B M Abdul Mannan	Director	10 / 10
04	Mr. Mohammed Oliur Rahman	Director	07 / 10
05	Mr. Mohammed Enayet Hossain	Director	09 / 10
06	Mr. Md. Amir Hossain	Director	08 / 10
07	Mr. Tamal SM Parvez	Director	03/10
08	Mr. Rafikul Islam Mia Arzoo	Director	03/10
09	Mr. Mohammed Adnan Imam	Director	03/10
10	Mrs. Kamrun Nahar Sakhi	Director	03 / 10
11	Mr. Abu Bakr Chowdhury	Director	05 / 10
12	Mr. Mohammad Shahid Islam	Director	06 / 10
13	Mr. Loquit Ullah	Director	07 / 10
14	Mr. Mohammed Nazim	Director	10 / 10
15	Engr. Syed Munsif Ali	Director	09 / 10
16	Dr. Nuran Nabi	Director	07 / 10
17	Mr. Mohammed Manzurul Islam	Director	09 / 10

The attendance records of the above include presence of respective Alternate Directors. The Directors who could not attend the meeting(s) were granted leave of absence by the Board.

xxi. The Pattern of shareholding in aggregate number of share and disclosure thereof

- a) Parent/Subsidiary/Associated Companies and other related parties: NRB Commercial Bank Limited (NRBC Bank) was incorporated on February 20, 2013 as a Public Limited Company under the Companies Act, 1994 (Act No.18 of 1994). Therefore, no parent company is yet to exist, but NRBC Bank has a subsidiary company which was incorporated on 20th September 2015:

Shareholding	In Number	In Percentage
Sponsors/Promoters of the Bank	457,944,077	100%
Subsidiary Company	-	-
Associated Companies	-	-
Other related parties	-	-

- b) The Shareholding Pattern by Directors: The Shareholding Pattern of the directors during the period under review was as under:

SL	Name of the Directors	Status	No of Shareholding
1	Engr. Farasath Ali	Director & Chairman of the Board	20,600,103
2	Dr. Toufique Rahman Chowdhury	Director & Vice Chairman	10,300,000
3	Mr. ABM Abdul Mannan	Director	31,326,008
4	Mr. Mohammed Oliur Rahman	Director	37,659,375
5	Mr. Mohammed Enayet Hossain	Director	25,837,550
6	Mr. Md. Amir Hossain	Director	20,628,943
7	Mr. Tamal SM Parvez	Director	20,607,210
8	Mr. Rafikul Islam Mia Arzoo	Director	21,022,300
9	Mr. Mohammed Adnan Imam	Director	10,312,154
10	Mrs. Kamrun Nahar Sakhi	Director	13,703,944
11	Mr. Abu Bakr Chowdhury	Director	20,600,000
12	Mr. Mohammad Shahid Islam	Director	20,600,000
13	Mr. Loquit Ullah	Director	17,579,937
14	Mr. Mohammed Nazim	Director	20,609,579
15	Engr. Syed Munsif Ali	Director	18,467,900
16	Dr. Nuran Nabi	Director	2,060,000
17	Mr. Mohammed Manzurul Islam	Director	1,044,832

- c) Shareholding position of CEO, CFO, CS and HoICC:

NRB Commercial Bank's Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of ICC did not hold any share during the period under review.

Name	Functional Designation	Share holding
Mr. Dewan Mujibur Rahaman, Managing Director	Chief Executive Officer	NIL
Mr. Harunur Rashid, Senior Vice President	Chief Financial Officer	NIL
Mr. A.I.M. Mostafa, Senior Vice President	Head of ICC	NIL
Mr. Md. Masum Haider, Vice President	Company Secretary	NIL

d) No executive of the Bank holds any share of the Bank.

SL	Name	Functional Designation	Share Holding
1	Mr. Dewan Mujibur Rahaman, Managing Director	Chief Executive Officer	NIL
2	Mr. Md Shafiet Wahed, Deputy Managing Director	Chief Risk Officer	NIL
3	Mr. Kazi Md. Talha, Deputy Managing Director	Head of Principal Branch	NIL
4	Mr. Kazi Ahsan Khalil, Deputy Managing Director	CAMELCO	NIL
5	Mr. Kabir Ahmed, Executive Vice President	Head of International Division	NIL

e) 10% or more holding of share by shareholders: No shareholders of NRB Commercial Bank hold 10% or more shares. The maximum individual shareholding of a sponsor is 8.22% only.

xxii. Disclosure of appointment/re-appointment of directors of the Bank to the shareholders

Directors shall be appointed/re-appointed from the 'respective group of shareholders' in accordance with the relevant provisions of Articles 106 and 109 of the Articles of Association of the Bank.

However, legal proceedings have been pending before the Hon'ble High Court Division since 2015 and, therefore, to elect/re-elect Directors are subject to receiving direction/judgment from the appropriate court of law.

Appointment of Auditors of the Bank [Section 210 of the act]

Pursuant to Article 149 of the Articles of Association, the Company at each Annual General Meeting shall appoint one or more Auditors being Chartered Accountants to hold the office until the next Annual General Meeting.

In compliance with Bangladesh Bank Circular No.BCD(P)748/3/546 dated 31st March 1991, regarding appointment of statutory Auditors of Bank Companies, one Auditor cannot be appointed for more than three consecutive years. Our existing auditors M/s. M/s. ACNABIN, Chartered Accountants and M/s. Hoque Bhattacharjee Das & Co., Chartered Accountants. completed their first year as statutory auditors and they are eligible for re-appointment as Auditors for the year 2017.

By this time, both auditors expressed their willingness to reappointment for the Year 2017. However, appointment/reappointment will be recommended in the next meeting of the Board of Directors.

Hence, upon recommendation by Board of Directors, the Shareholders may appoint the above mentioned Auditors for the year 2017 and also fix their remuneration in the 4th Annual General Meeting of the Company to be held on 23rd April 2017, Sunday.

Contribution to National Exchequer

An American jurist of the United States Supreme Court Mr. Oliver Wendell Holmes Jr. "I like to pay taxes. With them, I buy civilization". All kinds of taxes and levies are vibrant for government blood on the way to building a civilized society. Hence, the NRBC Bank deposited/paid corporate tax on income, withheld Tax, VAT and Excise Duty to government exchequer on time are shown below:

In Million(Tk.)

Khat of Govt. Revenue	2016	2015	2014	Increase over 2015 (%)	Increase over 2014 (%)
Corporate Tax paid by bank & Tax deduction at Source	618.35	305.64	202.15	102.31%	51.19%
VAT	53.98	36.07	32.11	49.65%	12.33%
Excise Duty	45.34	29.69	11.21	52.71%	164.85%
Total	717.67	371.40	245.47	93.23%	51.31%

The NRBC Bank has paid/deposited corporate tax and withheld Tax of Tk.226.99 million (Tax deduct by counter party from Bank income) in 2016 out of total deposit tax to the treasury mentioned in the table. The Bank has paid Tk. 53.98 million as VAT to the government which is 49.65% higher than 2015 and nearly twice than 2014. On the other hand Excise Duty from depositors and loan account holders was deposited Tk.45.34 million in 2016 is higher than 2014 by 52.71%. In total Tk.717.67 million has been deposited/paid to government treasury in 2016 with an increment of 93.23% over the previous year.

NRBC Bank is sincere in collection/deduction of taxes, excise duty & VAT along with depositing of corporate advance tax in time goes to the implementation of government functionaries simultaneously.

4th Annual General Meeting

The 4th Annual General Meeting of the Company is due to be held on 23rd April 2017, Sunday, at 11:30 am at FARS Hotel & Resorts at 212, Shahid Syed Nazrul Islam Sharani (Bijoy Nagar), Dhaka-1000

Gratitude and Thanks

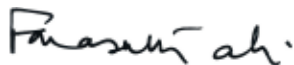
The Board of Directors take this opportunity to express their gratitude to all the valued sponsor shareholders, Clients, Patrons and well-wishers for their continued support over the years. As a 4th Generation Bank, NRB Commercial Bank Limited is able to explore different avenues of financial services to mitigate the demand of the society. This progress is primarily attributed to its teamwork, prompt and prudent decision making, efficient and cordial service, economic use of resources and technologies.

The Bank is grateful to the Government of the People's Republic of Bangladesh, Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission, External Auditors and Registrar of Joint Stock Companies & Firms for their continued support, prudent guidance and advice towards the notable growth of the Bank, whose patronage have facilitated our path towards the four years glorious achievement so far made by the Company.

The Board would like to place deep appreciation and gratitude to the Management for their dedication and efficient services on the way of a sustainable organization to become peerless in the Banking Industry.

Best regards and best wishes to all.

On behalf of the Board of Directors,



Engr. Farasath Ali
Chairman



Audit committee Report to the Shareholders and General Investors

Dear Shareholders and Stakeholders

As Audit Committee Chair, I am pleased to present the audit committee's report for the year ending on 31st December, 2016. To comply with Bangladesh Bank guidelines BRPD Circular No 11, dated 27th October, 2013 and Bangladesh Securities and Exchange Commission (BSEC) Notification on Corporate Governance dated 07th August, 2012, we pointed out our governance requirements to discharge responsibilities to bring out independent oversight of the company's financial reporting, non-financial corporate disclosures, internal control systems and compliance to governing rules and laws etc. Our aim is to provide confidence in the integrity of the Bank's processes and procedures in relation to internal control, risk management and financial reporting. The progresses that we have made during the year are addressed as under:

Integrity of reporting

We reviewed the external auditor Report to ensure the accuracy and completeness of reporting disclosures. During the financial year, this was included to maintain consistency with the business strategy and provide assurance to the Board on the fair, balanced and understandable financial statement that would be placed before 4th AGM for approval.

Internal controls and risk

The committee placed great emphasis on sound internal control processes of the bank. In particular, we will look to strengthen over internal control system especially IT processes. In addition to reviewing the internal control and risk management systems in place, we also tried to emphasize on inspection report of DBI of Bangladesh

Bank for effectiveness of our framework of Internal control System.

However, all of the reviews and recommendations will make the effectiveness of our existing risk management and internal control framework to monitor principal risks.

New external auditor

In compliance with Bangladesh Bank BRPD Circular Letter No.12 dated 11 July 2001, regarding appointment of statutory Auditors of Bank Companies, one Auditor cannot be appointed for more than three consecutive years. M/s. ACNABIN and M/s. Hoque Bhattacharjee Das & Co were appointed as external auditors at the 3rd AGM on 18th April, 2016. It is believed that Management of the Bank and Both Auditors have worked together to ensure a thorough induction process. The induction has enabled both Auditors to gain a deep understanding of the business, its systems and processes. Looking forward to the next 12 months, the committee will continue to focus on the audit, assurance and risk processes within the business.

Further details of the committee's activities during the financial year ending on 31st December 2016 can be found on the pages to follow.

Dr. Nuran Nabi

Chairman of the Audit Committee of the Board

Audit Committee Report at a glance

Highlights/progress made in 2016	Key Ares/Priorities for 2017
Transition of the Committee and its members in the forgoing year 2016.	Assess the effectiveness of the enhancements made to systems of risk management and internal control processes during 2017
Provided assurance to the Board on whether the Quarterly as well as Annual Financial statements of 2016, taken as a whole are fair, balanced and understandable.	Continuous assessment and improvement of cyber security ensuring IT controls and dynamic against ATM scam occurred in early 2016
Oversee the transition of auditors with view to effectiveness of the external audit process and recommendation on reappointment.	Implement the recommendations of Regulatory Bodies/Professionals time to strengthen and enhance IT systems or internal control of the Bank.
Managed the independent review of the risk management and internal control framework based on comprehensive audit Inspection Report by ICCD and DBI of Bangladesh Bank, and the implementation of a number of recommendations.	Monitor changes in the external regulatory such as Propose Change in Banking Companies Act and Companies Act and ensure its best practice
	Ensure the committee is exercising its assurance oversight role in the best possible way
	Monitoring the recommendations of Department Bangladesh Bank Inspection (DBI) team so that Bank can ensure the compliance best possible ways
	Carry out an assessment of the external auditor's effectiveness.
	Review of scope and delivery of internal control and Compliance Division (ICCD) and monitoring the progress

Committee purpose as well as roles and responsibilities of the Audit Committee enacted by Law

The purpose of the committee is to monitor and review the Bank's financial reporting arrangements, the effectiveness of its internal controls and risk management framework, the internal and external audit processes and the Bank's whistle blowing procedures.

However, the roles and responsibilities of Audit Committee promulgated by the provisions of BRPD Circular No 11 dated 27 October 2013 alongwith Corporate Governance Notification issued by BSEC on 07 August 2012, and other best practice corporate governance guidelines and standards. Major roles and responsibilities are highlighted below:

- ❑ Establishing the Internal Control system & Practice of Compliance culture
- ❑ Whether Financial Reporting truly reflect the company state of affairs by meet with Management and Statutory Auditors.

- ❑ Whether Internal Audit is effectively functioning in its activities properly.
- ❑ The committee duly recommend for appointment of the External Audit and sit the external audit for the matters that raised by them.
- ❑ The committee is strictly adhering to laws and regulations framed by the regulatory authorities (Central Bank, BSEC and other bodies) and internal circular/instructions/policy/regulations approved by the Board and Management have been complied with.

Transition of the Committee and its members:

During the year 2016, the Audit Committee of the Board was reconstituted 3 (three) times i.e. in the 41st, 46th and 47th Board Meetings held on 07.03.2016, 08.09.2016 and 02.10.2016 respectively in accordance with the BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank. The last Committee was formed on 02.10.2016 comprising the following 5 (five) members of the Board:

Sl.	Name of the Members	Status with the Bank	Status with the committee	Educational Qualification	Meeting Attendance	Date of First Appointment/ last Reappointment
01	Dr. Nuran Nabi	Director	Chairman	PhD, MSC and BSC (Hons)	3/4	07.03.2016 & 02.10.2016
02	Mr. Mohammed Oliur Rahman	Director	Member	Undergraduate	3/4	08.05.2013 and 02.10.2016
03	Mr. Md. Amir Hossain	Director	Member	MSC (Statistics) and BSC (Hons)	0/4	02.10.2016
04	Mr. Mohammed Nazim	Director	Member	Bachelor's of Arts	0/4	07.03.2016 and 02.10.2016
05	Mr. Shabbir Ahmed Mubin	Director	Member	M.SC, BBA	1/4	08.09.2016 and 02.10.2016

Mr. Md. Haider Akhlaque, Vice President attended the meeting in his capacity as Group Ex. Company Secretary.

How the committee operates

The audit committee usually meets at least four times a year as suggested by Bangladesh Bank. The Audit Committee of NRBC Bank arranged 4 (four) meetings in the year 2016 are as follows:

SL #	Meeting	Date of Meeting
01	12 th meeting of the Audit Committee	6 th March, 2016
02	13 th meeting of the Audit Committee	19 th April, 2016
03	14 th meeting of the Audit Committee	7 th September, 2016
04	15 th meeting of the Audit Committee	13 th November, 2016

Meetings of the committee generally take place immediately prior to a Board meeting in order to maximise the effectiveness of collaboration with the Board. By invitation, the Chairman of the Board, Managing Director & CEO, Chief Financial Officer and Head of Internal Control & Compliance, and external auditors regularly or in necessity attend the meetings.

Financial reporting

While reviewing the appropriateness of the quarterly and annual financial statements concentrating on, amongst other matters:

- i. The committee observed the presentation of Audited Financial Statements as of 31st December 2016 made by external auditors
- ii. Review of the quality and consistently apply of accounting policies and practices in the quarterly Financial Statements viz. First Quarter (Q1), half-yearly and Third Quarter (Q3) Financial Statements (Un-audited) for the year 2016 before submission to the Board for approval in compliance with the BSEC's Corporate Governance Guidelines 2012. Furthermore its continuity in the Annual Audited Financial Statements.
- iii. Material areas in which significant judgements have been applied or where significant issues have been discussed with the external auditor
- iv. Ensure the transparency of the disclosures and compliances with financial reporting standards and relevant financial and governance reporting requirements, including the IFRS

- v. Outcome of Tri-party meeting has duly reflect in the Financial Statements
- vi. An assessment of whether the Audited Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Bank's position and performance, business and strategy.

External auditor

The committee has primary responsibility to oversee the relationship with external auditor. This includes making the recommendation on appointment, reappointment and removal of the external auditor, assessing their independence on an ongoing basis.

M/s. ACNABIN and M/s. Hoque Bhattacharjee Das & Co. appointed in compliance with Bangladesh Bank BRPD Circular No.12 dated 11 July 2001 along with section 210 of the company Act, 1994 i.e. external auditors received shareholder approval at the 3rd AGM on 18 April 2016. The both auditors were appointed for one year as statutory audit of the Bank.

The committee continues to review the auditor appointment/reappointment according to enactment of law. However, the reappointment of the aforesaid auditors shall be the discretion of the Board, subsequently approval of shareholder in the 4th annual General Meeting will be held on 23 April 2017.

Effectiveness of External auditor

During the year, the Audit Committee Chair led the process to assess the effectiveness of the audit process. The primary purpose of this assessment was to gain assurance that the external auditor had conducted a comprehensive, appropriate and effective audit. Through a constructive, honest and open dialogue with the external auditor about its performance, the objectives of the process were to:

- a. Duly assessed each phase of the audit process as per framework of Bangladesh Standard on Auditing (BSA).
- b. Discussion made with the external auditor regarding what is their observation and what could be policy and measurement that has to be taken to improve would be mentioned in the Management Report.
- c. Result in optimised assurance being derived from the audit
- d. The assessment was carried out in conjunction with each key phase of the audit.

- e. Review the matter of emphasis in the auditors' report and auditors confirmed that it would not in the final auditors' report which placed before Board on 26th February, 2017.

From the above it was concluded by the audit committee that the audit process was effective.

Independent review of the risk management and internal control System in 2016

The Board has overall responsibility for risk management and the system of internal controls and for reviewing their effectiveness. Being a sub-committee of Board, the major areas focused independently by the Audit Committee of the Bank during the year 2016 are mentioned below:

- In dynamic and robust way of establishing the internal control system, the committee duly reviewed and approved Risk-based Audit Plan for 2016 so that goal being achieved;
- All of Comprehensive Core Risk Inspection Reports on the Branches and the Head Office including IT Audit conducted by ICCD were duly reviewed including status of compliance thereof placed before committee;
- Certificate to the Board of Directors on the Effectiveness of Internal Control & Compliance Policy, Practice and Procedure.
- Compliance against questionnaire on "Self Assessment of Anti-Fraud Internal Controls" & "Statement of Fraud and Forgeries" to Bangladesh Bank in terms of DOS Circular Letter No. 17 dated 07.11.2012.
- Review of the Summary of Offsite Monitoring Report & Compliance Status of Twelve (12) Branches.
- Review the comprehensive Inspection Report including IT Audit by Department Bangladesh Bank Inspection (DBI) and its implementation of compliance status.
- The committee has reviewed branches' performances comprehensively.
- Reviewed the Management report-2015 submitted by External Auditors, Management responses thereto and corrective measures taken by the Bank to avoid recurrence of the lapses mentioned therein.

internal control procedure of the Bank

In order to implement the effective internal Control procedure of the Bank, the Audit Committee of the Board, Review & Monitors followings

- The control mechanisms from time to time and recommend to improve the system
- To remain vigilant to ensure that the Banking rules and regulations are meticulously complied by all branches/divisions/departments
- 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 the organization.

The Minutes of the Audit Committee meetings containing various suggestions & recommendations to the management and the Board are placed to the Board for ratification on regular basis.

Steps taken for implementation of effective





Credit Score

Excellent ☒

Very Good ☐

Good ☐

Average ☐

Poor ☐

External Credit Ratings

Rating 2016

Long Term

A

Short Term

ST-3

Rated By CRISL

Dated of April 4, 2017

Status	Long Term	Short Term	Outlook
Surveillance Rating 2016	A	ST-3	Stable

Rating Rationale

Long Term rating
A (Pronounced as A)

Banks rated in Long term category are adjudged to offer adequate safety for timely repayment of financial obligations.

This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.

Short Term rating
ST-3

The Short Term Rating ST-3 indicates Good certainty of timely payment. Liquidity factors and company Fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.



Compliance on Corporate Governance

Corporate governance is a key element in improving the economic efficiency of a company. Good corporate governance also helps to ensure the interests of wide range of constituencies as well as of the communities within which it does operate. Further, it ensures that their Boards are accountable to the shareholders. Good Corporate governance is a necessary condition for a sound financial system in banking sector. It can contribute substantially to a shared working environment between banks and its supervisors. It supports not only a well-managed banking system but also necessary to protect depositors' interest.

NRBC Bank became a median size bank in 2016 among the Banking Industry of Bangladesh after its commenced on 18th April, 2013. Growths in terms of network and business volume are aligned with policies and practices of corporate governance are aimed at ensuring proper entrustment, transparency and accountability in the organization as a whole. The bank is formed and evolved in line with the granted corporate governance practices and guidelines of Bangladesh Bank and other concern authority. As private sector bank, it attaches utmost importance clearly speed and well defined corporate governance standards which include among others, compliance, disclosure, transparency.

Corporate governance (CG) is the arrangement of principles, policies, procedures and clearly defined responsibilities and accountabilities framed to overcome the conflicts of interest inherent in the corporate structure. Two major aims of corporate governance are :

1. To minimize the conflicts of interest particularly between management and shareholders.
2. To ensure efficient and productive use of the company's assets in the best interests of its shareholders and other stakeholders.

From the view point of conflicts of interest, two affairs (management

vs. shareholders and Directors vs. shareholders) are the crucial hub of most of the systems of corporate governance. Board of Directors (BoD) is a critical component of the check and balance system that lies at the heart of corporate governance system. Board members owe a duty to make decisions based on what ultimately is best for the long-term interests of the shareholders. In order to do the same effectively, Board members need a combination of independence, experience and resources.

Guidance for Corporate Governance

NRBC Bank gets direction in its corporate governance practices mainly from two regulatory bodies: (1) Bangladesh Bank (Central Bank of Bangladesh) and (2) Bangladesh Securities and Exchange Commission (BSEC) as an incorporated organization in Bangladesh.

Conversely, corporate governance philosophy of NRB Commercial Bank covers regulatory and legal requirements imposed by BB and BSEC in addition to its diverse internal rules, policies, procedures and practices based on the best practices of local and global banks. 'Due diligence' in observing responsibilities by the Board as well as by the management to protect interest of depositors, shareholders, employees and the society in general is indicated as 'Corporate Governance' at NRBC Bank. "Transparency" and "Accountability" are very important pillars of a good corporate governance structure, backed by strong Internal Control and Compliance arrangement and MIS facilities.

Corporate Governance "Conditions" have to be upheld on "Compliance" basis for the organization with a certification by a practicing Professional Accountant/Secretary/Chartered Accountant/Cost and Management Accountant/Chartered Secretary thereon. NRBC is made available the certificate for its all stakeholders alongwith status of Compliance.



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

CERTIFICATE OF THE COMPLIANCE OF CONDITIONS OF THE CORPORATE GOVERNANCE GUIDELINES TO THE SHAREHOLDERS OF

NRB Commercial Bank Limited

(As required under the BSEC Guidelines)

We have examined the compliance of conditions to the Bangladesh Securities and Exchange Commission (BSEC) guidelines on Corporate Governance by NRB Commercial Bank Limited (the "Bank") for the year ended 31 December 2016. These guidelines relate to the notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 of BSEC on corporate Governance.

The compliance of conditions of Corporate Governance as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the Bank's management.

Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof as adopted by the Bank's management in ensuring the compliance to the conditions of Corporate Governance and corrects reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations provided to us, we certify that the Bank has complied with the conditions of corporate governance as stipulated in the above mentioned Guidelines issued by BSEC and reported on the attached status of compliance statement.

Place: Dhaka

Dated: April 2, 2017



Mahfel Huq & Co.

Chartered Accountants

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission Notification No.SEC/CMRRCD/2006-158/134/Admin/44: dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969:

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1	BOARD OF DIRECTORS			
1.1	Board’s Size: The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty): Provided, however, that in case of banks and non-bank financial institutions, insurance companies and statutory bodies for which separate primary regulators like Bangladesh bank, Insurance Development and Regulatory Authority, etc. exist, the Boards of those companies shall be constituted as may prescribed by such primary regulators in so far as those prescriptions are not inconsistent with the aforesaid condition.	√		
1.2	Independent Directors			
1.2(i)	At least one fifth (1/5) of the total number of directors in the company’s board shall be independent directors.			To be complied, but, the Bank is not yet listed any Stock Exchange
1.2 (ii)	For the purpose of this clause “independent director” means a director-			
1.2(ii)(a)	Independent Director should not hold any share in the company or hold less than one percent (1%) shares of the total paid-up shares of the Company			N/A
1.2(ii)(b)	Independent Director should not be a sponsor of the Company and is not connected with the company’s sponsors or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company.			N/A
1.2(ii)(c)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies			N/A
1.2(ii)(d)	Independent Director is not a member, director or officer of any Stock Exchange			N/A
1.2(ii)(e)	Independent Director is not a shareholder, director or officer of any member of Stock Exchange or an intermediary of the Capital Market			N/A
1.2(ii)(f)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company’s statutory audit firm			N/A

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.2(ii)(g)	Independent Director shall not be an independent director in more than 3 (three) listed Companies			N/A
1.2(ii)(h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)			N/A
1.2(ii)(i)	Independent Director has not been convicted for a criminal offence involving moral turpitude			N/A
1.2(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)			N/A
1.2(iv)	Post of independent director(s) cannot remain vacant for more than 90 (ninety) days			N/A
1.2(v)	The Board shall lay down a code of conduct of all Board Members and annual compliance of the code to be recorded.	√		
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.			N/A
1.3	Qualification of Independent Director (ID)			
1.3(i)	Independent Director shall be knowledgeable individual with integrity who is able to ensure compliance with financial, regularity and corporate laws and can make meaningful contribution to business.			N/A
1.3(ii)	The person should be a Business Leader/ Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences.			N/A
1.3(iii)	In special cases, the above qualifications may be relaxed to prior approval of the Commission.			N/A
1.4	Chairman of the Board & Chief Executive Officer (CEO):			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		
1.5	The Directors' Report to Shareholders : The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVII of 1994):-			

Condition No.	Title	Compliance Status Put (✓) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.5(i)	Industry outlook and possible future developments in the industry.	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns.	✓		
1.5 (iv)	A discussion on Cost of goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	✓		
1.5 (vii)	Utilization of proceeds from public issues, right issues and/or through any other instruments.			N/A (As bank yet to go for IPO)
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			N/A (As bank yet go IPO)
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	✓		
1.5 (x)	Remuneration to directors including independent directors.	✓		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	✓		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.5 (xvi)	There are no significant doubts upon the issuer company’s ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5 (xvii)	Significant deviations from the last year’s operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		Reported Four years only since bank has completed 4 years operation
1.5 (xix)	If the issuer company has not declared dividend (Cash or stock) for the year, the reasons thereof shall be given.			12% Dividend recommended by the Board & will be placed before AGM for approval
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5 (xxi)	The Pattern of shareholding shall be reported to disclose the aggregate number of share (along with name wise details where stated below) held by:-			
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		Nil
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1.5 (xxi) (c)	Executives;	√		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		No Director holding of share 10% or more
1.5(xxii)	In case the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-			
1.5(xxii)(a)	a brief resume of the director;	√		Election/re-election of Directors, subject to receiving direction from the appropriate court of law.
1.5(xxii)(b)	nature of his/her expertise in specific functional area;	√		
1.5(xxii)(c)	names of companies in which the person also holds the directorship and the membership of committees of the board;	√		
2	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)			

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
2.1	The company shall appoint a Chief Financial Officer (CFO), a head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		
2.2	Requirement to attend the Board Meetings: The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and /or the Company Secretary shall not attend such part of meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters	√		
3	AUDIT COMMITTEE			
3 (i)	The company shall have an Audit Committee as a Sub-committee of the Board of Directors.	√		
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1	Constitution of the Audit Committee			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		Constituted the Committee as per BB's Circular No:11 Dated 27.10.2013
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.			N/A
3.1(iii)	All members of the audit committee should be "Financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1(iv)	When the term of service of the Committee members expires or there is any circumstances causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	√		
3.1(v)	The company secretary shall act as the secretary of the Committee.	√		

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.			N/A
3.2	Chairman of the Audit Committee			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.			N/A
3.2 (ii)	Chairman of the audit committee shall remain Present in the Annual General Meeting (AGM).	√		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk management process.	√		
3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.			Yet to raise capital through IPO
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors	√		

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
3.4.1 (ii) a)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:- a) report on conflicts of interests			No such event occurred during the period under review
3.4.1 (ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system			Do
3.4.1 (ii) c)	suspected infringement of laws, including securities related laws, rules and regulations			Do
3.4.1 (ii) d)	any other matter which shall be disclosed to the Board of Directors immediately			Do
3.4.2	Reporting to the Authorities: Reporting to BSEC about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has unreasonably ignored, the Audit Committee shall report such finding to the BSEC, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			No such event occurred during the period under review
3.5	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		
4	EXTERNAL/STATUTORY AUDITORS: The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-			
4 (i)	Appraisal or valuation services or fairness opinions.	√		
4 (ii)	Financial information systems design and Implementation.	√		
4 (iii)	Book-keeping or other services related to the Accounting records or financial statements.	√		
4 (iv)	Broker-dealer services.	√		
4 (v)	Actuarial services.	√		
4 (vi)	Internal audit services.	√		
4 (vii)	Any other service that the Audit Committee determines.	√		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
4(ix)	Audit/certification services on compliance of corporate governance as	√		
5	SUBSIDIARY COMPANY			
5(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			N/A
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	√		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
6.	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIER FINANCIAL OFFICER (CFO):			
6 (i)	The CEO and CFO shall certify to The Board that:- They have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
6(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:	√		
6(i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	√		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7(i)	The company shall obtain a certificate from a practicing Professional Accountant/ Secretary/ Chartered Accountant/Cost and Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report.	√		The Bank is not listed any Stock Exchange. But enclosed this compliance of conditions of Corporate Governance
7(ii)	Directors statement in the director's report whether the company has complied with these conditions;	√		



Risk Management Report
Market Disclosure on Risk Based Capital Under Basel-III

Risk Management Report

With the progressively increasing globalization of financial markets, the spectrum of risks the banks are exposed to has enlarged and become more complex, requiring efficient systems and mechanisms for identification, measurement, monitoring and management of risk.

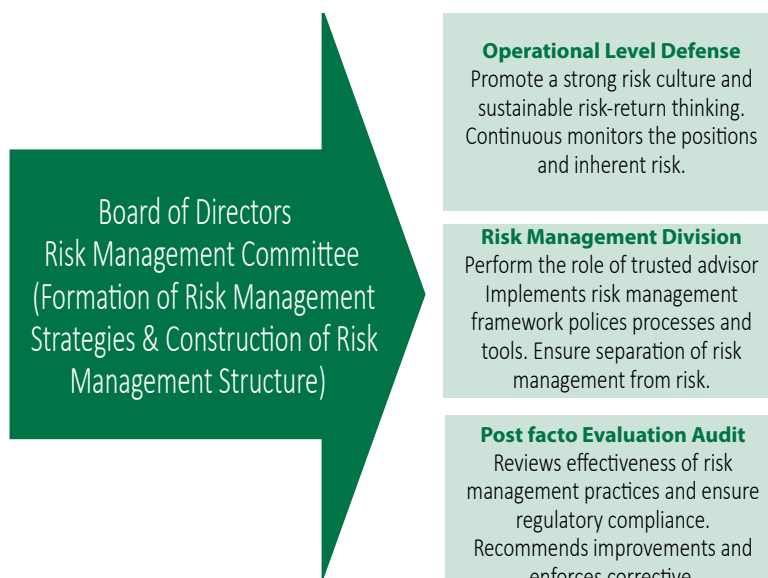
Risk Management process: According to the latest regulation by Bangladesh Bank, DOS circular letter No. 13 Dated: 9th September, 2015 Risk Management Division will be the nucleus of Risk Management Process. So, the achievement and progress in managing banking risks in the banking sector will largely depend on the strength and performance of Risk Management Division. NRBC Bank has a well-established approach in the process of risk management. The process starts with the identification of key factors and completes with the control monitoring system. It may be depicted as below:



Risk management strategies proactively identifies, measures, mitigates and monitors risk which arises at transaction level as well as at portfolio level to ensure efficient usage of capital. Functionally, risk management process is accomplished at strategic level, managerial level and at operational level.

At strategic level, Board Risk Management Committee (BRMC) & senior management, sets up risk governance structure and risk philosophy, endorses risk strategies, reviews and approve risk policies as well as the threshold limits of risks to be taken in line with bank's risk appetite. These limits are continuously monitored by an experienced risk management team and overseen by Bank Risk Management Committee (BRMC). At managerial level, policies and strategies formulated by BOD are implemented by middle management or units devoted to risk reviews. Operational level encompasses on-the-line risk management where risks are actually created such as at front office or at credit desk of the bank and the official designated for risk management activities.

Organizational Structure in NRBC Bank Ltd



Board Risk Management Committee (BRMC)

To implement and ensure proper risk management practice in banks, NRBCB in its 41st Board held on 07-03-2016 has reconstitute Board Risk Management Committee (BRMC) in line with Bank Company (Amendment up to 2013) Act-1991, sec- 15 Kha, and subsequent BRPD Circular # 11 dated October 27, 2013. The Honorable chairman and members of Board Risk Management Committee (BRMC) are as below:

Sl. No.	Name	Position in the Committee	Meeting held in, 2016
1.	Mr. Syed Munsif Ali	Chairman	4
2.	Dr. Toufique Rahman Chowdhury	Member	
3.	Mr. A B M Abdul Mannan	Member	
4.	Mr. Mohammed Enayet Hossain	Member	
5.	Mr. Md. Amir Hossain	Member	

Roles and Responsibilities of RMC of the Board

The Roles and Responsibilities of Board Risk Management Committee of NRBCB have been framed in line with the BRPD Circular # 11 dated October 27, 2013 and other best practices and standards.

- Providing the Board with greater oversight of and advice on the risk management and compliance frameworks.
- Strengthening the governance, effectiveness and resourcing of the risk management and compliance frameworks.
- Arrangement to oversee policies and procedures of risk management.
- Supervision formation of separate committee in management level and activities.
- Monitoring the due execution of core risk management policy and principles.
- Making recommendations relating to the risk appetite and particular risks or risk management practices.

Management Risk Committee (MRC)

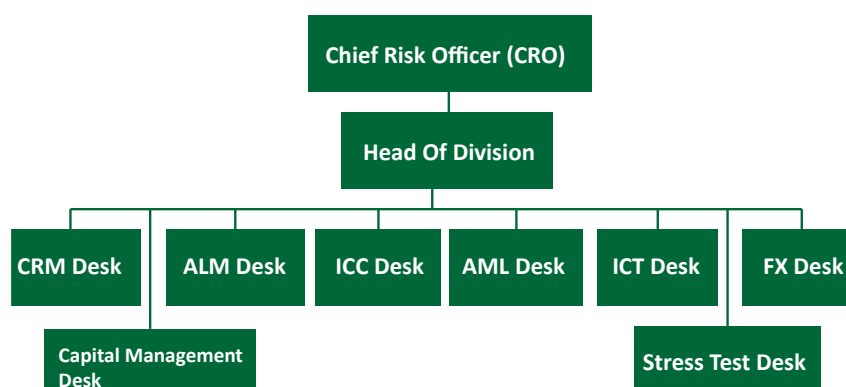
For all categories of risks, the Management Risk Committee is responsible for formulating policies, monitoring, implementing and reviewing risk reports for presentation to the Board/Board committees as well as implementing Board decisions across the Bank. To be more specific, the management of the Bank is responsible for:

- Implementation of risk strategy approved by the Board of Directors;
- Developing policies and procedures for identifying, measuring and controlling risk;
- Providing appropriate resources to evaluate and control risk;
- Reviewing risk reports on a regular and timely basis; and
- Providing all reports required by the Board and its committees for the effective performance of risk management oversight functions.

Risk Management Division (RMD)

Risk Management Division (RMD) has been established on 2013 as per the instruction of Bangladesh Bank, headed by Deputy Managing Director as Chief Risk Officer for overall risk management of banks. The RMD is constantly contemplating and exerting efforts for developing a structure and processes to ensure sound risk management in all areas of the Bank.

Organogram of Risk Management Division

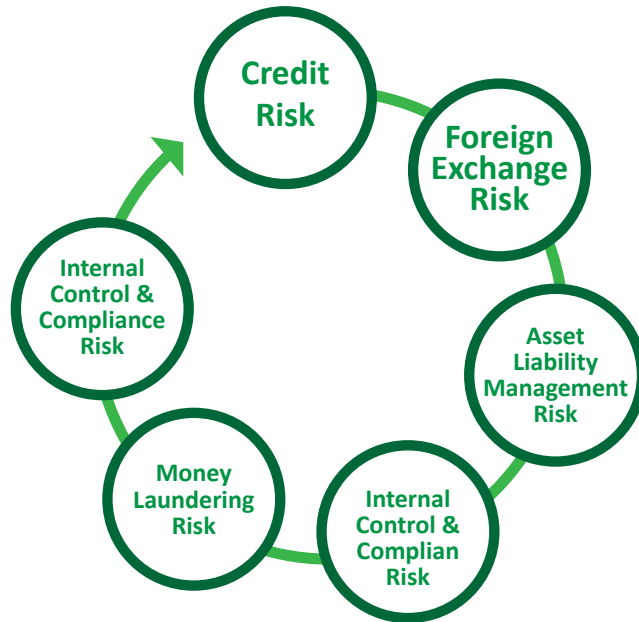


Risk Classification

NRBC Bank conducts its operations by ensuring compliance with the Core Risk Management Guidelines which covers following risks:

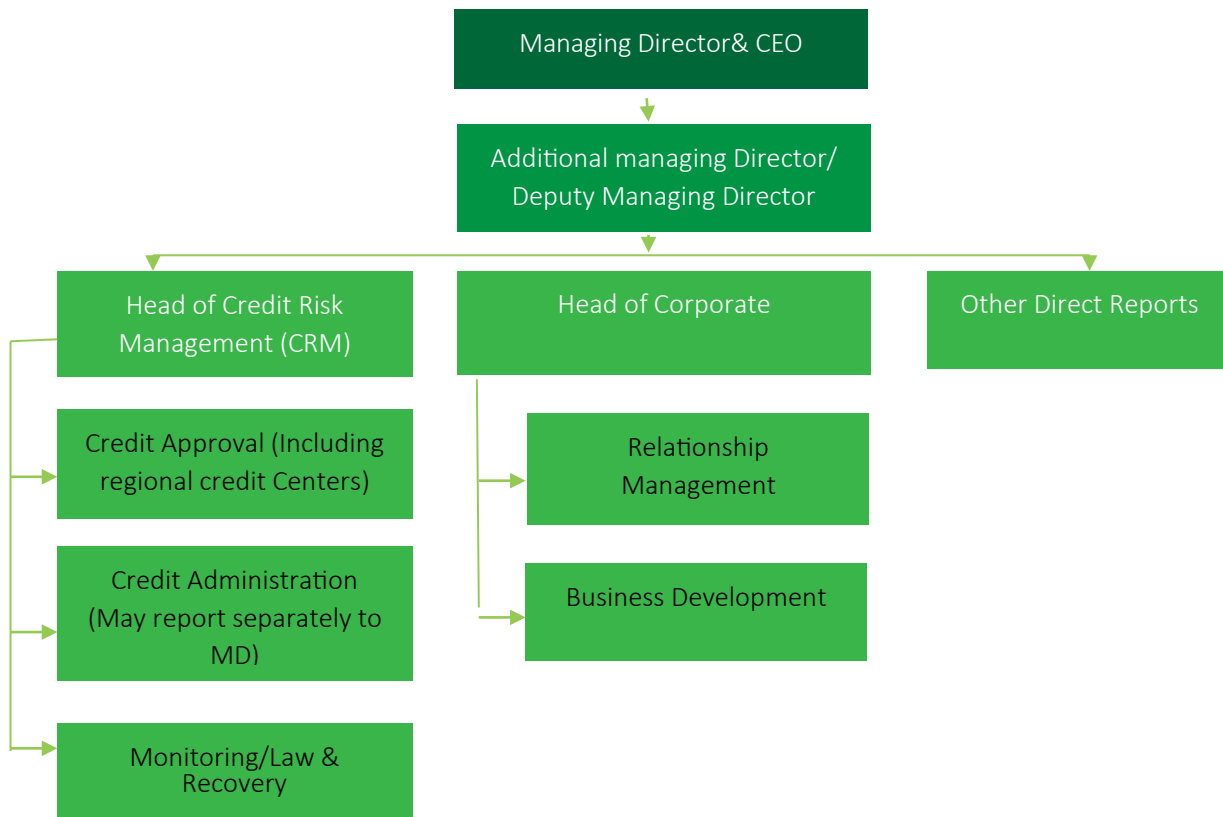
Credit Risk Management

Credit risk is the risk of loss that may occur from the failure of any counterparty to make required payments in accordance with agreed terms and conditions and/or deterioration of creditworthiness.



Organization structure for Credit Risk Management Process

The following organogram illustrates the preferred management structure for Credit risk management process:



Credit policies and principles

NRBC Bank's credit functions are conducted in a compliant manner under a strict judicious and rational credit policies and principles in conformity with Credit Risk Management guidelines of Bangladesh Bank. Credit initiation and approvals are done in a segregated manner. Each and every sanction is done through a very stringent evaluation process, which, in fine ensures quality of assets and minimizes losses likely to arise from potential bad loans.

Credit risk grading and measurement

Risk measurement along with judgment and experience play a central role in informed risk taking decisions, and portfolio management. For the purpose of risk measurement we use a numerical grading system 'Credit Risk Grading' (CRG) associated with a borrower. This CRG is not a lending decision making tool but used as a general indicator to compare one set of customers with another set, and its weighted average value indicate movement of portfolio risk.

Credit risk mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation, and counterparty risk of the guarantor. Collateral types which are eligible for risk mitigation include: cash; residential, commercial and industrial property; fixed assets such as motor vehicles, plant and machinery; marketable securities; commodities; bank guarantees; and letters of credit. Collateral is valued by independent third party surveyor in accordance with our credit policy and procedures.

Credit monitoring

NRBC Bank's Credit Administration Department (CAD) monitors the asset portfolio of the Bank. Bank's credit monitoring system provides an early indication/alert about the deterioration of loans that allows effective management of loans in a rational manner to prevent them from turning into Non-Performing Loans (NPL).

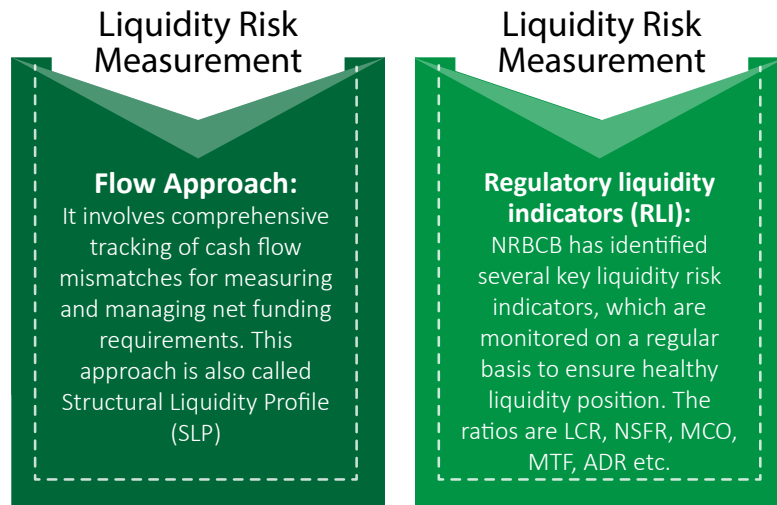
Asset - Liability risk management

Asset and Liability Management is the practice of managing risks that arise due to mismatches between the assets and liabilities. Asset Liability Management (ALM) is a strategic management tool to manage interest rate risk, liquidity risk and foreign exchange risk faced by bank.

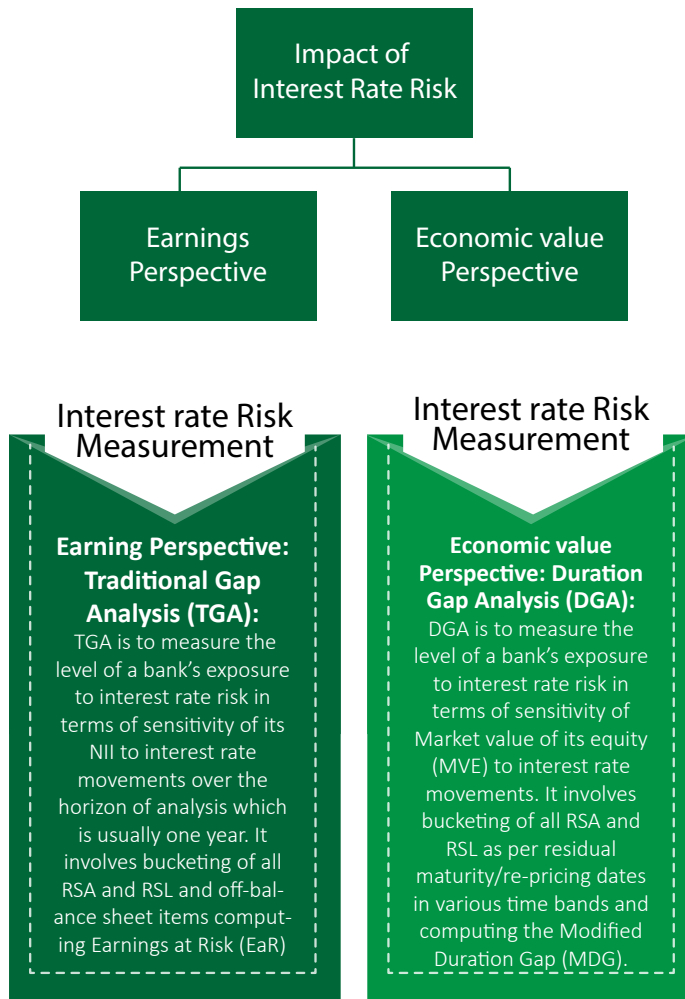
ALM Risk Classification



Liquidity Risk: Liquidity Risk arises when bank may not meet its financial obligations/commitment as they become due. Liquidity risk also includes the liability of the bank to liquidate any assets at reasonable price in a timely manner.



Interest Rate Risk: Interest Rate risk is a possible loss from adverse movements in market interest rates. Changes in interest rate affect a bank's earnings by changing its net interest income and the level of other interest- sensitive income and operating expenses.



Foreign exchange risk management:

FX Risk refers to the potential changes rate fluctuations, adverse exchange positioning or change in the market prices. FX Risk of the Bank is minimal, as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. This risk usually affects import-export business, but it can also affect investors making international investments. If money is converted to another currency to make an investment, then any changes in the currency exchange rate will cause that investment's value to either decrease or increase when the investment is sold and converted back into the original currency.

Sources of FX Risk:

1. Exchange Rate fluctuations.
2. Adverse Foreign Exchange position of the Bank.
3. Changes in the market price of Foreign Exchange.

Foreign Exchange risks are measured, monitored and addressed by ID and Treasury Division through front Office and Back Office. The Foreign Exchange Risks are minimized through proper Market analysis, Real time pricing of Foreign Exchange and Money Market Products, Fixation of different market related limits (Overnight, Stop Loss and Management Action Trigger), Counter parties Credit Limits set by the management and Officer. All Foreign Exchange transactions are revalued at weighted average exchange rates as provided by Bangladesh Bank at the end of each month. All NOSTRO accounts are reconciled regularly and outstanding entries are reviewed by the management for its settlement/recompilation. The open position is maintained at the end of day within the stipulated limits as prescribed by the Bangladesh Bank.

Internal Control and Compliance risk management

NRBC Bank has a structured Internal Control and Compliance (ICC) Division. The main objective of internal control in NRBCB is to help the bank perform better through the use of its resources. Through internal control system bank identifies its weakness and takes appropriate measures to overcome the same. The main objectives of internal control are as follow:

Performance objectives: To maintain the efficiency and effectiveness of overall operating activities.

Information objectives: To ensure the reliability, completeness and timelines of financial and management information.

Compliance objectives: To ensure the robust compliance with applicable laws and regulations.

Internal Control & Compliance process:

- Identify operational lapses/anomalies of different branches by regular inspection.
- Identify the documentation lapses of different branches by checking Loan Documentation check list
- Ensure the bank complies with all regulatory requirements while performing its business.

Functions of Audit & Inspection Department:

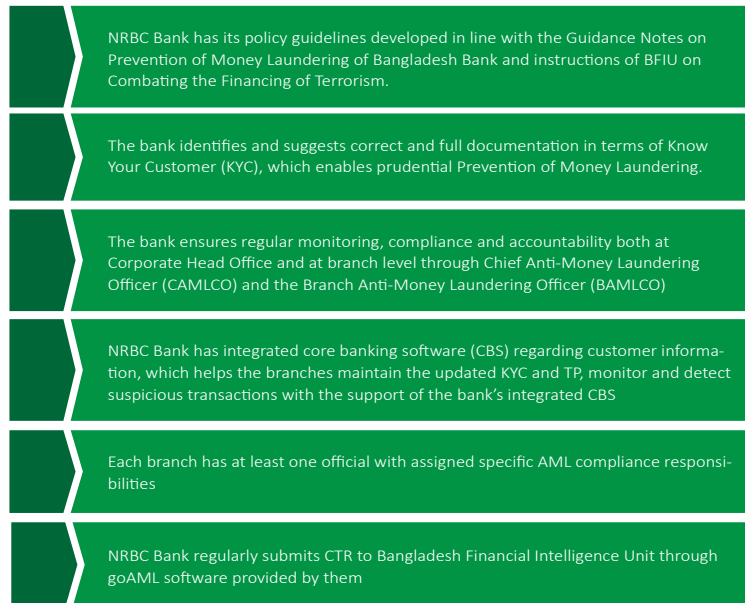
- The Audit team of Audit & Inspection department will perform periodic and spot/special audit.
- Each year the department will set out an audit plan for the year to be approved by the Managing Director.
- The deficiencies identified during the audit should be notified to the branch and significant audit finding should be reported to the Managing Director.

Money laundering risk management

In order to ensure the best corporate governance practices and aiming at protecting the Bank and its employees, shareholders, Management and Customers, NRBC Bank, as a financial intermediary, is committed to take preventive

measures against money laundering and terrorist financing in line with the Money Laundering Prevention Amendment Act, 2015, the Anti-Terrorism Act, 2009 (Amended), Anti-Terrorism Rules 2013, the Guidance Notes on Prevention of Money Laundering of Bangladesh Bank, and the instructions circulated by them from time to time.

NRBC Bank's activities towards money laundering risk management

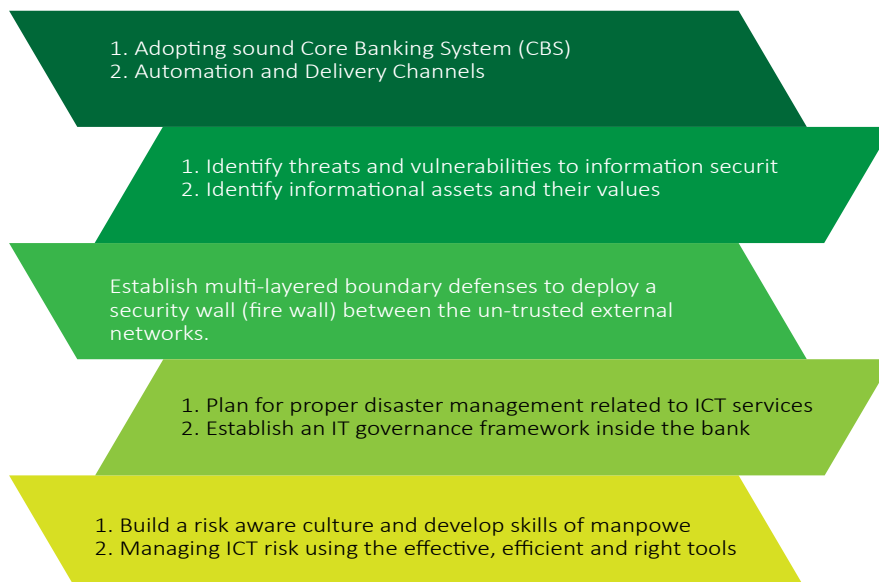


Information and Communication Technology (ICT) risk management

As bank adopts technology as a part of their ongoing strategic tool to face challenges in the emerging realities of business, they are increasingly exposed to technology risks. The risk has been increased in the cyber zone for the introduction of internet Banking and increasing of E-commerce transaction across the world which implies negative impact such as network failure, hacking, virus etc.

An integral part of NRBCB's risk management endeavor is its strong "IT Security Policy" and its adherence to these principles. These policies define responsibilities and requirements for protecting information and information systems. They also define hardware, network, and related communication technologies and their use in providing financial services.

The bank has taken good number of initiatives to manage ICT risks:



Risk Management practice at NRBCB under Basel-III

Bangladesh Bank vide BRPD Circular No – 18 dated December 21, 2014 issued “Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)” with effect From January 01, 2015. NRBC Bank is well poised for implementing Basel III phase by phase during the period 2015-2019.

Pillar-I (Minimum Capital Requirement)

In compliance with the Risk Based Capital Adequacy guidelines under Basel III, NRBC Bank computes regulatory capital requirement for credit risk, market risk and operational risk. The Bank had adopted standardized approach under credit risk, basic indicator approach under operational risk and standardized approach under market risk for assessing minimum capital requirement.

Pillar-II (Internal Capital Adequacy Assessment Process)

To comply with Basel Pillar-II norms (Internal Capital Adequacy Assessment Process), NRBCB assess additional capital - against residual risk, liquidity risk, credit concentration risk, reputation risk, strategic risk, settlement risk, evaluation of six core risks areas, environmental risk and other material risk - which are finally determined by Supervisory Review Process(SRP) and SREP (Supervisory Review Evaluation Process) dialogue.

Pillar-III (Market Disclosures)

To meet the Pillar III requirements of Basel III, NRBC Bank has adhered to disclosure norms as stipulated in the guidelines of Bangladesh Bank (BB). The disclosures for every year are available in Bank’s annual report and website. Under market disclosure bank reveals various types of qualitative and quantitative information so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets.

NRBC Bank Risk Management Practice as per Risk Management Report

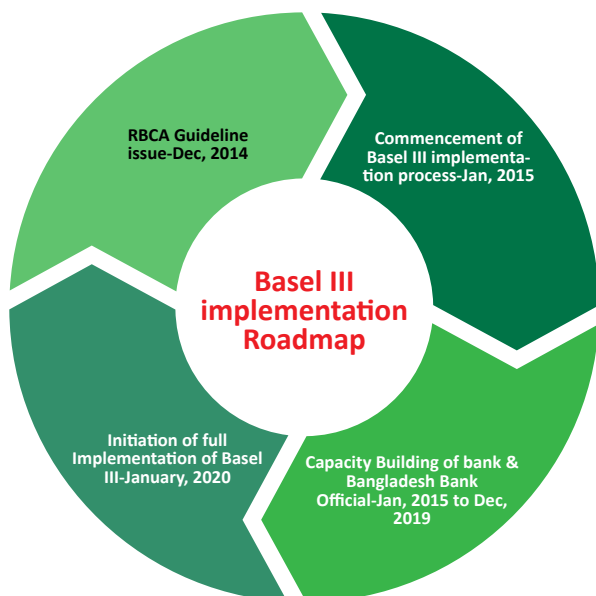
The Management and Board of NRBC Bank firmly believe that effective risk management practices are prerequisite for sustainable growth. Therefore, it has set its policies, procedures, monitoring and oversight in order to contain the internal and external risks at a minimal level.

Risk Report	<ol style="list-style-type: none"> 1. Comprehensive Risk Management Report (CRMR)-Half Yearly 2. Monthly Risk Management Paper (RMP)-Monthly
Risk Identification & Mitigation	<ol style="list-style-type: none"> 1. Identification of risk from risk reports 2. Mitigation of risk under necessary guidance of the Senior Management or Board of the Bank
Risk Monitoring	<ol style="list-style-type: none"> 1. Risk Management Committee meeting-Monthly basis 2. Board Risk Committee meeting- required basis/ usually quarterly basis



Market Disclosure on Risk Based Capital under Basel III

Basel III is a set of international banking regulations developed by the Bank for International Settlements in order to promote stability in the Global financial system. Principally the aim is to ensure banks accept a level of responsibility for the financial economy they operate within and to act as a safeguard against probable risk. In compliance with the 'Revised Guidelines on Risk Based Capital Adequacy (RBCA)' issued by Bangladesh Bank in December 2014, Banks in Bangladesh have formally entered into Basel III regime from 1 January 2015.



NRB Commercial Bank Ltd. has also adopted Basel III framework as part of its capital management strategy in line with the revised guideline. These Market disclosures under Basel III are made following 'Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)' for banks issued by Bangladesh Bank in December 2014.

Corroboration:

The quantitative disclosures are made on the basis of consolidated audited financial statements of NRBCB and its Subsidiaries as at and for the year ending on December 31, 2016 prepared under relevant International Accounting and Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and related circulars/instructions issued by Bangladesh Bank from time to time. Assets of the subsidiaries were risk weighted and equities of subsidiaries were crossed out with the investment of NRBCB while consolidating. So, information presented in the 'Quantitative Disclosures' section can easily be verified and validated with corresponding information presented in the consolidated audited financial statements 2016 of NRBCB and its Subsidiaries along with separate audited financial statements of the Bank available on the website of the Bank .

Disclosure Policy:

The following detailed qualitative and quantitative disclosures are provided in accordance with Bangladesh Bank rules and regulations on risk based capital adequacy under Basel-III issued through Revised RBCA (Revised Regulatory Capital framework for banks in line with Basel-III) Guidelines. These disclosures are intended for market participants to assess key information about the bank's exposure to various risks and to provide a consistent and understandable disclosure framework for easy comparison among banks operating in the market. The Bank follows following approaches for calculating Risk Weighted Asset (RWA) as per Basel-III guidelines stated in BRPD Circular No.18 dated December 21, 2014 of Bangladesh Bank:

- Standardized approach for credit risk
- Standardized approach for Market risk
- Basic indicator approach for operational risk

Disclosure framework:

01	Scope of application
02	Capital structure
03	Capital adequacy
04	Credit Risk
05	Equities: disclosures for banking book positions
06	Interest rate risk in the banking book (IRRBB)
07	Market Risk
08	Operational Risk
09	Leverage Ratio
10	Liquidity Ratio
11	Remuneration

1. Scope of application:

The Bank obtained the permission of subsidiary company as NRB Commercial Securities Limited (NRBCSL) from Bangladesh Bank in 2015. According to BRPD Circular-12, 24, 35 (dated March 29, 2010, August 03, 2010 & December 29, 2010 respectively) and BRPD circular letter no-08, dated July 23, 2012, investments in subsidiaries have been consolidated for the purpose of assessing capital adequacy. At present, the Bank has one subsidiary NRB Commercial Securities Limited (NRBCSL).

'Solo Basis' refers to all position of the NRB Commercial Bank and its local and overseas branches/offices.

'Consolidated Basis' refers to all position of the NRB Commercial bank (including its local and overseas branches) and its subsidiary company NRBCSL engaged in financial activities.

2.a. Capital Structure:

Qualitative Disclosures:

Capital serves as a buffer to absorb unexpected losses as well as to fund ongoing activities of the bank. The Capital structure of the Bank is categorized into two tiers.

1. Tier-1 Capital (Going-concern capital)
 - a) Common Equity Tier-1
 - b) Additional Tier – 1
2. Tier- 2 Capital (Gone- concern capital)

1. Tier-1 Capital (Going-concern Capital):

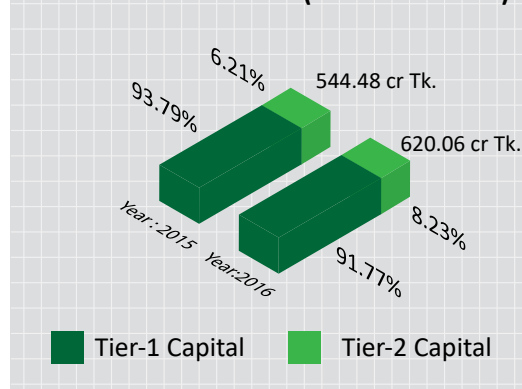
Going concern Capital is the Capital which allows a bank to continue its activities and keep it solvent. Going- Concern Capital/Common Equity Tier 1 (CET1) capital shall consist of sum of paid up Capital, Statutory reserve, general reserve, retained earnings and Minority interest in subsidiaries after netting regulatory adjustments applicable on CET1 as mentioned in RBCA guideline.

Additional Tier 1 (AT1) capital shall consist of Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only).The Bank does not hold any Additional Tier 1 (AT1) capital.

2. Tier-2 Capital (Gone-concern Capital):

Gone-Concern Capital is the Capital which will absorb losses only in a situation of liquidation of the bank. Gone-Concern Capital/ Tier 2 (CET1) capital shall consist of sum of General Provisions, Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital.

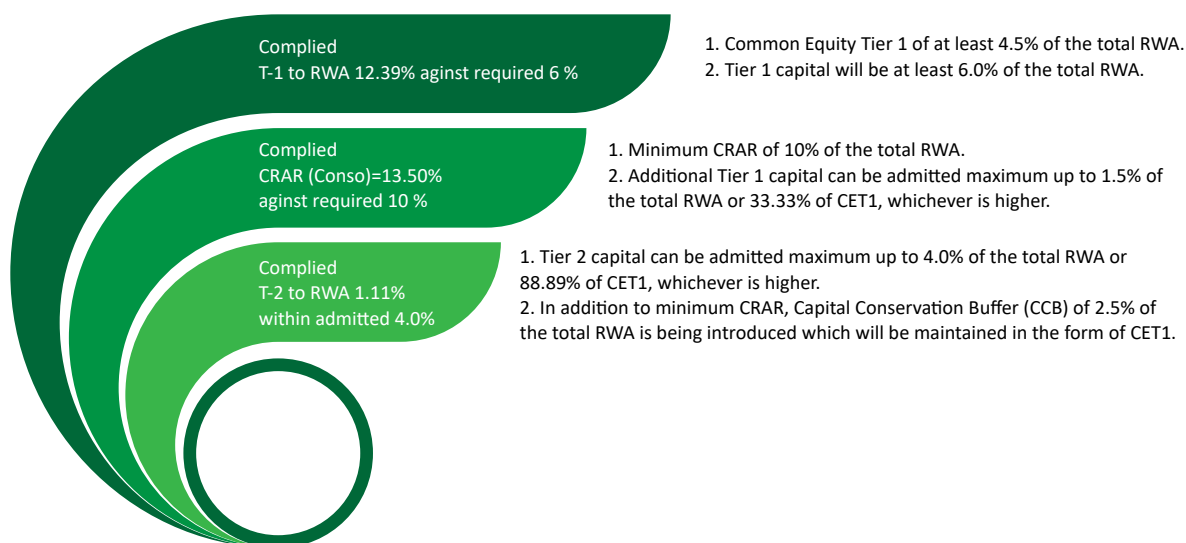
REGULATORY CAPITAL (CONSOLIDATED)



Quantitative Disclosures:

Particulars	Solo	Consolidate
Common Equity Tier-1	Fig in Crore Tk.	
Paid up Capital	457.94	457.94
Statutory Reserve	46.28	46.28
Retained Earning	62.18	62.79
Minority interest in Subsidiaries	0.00	4.07
Tier-1 Capital	566.40	571.07
Regulatory Adjustments		
Deferred Tax Assets (DTA)	2.05	2.05
Tier-1 Capital after adjustment	564.35	569.03
Tier-2 Capital		
General Provisions	49.98	49.98
Revaluation Reserve	1.75	1.75
Regulatory Adjustments		
Revaluation Reserve 40% washout in 2016	0.70	0.70
Tier-2 Capital after adjustment	51.03	51.03
Total Regulatory Capital	615.39	620.06

b) Conditions of Capital maintenance: The Bank complied with all the required conditions for maintaining regulatory capital as stipulated in the revised RBCA guidelines by Bangladesh Bank as per following details:



3. Capital Adequacy:

Qualitative Disclosures:

Assessing regulatory capital in relation to overall risk exposures of a bank is an integrated and comprehensive process. NRB Commercial Bank Limited with its focused strategy on risk management has always been consistent in maintaining capital adequacy ratio above the regulatory requirements.

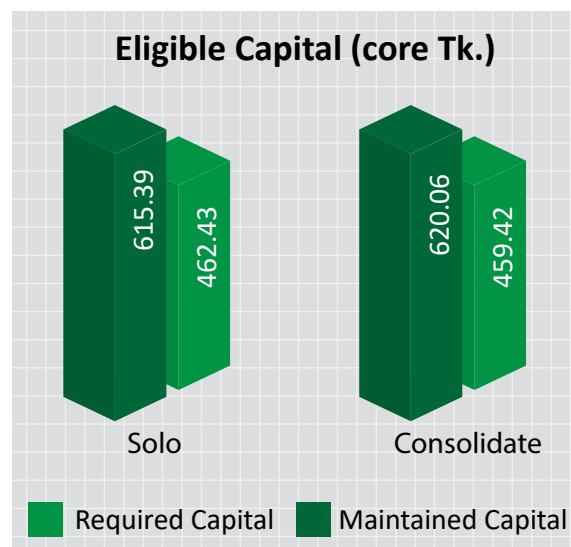
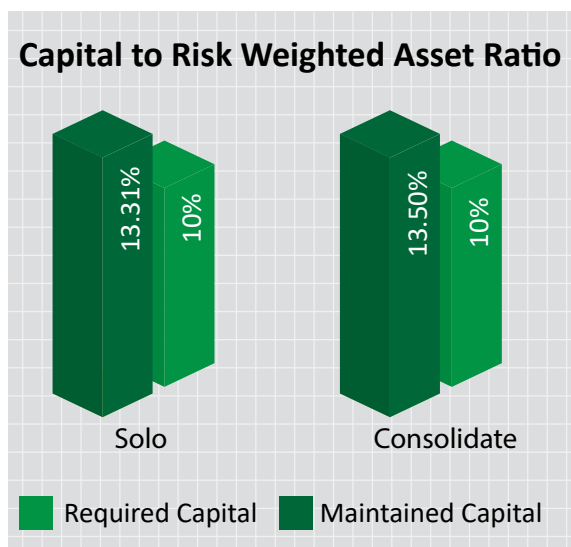
The Bank has a policy on Internal Capital Adequacy Assessment Process (ICAAP) as stipulated by Bangladesh Bank. The ICAAP also details the risk appetite of the Bank, assessment of material risks, the process for capital adequacy of risk control framework, capital raising plans and Bank-wide stress testing. The periodic assessment of bank's performance against the two pillars of Basel III and results of stress testing are reported to the Board of Directors for their review.

The Bank has maintained regular reporting with Bangladesh Bank regarding the Capital adequacy. The Bank also ensures the capital levels that are sufficient to cover all material risks of the Bank. The entire objective of the Bank's capital planning is to ensure that the Bank is adequately capitalized at all level throughout the year.

Quantitative Disclosures:

Particulars	Solo	Consolidate
Fig in crore Tk.		
Capital requirement for Credit Risk (10% of RWA)	421.49	417.71
Capital requirement for Market Risk	10.82	11.59
Capital requirement for Operational Risk	30.12	30.12
Total Capital Requirement	462.44	459.42
Capital to Risk Weighted Asset Ratio		
On core Capital (Against a standard of minimum 5%)	12.20%	12.39%
On actual Capital (Against a standard of minimum 10%)	13.31%	13.50%

The Bank maintains a capital of Taka 620.06 crore as against total risk weighted assets of taka 459.42 crore on consolidate basis. The Bank's Capital to Risk weighted Asset Ratio (CRAR) as at 31st December 2016 is 13.31% (Solo) and 13.50 % (Consolidate) as against the minimum requirement of 10%. Tier-I capital was 12.39% (Consolidate) and 12.20% (Solo) against minimum requirement of 5%. As a result the Bank has a buffer Capital of Taka 152.95 crore to mitigate the additional uncertain risk under Pillar-II of Basel-III.



4. Credit Risk:

Credit risk is defined as the probability of failure of counterparty to meet its obligation as per agreed terms. Banks are very much prone to credit risk due to its core activities i.e. lending to corporate, commercial, SME, retail, another bank/FI or to another country. The main objective of credit risk management is to minimize the negative impact through adopting proper mitigates and also limiting credit risk exposures within acceptable limit.

The Board approves the credit policy keeping in view relevant Bangladesh Bank guidelines to ensure best practice in credit risk management and maintain quality of assets. Authorities are properly delegated in ensuring check and balance in credit operation at every stage i.e. screening, assessing risk, identification, management and mitigation of credit risk as well as monitoring, supervision and recovery of loans with provision for early warning system.

There is a separate Credit Risk Management Division for ensuring proper risk management of Loans and Credit Administration Division for monitoring and recovery of irregular loans. Adequate provision is maintained against classified loans as per Bangladesh Bank guidelines. Statuses of loans are regularly reported to the Board through Risk Management Paper.

The Capital requirement for credit risk is based on the risk assessment made by External Credit Assessment

Institutions (ECAIs) recognized by Bangladesh Bank for capital adequacy purposes. The Bank assigned risk weights to all their on-balance sheet and off-balance sheet exposures. Risk weights are based on external credit rating which mapped with the Bangladesh Bank rating grade or a fixed weight that is specified by Bangladesh Bank.

Credit Risk Management System in NRB Commercial Bank Limited.

CREDIT RISK MANAGEMENT

Credit Risk Identification	Credit Risk Assessment and Measurement	Credit Risk Control	Credit Risk Monitoring
<ul style="list-style-type: none"> • Critical analysis and review of delinquent accounts to identify weakness in credit. • Benchmark of asset quality against industry peers Apart from this, Credit risk for the counterparty arises from an aggregation of the following: <ul style="list-style-type: none"> • Financial Risk • Business/Industry Risk • Management Risk • Security Risk • Relationship Risk • Natural calamities and Political unrest. 	<ul style="list-style-type: none"> • Use of credit risk rating system to grade the quality of borrowers. • Collection the Credit Information Bureau (CIB) report of the potential borrower from the Central Bank. • Stress Testing of loan portfolios under various scenarios. • Ensuring Credit Rating of the Customer from External Credit Rating Agencies. • Segregation among business-CRM-CAD-SAMD (Recovery) 	<ul style="list-style-type: none"> • Credit Policy which documents the credit risk rating collateral policy and policies on rehabilitation and restructuring of problematic and delinquent loans. • Efficient credit personnel to deal with the credit approval, processing and review. • Segregation of duties between credit approvals functions and credit origination. • Independent credit control and monitoring. 	<ul style="list-style-type: none"> • Past due principal or interest payment, past due trade bills, account excesses and breach of loan covenants. • Loan term and conditions are monitored, financial statements are received on a regular basis and any covenant breaches or exception are to be referred to the proper authority for timely follow-up. • Timely corrective action is to be taken to address findings of any internal, external or regulatory inspection/audit. • All loan facilities are reviewed and approved through the submission of a Credit Application annually.

Policies and processes for collateral Valuation and Management

The NRB Commercial bank has set a policy on Collateral Valuation and Management. The bank appoints approved surveyors for valuation of collateral/securities objectively. The methodology of valuation that the Bank usually applies are forced sale/fire sale value, fair/market value etc. The Bank creates

Legal claims on collateral/securities through mortgage, charge creation, legal documentation etc.

Eligible Collateral

As per Bangladesh bank, the following collateral will be included as eligible collateral in determining base for provision:

- 100% of deposit under lien against the loan
- 100% of the value of government bond/savings certificate under lien
- 100% of the value of guarantee given by

Government or Bangladesh Bank

- 100% of the market value of gold or gold ornaments pledged with the bank.
- 50% of the market value of easily marketable commodities kept under control of the bank
- Maximum 50% of the market value of land and building mortgaged with the bank
- 50% of the average market value for last 06 months or 50% of the face value, Whichever is less, of the shares traded in stock exchange.

Impaired Credit

To define past due and impairment through classification and provisioning, the bank follows Bangladesh Bank Circulars and Guidelines. The summary of some objective criteria for loan classification and provisioning requirement as stipulated by the central bank BRPD circular no. 14 dated 23 September 2012 and BRPD circular no.16 dated 18 November 2014 are as follow:

	Loan Classification					
	Sub Standard		Doubtful		Bad & Loss	
	Overdue Period	Provision %	Overdue Period	Provision %	Overdue Period	Provision %
Continuous Loan	3 months or more but less than 6 months	20%	6 months or more but less than 9 months	50%	9 months or more	100%
Demand Loan	3 months or more but less than 6 months	20%	6 months or more but less than 9 months	50%	9 months or more	100%
Fixed Term	3 months or more but less than 6 months	20%	6 months or more but less than 9 months	50%	9 months or more	100%
Short Term Agricultural & Micro Credit	12 months or more but less than 36 months	5%	36 months or more but less than 60 months	5%	60 months or more	100%

Rate of General and Specific provision

General provision on: (For both Standard and Special mention account) Rate	
Unclassified general loans and advances	1%
Unclassified small and medium enterprise	0.25%
Loans to BHs/MBs/SDs against shares etc.	2%
Unclassified loans for housing finance and on loans for professionals	2%
Unclassified consumer financing other than housing financing and loans for professionals	5%
Short term agri credit and micro credit	2.5%
Off balance sheet exposures	1%
Specific provision on:	
Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/loss loans and advances	100%
Substandard short term agri credit and micro credit	5%
Doubtful short term agri credit and micro credit	5%

Quantitative Disclosures of NRBC Bank's Credit Risk

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

Urban Area	Fig in crore Tk.
Dhaka	2198.82
Chittagong	506.78
Rajshahi	327.74
Sylhet	75.72
Barisal	59.26
Rangpur	10.74
Khulna	7.54
Rural Area	
Dhaka	407.75
Chittagong	131.61
Rajshahi	0.00
Sylhet	0.74
Barisal	10.30
Rangpur	3.62
Khulna	0.19
Total	3740.79

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

Particulars	Fig in Crore Tk.
Overdraft	792.51
Cash Credit	674.94
Time loan	712.09
Term loan	449.74
Payment Against Document	10.33
Loans against Trust Receipt	175.69
Packing Credit	20.93
EDF Loan	66.47
Lease Fiance & Hire Purchase	240.26
Consumer Loan	46.69
Staff Loan	36.16
Other Loans and Advances	514.99
Total	3740.79

Industry or counterparty type distribution of exposures, broken down by major types of credit exposures:

SL	Industries	Fig in crore Tk.
1	Agri cultural Industry	77.32
2	Textile	206.61
3	RMG	356.55
4	NBFI	82.03
5	Food	9.99
6	Beverage	16.61
7	Pharmaceutical	23.12
8	Chemical	3.81
9	Electrical	11.47
10	Construction	279.92
11	House Building Residential	96.14
12	Leather	9.21
13	Service Industry	38.48
14	Transport	48.54
15	Basic Metal	7.38
16	Capital Market	-
17	Car loan	1.17
18	Furniture	0.14
19	Insurance	1.19
20	Consumer Finance	113.74
21	Printing	55.29
22	Ship Breaking	49.51
23	SME	579.69
24	Staff Loan	36.16
25	Steel	110.36
26	Trade Industry	717.13
27	Card	15.75
28	Other Manufacturing Industry	542.21
29	Others	251.30
Total		3740.79

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

Remaining Maturity	Fig in crore Tk.
Payable on demand	481.22
Not more than 3 months	791.12
More than 3 months but not more than 1 year	1345.47
More than 1 year but not more than 5 years	687.52
More than 5 years	435.46
Total	3740.79

Gross Non-performing Asset:

Unclassified	Fig in crore Tk.
Standard Including Staff Loan	3623.03
Special Mention account	98.46
Sub-Total (a)	3721.49
Classified	
Substandard Loan	5.93
Doubtful	2.51
Bad/loss	10.86
Sub-Total (b)	19.30
Total (a+b):	3740.79

Movement of Nonperforming Asset (NPAs) and specific provisions of NRBC Bank:

Movement of Nonperforming Asset (NPAs)	Fig in crore Tk.
Opening balance	6.28
Addition	125.55
Reduction	112.53
Closing balance	19.30
Movement of specific provisions for NPAs	
Opening balance	0.48
Provisions made during the period	5.39
Write-off	0.00
Write-back of excess provisions	0.00
Closing balance	5.86

5. Equities: Disclosures for banking book positions:

Investment in equity securities by NRBCB is broadly categorized into two parts: Quoted securities (Ordinary shares, Mutual Fund) and Unquoted securities (including preference share and subscription for private placement). Unquoted securities are categorized as banking book exposures which are further subdivided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future (i.e. held to maturity) and securities that are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Usually these securities are held for trading or investment for making capital gains.

Quoted Share		Fig in crore Tk.
Cost Price	Market Price	Unrealized Gain/ Loss
4.74	4.83	0.09
Un-Quoted Share		
8.00 (Solo)		

All investment securities are initially recognized at cost. Premiums are amortized and discount

accredited, using the effective yield method and are taken to discount income. The valuation methods of Marking to Market for investment used are

- Held to Maturity (HTM) and by definition the investments which have "Fixed or determinable" payments and fixed maturity that the group has the positive intent and ability to hold to maturity other than those that meet the definition of 'Held at amortized cost others' are classified as held to maturity. These investments are subsequently measured at amortized cost, less any provision for impairment in value. Amortized cost is calculated by taking into account any discount or premium in acquisition. Any gain or loss on such investments is recognized in the statement of income when the investment is derecognized or impaired as per IAS-39 "Financial Instruments: Recognition and Measurement"
- Held for Trading (HFT) is a method where investments are acquired principally for the purpose of selling or repurchasing or in short trading or if designated as such by the management. After initial recognition, investments are measured at present value and any change in the fair value is recognized in the statement of income for the period in which it arises. Transaction costs, if any, are not added to the value of investments at initial recognition.
- Revaluation: According to DOS Circular no.-05, dated 26th May 2008, the HFT securities are revalued once each week using Marking to Market concept and the HTM securities are amortized once a year according to Bangladesh Bank guidelines. The HTM securities are also revalued if they are reclassified to HFT category with the Board's approval.

Capital Charge on Equities:

Fig in crore Tk.

Particulars	Amount	Capital Charge
Specific Risk	4.83	0.48
General Market Risk	4.83	0.48
Total	9.65	0.97

6. Interest Rate Risk in the Banking Book (IRRBB):

It is the risk related to interest income arising from a mismatch between the duration of assets and liabilities that arises in the normal course of business activities. Changes in interest rates affect the underlying value of the bank's assets, liabilities, and off-balance-sheet (OBS) instruments because

the present value of future cash flows (and in some cases, the cash flows themselves) change when interest rates change.

Organizational Structure: The Asset Liability Management Committee of the Bank monitors and manages the IRRBB. The ALCO is responsible for management of the balance sheet of the Bank with a view to manage the market risk exposure by the Bank within the risk parameters laid down by the Board of Directors/Risk Committee.

IRRBB Management procedure:

IRRBB architecture is the framework to measure, monitor and control the adverse impact of interest rates on the Bank's financial condition within tolerable limits. This impact is calculated from following perspectives:

- Earning perspective: Indicates the impact on Bank's net interest income (NII) in the short term.
- Economic perspective: Indicates the impact on the net-worth of bank due to re-pricing of assets, liabilities and off-balance sheet items.

The ALM& Market Risk Policies define the framework for managing IRRBB through measures such as:

- Interest Rate Sensitivity Report:** Measures mismatches between rate sensitive liabilities and rate sensitive assets in various tenor buckets based on re-pricing or maturity, as applicable.
- Duration Gap Analysis:** Measures the mismatch in duration of assets & liabilities and the resultant impact on market value of equity.
- Stress Testing:** It is conducted on quarterly basis as per the directives of Bangladesh Bank to gain better insight into the vulnerable issue of IRRBB. Evaluates the impact on duration of capital of banking book under various stress scenarios.

Quantitative Disclosure:

Particulars	
Duration in Asset	1.41
Duration in Liabilities	1.11
Duration Gap (in Years)	0.37

Interest rate risk in banking book as of Dec 31st, 2016 is calculated as change in Market Value (MV) of equity as below:

Interest rate change	1%	2%	3%
Change in market value of equity	16.99	33.98	50.97

The below result implies that bank has less interest rate sensitive liabilities than interest rate sensitive assets and increase in interest rate may cause a increase in the economic value of bank's capital.

Sensitivity Analysis:

	Fig in crore Tk.		
Total Risk Sensitive Asset			3196.75
Total Risk Sensitive Liabilities			3058.76
Cumulative Gap			
< 3 months			555.35
3-6 months			328.04
6-12 months			137.99
CRAR before shock (Solo)			
Assumed Change in Interest Rate (%)	1%	2%	3%
Capital after shock	615.37	616.75	618.13
CRAR after shock	13.34	13.37	13.40

7. Market Risk:

Market risk is the risk of adverse revaluation or movement of any financial instrument as a consequence of changes in market prices or rates. Market risk exists in all trading, banking and investment portfolios but for the purpose of this report, it is considered as a risk specific to trading book of the Bank. The major types of market risk as specified in the Risk Based Capital Adequacy (RBCA) are as follows:

- Interest rate risk ii) Equity position risk iii) Foreign exchange risk and iv) Commodity risk.

Among the above list the main type of market risk faced by the Bank are interest rate risk and foreign exchange risk. The management of Bank has given significant attention to market risk in trading book, to assess the potential impact on the Bank's business due to the unprecedented volatility in financial markets.

Views of BOD on trading/investment activities:

The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to obtain maximum returns without taking undue risks.

Methods used to measure Market Risk:

Bank applies maturity method in measuring interest rate risk in respect of securities in trading book. The capital charge for entire market risk exposure is computed under the standardized approach using the maturity method and in accordance with the guideline issued by Bangladesh Bank.

Market Risk Management System:

The Treasury Division manage market risk covering liquidity, interest rate and foreign exchange risks with

oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank.

Policies and procedure for mitigating market risk are mentioned below.

- Risk Management and reporting is based on parameters such as Maturity Gap Analysis, Duration Gap Analysis.
- Risk Profiles are analyzed and mitigating strategies/processes are suggested by the Asset Liability Committee (ALCO).
- Foreign Exchange Net Open Position (NOP) limits (Day limit/Overnight limit), deal-wise trigger limits, Stop-loss limit, Profit/Loss in respect of cross currency trading are properly monitored and exception reporting is regularly carried out.
- Holding of equities is monitored regularly so that the investment remains within the limit as set by Bangladesh Bank.
- Asset Liability Management Committee (ALCO) analyzes market and determines strategies to attain business goals.
- Reconciliation of foreign currency transactions.

Qualitative Disclosure: Both Solo and Consolidated basis

The capital requirements for :	Fig in crore Tk.	
	Solo	Consolidated
i) Interest Rate Risk	9.00	9.00
ii) Equity Position Risk	0.97	1.73
iii) Foreign Exchange Risk	0.86	0.86
iv) Commodity Risk	0.00	0.00

8. Operational Risk:

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. We seek to minimize exposure to operational risk, subject to cost benefit trade-offs.

Views of BOD on system to reduce operational risk:

Banks Internal Control & Compliance (IC&CD) is the main tool in managing operational risk. Management through three units of ICCD i.e. monitoring, compliance and Audit & Inspection controls overall operation of the bank. Board audit committee directly oversees the functions of ICCD to prevent operational risk.

Performance gap of executives and staffs:

NRBC Bank is an equal opportunity employer. At NRBC Bank we recognize the importance of having the right people at right positions to achieve organizational

goals. Our recruitment and selection is governed by the philosophies of fairness, transparency and diversity. Understanding what is working well and what requires further support is essential to our performance management system. The performance management process aims to clarify what is expected from employees as well as how it is to be achieved.

Potential external Event: No potential external event is expected to expose the Bank to significant operational risk.

Policies and processes for mitigating operational risk:

As there is no upside of this risk, the objective of the management of operational risk is to minimize the risk in a cost effective manner. Currently, the bank is not using any model or tool to capture operational loss data for historical analysis rather it is a self assessment process. Bank's ICC Division is responsible for risk identification, measurement, monitoring, control, and reporting of operational risk. 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 mitigation of those risks. These DCFCLs are then discussed in monthly meeting of Bank's Risk Management Committee. The committee analyzes High and Moderate risk indicators and set responsibility for suitable personnel to resolve the issue. If anything remains unresolved or marked High, it is referred to MANCOM. Bank strongly follows KYC norms for its customer dealings and other banking operations. The Internal Control and Compliance Division of the Bank, The inspection teams of Bangladesh Bank and External Auditors conduct inspection of different branches and divisions at Head Office of the Bank and submit reports presenting the findings of the inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports.

Approach for calculating capital charge for operational risk:

The bank applies 'Basic Indicator Approach' of Basel III as prescribed by BB in revised RBCA guidelines. Under this approach, banks have to calculate average annual gross income (GI) of consecutive last three years and multiply the result by 15% (α factor) to determine required capital charge. Gross Income is the sum of 'Net Interest Income', 'Net non-interest income' and 'Interest Suspense' of a year or it is 'Total Operating Income' of the bank.

Quantitative Disclosure: The capital requirement for operational risk is as follows:

Particulars	Fig in crore Tk.	
	Solo	Consolidated
The capital requirement for operational risk	30.12	30.12

9. Liquidity Ratio and Risk:

Liquidity ratios are a class of financial metrics used to determine a bank's ability to pay off its short-term debts obligations. Liquidity risk is the risk that a bank may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process.

Views of BOD on system to reduce operational risk:

The Board Risk Management Committee regularly observe the key liquidity risk indicator i.e. Volatile liability dependency ratio, medium term funding ratio, and Net stable funding ratio and provide their valuable opinion.

Methods used to measure Liquidity risk:

The stress test for liquidity risk evaluates the resilience of the banks towards the fall in liquid

liabilities. The ratio "liquid assets to liquid liabilities" is calculated before and after the application of shocks by dividing the liquid assets with liquid liabilities. Liquid assets are the assets that are easily turned into cash without the threat of loss. They include cash, balances with Bangladesh Bank and balances with banks, call money lending, lending under repo and investment in government securities. Liquid liabilities include the deposits and the borrowings. Appropriate shocks will have to be absorbed to the liquid liabilities if the current liquidity position falls at the rate of 10%, 20% and 30% respectively.

Liquidity risk Management System:

The ALCO of the NRBC Bank regularly monitors the driving factors of liquidity risk called Regulatory liquidity indicators (RLIs). These factors are measures form the following aspects.

Cash Reserve Requirement (CRR)	As per MPD circular No-1, Bank have to maintained CRR of minimum 6% on daily basis and 6.5% on bi-weekly basis of weekly average demand and time liabilities of the base month which is two month back of reporting month.
Statutory Liquidity Ratio (SLR)	As per DOS circular No-1, Bank have to maintained SLR of minimum 13% on weekly average demand and time liabilities of the base month which is two month back of reporting month.
Medium Term Funding Ratio (MTFR)	$MTF = \frac{\text{Total Liabilities one year and above}}{\text{Total Assets one year and above}}$
Maximum Cumulative Outflow (MCO)	$MTF = \frac{\text{Total Liabilities one year and above}}{\text{Total Assets one year and above}}$
Advance Deposit Ratio (ADR)	$ADR = \frac{\text{Total Loans \& Advances on a given date}}{\text{Total deposit on a given date}}$
Liquidity Coverage Ratio (LCR)	$LCR = \frac{\text{Stock of High quality liquid Assets}}{\text{Total net cash outflows over the next 30 calendar days}}$
Net Stable Funding Ratio (NSFR)	$NSFR = \frac{\text{Available Stable Fund (ASF)}}{\text{Required Stable Fund (RSF)}}$

Policies and process for mitigating liquidity risk:

In order to develop comprehensive liquidity risk management framework, the bank has a Liquidity Contingency Plan. A set of policies and procedures that serves as a blueprint for the bank to meet its funding needs in a timely manner and at a reasonable cost. In this sense, a Liquidity Contingency Plan (LCP) is an extension of ongoing liquidity management and formalizes the objectives of liquidity management by ensuring:

- a.) Maintenance of reasonable amount of liquid assets.
- b.) Measurement and projection of funding requirements and
- c.) Management of access to funding sources.

Quantitative Disclosure

	Fig in crore Tk.	
Net Stable Funding Ratio (NSFR)	108.88%	
Liquidity Coverage Ratio (LCR)	120.39%	
Medium Term Funding Ratio (MTFR)	80.00%	
Maximum Cumulative Outflow (MCO)	18.58%	
Advance Deposit Ratio (ADR)	83.18%	
	Required	Maintained
Cash Reserve Requirement (CRR)	236.57	248.19
Statutory Liquidity Ratio (SLR)	473.13	595.08

10. Leverage Ratio

Views of BOD on system to reduce excessive leverage:

Excessive leverage by banks is widely believed to have contributed to the global financial crisis. Thus Basel III rules have introduced leverage ratio as a non risk based capital requirements. Board of Directors of our Bank continuously monitoring the exposure limit of lending, capital strength of our Bank in order to avoid building-up excessive on and off-balance sheet leverage.

Approach for calculating exposure

According to instruction of Supervisory body, the bank is maintaining leverage ratio on quarterly basis. The calculation at the end of each calendar quarter will be submitted to BB, showing the average of the month end leverage ratios based on the following definition of capital and total exposure.

$$\text{Leverage Ratio} = \frac{\text{Tier-1 Capital (after related deduction)}}{\text{Total Exposure (after related deduction)}}$$

Qualitative Disclosure

	Solo	consolidated
Leverage Ratio (Required 3%)	9.88%	9.96%

11. Remuneration

The bank has a Board approved payroll/remuneration policy which is incorporated in HR policy. The bank doesn't have any individual Committee/bodies that oversee(s) the remuneration. MANCOM with the concern of Board will monitor the issue on required basis. The bank has approved rewarding policy for the performing employees. Financial benefits may be granted to an employee by the Board or any other authority empowered by the Board for meritorious

service. An award in cash or in kind may be granted to an employee by the Board or any other authority empowered by the Board for the outstanding academic and professional achievements.

Structure of Remuneration: The Structure of remuneration arrangements for all employees consists of following components:

- Fixed Remuneration; and
- Variable pay

The fixed remuneration is made up of base remuneration and superannuation. Base remuneration includes salary and allowances paid in cash. Superannuation is paid to the employee at the time of retirement.

Variable pay consists of incentive bonuses award to most of the banks employee which are discretionary and recognize annual performance over the financial year.

In case of following situation remuneration can be adjusted before vesting:

- Disciplinary Action (at the discretion of Enquiry committee)
- Resignation of the employee prior to the payment date.

Qualitative Disclosure	Fig in crore Tk
Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its members.	
Number of employees having received a variable remuneration award during the financial year.	
Number and total amount of guaranteed (Eid festival) bonuses awarded during the financial year.	Number 2 and 3.48 Tk.
Number and total amount of sign-on awards made during the financial year.	
Number and total amount of severance payments made during the financial year	
Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	
Total amount of deferred remuneration paid out in the financial year.	
Breakdown of amount of remuneration awards for the financial year to show: fixed and variable, deferred and non-deferred, different forms used (cash, shares and share linked instruments, other forms).	(Incentive bonus Tk. 8.42)



Corporate Social Responsibility

Corporate Social Responsibility (CSR) encompasses a wide variety of tactics. Nowadays CSR is not confined within mere philanthropic activities but impact of company's behavior on society & environment is considered as Corporate Social Responsibility. Corporations are social beings and the welfare of society & corporations goes hand in hand. Sustainable society is vital for overall economy and business organizations can participate in building sustainable society through complying their CSR activities. At present topics such as sustainable development, financial inclusion are drawing highest consideration in financial sector and as dominant financial institution banks are contributing in achieving sustainable financial growth through multiple initiatives.

As a corporate citizen NRBC Bank is committed to contribute for a better sustainable society through diversified initiatives for mutual benefit. We believe that observing our National Days and different International Days will make our new generation familiar with glorious history and make them competent for future. From this view we have sponsored in celebrating International Mother Language Day to Muktohdara INC. We have also sponsored to Deputy Commissioner Office in

Chittagong for observing Great Victory Day 2016 through our Agrabad Branch, O R Nizam Road Branch & Jubilee Branch of Chittagong division. As a continuation of sponsoring various awareness program we have sponsored to Ministry of Social Welfare for awareness program of female trafficking. We have donated to Metropolitan University for assisting educational program through our Sylhet Branch.



Bank donated 5000 pcs blankets (December 2016) to the Prime Minister's Relief Fund to help the cold effected people of the country. Mr. Mohammad Shahid Islam, Director and Mr. Dewan Mujibur Rahman, Managing Director and CEO of Bank handed over the blankets to the Honorable Prime Minister Sheikh Hasina at Gonobhaban.

NRBC Bank has taken part in medical treatment expenditure of several victims and paid financial assistance for treatment of Chronic Diseases such as Cancer, Hepatitis-B virus, Enlarged Thyroid Gland Treatment, Heart Surgery etc.

We have contributed in Prime Minister Relief Fund

through BAB, Bangladesh Red Crescent Society for humanitarian aid to help destitute citizens across the country & for flood affected people of southern part of our country.

Bank has paid financial assistance to Sree Sree Swami Vholanadagiri Ashram for celebrating Sree Sree Durga Puja.

From our enthusiasm for athletics we have sponsored Sylhet District Sports Association for Athletics Meet-2016.

Apart from these CSR activities, the Bank has contributed to Child Care Center, Orphanage for smooth operating & maintenance purpose, Volunteer Blood Donation Program, Blanket Distribution Program by donating 5000 pcs blankets.

Our bank is committed to its Corporate Social Responsibility (CSR) program and it will work more for a better and sustainable society in upcoming days.



Mr. Dewan Mujibur Rahman, Managing Director and CEO of the Bank handed over a Cheque Tk. 5.00 million (June - 2016) as donation by the Bank to Prime Minister Relief Fund



Human Capital - the Key to excellent act

There exists an intense competition in the banking industry in attracting and retaining the customers delivering on time and efficient service. A talented officer can win the heart of a customer, providing prompt service which would eventually build strong and ever-lasting business relationship with that customer. Our efficient work force of the Bank acts as the fundamental pillar to reach the Bank today's height of success. Our employee commitment, qualifications and loyalty toward the bank give us a strong competitive edge. So we continuously develop and expand the skills and knowledge of our employees.

HR Vision

To buttress the team spirit, NRBC Bank's HR Division has set its own vision that is best managed, most productive and cost efficient workforce among local banks in Bangladesh. Human Resources Division of NRBC Bank is working relentlessly to help unlock and maximize the true potential of our human capital and giving relentless effort to align our people towards the Bank's vision of success, connect people's daily performance to the Bank's strategy and build a culture of empowerment.

Recruiting the Best people

We are constantly seeking to attract talented young people to our Bank. HR Policy of the Bank includes a strategic imperative for recruiting the best people from the society, as these people would lead to achieve comparative advantage for the Bank in recruiting fresh graduates, NRBC Bank brings people from different academic backgrounds which act as a source of creativity. Since inception of the Bank, fresh candidates with good academic background and

experienced candidates with a good track record has been recruited in all levels of the Bank every year for rendering best possible services to its customers.

NRBC Bank recruits fresher and experience employee on a permanent basis as per yearly manpower planning considering the attrition and expansion requirements of the Bank. This year we have recruited 137 people. In the year 2016 employee turnover rate is 6.87%.

NRBC Team at a glance		
Particulars	2016	2015
Number of Employees	567	479
a. Executive	60	54
b. Non-Executive	503	402
Support Staff	2	2
Marketing Associates (Contractual)	2	21
Female Representation	89	80
Male Representation	478	399

Work surroundings & Staff wellbeing

We believe that employee satisfaction drives them to better perform, so that the Bank provides them every facility it can. HR policy laid emphasis on the employees' benefits, as employees are the valuable assets and the Bank intends to make them more valuable, providing them sufficient pecuniary benefits, nurturing their knowledge as well. Good work environment is a matter to perform better and accordingly, NRBC Bank offers a hygienic work environment. In order to achieve the annual objective of the Bank, Human Resource Division has been working as one of the strategic partners of the Bank to retain its talented Resources. A

good number of welfare programs aiming to employee wellbeing, safety standards, working environment covering the followings are there in NRBC Bank:

• Attractive compensation package	• A wide range of Loan facilities at a lower interest rate
• Excellent career growth opportunities	• Disability Benefit
• Fair promotion	• Retirement Benefit
• Annual Increment	• Death Benefit
• Various kinds of Allowances e.g. house maintenance, Medical, Utilities etc.	• Provident Fund
• Festival & Incentive Bonus	• Gratuity Fund
• Leave Fair Assistance	• To facilitate Female employees of the Bank to work peacefully keeping their kids in a safe & healthy atmosphere, NRBC Bank becomes an active member of "Child Day Care of Private Banks" located at Motijheel, Dhaka.

Training and Development:

As there is no alternative to training for the development of human resources. Thus, NRBC Bank Training Institute of the Bank has been providing effective training to Bank's resources for developing their skills, knowledge and abilities (SKAs) for achieving the cherished dream of the Bank. To achieve this goal, the Institute designs training calendar considering regulatory compliance



Honorable Chairman Mr. Farasath Ali inaugurated the Foundation Course of 2nd Batch Probationary officer at Training Institute of the Bank

requirements and new banking innovation. The Training Institute also goes through a complete Training Needs Assessment (TNA) Process. The development of Human Capital essentially demands training throughout the year.

Our Strategic Objective for Training:

- Assess training needs for individuals and teams in similar functions.
- Provide continuous Learning and Development opportunities for all the employees of the Bank.
- Capture training based on proficient framework.
- Focus on the development of the employees to bring out the persons' insider instinct into light.
- Effective instructional and practical method for learning retention.

To nourish the quality of the talent pool recruited in the different segments, NRBC Bank arranges a wide range of in-house, local and international trainings provided by prominent national & international Experts in Banking & Finance as well as our experienced & skilled in-house resources.

In a variety of categories we have provided training as under:

- Orientation Program
- Foundation Training Program
- Job Specific Training Program
- Need based Local/Foreign Training

In the year 2016, different types of 27 trainings held which covers the regulatory obliged areas like Anti-Money Laundering, Integrated Supervision System, Cyber Security Awareness etc. as well as other mandatory banking operational trainings including 3 Foundation courses over the year.

Training-2016 at a Glance	
Number of Training (Internal)	07
Number of Trainings (External)	17
Number of Trainings (Foreign)	3
Total Trainings Held	27
Number of Participants (Internal)	295
Number of Participants (External)	38
Number of Participants (Foreign)	03
Total Participants	336



Anti-money Laundering & Combating Financing Terrorism held on February 2016 at Chittagong Zone. Managing Director, executives and Trainer were present at the concluding session of the training.

NRBC Bank-A Family:

Our Bank fosters and nurtures the concept of “A Bank –A Family” since its inception and the endeavor continues to create a professional work culture that amplifies Staff motivation and influence the quality of work-life. Since the Bank’s mission is to make it “The Best Place to Wok”, the inter-personal integration among the employees is very much important by creating a congenial, healthy, caring and productive environment for all levels of employees. Two-way communication is always appreciated here and this positive interaction between higher Management and all the employees is evident in NRBC Bank’s remarkable growth and success stepping towards every year.



Unbanked people under umbrella of NRBC Agent Banking

NRBC Bank is one of the 4th generation private sector scheduled bank started its commercial operation on 18th April 2013. NRBC Bank constantly focuses the changing need and desire of its customers, to develop new and re-engineered process of service delivery. It has a focus to act as an effective delivery channel to distribute NRB remittance all over the country.

Bangladesh Bank has given scope to the banks to develop another alternate delivery channel in the name and style “Agent Banking”. This channel will bring opportunity for the banks to serve the mass people at cutting edge price complying with regulatory requirements. Among the 9 new Banks, NRBC Bank got approval from Bangladesh Bank on 29th May 2014 to start Agent Banking Operation by engaging Agents/Sub-Agents throughout the country.

NRBC Bank has already launched Agent Banking operation from 17th December 2015 and currently operating with 155 Sub-Agents under 3 Principal Agents. Gradually we will spread our Agent/Sub-Agent Point all over the country.

The operation of our Agent Banking is real time basis having effect at Core Banking Software. Our Agent Banking Software vendor “Celloscope Limited” and CBS vendor “Leads Corporation Limited” worked jointly to integrate CBS and Agent Banking software from February 2015. We have started our

Agent Banking journey as pilot project from July 2015 and we have officially launched Agent Banking operation from 17th December 2015. NRBC Bank agents can open SB, CD, SND, Scheme Deposit Accounts, FDR, BEFTN and provide services of Cash Deposit, Cash Withdrawal, Balance Transfer, Balance Enquiry and Mini- Statement etc. NRBC Agents can receive utility bills of REB at the moment.

Expansion of Agent Banking Network :

Network of Agent bank spread out all over the country. NRBC is not behind such endeavor. NRBC is executing agreements with Corporate Institutions for steady expansion of Agent Banking Operation all over the country. MoU signed with A2i (Access to information



Exchange of MoU signed with A2i project under Prime Minister's Office to spread the agent Banking Service through 5600 Digital Information Centers at Union Parishad offices all over Bangladesh.

program, a project of the Government of Bangladesh under Prime Ministers Office) to work as our Agent under Agent Banking Operation. A2i have around 5600 Digital Information Centers at Union Parishad offices all over Bangladesh. These digital centers will act as Sub-Agents to connect un-bank people all over the country. Bank has also signed MoU with SYMANTEC, a renowned corporate body who are engaged with collection of Bridge Tolls at some important bridges like Mukterpur Bridge, Meghna-Gomti Bridge. Currently Bank is collecting Mukterpur Bridge Tolls through sub-agent point. Bank has signed MoU with another corporate body Agriculture Business Centre ABC, they will spread their rural agro based network named with 400 outlets all over Bangladesh through their sub-agent points.

New epoch of Agent Banking:

Agent banking program will change the banking scenario in near future. The low income & un-banked people will get banking services throughout the country. NRBC families are settled mostly in rural areas all over the country. The Bank is want to make door step services for disbursement of their remittance, Government safety nets program funds through our agents. NRBC's agents will also collect electricity bill & other bills from door to door. In this way, the bank is planing to build our remittance connection and build a low cost deposit base.



Bio-metrics process in the Agent Point to provide secure service or hassle free transactions of the Account Holders.

NRBC's Agent Banking Services:

- Opening of Bank's Savings, Current, SND, FDR & Scheme account.
- Collection of small value cash deposit and cash withdrawal, facilitating utility bill payments
- Inward foreign Remittance distribution, inland Remittance, facilitating fund transfer

- Facilitating small value loan disbursement and recovery of loan & installments.
- Cash payment under different programs of the Government
- Balance enquiry, generation and issuance of mini bank statement
- Collection and processing of documents in relation to account opening, loan application, credit and debit card application from public
- Other functions like payment of insurance premium, sale of crop etc.
- Receive clearing cheque for collection.
- Receive of Utility Bills like, DPDC, WASA, REB & collection of BRTA fees/charges.

In the customer end the transaction should be operating through ICT devices that are continuously and uninterruptedly integrated to the Core Banking Solution (CBS) of the bank. The transactions should be executed on real time basis. At the end point, the customer will get instant confirmation of their transaction through visual basis (screen based) or paper based (debit or credit slip).

Safetynet Program under NRBC Bank Agent Banking system

For a pilot project, A2i (Access to Information) Prime Minister's Office has linked Social Welfare Department and NRBC Bank for disbursement of Safetynet funds through electronically and proper banking channel. Social Welfare Department has selected NRBC Bank for disbursement of Safetynet funds to Elderly/Widow/divorced/Disabled people of Naogaon District's surrounding area.

At field level, our Agents communicating with the registered person and collect necessary documents from them and open individual Savings account through NRBC Bank Agent Banking devices. Individual accounts are operated with Finger impression of the account holder(s) which were verified by one of the Bank person physically. After successfully verification, the account was activated for transaction. After any transaction, account holders are getting SMS alert in their mobile phone from Bank's Central server.

Our Agents are disbursing the safetynet funds from their Agent Points (UDC's) and some times at door steps in case of elderly and disabled person.



Withdrawn money by the beneficiaries under safety net program of the Government through Bio-metrication from NRBC Bank Agent Point.

Inward Foreign Remittance (IFR) distribution under NRBC Bank Agent Banking

As an effective delivery channel to distribute NRB remittance & other Banking services, NRBC Bank started its Agent Banking expansions to rural areas of the country. Now NRB's can send their foreign remittance to their nearest and dearest persons of rural areas. Our Agents can also deliver the remittance to customer's door steps by carrying the movable Agent Banking devices. As the Banking process is running through Biometric impression, there is no chance of fraudulent activity. NRBC Bank already disbursed more than 20.00Lac taka IFR at rural areas.

REB Bills collection under NRBC Bank Agent Banking system

Recently in February 2017, Rural Electrification Board (REB) has signed a MoU with NRBC Bank for collection of Rural household and company's consumed Electric Bills through our Agent Banking Channel all over the country. They have also fixed the ceiling of commission which will be given to our Agents. Here it could be mentioned that our Bank Agents have already collected 20 Crore taka electric bills from their Agent Points without any hassle and in a easy way.

RMG Worker's Literacy program partnering with Swisscontact

This year NRBC Bank and Swisscontact jointly organizing a Financial Literacy program "Sarathi" on RMG garments workers. Our mission is to creation and delivery of tailored knowledge and counseling services on financial

planning, which will improve RMG worker's awareness and readiness to adopt better financial management practices, i.e., better savings, improved credit and investment habits, open formal bank accounts, utilize secure electronic payments for transactions, and maintain financial transaction records.



A project for Financial Literacy program among the RMG worker's awareness and readiness to adopt better financial management practices by Jointly financed by NRBC Bank Limited and Swisscontact, a international development cooperation.

Sarathi will support creation of suitable financial products, which NRBC Bank has already launched named "Sanchita Savings Account for RMG Workers". Our Literacy program also encourage the RMG Workers for open Bank's account for their future savings and we set up 10 Agent points surrounding the garments areas at Gazipur, Narayanganj, Ashulia and savar area. Project Sarathi also will be used to achieve scale and efficiencies to transform the financial services delivery targeting lower income segment in Bangladesh.



Deposit Products introduce for RMG workers after completion of Financial Literacy program

NRBC Bank towards Green Banking

Global warming is a burning issue of the time. The rapid changes in the climate pattern cause many problems and directly leave impact on biodiversity, agriculture, forestry, water resources, and human health, which need immediate global response. Across the globe there have been continuous endeavors to measure and mitigate the risk of climate change caused by human activity. Many countries over the world have made commitments necessary to mitigate climate change.

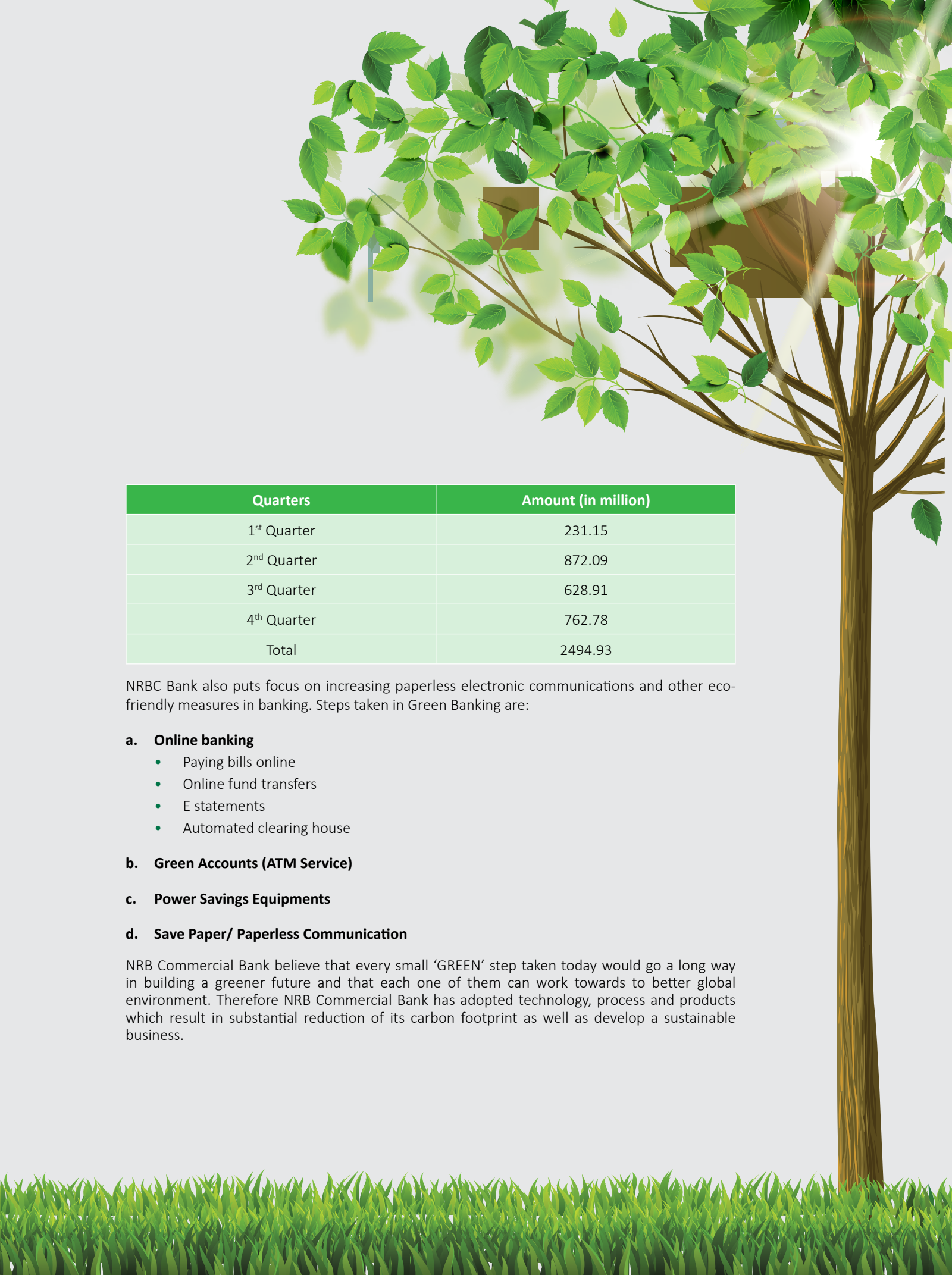
Bangladesh is located in the Ganges-Brahmaputra Delta region where natural calamities are a common phenomenon, which often causes huge losses. Even climate change impacts are high in our country, which needs proper dealing and management, effective guidance from all quarters, especially from banks.

Although banks are considered environment friendly and do not influence the environment greatly through their own internal operations, the external impact on the environment through their customers activities is substantial. The banking sector is one of the major sources of financing industrial projects such as steel, paper, cements, chemicals, fertilizers, power, and textiles etc. which cause maximum carbon emission as well as huge effluence. Therefore, the banking sector can play an intermediary role between economic development and environmental protection, for promoting environmentally sustainable and socially responsible investment.

Since its inception, NRB Commercial Bank Limited has been emphasizing on diversifying its credit portfolio over various sectors including Green & Environment-friendly Financing. As part of that we have already extended direct / indirect Green Finance to various industries and it has been growing day by day. NRB Commercial Bank undertook an initiative to go green by paying low interest loans to the customers who would like to setup solar equipments, ETP, Bio-gas Plant etc. In the year 2016, we financed 26 customers in various fields like ETP, Solar Panel, Brick-field(Zigzag) etc. Besides, most of the Textile Industries we financed are equipped with ETP facilities.

In the year 2016, NRB Commercial Bank financed total 26 number of customers under green finance category. In four quarters of 2016, total disbursement was Tk.2494.93 million under direct and indirect green finance.





Quarters	Amount (in million)
1 st Quarter	231.15
2 nd Quarter	872.09
3 rd Quarter	628.91
4 th Quarter	762.78
Total	2494.93

NRBC Bank also puts focus on increasing paperless electronic communications and other eco-friendly measures in banking. Steps taken in Green Banking are:

a. Online banking

- Paying bills online
- Online fund transfers
- E statements
- Automated clearing house

b. Green Accounts (ATM Service)

c. Power Savings Equipments

d. Save Paper/ Paperless Communication

NRB Commercial Bank believe that every small 'GREEN' step taken today would go a long way in building a greener future and that each one of them can work towards to better global environment. Therefore NRB Commercial Bank has adopted technology, process and products which result in substantial reduction of its carbon footprint as well as develop a sustainable business.

Managing Director and CFO's Responsibility Statement on integrity of Financial Statements

To
The Board of Directors
NRB Commercial Bank Limited
114, Motijheel C/A
Dhaka-1000

Sub: CEO and CFO's declaration on integrity of consolidated financial statements as at 31 December 2016

In compliance with the notification of Bangladesh Securities and Exchange Commission No.SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012, We hereby certify that the consolidated Financial Statements (CFS) of NRB Commercial Bank Limited (the Bank) as at and for the year ended 31 December 2016 have been prepared in accordance with Bangladesh Financial Reporting Standards BFRSs), the "First Schedule" (section 38) of the Bank Company Act 1991, as amended by the BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh. The Accounting Policies used in the preparation of the CFS are appropriate and are consistently applied by the Bank. In case the requirement of provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail with adequate disclosures of deviations made (please refer to note 2.1 of the CFS). Comparative information has been reclassified wherever necessary to conform to the current year presentation.

The estimates and judgments relating to the CFS were made on a prudent and reasonable basis; in order that the CFS reflect in a true and fair manner, the form and substance of transactions and present the state of affairs reasonably. To ensure this, the Bank has taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets and preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis. Our Internal Auditor has conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Bank were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurance provided by any system of internal controls and accounting.

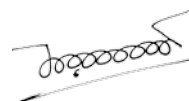
We hereby certify to the Board that:

- i. We have reviewed Consolidated Financial Statements of the Bank for the year 2016 and to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violation of the Bank's code of conduct.



Harunur Rashid
Chief Financial Officer

Place : Dhaka
Dated 26 February 2017



Dewan Mujibur Rahman
Managing Director & CEO



Independent Auditors' Report
& Consolidated Financial Statements
to the Shareholders'



Independent Auditors' Report

TO THE SHAREHOLDERS
OF

NRB Commercial Bank Limited

We have audited the accompanying consolidated financial statements of NRB Commercial Bank Limited and its subsidiary (the "Group") as well as the separate Financial Statements of NRB Commercial Bank Limited (the "Bank"), which comprise the Consolidated Balance Sheet and the Separate Balance Sheet as at 31 December 2016, and the consolidated and separate Profit and Loss Accounts, consolidated and separate Statements of Changes in Equity and consolidated and separate Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated Financial Statements of the Group and also separate Financial Statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS), as explained in the note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated Financial Statements of the Group and also the separate Financial Statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Companies Act, 1991 (as amended in 2013) and the Bangladesh Bank regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and the separate financial statements of the Bank are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error.

In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements of the Group and the separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also the separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the consolidated financial statements of the Group and also the 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 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.

Other Matter

The consolidated and separate financial statements of the Group and the Bank for the year ended 31 December 2015 were jointly audited by A. Wahab & Co. Chartered Accountants and K.M. Hasan & Co. Chartered Accountants, who expressed an unmodified opinion on those financial statements on 07 March 2016.



Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Companies Act 1991 (As amended in 2013) and the rules and regulations issued by Bangladesh Bank, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' 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 anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note # 2.20 the financial statements appeared to be materially adequate;
 - ii) nothing has come to our attention regarding material instances of forgeries or irregularities or administrative error and exception or anything detrimental committed by employee of the Bank and its related entities;
- c) The financial statements of NRBC Bank Securities Limited, subsidiary company of the Bank, for the year ended 31 December 2016 have been audited by Hoque Bhattacharjee Das & Co., Chartered Accountants;
- d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- f) 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 with related guidance issued by Bangladesh Bank;
- g) adequate provisions have been made for loans & advances and other assets which are in our opinion, doubtful of recovery;
- h) Capital to Risk Weighted Assets Ratio (CRAR) as required by the Bangladesh Bank has been maintained adequately during the year;
- i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- j) the information and explanation required by us have been received and found satisfactory;
- k) in our opinion, proper books of account as required by law have been kept by NRB Commercial Bank Limited so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from 43 branches not visited by us; and
- l) we have reviewed over 80% of the risk weighted assets of the Bank covering 08 branches as well as head office and spent approximately 3,360 man hours for the audit of the books and accounts of the bank.



Hoque Bhattacharjee Das & Co.
Chartered Accountants



ACNABIN
Chartered Accountants

Place: Dhaka, Bangladesh

Dated: 26 February 2017

NRB COMMERCIAL BANK LIMITED & ITS SUBSIDIARY

Consolidated Balance Sheet

As at 31 December 2016

Particulars	Notes	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
PROPERTY AND ASSETS			
Cash:	3a	3,094,050,159	2,236,775,615
In Hand (Including Foreign Currencies)	3.1a	580,890,853	377,681,442
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.2a	2,513,159,306	1,859,094,173
Balance with other banks and financial institutions including Foreign Currency	4a	4,005,293,035	3,077,157,127
In Bangladesh	4.1a	3,892,753,886	2,566,879,652
Outside Bangladesh	4.2a	112,539,149	510,277,475
Money at call and short notice	5a	-	-
Investments	6a	7,527,581,121	6,485,866,921
Government	6.1a	5,253,705,492	4,138,468,762
Others	6.2a	2,273,875,629	2,347,398,159
Loans and advances	7	37,408,284,100	23,227,386,522
Loans, cash credits, overdrafts etc.	7.2a	36,213,867,247	22,394,358,589
Bills purchased and discounted	8a	1,194,416,854	833,027,933
Fixed assets including premises, furniture and fixtures	9a	560,097,478	464,896,458
Other assets	10a	1,023,795,024	766,924,890
Non - banking assets		-	-
Total assets		53,619,100,916	36,259,007,533
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11a	763,427,007	426,901,731
Deposits and other accounts	12a	44,143,280,310	28,880,683,698
Current accounts and other accounts, etc.		2,516,739,883	1,668,922,740
Bills payable		2,754,668,268	246,712,400
Savings bank deposits		2,334,369,949	1,331,655,120
Special notice deposits		3,292,672,551	1,026,597,908
Fixed deposits		23,807,188,850	18,043,267,534
Other deposits		9,437,640,810	6,563,527,996
Other liabilities	13a	2,983,657,684	1,798,493,887
Total liabilities :		47,890,365,001	31,106,079,317
Equity attributable to Shareholders' of the Parent Company		5,688,061,302	5,113,021,571
Paid-up capital	14	4,579,440,770	4,446,059,000
Statutory reserve	15	462,771,400	203,221,865
Other reserve	16a	17,988,187	44,448,919
Retained earnings	17a	627,860,945	419,291,788
Non-Controlling Interest	17b	40,674,612	39,906,645
Total Equity		5,728,735,915	5,152,928,217
Total Liabilities and Shareholders' Equity		53,619,100,916	36,259,007,533

NRB COMMERCIAL BANK LIMITED & ITS SUBSIDIARY

Consolidated Balance Sheet


As at 31 December 2016


Particulars	Notes	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
OFF - BALANCE SHEET EXPOSURES			
Contingent liabilities	18	12,934,947,050	8,651,754,433
Acceptances and endorsements		4,606,856,139	3,040,654,880
Letters of guarantee		2,509,275,340	2,148,498,257
Irrevocable letters of credit		3,197,789,274	1,860,041,032
Bills accepted for collection		2,621,026,297	1,602,560,264
Other contingent liabilities		-	-
Other commitments			
Documentary credits and transaction regarding short term trade-related business		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Liabilities against forward purchase and sale		-	-
Total Off-Balance Sheet exposures including contingent liabilities		12,934,947,050	8,651,754,433
Other memorandum items			
Value of travellers cheques		-	-
Value of savings certificates (sanchaya patra) & Wage Earners Bonds		1,049,950,000	1,041,412,500

These Consolidated Financial Statements should be read in conjunction with annexed notes (1 to 48)



Dewan Mujibur Rahman
Managing Director & CEO


Mohammed Shahid Islam
Director, BoD


Dr. Nuran Nabi
Chairman, Audit Committee of BoD


Engr. Farasath Ali
Chairman, BoD

Signed as per annexed report on even date


Hoque Bhattacharjee Das & Co.
Chartered Accountants


ACNABIN
Chartered Accountants

Place: Dhaka
Dated: 26 February 2017

NRB COMMERCIAL BANK LIMITED & ITS SUBSIDIARY


Consolidated Profit and Loss Account

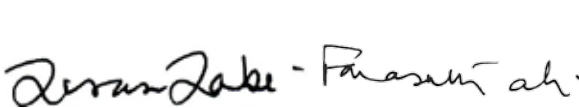
For the year ended 31 December 2016

Particulars	Notes	2016 Taka	2015 Taka
OPERATING INCOME			
Interest income	19a	3,905,390,379	2,920,417,585
Less: Interest paid on deposits and borrowings, etc.	20a	2,868,142,089	2,697,408,067
Net interest income		1,037,248,290	223,009,518
Investment income	21a	1,488,939,506	1,468,891,794
Commission, exchange and brokerage	22a	345,265,990	232,443,473
Other operating income	23a	140,405,345	77,869,336
Total operating income (A)		3,011,859,131	2,002,214,122
OPERATING EXPENSES			
Salary and allowances	24a	691,940,880	511,769,406
Rent, taxes, insurance, electricity, etc.	25a	227,362,958	185,417,194
Legal expenses	26a	7,651,029	3,224,848
Postage, stamps, telecommunication, etc.	27a	23,537,437	17,617,941
Stationery, printing, advertisement, etc.	28a	33,256,008	21,162,674
Chief Executive's salary and fees	29	12,905,644	11,682,258
Directors' fees & meeting expenses	30a	10,961,671	11,367,416
Auditors' fees	31a	304,750	311,500
Charges on loan losses	32	-	-
Depreciation and repairs of Bank's assets	33a	156,459,786	92,897,775
Other expenses	34a	309,955,466	224,347,306
Total operating expenses (B)		1,474,335,630	1,079,798,319
Profit before provision (C = A-B)		1,537,523,500	922,415,803
Provision against loans and advances	35a	186,794,042	84,344,910
Provision for diminution in value of investments	36a	-	(2,679,571)
Other provisions	37a	42,831,926	48,018,797
Total provision (D)		229,625,968	129,684,136
Profit before taxation (C-D)		1,307,897,532	792,731,667
Provision for taxation (2014 restated)	38a	438,865,563	232,656,102
Current tax	38b	460,358,812	235,870,164
Deferred tax	39a	(21,493,249)	(3,214,062)
Net profit after taxation		869,031,969	560,075,565
Appropriations:			
Statutory reserve		259,549,535	158,833,579
General reserve		-	-
Retained earnings carried forward		609,482,434	401,241,986
Non-Controlling Interest		767,967	(93,355)
Net Profit attributable to the Share Holder of Parent Company		608,714,467	401,335,341
Earnings Per Share (EPS)	40a	1.90	1.26

These Consolidated Financial Statements should be read in conjunction with annexed notes (1 to 48)


Dewan Mujibur Rahman
Managing Director & CEO


Mohammed Shahid Islam
Director, BoD


Dr. Nuran Nabi
Chairman, Audit Committee of BoD

Engr. Farasath Ali
Chairman, BoD

Signed as per annexed report on even date


Hoque Bhattacharjee Das & Co.
Chartered Accountants
Place: Dhaka
Dated: 26 February 2017


ACNABIN
Chartered Accountants

NRB COMMERCIAL BANK LIMITED & ITS SUBSIDIARY

Consolidated Statement of Cash Flows

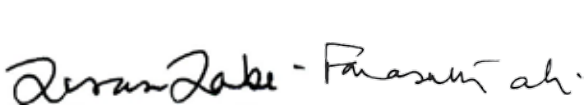
For the year ended 31 December 2016


Particulars	Notes	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
A. Cash flows from operating activities			
Interest receipts in cash		3,894,094,632	2,947,100,630
Interest paid in cash		(2,972,348,421)	(2,536,576,092)
Dividend receipts		22,575,129	15,348,819
Fee and commission receipts in cash		346,074,348	232,443,473
Recoveries on loans previously written off		-	-
Payments to employees		(693,973,859)	(421,699,647)
Payments to suppliers		(35,151,416)	(25,337,688)
Income taxes paid		(229,333,598)	(50,371,727)
Receipts from other operating activities	41a	1,592,940,222	1,509,742,091
Payments for other operating activities	42a	(525,262,672)	(437,621,989)
Operating profit before changes in operating assets & liabilities		1,399,614,366	1,233,027,869
Increase/decrease in operating assets and liabilities			
Sale/(Purchase) of Trading Security		-	-
Loans and advances to Other Bank(s)		-	-
Loans and advances to customers		(14,147,143,457)	(8,813,046,248)
Other assets	43a	12,721,148	(13,348,194)
Deposits from other bank(s)		3,000,000,000	100,000,000.00
Deposits from customers		12,262,596,612	11,509,802,998
Trading liabilities (short-term borrowings)		-	-
Other liabilities	44	474,556,209	(317,303,805)
Net increase/(decrease) in operating liabilities		1,602,730,512	2,466,104,752
Net cash from operating activities (A)		3,002,344,879	3,699,132,620
B. Cash flows from investing activities			
(Purchase)/ sale of government securities	45	(1,142,200,661)	67,970,103
(Purchase)/sale of Non-trading Security		119,000,000	(831,000,000)
(Purchase)/Sale of Share/Securities		(45,477,470)	(42,930,684)
(Purchase)/ sale of property, plant and equipment		(218,521,232)	(207,036,828)
Net cash from/(used) in investing activities(B)		(1,287,199,364)	(1,012,997,409)
C. Cash flows from financing activities			
Borrowing from other Bank(s)/ Bangladesh Bank		336,525,276	(1,082,183,205)
Increase/(decrease) in long-term borrowings/ Loan Capital & Debt Capital		-	-
Receipt from issue of Ordinary Shares		-	-
Receipt from issue of Ordinary Shares of Subsidiary's Minority Group		-	40,000,000
Dividend paid		(266,763,540)	(44,460,590)
Net cash from/(used) in financing activities (C)		69,761,736	(1,086,643,795)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		1,784,907,251	1,599,491,416
E. Effects of exchange rate changes on cash and cash equivalents		-	-
F. Cash and cash equivalents at the beginning of the year		5,315,111,642	3,715,620,227
Cash and cash equivalents at the end of the year [D+E+F]*		7,100,018,894	5,315,111,642
* Cash and cash equivalents at the end of the year:			
Cash	3.1a	580,890,853	377,681,442
Prize bonds	6.1	675,700	1,178,900
Money at call and on short notice	5a	-	-
Reverse Repo		-	-
Balance with Bangladesh Bank and its agent bank(s)	3.2a	2,513,159,306	1,859,094,173
Balance with other banks and financial institutions	4a	4,005,293,035	3,077,157,127
Net Operating Cash Flow Per Share (NOCFPS)		6.56	8.32

These Consolidated Financial Statements should be read in conjunction with annexed notes (1 to 48)


Dewan Mujibur Rahman
Managing Director & CEO


Mohammed Shahid Islam
Director, BoD


Dr. Nuran Nabi
Chairman, Audit Committee of BoD


Engr. Farasath Ali
Chairman, BoD

Place: Dhaka
Dated: 26 February 2017


NRB COMMERCIAL BANK LIMITED & ITS SUBSIDIARY


Consolidated Statement of Changes in Equity

For the year ended 31 December 2016

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign Currency translation Gain/(loss)	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Minority Interest	Retained earnings	Total
Balance at 01 January 2016	4,446,059,000	203,221,865	-	-	-	24,619	44,424,299	39,906,645	419,291,787	5,152,928,216
Adjustment:										
i. 6 % Cash Dividend for 2015	-	-	-	-	-	-	-	-	-	-
ii. 3% Stock Dividends for 2015	133,381,770	-	-	-	-	-	-	-	(266,763,540)	(266,763,540)
Opening Balance after adjustments	4,579,440,770	203,221,865	-	-	-	24,619	44,424,299	39,906,645	19,146,477	4,886,164,676
Effects of changes in accounting policy	-	-	-	-	-	-	-	-	-	-
Change in Non-Controlling Interest	-	-	-	-	-	-	-	767,967	-	767,967
Net profit after taxation for the year	-	-	-	-	-	-	-	-	868,264,002	868,264,002
Transfer to statutory reserve	-	259,549,535	-	-	-	-	-	-	(259,549,535)	-
Transfer General Reserve to Retained Earnings	-	-	-	-	-	-	-	-	-	-
Reserve for HFT treasury securities	-	-	-	-	-	-	(26,486,729)	-	-	(26,486,729)
Reserve for HTM securities	-	-	-	-	-	25,997	-	-	-	25,997
Currency translation difference	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2016	4,579,440,770	462,771,400	-	-	-	50,617	17,937,571	40,674,612	627,860,944	5,728,735,914
Balance at 31 December 2015	4,446,059,000	203,221,865	-	-	-	24,619	44,424,299	39,906,645	419,291,787	5,152,928,216

These Consolidated Financial Statements should be read in conjunction with annexed notes (1 to 48)


Dewan Mujibur Rahman
 Managing Director & CEO


Mohammed Shahid Islam
 Director, BoD


Dr. Nuran Nabi
 Chairman, Audit Committee of BoD


Engr. Farasath Ali
 Chairman

Place: Dhaka
 Dated: 26 February 2017

NRB COMMERCIAL BANK LIMITED

Balance Sheet

As at 31 December 2016

Particulars	Notes	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
PROPERTY AND ASSETS			
Cash:	3	3,094,026,283	2,236,775,615
In Hand (Including Foreign Currencies)	3.1	580,866,977	377,681,442
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.2	2,513,159,306	1,859,094,173
Balance with other banks and financial institutions including Foreign Currency	4	4,040,675,199	3,077,157,127
In Bangladesh		3,928,136,050	2,566,879,652
Outside Bangladesh		112,539,149	510,277,475
Money at call and short notice	5	-	-
Investments	6	7,174,157,121	6,200,866,921
Government		5,253,705,492	4,138,468,762
Others		1,920,451,629	2,062,398,159
Loans and advances	7	37,407,920,051	23,227,386,522
Loans, cash credits, overdrafts etc.	7.2	36,213,503,198	22,394,358,589
Bills purchased and discounted	8	1,194,416,854	833,027,933
Fixed assets including premises, furniture and fixtures	9	554,875,222	464,896,458
Other assets	10	1,344,618,132	1,127,017,311
Non - banking assets		-	-
Total assets		53,616,272,008	36,334,099,953
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	763,427,007	426,901,731
Deposits and other accounts	12	44,218,692,884	28,994,554,103
Current accounts and other accounts, etc.		2,516,739,883	1,668,922,740
Bills payable		2,754,668,268	246,712,400
Savings bank deposits		2,334,369,949	1,331,655,120
Special notice deposits		3,368,085,124	1,140,468,313
Fixed deposits		23,807,188,850	18,043,267,534
Other deposits		9,437,640,810	6,563,527,996
Other liabilities	13	2,952,162,327	1,798,782,355
Total liabilities :		47,934,282,218	31,220,238,189
Total Shareholders' Equity/Capital		5,681,989,791	5,113,861,765
Paid-up capital	14	4,579,440,770	4,446,059,000
Statutory reserve	15	462,771,400	203,221,865
Other reserve	16	17,988,187	44,448,919
Retained earnings	17	621,789,433	420,131,981
Total Liabilities and Shareholders' Equity		53,616,272,008	36,334,099,953

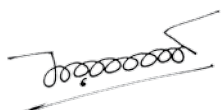
NRB COMMERCIAL BANK LIMITED

Balance Sheet

As at 31 December 2016

Particulars	Notes	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
OFF - BALANCE SHEET EXPOSURES			
Contingent liabilities	18	12,934,947,050	8,651,754,433
Acceptances and endorsements		4,606,856,139	3,040,654,880
Letters of guarantee		2,509,275,340	2,148,498,257
Irrevocable letters of credit		3,197,789,274	1,860,041,032
Bills accepted for collection		2,621,026,297	1,602,560,264
Other contingent liabilities		-	-
Other commitments			
Documentary credits and transaction regarding short term trade-related business		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Liabilities against forward purchase and sale		-	-
Total Off-Balance Sheet exposures including contingent liabilities		12,934,947,050	8,651,754,433
Other memorandum items			
Value of travellers cheques		-	-
Value of savings certificates (sanchaya patra) & Wage Earners Bonds		1,049,950,000	1,041,412,500

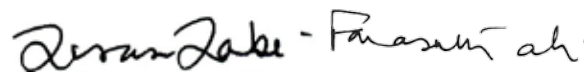
These Financial Statements should be read in conjunction with annexed notes (1 to 48)



Dewan Mujibur Rahman
Managing Director & CEO



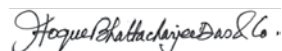
Mohammed Shahid Islam
Director, BoD



Dr. Nuran Nabi
Chairman, Audit Committee of BoD

Engr. Farasath Ali
Chairman, BoD

Signed as per annexed report on even date



Hoque Bhattacharjee Das & Co.
Chartered Accountants



ACNABIN
Chartered Accountants

Place: Dhaka
Dated: 26 February 2017

NRB COMMERCIAL BANK LIMITED


Profit and Loss Account

For the year ended 31 December 2016

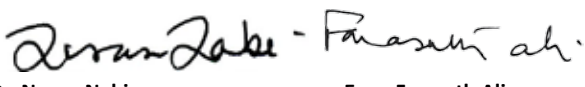
Particulars	Notes	2016 Taka	2015 Taka
OPERATING INCOME			
Interest income	19	3,905,356,585	2,920,417,585
Less: Interest paid on deposits and borrowings, etc.	20	2,875,955,085	2,699,407,850
Net interest income		1,029,401,500	221,009,736
Investment income	21	1,481,724,400	1,468,891,794
Commission, exchange and brokerage	22	345,181,715	232,443,473
Other operating income	23	140,382,780	77,869,336
Total operating income (A)		2,996,690,395	2,000,214,339
OPERATING EXPENSES			
Salary and allowances	24	688,436,422	511,769,406
Rent, taxes, insurance, electricity, etc.	25	226,346,767	185,377,194
Legal expenses	26	7,570,693	182,671
Postage, stamps, telecommunication, etc.	27	23,441,285	17,617,941
Stationery, printing, advertisement, etc.	28	33,098,182	20,926,694
Chief Executive's salary and fees	29	12,905,644	11,682,258
Directors' fees & meeting expenses	30	10,734,502	11,261,063
Auditors' fees	31	287,500	300,000
Charges on loan losses	32	-	-
Depreciation and repairs of Bank's assets	33	155,854,515	92,897,775
Other expenses	34	310,641,240	224,347,306
Total operating expenses (B)		1,469,316,751	1,076,362,309
Profit before provision (C = A-B)		1,527,373,644	923,852,031
Provision against loans and advances	35	186,794,042	84,344,910
Provision for diminution in value of investments	36	-	(2,679,571)
Other provisions	37	42,831,926	48,018,797
Total provision (D)		229,625,968	129,684,136
Profit before taxation (C-D)		1,297,747,677	794,167,895
Provision for taxation		436,395,379	233,158,782
Current tax	38	458,256,297	235,870,164
Deferred tax	39	(21,860,918)	(2,711,382)
Net profit after taxation		861,352,297	561,009,113
Appropriations:			
Statutory reserve		259,549,535	158,833,579
General reserve		-	-
Retained earnings carried forward		601,802,762	402,175,534
Earnings Per Share (EPS)	40	1.88	1.26

These Financial Statements should be read in conjunction with annexed notes (1 to 48)


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Managing Director & CEO


Mohammed Shahid Islam
Director, BoD


Dr. Nuran Nabi
Chairman, Audit Committee of BoD


Engr. Farasath Ali
Chairman, BoD

Signed as per annexed report on even date


Hoque Bhattacharjee Das & Co.
Chartered Accountants

Place: Dhaka
Dated: 26 February 2017


ACNABIN
Chartered Accountants

NRB COMMERCIAL BANK LIMITED


Statement of Cash Flows

For the year ended 31 December 2016

Particulars	Notes	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
A. Cash flows from operating activities			
Interest receipts in cash		3,894,060,838	2,947,100,630
Interest paid in cash		(2,980,161,417)	(2,538,575,874)
Dividend receipts		15,360,023	15,348,819
Fee and commission receipts in cash		345,181,715	232,443,473
Recoveries on loans previously written off		-	-
Payments to employees		(690,585,251)	(457,172,216)
Payments to suppliers		(34,190,178)	(25,337,688)
Income taxes paid		(226,999,798)	(50,071,760)
Receipts from other operating activities	41	1,592,873,899	1,509,742,091
Payments for other operating activities	42	(524,816,251)	(399,320,010)
Operating profit before changes in operating assets & liabilities		1,390,723,582	1,234,157,464
Increase/decrease in operating assets and liabilities			
Sale/(Purchase) of Trading Security		-	-
Loans and advances to Other Bank(s)		-	-
Loans and advances to customers		(14,146,779,408)	(8,813,046,248)
Other assets	43	50,877,477	(373,348,194)
Deposits from other bank(s)		3,000,000,000	100,000,000
Deposits from customers		12,224,138,781	11,623,673,402
Trading liabilities (short-term borrowings)		-	-
Other liabilities	44	444,491,209	(317,303,805)
Net increase/(decrease) in operating liabilities		1,572,728,058	2,219,975,156
Net cash from operating activities (A)		2,963,451,640	3,454,132,620
B. Cash flows from investing activities			
(Purchase)/ sale of government securities	45	(1,142,200,661)	67,970,103
(Purchase)/sale of Non-trading Security		119,000,000	(546,000,000)
(Purchase)/Sale of Share/Securities		22,946,530	(42,930,684)
(Purchase)/ sale of property, plant and equipment		(212,693,705)	(207,036,828)
Net cash from/(used) in investing activities(B)		(1,212,947,837)	(727,997,410)
C. Cash flows from financing activities			
Borrowing from other Bank(s)/ Bangladesh Bank		336,525,276	(1,082,183,205)
Increase/(decrease) in long-term borrowings/ Loan Capital & Debt Capital		-	-
Receipt from issue of Ordinary Shares		-	-
Dividend paid		(266,763,540)	(44,460,590)
Net cash from/(used) in financing activities (C)		69,761,736	(1,126,643,795)
D.Net increase/(decrease) in cash and cash equivalents (A+B+C)		1,820,265,540	1,599,491,415
E. Effects of exchange rate changes on cash and cash equivalents		-	-
F. Cash and cash equivalents at the beginning of the year		5,315,111,642	3,715,620,227
Cash and cash equivalents at the end of the year [D+E+F]*		7,135,377,182	5,315,111,642
* Cash and cash equivalents at the end of the year:			
Cash	3.1	580,866,977	377,681,442
Prize bonds	6.1	675,700	1,178,900
Money at call and on short notice	5	-	-
Reverse Repo		-	-
Balance with Bangladesh Bank and its agent bank(s)	3.2	2,513,159,306	1,859,094,173
Balance with other banks and financial institutions	4	4,040,675,199	3,077,157,127
		7,135,377,182	5,315,111,642
Net Operating Cash Flow Per Share (NOCFPS)		6.47	7.77

These Financial Statements should be read in conjunction with annexed notes (1 to 48)


Dewan Mujibur Rahman
Managing Director & CEO


Mohammed Shahid Islam
Director, BoD


Dr. Nuran Nabi
Chairman, Audit Committee of BoD

Engr. Farasath Ali
Chairman, BoD


NRB COMMERCIAL BANK LIMITED

Statement of Changes in Equity

For the year ended 31 December 2016

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign Currency translation Gain/(loss)	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Retained earnings	Total
Balance at 01 January 2016	4,446,059,000	203,221,865	-	-	-	24,619	44,424,299	420,131,981	5,113,861,764
Adjustment:									
i. 6 % Cash Dividend for 2015									
ii. 3% Stock Dividends for 2015	133,381,770							(266,763,540)	(266,763,540)
Opening Balance after adjustments	4,579,440,770	203,221,865	-	-	-	24,619	44,424,299	19,986,671	4,847,098,224
Effects of changes in accounting policy									
Net profit after taxation for the year									
Transfer to statutory reserve		259,549,535						861,352,297	861,352,297
Transfer General Reserve to Retained Earnings								(259,549,535)	-
Reserve for HFT treasury securities									
Reserve for HTM securities						25,997	(26,486,729)		(26,486,729)
Currency translation difference								25,997	25,997
Balance at 31 December 2016	4,579,440,770	462,771,400	-	-	-	50,617	17,937,571	621,789,433	5,681,989,790
Balance at 31 December 2015	4,446,059,000	203,221,865	-	-	-	24,619	44,424,299	420,131,981	5,113,861,764

These Financial Statements should be read in conjunction with annexed notes (1 to 48)



Dewan Mujibur Rahman
Managing Director & CEO



Mohammed Shahid Islam
Director, BoD



Dr. Nuran Nabi
Chairman, Audit Committee of BoD



Engr. Farasath Ali
Chairman

Place: Dhaka

Dated: 26 February 2017



NRB COMMERCIAL BANK LIMITED


Liquidity Statement Assets and Liability Maturity Analysis


As of 31 December 2016


Particulars	Maturity Analysis					Total
	Up to 1 month's Maturity	1-3 months' Maturity	3-12 months' Maturity	1-5 years' Maturity	Above 5 years' Maturity	
Assets						
Cash in hand	580,866,977	-	-	-	-	580,866,977
Balance with Bangladesh Bank and its agent bank (LCY+FCY)	141,023,420	-	-	-	2,372,135,886	2,513,159,306
Balance with other banks and financial institutions	617,878,208	2,519,697,535	899,994,476	3,104,981	-	4,040,675,199
Money at call and on short notice	-	-	-	-	-	-
Investments	47,400,181	231,058,566	286,729,809	3,735,520,708	2,873,447,856	7,174,157,121
Loans and advances	5,117,160,580	7,456,266,687	13,688,999,745	6,589,920,912	4,555,572,127	37,407,920,051
Fixed assets including premises, furniture and fixtures	-	-	-	-	554,875,222	554,875,222
Other assets	33,406,323	46,715,037	459,366,785	87,011,279	718,118,708	1,344,618,132
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	6,537,735,688	10,253,737,825	15,335,090,815	10,415,557,880	11,074,149,799	53,616,272,008
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	(620,000,000)	-	(143,427,007)	-	-	(763,427,007)
Deposits and other accounts	(9,048,452,022)	(12,728,827,071)	(11,919,275,726)	(8,903,171,414)	(1,618,966,651)	(44,218,692,884)
Provisions and other liabilities	(204,810,026)	(513,438,230)	(1,210,459,630)	(1,005,783,822)	(17,670,619)	(2,952,162,327)
Total Liabilities (B)	(9,873,262,048)	(13,242,265,301)	(13,273,162,364)	(9,908,955,236)	(1,636,637,270)	(47,934,282,218)
Net Liquidity Gap-Excess/(Shortage) (A-B)	(3,335,526,360)	(2,988,527,475)	2,061,928,452	506,602,644	9,437,512,530	5,681,989,791

These Financial Statements should be read in conjunction with annexed notes (1 to 48)


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Chairman, Audit Committee of BoD


Engr. Farasath Ali
Chairman

Place: Dhaka
Dated: 26 February 2017

NRB COMMERCIAL BANK LIMITED & ITS SUBSIDIARY

Explanatory Notes to the Financial Statements

For the year ended December 31, 2016



1 Legal Status of the Bank and its principal activities

NRB Commercial Bank Limited (NRBC Bank) having its Registered Office at 114 Motijheel Commercial Area, Dhaka-1000, Bangladesh, was incorporated (Inc no. C-107535) on February 20, 2013 as a Public Limited Company under the Companies Act, 1994 (Act No.18 of 1994) and also is governed by the Banking Companies Act 1991 (Amendment upto 2013) with Authorized Capital of Tk.10000 million and having strong capital base of Tk.4446,06 million (Paid up Capital) by converting the hard earned foreign currency of 53 (Fifty three) qualified NRBs from business persons, community leaders, scientists, educationists, living in across the globe which includes USA, Canada, UK, Russia, Italy, Germany, UAE and Kuwait.

NRBC Bank started its journey from 2 April 2013 after getting permission vide memo No. BRPD (P-3)/745(60)/2013-1189 dated 10 March 2013 as a scheduled Bank. Presently NRBC Bank has 51 Branches in rural and urban area of Bangladesh and, recently, Bank formed a subsidiary company M/s. NRBC Bank Securities Limited.

NRBC Bank Securities Limited was formed as subsidiary company after getting approval from Bangladesh Bank following guidelines of the Bangladesh Securities and Exchange Commission (BSEC). It incorporated as company on 20 September 2015 bearing certificate of incorporation no. C-125904/2015 under the Companies Act 1994. The subsidiary company resumed its Commercial operation on December 12, 2016.

The Bank through its Branches and non-banking subsidiary provides a diverse range of financial services and products in Bangladesh. The Bank has expanded its capital market operation to cater brokerage business in the stock market in Bangladesh.

2 Basis of preparation of the Consolidated financial statements and Significant accounting policies

Consolidated financial statements and separate financial statements of the Bank comprise of Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosures.

The Consolidated Financial statements of the Bank as at 31 December 2016 have been prepared under the historical cost convention except investments categorized under held for trading, and in accordance with Bangladesh Financial Reporting Standards (BFRS), the “First Schedule” (section-38) of the Banking Companies Act 1991, as amended by BRPD circular no. 14 dated 25 June 2003, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987 and other laws and rules applicable for the Bank.

Consolidated financial statements and financial statements of the Bank have been prepared in accordance with the measurement and recognition requirements of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).

2.1 Basis of consolidation

Separate set of records for consolidating the financial statements of the Branches including NRBC Bank Securities Limited are maintained at the Head Office of the Bank, based on which these financial statements have been prepared. The consolidated financial statements have been prepared in accordance with the BFRS 10 “Consolidated Financial Statements”. The Consolidated Financial Statements have been prepared to a common reporting period ended on 31 December 2016.



2.2 Statement of compliance:

The basis of preparation of Financial statements of the Bank differ with those of BFRS and, therefore, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail.

As such Bank has departed from those contradictory requirements of BFRS in order to comply with rules and regulations of Bangladesh Bank which are disclosed below:

i. Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

ii. Revaluation gains/losses on Government securities

BFRS: As per requirement of BAS 39, T-bills and T-bonds fall under the category of “Held for Trading (HFT)”. Any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as “Held to Maturity (HTM)” are measured at amortised cost method and interest income is recognised through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account.

HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

iii. Provision on loans and advances/investments

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

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



iv. Other comprehensive income

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

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

v. Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments different from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

vi. Financial guarantees

BFRS: As per BAS 39, financial guarantees are contracts which require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee are to be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

vii. Cash and cash equivalents

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

Bangladesh Bank: Some cash and cash equivalent items such as ‘money at call and on short notice’, treasury bills, Bangladesh Bank bills and prize bonds are not prescribed to be shown as cash and cash equivalents. Money at call and on short notice are presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments. However, in the cash flow statement, money at call and on short notice and prize bonds are shown as cash and cash equivalents besides cash in hand, Balance with BB and other banks.

viii. Non-banking asset

BFRS: No indication of Non-banking asset is found in any BFRS.

Bangladesh Bank: As per BRPD circular no. 14, there must exist a face item named Non-banking asset.

ix. Cash flow statement

BFRS: The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is ‘applied consistently’.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of direct and indirect methods.

x. Balance with Bangladesh Bank (Cash Reserve Requirement)

BFRS: Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day to day operations as per BAS 7.

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

xi. Presentation of intangible asset

BFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

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

xii. Off-balance sheet items

BFRS: There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xiii. Disclosure of appropriation of profit

BFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed on the face of Profit and Loss Account.

xiv. Loans and Advances/Investments net of provision

BFRS: Loans and advances/Investments should be presented net of provision.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, provision on loans and advances/ investments are presented separately as liability and can not be netted off against loans and advances.

Also refer to the Note 2.18 Compliance of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)

2.3 Functional and Presentational Currency

Financial statements of the Bank have been presented in Taka, which is the Bank's functional and presentational currency.

2.4 Materiality, Aggregation and Offsetting

The Bank aggregates each material class of similar items and separately which are dissimilar in nature or function unless those are immaterial. The Bank did not offset assets and liabilities or income and expense, unless required or permitted by BAS/ BFRS.



2.5 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using mark to market concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- Investment in Share and Securities under quoted are valued at market price
- Zero Coupon Bond at present value using amortization concept.

2.6 Use of Estimates and Judgments

The preparation of financial statements of the Bank required for management to make judgments, estimates and assumptions that affected the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions have been reviewed ongoing basis. Revisions of accounting estimates have been recognised in the period in which the estimates have been revised and in the future periods affected, if applicable.

Key estimates includes the following:

- Loan loss provision
- Deferred Tax Assets/Liabilities
- Gratuity
- Provision for other operating expenses

2.7 Foreign Currency Transactions

Foreign Currency Translation

Foreign currency transactions have been converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per BAS 21 "The Effects of Changes in Foreign Exchange Rates" and "balances with other banks and financial institutions" have been converted as per directives of Bangladesh Bank vide circular no. BRPD (R) 717/2004-959 dated 21 November 2004.

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account.

Translation Gain and Losses

Gains or losses arising out of translation of foreign exchange have been included in the Profit and Loss account.

2.8 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with BAS 7 "Cash Flow Statement" 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. Cash flows during the period have been classified as operating activities, investing activities and financing activities.



2.9 Statement of Changes in Equity

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

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 year as per following bases:

Particulars	Basis of use
Cash, Balance with other banks and financial institutions, money at call and short notice etc.	Maturity/behavioral trend.
Investments	Residual maturity term
Loans and advances	Repayment/maturity schedule and behavioral trend (non-maturity products).
Fixed assets	Useful life
Other assets	Realization/amortization basis.
Borrowing from other banks, financial institutions and agents	Maturity/ repayment terms
Deposits and others accounts	Maturity and behavioral trend (non-maturity products).
Other long term liability	Maturity term.
Provisions and Other liabilities	Settlement/adjustment schedule basis.

2.11 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently except otherwise instructed by the Central Bank as prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year’s presentation.

A Assets and basis of their valuation

i. Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand and at ATM, unrestricted balances held with Bangladesh Bank and its agent bank, balance with other banks and financial institutions, money at call and on short notice and prize bond which are not ordinarily susceptible to change in value.

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

ii. Investments

Investments have been initially recognised at cost, including acquisition charges associated with the investment. Government Treasury Bills and Bonds (categorized as HFT or/and HTM) are accounted for as per Bangladesh Bank DOS circular letter no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009.

The valuation methods of investment used are:

Held to Maturity (HTM)

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

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 as per Bangladesh Bank DOS Circular no. 05 dated 28 January 2009.

REPO and Reverse REPO

REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank. In the case of REPO of both coupon and non-coupon bearing (Treasury bill) 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.

Investments – Initial recognition and subsequent measurement at a glance
Value of investments has been enumerated as follows:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Treasury Bill / Bond (HFT)	Cost	Fair value	Loss to Profit and Loss Account, gain to Revaluation Reserve through Profit and Loss Account.
Treasury Bill / Bond (HTM)	Cost	Amortised value	Increase or decrease in value to equity.
Debenture/Bond	Face value	None	None
Shares (Quoted) *	Cost	Lower of cost or market value	Loss (net) to Profit and Loss Account but no unrealised gain booking.
Prize Bond	Cost	None	None

* Provision has been made on unrealized loss (gain net off) according to DOS Circular no. 4, dated 24 November 2011.

iii. Loans, advances and provision

- Loans and advances are stated at gross amounts at 31 December 2016
- Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest on classified loans and advances will be kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers. Interest is not charged on bad and loss loans/ investments as per guideline of Bangladesh Bank.
- Provision for loans and advances is made on the basis of quarter-end review by the management and as per instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013 and BRPD Circular No. 16 dated November 18, 2014 . The rates for provisions are stated below:

Types of loans and advances		General Provision		Specific Provision		
		UC	SMA	SS	DF	BL
Consumer Financing	House building and professionals to set up business	2%	5%	20%	50%	100%
	Other than housing finance & professionals to set up business	5%	5%	20%	50%	100%
Small & Medium Enterprise Finance (SME)		0.25%	2%	20%	50%	100%
loans to brokerage house/MBs/SDs against Share etc.		5%	5%	20%	50%	100%
Short-term agri-credit and micro credit		0.25%		5%	5%	100%
All Other Credits		1%	5%	20%	50%	100%
Off balance sheet exposures		1%				

iv. Property, Plant and Equipment:

Recognition and measurement

All fixed assets are stated at cost less accumulated depreciation as per BAS 16 "Property, Plant and Equipment". 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 BFRS.

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be measured reliably :

The cost of an item of Fixed Assets comprises

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located

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.

Depreciation

- Depreciation on fixed assets is charged on straight-line method irrespective of all assets. The rates of depreciation are as follows:

Category of asset	Rate of depreciation
Land	Nil
Building and Construction	2.50%
Furniture and Fixtures	10%
Equipment and Machinery	20%
Computer and Computer Equipment	20%
Intangible Assets/Bangladesh Made Computer Software	20%
Professionals and Reference Books	20%
Vehicles	20%
Leasehold Assets- Vehicles	20%

- Depreciation on fixed assets acquired during the year is charged from the month of their acquisition. Full month's depreciation is charged in the month of addition irrespective of the date of acquisition and no depreciation is charged in the month of their disposal.
- The cost and accumulated depreciation of disposed assets are eliminated from the fixed assets schedule.



- Useful life and method of depreciation of fixed assets will be reviewed periodically. If useful life of assets do not differ significantly as these were previously estimated, revaluation of assets does not consider to be done.
- Bank also follows a policy for amortization of expenditure considering the durability and useful life of items. These are treated as intangible assets and are booked under the head “Fixed Assets” and amortized over their estimated useful life by charging under the broad head “Depreciation”.

Derecognition of fixed asset

The carrying amount of an item of fixed assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of fixed assets is to be recorded in profit or loss when the item is derecognized.

v. Leased Assets

Where property, plant and equipment have been financed through lease arrangement under which substantially all the risks and rewards of ownership are transferred to the lessees are treated as finance leases as per BAS 17 “Leases”. All other leases are classified as operating leases as per BAS 17 “Leases”

The Bank as Lessor

Amount due from lessees under finance leases are recorded as receivables at the amount of the Bank’s net investment in the leases **(note-7.3)**. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank’s net investment outstanding in respect of the leases.

The Bank as Lessee

Assets held under finance leases are recognised as assets of the Bank at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments **(note-9)**. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation **(note-13)**. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

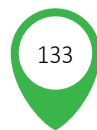
Depreciation of Property, Plant & Equipment for Tax Purpose

The policy of Depreciation for tax purpose is different from accounting depreciation. According to third schedule of income tax ordinance, 1984, Depreciation is application on annual basis whatever its purchased or to become workable condition. Equipment & Machinery in the Assets Mangment Software divided into Computer and Computer Equipment, Bangladesh Made Computer Software and Office Equipment & Machinery for accounting & tax purposes shown in the annexure-F & G. Differences of depreciation shall have effect on deferred assets or liabilities.

vi. Intangible Assets

According to BFRS-38, an intangible asset is recognized if-

- a. it is probable that the expected future economic benefits that are attributable to the assets will flow to the entity; and
- b. the cost of the assets can be measured reliably.



The software used by NRBC Bank represents the value of computer application software licensed for the use of the Bank. Software is carried out at cost less amortization/depreciation and any impairment losses. Initial cost comprises licensing fees paid at the time of purchase along with subsequent payment for user license and other direct attributable expenditure that are carried in customization of software for its intended use. Software is amortized/depreciated using the straight line method over the estimated useful life of 5 (five) years commencing from the month at which payment is made in line with third schedule of Income Ordinance-1984.

vii. Impairment of Assets

An asset is impaired when its carrying amount exceeds its recoverable amount as per BAS 36 "Impairment of Assets". The Bank assesses at the end of each reporting period whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the Bank and the subsidiaries make an estimate of the recoverable amount of the assets. The carrying amount of the asset is reduced to its recoverable amount, if the recoverable amount is less than its carrying amount and impairment losses are recognized in the profit and loss account. However, impairment of financial assets are guided by the relevant BB circulars/instructions and BAS 39.

No such impairment has been occurred/identified in the financial year 2016

viii. Other Assets

Other assets include advance for operating and capital expenditure, stocks of stationary and stamps, security deposits to government agencies etc. and such accounts may be quite insignificant in the overall financial condition of the Bank.

ix. Non-banking Assets

There are no assets acquired in exchange for loan during the period of financial statements.

B Liabilities and Provisions

i. Borrowings

Borrowings include call money, term borrowings and re-finance from other banks, financial institutions and Central Bank include interest bearing borrowings which are stated in the financial statements at principal amount of the outstanding balance. Interest payables on such borrowings are reported under other liabilities.

ii. Deposits and Other Accounts

Deposits and other accounts include non-interest bearing current deposits redeemable at call, interest bearing short-term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counter parties.

iii. Other liabilities

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



iv. Dividend payments

Dividend payable is recognized when it is declared by Board of Directors. Final dividend is recognized when it is approved by the shareholders in AGM. Any dividend yet to propose/confirm for the year 2016, therefore, it has not been recognized as a liability in the balance sheet in accordance with BAS 10: "Events after the Reporting Period". Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the payment is established.

v. Provision for loans and advances

Provision for unclassified loans and advances is made on the basis of quarter end review as instructions contained in BRPD Circular no. 14 dated 23 September 2012 and BRPD Circular no. 19 dated 27 December 2012. Details are stated in Note 13.01 and 13.02.

vi. Provision for investment in capital market

For recognition of loss suffered from investment in capital market, provision has been made on unrealized loss (gain net off) according to DOS Circular No. 04 dated 24 November 2011 on portfolio basis.

vii. Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines, contingent liabilities have been disclosed under off-balance sheet items. As per BRPD Circular no.14 dated 23 September 2012 and related earlier circulars, the bank has been maintaining provision @ 1% against certain offbalance sheet exposures.

viii. Provision for other assets

Provision for other assets is made as per the guidelines mentioned (100% provision is required on other assets which are outstanding for one year and above) in the BRPD Circular No. 14 dated 25 June 2001.

ix. Provision for nostro account balance.

As per instructions contained in the circular letter no. FEPD (FEMO) / 01 / 2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, provision is to be maintained for the un-reconciled debit balance of Nostro account more than 3 months as on the reporting date in these financials.

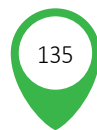
Since there is no unreconciled entries which are outstanding for more than 3 months, provision has not been made.

x. Provision for liabilities and accrued expenses

A provision is recognised in the balance sheet when the Bank has legal or constructive obligations as a result of past events and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with BAS 37 "Provision, Contingent Liabilities and Contingent Assets".

No provision is recognised for 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, or any present obligation that arises from past events and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimates of the amount of obligation cannot be made.

However, certain provisions on assets and liabilities are maintained in accordance with relevant Bangladesh Bank Circulars issued from time to time.



xi. Contingent liabilities

Contingent liabilities which include certain guarantees and letters of credit pledged as collateral are possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank. Contingent liabilities are not recognized in the financial statements as per BAS 37 "Provisions, Contingent Liabilities and Contingent Assets". However, disclosure on contingent liabilities have been made on the face of balance sheet under "Off-balance Sheet Items" as per the guidelines of BRPD Circular No. 14 dated 25 June 2003.

C Share capital and reserves**i. Authorized and issued capital**

The authorized capital of the bank is the maximum amount of share capital that the bank is authorized by its Memorandum and Articles of Association to issue (allocate) among shareholders. Part of the authorized capital can (and frequently does) remain unissued. This number can be changed by shareholders' approval upon fulfillment of related provisions of Companies Act 1994. The part of the authorized capital which has been issued to shareholders is referred to as the Issued Share Capital of the bank.

Herewith ordinary shares are classified as equity which is transferable to another person/institution due to expiry of the restriction of transfer.

ii. 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).

Paid up capital stood at Tk.4579.44 Million after dully approved 3% stock dividend on 3rd Annual General Meeting (AGM) held at 18 April 2016.

iii. Statutory reserve

In compliance with the provision of Section 24 of Bank Companies 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 equals to the paid up capital of the bank.

iv. Asset revaluation reserve

When an asset's carrying amount is increased as a result of revaluation, the increased amount is credited directly to equity under the heading of assets revaluation reserve as per BAS 16- "Property, Plant and Equipment". The bank is also required to follow the asset's revaluation guidelines issued by BSEC on 18 August 2013.

No asset's revaluation has occurred during the reported financial year

v. Reserve for Amortization/ revaluation of securities

When a Financial Asset is catagorised under HTM or HFT and subsequent value of the asset is increased as a result of amortisation of assets or mark to market revaluation, the net increased amount (for HTM increase or decrease of book value and for HFT loss to P&L but gain to revaluation reserve through P&L) is credited directly to equity under the heading of reserve for amortization/revaluation of securities as per Bangladesh Bank DOS circular no. 06, dated 15 July 2010.



D Revenue Recognition

i. Interest Income

According to the BAS 18 “Revenue”, the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified as per BRPD circular no. 19 dated 27 December 2012 and is kept in interest suspense account. Interest on classified advances is accounted for as income when realized.

ii. Interest income from investments

Interest income on investments in Government and other securities, debentures and bonds is accounted for on accrual basis.

iii. Fees and Commission Income

Fees and commission income on services provided by the Bank are recognised as and when the services are rendered. Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of effecting the transactions.

iv. Income from Exchange

Exchange income includes all gains and losses from foreign currency’s day to day transactions, conversions and revaluation of Non-Monetary items.

v. Dividend income

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established.

vi. Interest paid on Deposits and Borrowings

Interest paid on deposits, borrowings, etc. is accounted for on accrual basis according to the BAS 1 “Presentation of Financial Statements”.

vii. Management and other expense

Expenses incurred by the Bank are recognised on actual and accrual basis.

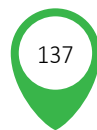
viii. Taxation

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

a. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Provision for current income tax has been made on taxable income of the Bank @ 40% (0% on gain of govt. securities, 10% on capital gain of trading shares in Secondary Market and 20% on dividend income) as prescribed in the Income Tax Ordinance 1984.



b. Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Bank is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the Profit and Loss Statement as per BAS-12 "Income Taxes" (note 39) and BRPD Circular no. 11 dated 12 December 2011.

ix. Retirement/post-employment benefits

The retirement benefits accrued for the employees of the Bank as on the reporting date have been accounted for in accordance with the provision of BAS 19 "Employee Benefit". Bases of enumerating the retirement benefit schemes operated by the Bank are outlined below:

a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which payments into the plan are fixed. Subsequent payments out of the plan to retired members are based on the size of the 'fund' meaning contributions that have been made into the scheme and investment returns on scheme assets. The Bank maintains one funded defined contribution plan i.e. "Provident fund" for its employees under a separate trustee board.

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% of 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 Commercial Bank Limited Employees' Provident Fund" and any investment decision out of this fund is made separately from that of the Bank's funds. This fund has received approval from the National Board of Revenue on 02 September 2014.



b) Defined benefit

Defined benefit plans are post-employment benefit plan other than defined contribution plans. These plans define the amount that retired members will receive from the plans during retirement, by reference to factors such as length of service and salary levels. Contributions are paid into the scheme based on policy of the plan approved by Board of Directors of its 2nd meeting held on 02 March 2013. The Bank retains an obligation to make up any shortfall in a plan, thereby bearing the risk of the plan under-performing. The Bank maintains one funded defined benefit plans "Gratuity fund" for its employees under separate trustee committee.

Staff Gratuity Fund

The Bank operates a funded gratuity scheme approved by the National Board of Revenue with effect from 21 September 2014. The Gratuity Fund is managed separately by "NRB Commercial Bank Limited Employees' Gratuity Fund Trust" and any investment decision out of this fund is also made by this Trust. The benefit is paid to the eligible employees i.e. who have completed minimum 3 (three) years of continuous service at the time of separation from the Bank. As per policy of the Bank, eligible employees are provided with the benefit equal to 2 monthly basic salary multiplied by varied rates as per service length.

2.12 Reconciliation of Books of Account

Books of accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch transactions are reconciled and no material difference was found which may affect the financial statements significantly.

2.13 Earnings Per Share (EPS)

Basic Earnings Per Share

Basic earnings per share have been calculated in accordance with BAS 33 "Earnings Per Share" which has been shown in the face of the Profit and Loss Statement. This has been calculated by dividing the basic earnings by the total ordinary outstanding shares.

Diluted Earnings Per Share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review.

2.14 Directors' Responsibility on Statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

2.15 Memorandum items

Memorandum items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Bills for collection, Stock of savings certificates and all other fall under the memorandum items. However, Bills for Collection is shown under contingent liabilities as per Bangladesh Bank's format of reporting.

2.16 Off-Balance Sheet Items

Off-Balance Sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank's guidelines.

In accordance with BRPD circular no.14 dated 23 September 2012, general provision @ 1% has been made on the outstanding balances of Off-Balance Sheet exposure of the Bank as at 31 December 2016. Provision is made on the total exposure and amount of cash margin or value of eligible collateral is not deducted while computing Off-Balance sheet exposure.

2.17 Reporting Period

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

2.18 Compliance of Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS)

While preparing the financial statements, Bank applied most of the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh as applicable to the Bank:

SL No.	Name of BAS	No. of BAS	Status
1	The Effects of Changes in Foreign Exchanges Rates	1	Complied *
2	Borrowing Costs	2	Complied
3	Related Party Disclosures	7	Complied
4	Accounting and Reporting by Retirement Benefit Plans	8	Complied
5	Separate Financial Statements	10	Complied
6	Investments in Associates	11	N/A
7	Interests in Joint Ventures	12	Complied
8	Financial Instruments: Presentation	16	Complied
9	Earnings Per Share	17	Complied
10	Interim Financial Reporting	18	Complied
11	Impairment of Assets	19	Complied
12	Provisions, Contingent Liabilities and Contingent Assets	20	N/A
13	Intangible Assets	21	Complied
14	Financial Instruments: Recognition and Measurement	23	Complied
15	Investment Property	24	Complied
16	Agriculture	26	N/A **
17	Separate Financial Statements	27	Complied
18	Investments in Associates	28	N/A
19	Interests in Joint Ventures	31	N/A
20	Financial Instruments: Presentation	32	Complied *
21	Earnings Per Share	33	Complied
22	Interim Financial Reporting	34	Complied
23	Impairment of Assets	36	Complied
24	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
25	Intangible Assets	38	Complied
26	Financial Instruments: Recognition and Measurement	39	Complied *
27	Investment Property	40	Complied
28	Agriculture	41	N/A

SL No.	Name of BFRS	No. of BFRS	Status
1	First-time Adoption of International Financial Reporting Standards	1	N/A
2	Share Based Payment	2	N/A
3	Business Combinations	3	N/A
4	Insurance Contracts	4	N/A
5	Non-Current Assets Held for Sale and Discontinued Operations	5	N/A
6	Exploration for and Evaluation of Mineral Resources	6	N/A
7	Financial Instruments: Disclosures	7	Complied *
8	Operating Segments	8	N/A
9	Consolidated Financial Statements	10	Complied
10	Joint Arrangements	11	N/A
11	Disclosure of Interests in Other Entities	12	Complied
12	Fair Value Measurement	13	Complied *

N/A Stands for Not Applicable

* In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) which are different to BAS/BFRS, some of the requirements specified in these BAS/BFRSs are not applied. Departure from BAS/BFRS mentioned in the **note 2.1**.

** This Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

2.18.1 New Accounting Standards not yet Adopted

Although International Accounting Standard Board (IASB) has issued a new standard (IFRS 9) along with related amendments to existing standards (IAS/ BAS 32, 39) but none of these have been adopted and/or endorsed locally as BAS/ BFRS and as such any possible impact could not be determined.

2.19 Regulatory and Legal Compliance

The Bank complied with the requirements of the following regulatory and legal authorities:

- i) The Banking Companies Act 1991
- ii) The Companies Act 1994
- iii) Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv) The Securities and Exchange Rules 1987
- v) The Securities and Exchange Ordinance 1969
- vi) The Securities and Exchange Commission Act 1993
- vii) The Income Tax Ordinance 1984 and Rules
- Viii) The Value Added Tax (VAT) 1991 and Rules

2.20 Risk Management

Risk is defined as uncertainties resulting in adverse variation of profitability or in losses, financial or otherwise. The risk management of the Bank covers core risk areas of banking viz, credit risk, liquidity risk, market risk that includes foreign exchange risk, interest rate risk, equity risk, operational risk and reputation risk. The objective of the risk management is that the Bank evaluates and takes well calculative business risks and thereby safeguarding the Bank's capital, its financial resources and profitability from various business risks through its own measures and through implementing Bangladesh Bank's guidelines and following some of the best practices as under:

2.20.1 Credit Risk

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

The Bank has segregated duties of the officers / executives involved in credit related activities. A separate Corporate Division has been formed at Head Office which is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate divisions have been formed within the Credit Division. These are (a) Credit Risk Management Division and (b) Credit Administration Division. Credit Risk Management Division is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy / strategy for lending operation, etc. Bank has no classified loan for the year ended 2014.

A thorough assessment is done before sanction of any credit facility at Credit Risk Management Division. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. The assessment process starts at Corporate Division by the Relationship Manager / Officer and ends at Credit Risk Management Division when it is approved / declined by the competent authority. Credit approval authority has been delegated to the individual executives. Proposals beyond their delegation are approved / declined by credit committee or the Management of the Bank or / the Executive Committee. Concentration of credit risk is shown in note-7.5.

In determining a single borrower / large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Bank's and Regulatory policies. Loans are classified as per Bangladesh Bank's guidelines. Concentration of single borrowers / large loan limits is shown in note- 7.5.

2.20.2 Operational Risk

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

2.20.3 Market Risk

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

Foreign Exchange Risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. Foreign exchange dealing on Bank's account was accounted & reconciled during the year.

Front Office of Treasury Division and International Division jointly conducted the foreign exchange transactions and the Mid Office and the Back Office of Treasury Division is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Market rate as determined by Bangladesh Bank at the month end. All Nostro accounts are reconciled on a monthly basis and outstanding entry is reviewed by the Management for its settlement. The position maintained by the Bank at the end of day was within the stipulated limit prescribed by the Bangladesh Bank.



Interest Rate Risk

Interest rate risk may arise from trading portfolio and non-trading portfolio. The trading portfolio of the Bank consists of government treasury bills, bond, etc. The short term movement in interest rate is negligible or nil. Interest rate risk of non trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

Equity Position Risk

Equity risk arises from movement in market value of equities held. The NRBC Bank duly exposed the risk capital market movement for the year 2016 and, therefore, no diminution in value of share has occurred.

2.20.4 Liquidity Risk comprising Asset Liability Management Risk

The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Treasury Department under approved policy guidelines. Treasury front office is supported by a very structured Back office. The Liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

2.20.5 Money Laundering Risk

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Compliance Officer at Head Office and Compliance Officers at branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and transaction profile has been introduced. Training is continuously given to all the category of Officers and Executives for developing awareness and skill for identifying suspicious activities / transactions.

2.20.6 Information & Communication Technology (ICT) Security Risk

ICT security risk management is a threat to an information technology, data, critical systems and business processes. Bank exposed these risks through defining clear policies and procedure by assigning roles and responsibilities of the personnel, ongoing risk assessment, mitigation of risk involving prioritization of the risk sensitive area and implementing risk control mechanism, and establishing Data Centre (DC) & Disaster Recovery (DR) for physical security of ICT.

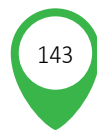
2.20.7 Internal Audit

The Bank has established an independent internal audit function with the head of internal control & compliance (ICC) reporting directly to the chairman of audit committee. 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.

2.20.8 Prevention of Fraud and Forgeries

As per the requirement of Bangladesh Bank regular reportings 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 programmes are taken to ensure that all officers and staff of the Bank are fully aware of various fraud risks in their work area and prepare them to deal efficiently.

However, no such incident of fraud and forgeries has not been identified in the year 2016.



2.21 Credit rating of the Bank

Credit Rating Information and Services Ltd.-CRISL (a joint venture rating agency of Rating Agency Malaysia Berhad (RAM) JCR-VIS Credit Rating Company Ltd., Pakistan, Prime Commercial Bank Ltd., Pakistan and Local Corporate/Sponsors Bangladesh) was engaged by the Bank for the purpose of rating the bank as per BRPD Circular No. 6 dated 5 July 2006, The following ratings have been awarded:

Particulars	Periods	Date of Rating	Long term	Short term
Initial Entity Rating	18 April to December 2013	24-Jun-14	BBB+	ST-3
Surveillance Rating	2014	22-Feb-15	A-	ST-3
Surveillance Rating	2015	30-Mar-16	A	ST-3
Surveillance Rating	2016	04-Apr-17	A	ST-3

2.22 Events after Reporting Period

As per BAS-10 "Events after Reporting Period" events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

In pursuance of para (b) as mentioned above, event after reporting period is in the **Note-48**

2.23 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.

Details of the related party transactions have been disclosed in **Annexure -I**

2.24 Audit Committee of the Board of Directors

i) Particulars of Audit Committee

During the year 2016, the Audit Committee of the Board was reconstituted 3 (three) times i.e. in the 41st, 46th and 47th Board Meetings held on 07.03.2016, 08.09.2016 and 02.10.2016 respectively in accordance with the BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank. The last Committee was formed on 02.10.2016 comprising 5 (five) members of the Board:

Sl no.	Name	Status with Bank	Status with Committee	Date of First Appointment/ Reappointment	Educational/ Professional Qualification
1	Dr. Nuran Nabi	Director	Chairman	07.03.2016 & 02.10.2016	PhD, MSC and BSC (Hons)
2	Mr. Mohammed Oliur Rahman	Director	Member	08.05.2013 and 02.10.2016	Undergraduate
3	Mr. Md. Amir Hossain	Director	Member	02.10.2016	MSC (Statistics) and BSC (Hons)
4	Mr. Mohammed Nazim	Director	Member	07.03.2016 and 02.10.2016	Bachelor's of Arts
5	Mr. Shabbir Ahmed Mubin	Director	Member	08.09.2016 & 02.10.2016	M.SC, BBA

* Duration means hold the position as of 31 December 2016 from first appointment.

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

ii) Meeting held with Audit Committee

During the year 2016, the Audit Committee conducted 4 (Four) meetings in which, among others, the following issues were reviewed and discussed:

- Review and recommendation of the Audited Financials of the Bank for the year ended on 31st December 2015.
- Summary of Comprehensive Core Risk Inspection Reports on the Branches and the Head Office of the Bank including status of compliance thereof;
- Review and approval of Risk-based Audit Plan-2016;
- Recommendation for appointment of Statutory Auditor of the Bank after expiry previous auditors as per BB Guideline
- Certificate to the Board of Directors on the Effectiveness of Internal Control & Compliance Policy, Practice and Procedure.
- Compliance against questionnaire on "Self Assessment of Anti-Fraud Internal Controls" & "Statement of Fraud and Forgeries" to Bangladesh Bank in terms of DOS Circular Letter No. 17 dated 07.11.2012.
- Review and recommendation of the Un-Audited Financials of the Bank for 02nd and 03rd Quarters of 2016 for approval of the Board of Directors
- Summary of Offsite Monitoring Report & Compliance Status of Twelve (12) Branches.
- Implementation status and Compliance on the Inspection Report conducted by Bangladesh Bank
- The committee has reviewed branches performances comprehensively.

iii) Steps taken for implementation of effective internal control procedure of the Bank

In order to implement the effective internal Control procedure of the Bank, the Audit Committee of the Board, Review & Monitors followings

- i. The control mechanisms time to time and recommend to improve the system
- ii. To advise to remain vigilant to ensure that the Banking rules and regulations are meticulously complied by all branches/divisions/departments
- iii. 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 the organization.

2.25 Approval of financial statements

These financial statements were reviewed by the Audit Committee of the Board of NRBC Bank Limited in its 16th meeting held on February 23, 2017 and was subsequently approved by the Board in its 51st meeting held on February 26, 2017.

2.26 General

- i. Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact, except mentioned above, on the operating result and value of assets and liabilities as reported in the financial statements for the current year.
- ii. Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- iii. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

		At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
3	Cash:		
	Cash In Hand (Including Foreign Currency) (Note: 3.1)	580,866,977	377,681,442
	Balance with Bangladesh Bank and its agent bank(s) (Note: 3.2)	2,513,159,306	1,859,094,173
		3,094,026,283	2,236,775,615
3a	Consolidated Cash:		
	NRBC Bank Limited	3,094,026,283	2,236,775,615
	NRBC Bank Securities Limited	23,876	-
		3,094,050,159	2,236,775,615
3.1	Cash In Hand (Including Foreign Currency)		
	In local currency (Note: 3.1.1)	573,294,255	372,742,742
	In foreign currency	7,572,723	4,938,700
		580,866,977	377,681,442
3.1.1	In local currency		
	Cash in Hand-Vault	546,632,755	356,200,742
	Cash in ATM	26,661,500	16,542,000
		573,294,255	372,742,742
3.1a	Consolidated Cash In Hand (Including Foreign Currency)		
	NRBC Bank Limited	580,866,977	377,681,442
	NRBC Bank Securities Limited	23,876	-
		580,890,853	377,681,442
3.2	Balance with Bangladesh Bank and its agent bank(s)		
	In local currencies (LCY) (Note: 3.2.1)	2,485,785,842	1,806,468,246
	In foreign currencies (FCY)	20,481,106	48,690,265
		2,506,266,949	1,855,158,511
	Details of Balance with BB (FCY Wise) Account is given with conversion in Annx-A		
	Sonali Bank Ltd. (as an agent bank of Bangladesh Bank)- local currency	6,892,357	3,935,661
		2,513,159,306	1,859,094,173
3.2a	Consolidated Balance with Bangladesh Bank and its agent bank(s)		
	NRBC Bank Limited	2,513,159,306	1,859,094,173
	NRBC Bank Securities Limited	-	-
		2,513,159,306	1,859,094,173
3.2.1	Balance with Bangladesh Bank and its agent bank(s)-LCY		
	Bangladesh Bank, Dhaka Office	2,467,900,383	1,804,261,149
	Bangladesh Bank, Chittagong Office	3,975,082	1,483,056
	Bangladesh Bank, Barisal Office	6,463,952	208,706
	Bangladesh Bank, Sylhet Office	357,544	118,577
	Bangladesh Bank, Rangpur Office	901,650	10,000
	Bangladesh Bank, Rajshahi Office	6,087,282	386,758
	Bangladesh Bank, Khulna Office	99,950	-
		2,485,785,842	1,806,468,246

At Dec 31, 2016
TakaAt Dec 31, 2015
Taka

3.3 Statutory deposits

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

Cash reserve requirement and statutory liquidity ratio have been calculated and maintained in accordance with clause 1 of section 33 of Bank Company Act-1991 (Amended upto 2013) & MPD circular No- 01 dated 23 June 2014 of Bangladesh bank (effective from 24 June 2014) and and DOS circular no. 01 dated 19 January 2014.

The statutory cash reserve requirement is on the Bank's time and demand liabilities at the rate of 6.50% and has been calculated and maintained with Bangladesh Bank in current account while statutory liquidity ratio of 13.00% is required, on the same liabilities is also maintained in the form of treasury bills and bonds including foreign currency balance with Bangladesh Bank. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:

A. Cash Reserve Requirement (CRR)

As per Bangladesh Bank MPD Circular No. 01 dated 23 June 2014 Bank maintained CRR of minimum 6.0% on daily basis and 6.5% on bi-weekly basis on weekly average demand and time liabilities of the base month which is two months back of reporting month (i.e. CRR of December 2016 is based on weekly average balance of October 2016):

i. Daily Position as on the reporting date

Average time and demand liabilities of October 2016 (excluding inter-bank deposit)	36,394,831,500	27,953,386,000
Required Reserve (6% on daily basis of Average Time and Demand Liabilities)	2,183,689,890	1,677,203,160
Ave. Actual reserve maintained with Bangladesh Bank	2,408,317,969	1,829,969,698
Surplus	224,628,079	152,766,538

ii. Bi-weekly cumulative Position

Average time and demand liabilities of October 2016 (excluding inter-bank deposit)	36,394,831,500	27,953,386,000
Required Reserve (6.5% on bi-weekly basis of Average Time and Demand Liabilities)	2,365,664,048	1,816,970,090
Ave. actual reserve maintained	2,369,930,870	1,831,710,540
Surplus	4,266,823	14,740,450

B. Statutory Liquidity Ratio (SLR) of 13 % Average Demand and Time Liabilities

As per clause 1 of section 33 of Bank Company Act-1991 (Amended upto 2013) & DOS circular No- 01 dated 19 January 2014 of Bangladesh bank (effective from 01 February 2014) all scheduled banks have to maintain SLR of minimum 13% based on weekly average demand and time liabilities of the base month which is two months back of the reporting month (i.e. SLR of December 2016 was done based on weekly average balance of October 2016). It is maintained bi-weekly basis minimum @ 13% as per above mentioned circular:

Average time and demand liabilities of October 2016 (excluding inter-bank deposit)	36,394,831,500	27,953,386,000
Required reserve of SLR (13% on basis of Average Time & Demand Liabilities)	4,731,328,095	3,633,940,180
Actual reserve maintained	5,711,089,540	4,337,511,889
Surplus / (deficit)	979,761,445	703,571,709

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
C. Components of Statutory Liquidity Ratio (SLR)		
Ave. Cash in hand including Foreign Currency	578,810,315	401,084,590
Ave. Balance with Bangladesh Bank (Foreign Currency)	48,836,069	15,746,927
Ave. Unencumbered approved securities (HTM)	3,887,721,032	3,013,190,679
Ave. Unencumbered approved securities (HFT)	1,194,864,123	906,708,468
Ave. Other Eligible Security i.e. Prize Bond	858,000	781,226
	5,711,089,540	4,337,511,889
4 Balance with other banks and financial institutions		
In Bangladesh (Note: 4.1)	3,928,136,050	2,566,879,652
Outside Bangladesh (Note: 4.2)	112,539,149	510,277,475
	4,040,675,199	3,077,157,127
4a Consolidated Balance with other banks and financial institutions		
In Bangladesh (Note: 4.1a)	3,892,753,886	2,566,879,652
Outside Bangladesh (Note: 4.2a)	112,539,149	510,277,475
	4,005,293,035	3,077,157,127
4.1 In Bangladesh		
Current Deposits:		
Bank Asia Ltd, Ruhitpur Br.	103	678
NCC Bank Ltd, Bhabn Br. VISA settlement A/C	1,087,963	2,632,955
Sonali Bank Ltd, Rangpur Corporate Br.	10,523,120	4,310
Standard Bank Ltd, Principal Br.	83,814	86,649
	11,694,999	2,724,591
Special Notice Deposits		
Mercantile Bank Ltd, Main Br.	5,566,545	19,957,685
Mercantile Bank Ltd., Agrabad Br.	-	-
Mercantile Bank Ltd., Sylhet Br.	8,759	10,139
Mercantile Bank Ltd., Barisal Br.	1,321	3,391
Mercantile Bank Ltd., Rajshahi Br.	56,546	6,034
Southeast Bank Ltd., Principal Br.	706,576	710,016
NCC Bank Ltd., Motihjeel Br.	1,909,950	110,679
Eastern Bank Ltd., Principal Br.	3,137,873	4,711,217
Jamuna Bank Ltd., FEX Br.	1,692,806	560,381
Agrani Bank Ltd., Principal Br.	7,614,167	6,206,268
Khulna Corp. Branch, Sonali Bank Ltd	19,654	-
Trust Bank Ltd, Dilkhusha Corp Br for Q-cash Settlement	6,826,221	1,875,229
	27,540,418	34,151,040
Fixed Deposits Receipt (FDRs)		
FDR lending with Banks	-	-
FDR lending with NBFIs	3,830,000,000	2,530,000,000
	3,830,000,000	2,530,000,000
Details of FDRs with Bank & NFBI in Annx-B		
Balance with Brokerage Houses Trading A/C.		
MBL Securities Ltd	35,408	1,649
IIDFC Securities Ltd	58,453	2,372
NRBC Bank Securities Ltd	58,806,771	-
	58,900,632	4,021
	3,928,136,050	2,566,879,652

4.1a Consolidated In Bangladesh

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
NRBC Bank Limited	3,928,136,050	2,566,879,652
NRBC Bank Securities Limited	100,599,598	113,870,405
	4,028,735,648	2,680,750,057
Less: Inter company transaction	135,981,762	113,870,405
	3,892,753,886	2,566,879,652

4.2 Outside Bangladesh**Current Deposits**

Habib American Bank NY, USD	35,170,174	95,229,805
Mashreq Bank PSC NY, USD	68,846,315	403,177,021
AB Bank Ltd Mumbai, Acu Dollar	2,560,801	3,429,300
Mashreq Bank PSC London GBP	260,263	2,518,928
United Bank Of India, Kolkata, Acu Dollar	1,118,328	2,074,819
Mashreq Bank PSC London EURO	771,378	1,097,640
Mashreq Bank Mumbai Acu Dollar	420,058	342,235
National Bank Of Pakistan, Tokyo, Jpy	358,604	1,619,515
Kookmin Bank, Seoul, Korea	2,421,965	447,701.20
Habib Metro Bank Limited, Karachi Acu Dollar	611,263	340,509
	112,539,149	510,277,475

Details of Nostro Account with conversion in Annx-C

4.2a Consolidated Outside Bangladesh (Nostro Accounts)

NRBC Bank Limited	112,539,149	510,277,475
NRBC Bank Securities Limited	-	-
	112,539,149	510,277,475
Less: Inter company transaction	-	-
	112,539,149	510,277,475

4.3 Account-wise/grouping of balance with other banks and financial institutions:

Current Deposits	183,134,781	513,006,087
Saving Deposit	-	-
Special Notice Deposits	27,540,418	34,151,040
Fixed Deposits	3,830,000,000	2,530,000,000
	4,040,675,199	3,077,157,127

4.4 Maturity grouping of balance with other banks

Repayable		
- on demand	185,888,822	516,421,191
- up to 3 months	3,154,786,377	1,110,735,936
- over 3 months but below 1 year	700,000,000	1,450,000,000
- over 1 year but below 5 years	-	-
- over 5 years	-	-
	4,040,675,199	3,077,157,127

		At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
5 Money at call and short notice			
In Bangladesh		-	-
Outside Bangladesh		-	-
		-	-
5a Consolidated money at call and on short notice			
NRBC Bank Limited		-	
NRBC Bank Securities Limited		-	
		-	-
6 Investments			
<u>Types of Investment</u>			
Treasury Bills		236,309,189	-
Treasury Bonds		5,016,720,603	4,137,289,862
Prize Bond		675,700	1,178,900
Other Investments		1,920,451,629	2,062,398,159
		7,174,157,121	6,200,866,921
<u>Nature wise:</u>			
Held for Trading		1,503,994,553	896,773,470
Held to Maturity		3,749,035,239	3,240,516,392
Others		1,921,127,329	2,063,577,059
		7,174,157,121	6,200,866,921
<u>Claim wise:</u>			
Government securities	(Note: 6.1)	5,253,705,492	4,138,468,762
Other investments	(Note: 6.2)	1,920,451,629	2,062,398,159
		7,174,157,121	6,200,866,921
6a Consolidated investments			
NRBC Bank Limited		7,174,157,121	6,200,866,921
NRBC Bank Securities Limited		-	-
		7,174,157,121	6,200,866,921
Less: Inter company transaction		-	-
		7,174,157,121	6,200,866,921
6.1 Government securities			
Treasury bills	(Note: 6.1.1)	5,253,029,792	4,137,289,862
Prize Bond		675,700	1,178,900
		5,253,705,492	4,138,468,762
6.1.1 Treasury bills/Bonds:			
a.Unencumbered			
i. Held for Trading			
91 Days Treasury Bills		-	-
182 Days Treasury Bills		-	-
364 Days Treasury Bills		236,309,189	-
2 Year Treasury Bonds		101,917,700	620,814,150
5 Year Treasury Bonds		-	-
10 Year Treasury Bonds		-	262,995,240
15 Year Treasury Bonds		744,345,364	-
20 Year Treasury Bonds		421,422,300	12,964,080
		1,503,994,553	896,773,470

ii. Held to Maturity

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
91 Days Treasury Bills	-	-
182 Days Treasury Bills	-	-
364 Days Treasury Bills	-	-
2 Year T-Bonds	29,997,640	59,990,576
5 Year T-Bonds	1,860,024,787	1,022,739,654
10 Year T-Bonds	661,492,316	647,000,862
15 Year T-Bonds	678,121,511	799,195,299
20 Year T-Bonds	519,398,984	711,590,000
	3,749,035,239	3,240,516,392

b. Encumbered : None of the securitites were being lien under re-purcahsed agreement

6.1a Consolidated Government Securities

NRBC Bank Limited	5,253,705,492	4,138,468,762
NRBC Bank Securities Limited	-	-
	5,253,705,492	4,138,468,762
Less: Inter company transaction	-	-
	5,253,705,492	4,138,468,762

6.2 Other investments**a. Quoted shares & MFs**

Share	47,451,629	69,706,484
Mutual Fund	-	691,675
	47,451,629	70,398,159

b. Investment in Preference Share

Preference Share- Regent Energy and Power Ltd.	80,000,000	100,000,000
	80,000,000	100,000,000

c. Investment in Bond:

BSRM Convertible Bond	297,000,000	396,000,000
Mercantile Bank Subordinated Bond	450,000,000	450,000,000
Trust Bank Subordinated Bond	150,000,000	150,000,000
AB Bank Subordinated Bond	100,000,000	100,000,000
UCBL Subordinated Bond	100,000,000	100,000,000
MTB Subordinated Bond	200,000,000	200,000,000
2nd AB Bank Subordinated Bond	300,000,000	300,000,000
The City Bank Subordinated Bond	196,000,000	196,000,000
	1,793,000,000	1,892,000,000

Details in the Annex-D

Total (a+b+c+d)	1,920,451,629	2,062,398,159
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6.2a Consolidated other investments

NRBC Bank Limited	1,920,451,629	2,062,398,159
NRBC Bank Securities Limited	353,424,000	285,000,000
	2,273,875,629	2,347,398,159
Less: Inter company transaction	-	-
	2,273,875,629	2,347,398,159

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
7 Loans and advances	37,407,920,051	23,227,386,522
7.1 Maturity grouping		
Payable on demand	4,812,200,100	1,695,260,367
Not more than 3 months	7,911,200,021	4,470,278,322
More than 3 months but not more than 1 year	13,454,717,864	8,772,923,281
More than 1 year but not more than 5 years	6,875,200,426	5,284,893,292
More than 5 years	4,354,601,640	3,004,031,260
	37,407,920,051	23,227,386,522
7.2 Broad category-wise breakup		
<u>In Bangladesh</u>		
Loans	22,427,948,484	13,574,543,474
Overdrafts	7,036,154,679	5,109,795,978
Cash Credit	6,749,400,036	3,710,019,137
	36,213,503,198	22,394,358,589
<u>Outside Bangladesh</u>		
Loans	-	-
Overdrafts	-	-
Cash Credit	-	-
	-	-
<u>Total loans and Advances</u>	36,213,503,198	22,394,358,589
7.3 Product wise Loans and Advances		
Overdraft	7,925,098,977	5,749,977,628
Cash Credit	6,749,400,036	3,710,019,137
Time loan	7,120,872,845	2,995,689,538
Term loan	4,497,353,167	3,165,505,932
Payment Against Document	103,292,988	42,010,845
Loans against Trust Receipt	1,756,869,703	1,320,533,646
Packing Credit	209,327,228	93,894,481
EDF Loan	664,705,408	211,300,495
Lease Finance & Hire Purchase	2,402,577,598	2,112,288,116
Consumer Loan	466,920,089	397,648,094
Staff Loan	361,637,978	245,249,133
Other Loans and Advances	5,149,864,036	3,183,269,476
	37,407,920,051	23,227,386,522
7.4 Sectorwise Loans and Advances excluding bill purchased and discounted		
Govt. Sector	-	-
Public Sector	-	-
Private Sector	36,213,503,198	22,394,358,589
	36,213,503,198	22,394,358,589
7.5 Loans and Advances on the basis of significant concentration including Bills Purchased and Discounted		
a) Loans and advances given in favor of sister concern of the Directors ;	-	-
b) Loans and advances given to Chief Executive and other senior executives of the Banks	80,808,567	86,521,453

c) Loans and advances allowed to customer exceeding 10% of Bank's Total Equity for the year 2016

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
Total capital of the Bank (Lac Taka)	62,006.10	54,447.63
No. of Customer	32	17
Amount of Outstanding Facilities:	Amount in lac	
Funded Facilities	123,976.98	59,942.12
Non-Funded Facilities	55,845.05	25,387.02
Classified loan thereon	1,930.23	587.14
Measures taken for recovery	Nil	Nil

Figure in Lac

SL	Name of Client	Facilities approved by Bank		Balance/Business as on 31.12.2016	
		Funded	Non-Funded	Funded	Non-Funded
1	IFAD Autos Ltd.	5,850.00	1,000.00	3,495.40	11.96
2	A G Agro Limited	7,700.00	10,000.00	7,324.25	7,228.69
3	Anwar Group	7,800.00	5,000.00	7,951.89	-
4	Navana Group	7,330.26	7,000.00	6,179.27	1,460.46
5	Lantabur Group	4,700.00	6,000.00	7,886.26	2,599.98
6	Mir Akhter Hossain	5,000.00	4,500.00	-	1,999.00
7	Abul Khair Group	-	16,500.00	-	967.45
8	Habib Group	5,500.00	5,000.00	4,595.76	2,885.13
9	Jahangir And Others Limited	250.00	8,000.00	6,962.15	-
10	Bengal Group	-	4,346.20	-	64.37
11	Nassa Group	5,805.24	4,100.00	4,767.77	1,613.52
12	Labib Group	6,700.00	13,210.14	3,149.48	7,852.05
13	Goldstar Group	3,000.00	10,150.00	2,237.93	4,165.02
14	Abdul Monem Ltd	3,500.00	2,500.00	1,517.29	-
15	Belal Hossain & Company	6,500.00	-	155.44	-
16	MM Ship Breaking	7,250.00	354.28	5,696.80	354.27
17	Jamuna Edible Oil Industry Ltd. Unit-2	7,500.00	6,896.32	5,403.24	2,929.41
18	Bay poly & Bonita Bottton Industries	3,378.61	1,800.00	2,995.27	1,534.61
19	Stylish Garments Limited	7,475.00	4,000.00	7,412.53	1,612.11
20	Blue planet	4,500.00	7,681.49	2,980.37	181.49
21	Computer Network System	5,000.00	5,000.00	-	1,642.29
22	Begumgonj feed mills ltd	6,800.00	5,000.00	7,028.34	3,677.28
23	AA Synthetic Fibres Ltd.	5,000.00	5,000.00	2,372.53	3,128.81
24	Aftab Automobiles Ltd	4,000.00	3,000.00	2,529.87	2,878.19
25	Silver Apperal & Febrics Ltd.	2,537.39	5,042.14	4,156.99	1,983.19
26	Mahade Fashion Pvt. Ltd	2,500.00	5,500.00	1,642.89	3,398.10
27	NORTHERN HATCHERIES	7,500.00	0.94	5,154.38	0.94
28	Samira Saima Textile Mills	11,000.00	7,000.00	7,989.70	-
29	M/S Hasan & Brothers	1,000.00	5,000.00	2,337.86	-
30	Aleya Feeds Ltd & its Associates	4,676.73	2,907.48	2,959.44	50.00
31	Alin Food Products	4,340.00	1,653.00	3,612.48	1,623.21
32	Thermax Melange Spinning Mills	5,000.00	7,000.00	3,481.41	3.52
Total		159,093.23	170,141.99	123,976.98	55,845.05

d) Industry wise loans including Bills purchased & discounted

		At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
SL	Industries	Taka	Taka
1	Agri cultural Industry	773,164,110	525,903,530
2	Textile	2,066,050,603	1,571,815,790
3	RMG	3,565,482,548	1,851,677,115
4	NBFI	820,283,060	1,080,477,806
5	Food	99,925,173	73,357,212
6	Bevarage	166,121,470	97,823,970
7	Pharmaceutical	231,198,832	194,566,050
8	Chemical	38,114,133	17,506,779
9	Electrical	114,671,474	134,720,520
10	Construction	2,799,202,330	1,724,844,359
11	House Building Residential	961,365,151	670,953,660
12	Leather	92,108,575	48,493,279
13	Service Industry	384,782,921	522,987,844
14	Transport	485,383,612	845,245,146
15	Basic Metal	73,783,472	366,969,764
16	Capital Market	-	7,907,038
17	Car loan	11,653,726	19,437,552
18	Furniture	1,428,017	1,481,688
19	Insurance	11,947,870	176,238,458
20	Consumer Finance	1,137,393,731	810,440,320
21	Printing	552,929,186	277,991,304
22	Ship Breaking	495,059,556	301,227,117
23	SME	5,796,861,046	2,124,607,933
24	Staff Loan	361,637,978	245,249,133
25	Steel	1,103,559,703	572,186,594
26	Trade Industry	7,171,325,036	4,543,277,780
27	Card	157,457,176	76,427,978
28	Other Manufacturing Industry	5,422,054,500	3,330,561,119
29	Others	2,512,975,062	1,013,009,682
Total		37,407,920,051	23,227,386,522

7.6 Geographical location-wise Loans and Advances

Urban Branch

Dhaka	21,988,209,872	15,687,030,274
Chittagong	5,067,776,685	3,191,787,973
Rajshahi	3,277,413,162	858,744,634
Sylhet	757,166,862	327,392,120
Barisal	592,597,025	181,362,966
Rangpur	107,369,251	35,026,133
Khulna	75,382,533	4,328,317
Sub-total	31,865,915,390	20,285,672,418

Rural Branch

Dhaka	4,077,461,057	2,483,501,974
Chittagong	1,316,119,527	458,212,130
Rajshahi	-	-
Sylhet	7,353,846	-
Barisal	103,048,470	-
Rangpur	36,150,260	-
Khulna	1,871,502	-
Sub-total	5,542,004,662	2,941,714,104
Total	37,407,920,051	23,227,386,522

7.7 Classification of Loan & Advances

Unclassified

Standard Including Staff Loan

Special Mention account

Sub-Total (a)

Classified

Substandard Loan

Doubtful

Bad/loss

Sub-Total (b)

Total (a+b):

At Dec 31, 2016
TakaAt Dec 31, 2015
Taka

7.8 Particulars of required provision for loans and advances (for Funded facility)

For Unclassified Loans

Base for Provision

Rate (%)

Standard Including Staff Loan

36,230,337,446

Various (*)

Special Mention account

984,559,380

Various (*)

Sub-Total (a)

(*) General Provision is Kept @ 2% on Loan for Professional, 2% on housing loan, 5% on Consumer Financing and 0.25% on small and medium enterprise Financing and 1% on rest unclassified Loans and advances.

For Classified Loans

Base for Provision

Rate (%)

Substandard Loan (SS)(**)

19,510,994

20

Doubtful (DF)(**)

14,098,159

50

Bad/loss (BL)

47,699,479

100

Sub-Total (b)

Required Provision for Loan and advance (c=a+b)

Total Provision maintained (Note:13.1)

Excess/(Shortfall) of provision as of 31 December 2016

(**) Except Short-term agri-credit and micro credit where 5% provision has to be kept on base for provision under SS & DF stage

7.9 Particulars of Loans and Advances

(i) Loans and advances considered good in respect of which the Bank is fully secured

(ii) Loans and advances considered good against which, the Bank holds no security other than, the debtors' personal guarantee

(iii) Loans and advances considered as good which is secured owing to personal liability of one or more parties in addition to debtors' personal guarantee

18,668,848,044

18,444,698,795

294,373,212

899,486,615

22,028,715,306

299,184,601

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
(iv) Loans and advances adversely classified; Such a classified loan for which no provision has been left	-	-
	37,407,920,051	23,227,386,522
(v) Loans and advances due by directors or officers of the banking company or any of them either separately or jointly with any other persons	5,890,386,351	245,249,133
(vi) Loans and advances due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or in case of private companies, as members	-	-
(vii) Maximum total amount of loans and advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	12,954,051	245,249,133
(viii) Maximum total amount of loans and advance, including temporary Loans and advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies, as members	798,970,739	-
(ix) Money Receivable/Due from different banking companies		
(x) The amount of classified loan on which interest has not been charged:		
a. Decrease/ increase of provision (Specific)	53,883,974	4,766,783.30
b. Amount of loan write off	-	-
c. Amount realized against loan previously written off	-	-
d. Provision kept against classified loan as bad/loss account on the date of preparation of balance sheet;	47,699,479	-
e. Interest imposed in suspense account	33,754,121	2,089,004.33
(xi) Movement of write off loan :		
Opening balance	-	-
Add: During the period/year	-	-
Less: Amount realised against loans & advances previously written off	-	-
Closing Balance		

7.10 Securities against Loans including Bill purchased and discounted

Particulars	Taka	Taka
Collateral of movable/immovable assets	23,251,494,998	12,218,262,030
Local Banks & Financial Institutions Guarantee	785,651,310	640,181,650
Government Guarantee	-	-
Foreign Bank Guarantee	-	-
Export Documents	1,196,101,666	610,164,669
Fixed Deposit Receipt	1,228,834,877	2,887,618,320
Personal Guarantee	9,940,274,071	5,790,682,047
Other Securities	1,005,563,130	1,080,477,806
	37,407,920,051	23,227,386,522

7.2a Consolidated Loans and advances

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
NRBC Bank Limited	36,213,503,198	22,394,358,589
NRBC Bank Securities Limited	364,049	-
	36,213,867,247	22,394,358,589
Less: Inter company transaction	-	-
	36,213,867,247	22,394,358,589

8.0 Bills purchased and discounted:

Receivable in Bangladesh	785,651,310	640,181,650
Receivable outside Bangladesh	408,765,544	192,846,283
	1,194,416,854	833,027,933

8.1 Maturity grouping of Bills purchased and discounted

Receivable within a period not exceeding 01 month	632,000,112	298,387,661
Receivable within a period exceeding 01 months but less than 03 months	494,710,316	260,514,321
Receivable within a period exceeding 03 months but less than 06 months	67,706,426	274,125,950
Receivable within a period equal to 06 months or exceeding that time	-	-
	1,194,416,854	833,027,933

8a Consolidated Bills purchased and discounted

NRBC Bank Limited	1,194,416,854	833,027,933
NRBC Bank Securities Limited	-	-
	1,194,416,854	833,027,933

9 Fixed assets including premises, furniture and fixtures of the Bank

Land, Building and Construction	-	-
Furniture and fixtures	251,205,585	197,726,446
Equipment and Machinery	243,083,735	169,200,642
Computer and Computer Equipment	157,193,174	147,881,984
Intangible Assets/Bangladesh Made Computer Software	123,292,181	47,271,897
Motor Vehicles	27,250,000	27,250,000
Professionals and Reference Books	23,370	23,370
Leased Assets: Motor Vehicle	27,106,624	27,106,624
	829,154,668	616,460,963
Less: Accumulated Depreciation/Amortization	274,279,447	151,564,505
	554,875,222	464,896,458

A schedule of fixed assets for accounting purpose is given in Annexure- F and Tax Purpose Annexure-G.

9a Consolidated Fixed assets including premises, furniture and fixtures**At cost:**

NRBC Bank Limited	829,154,668	616,460,963
NRBC Bank Securities Limited	5,827,527	-
	834,982,195	616,460,963

Accumulated depreciation:

NRBC Bank Limited	274,279,447	151,564,505
NRBC Bank Securities Limited	605,271	-
	274,884,718	151,564,505

Net Book Value	560,097,478	464,896,458
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	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
10 Other assets		
i. Income generating-Equity Investment		
Investment in Subsidiary : NRBC Bank Securities Limited	360,000,000	360,000,000
NRBC Bank formed the subsidiary company NRBC Bank Securities Limited on 20 September 2015 bearing certificate of incorporation no. C-125904/2015 under the Companies Act 1994 wherein Bank has 90% stakeholding of the company.		
ii. Non-income generating		
Advance Security Deposit	3,379,929	2,127,159
Stock of Stationery and printing items [Note -10.3]	8,560,965	7,468,969
Suspense Account [Note -10.4]	27,922,883	67,304,799
Deferred Tax Assets (Note 10.5)	5,817,615	-
Stamps in Hand	1,661,168	870,660
Advance Office Rent	325,374,636	338,636,233
Interest Receivable [Note -10.6]	49,243,802	37,948,055
Interest Receivable on Treasury Bonds	126,685,659	107,848,605
Interest Receivable on Coupon Bond	39,040,600	42,450,333
Prepaid Insurance Premium	300,401	642,569
Advance Income Tax [Note -10.7]	368,359,610	141,359,812
Membership with Visa Worldwide PLC Ltd	2,311,500	2,311,500
Share Sale proceed Receivable	545,030	-
Prepaid for House Furnishing cost and Passage for Travel	19,601,730	10,679,278
Dividend Receivable on Preference Share	5,812,603	7,366,667
Inter Branch General Account Balance [Note - 10.8]	-	2,672
	984,618,132	767,017,311
Total (i+ii)	1,344,618,132	1,127,017,311
10.1 Aging of Others Assets		
Up to 6 months	233,243,622	310,910,861
Over 6 Months to 1 Year	306,244,524	63,289,343
Over 1 Years to 4 Years	69,609,023	345,970,504
Above 4 Years	735,520,964	406,846,603
	1,344,618,132	1,127,017,310
10.2 Classification Status of Others Assets		
Unclassified	1,344,618,132	1,127,017,311
Doutful	-	-
Bad/Loss	-	-
	1,344,618,132	1,127,017,311
** No protested bill and legal expenses included in the Other Assets		
10a Consolidated Other assets		
NRBC Bank Limited	1,344,618,132	1,127,017,311
NRBC Bank Securities Limited	40,790,095	802,647
	1,385,408,227	1,127,819,958
Less: Inter company transaction	361,613,204	360,895,067
	1,023,795,024	766,924,890
10.3 Stock of Stationery and printing items		
Printing Stationery	4,243,033	2,088,943
Security Papers	679,424	1,023,471
Security Stationery- CARD	3,638,508	4,356,555
	8,560,965	7,468,969

10.4 Suspense Account

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
Advance against New Branches	14,857,289	59,979,444
Advance Against Suppliers	2,767,970	-
Advance against TA/DA	107,000	50,000.00
Encashment of Savings Certificate	4,023,924	-
Cash Remitted	-	1,500,000.00
Suspense A/C Bank POS	373,800	7,050.00
Interest Paid on Savings Certificate	2,157,745	1,172,265
Suspense Others	3,552,085	4,524,000
NPSB TXN Dispute A/C	2,030	-
Stamp for Utility Bill Collection	81,040	72,040
	27,922,883	67,304,799

Aging of Suspense Account (2016)

Head of Account	Up to 6 Months	Over 6 Months to 1 Year	Over 1 Years to 4 Years	Above 4 Years
Advance against New Branches	14,857,289	-	-	-
Advance Against Suppliers	1,817,970	350,000	600,000	-
Advance against TA/DA	107,000	-	-	-
Cash Remitted	-	-	-	-
Suspense A/C Bank POS and NPSB TXN Dispute amount	375,830	-	-	-
Encashment & Intt. Paid on Savings Certificate	6,181,669	-	-	-
Suspense Others	3,552,085	-	-	-
Stamp for Utility Bill Collection	81,040	-	-	-

**This includes the amounts that are kept in temporary parking accounts shown under other assets. These balances are in the process of regular monitoring so that it remains within a non material level.

*** Tk.600,000 paid to M/s Leads Corporation Limited, Core Bank Software Provider, for Development & Installation of New Software

10.5 Deferred Tax Assets

		At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
Opening Balance	Note-13.07	(16,043,302)	-
Additional provision during the Year	Note-39	21,860,918	-
Less: Adjustment/Settlement		-	-
		5,817,615	-

In 2016, Deductible temporary differences have been created which was incurred due to application of different depreciation method from third schedule of ITO-1984 and classified loan loss provision. Management are satisfied that there would be adequate taxable profit available in future against which such Deductible temporary differences could be settled viz. future current tax liability would be lessen.

10.6 Interest Receivable

Interest Receivable on Loan & Advances	1,789,844	-
Interest Receivable on Balance with Other Banks & Fls	47,453,958	37,948,055
	49,243,802	37,948,055

10.7 Advance Income Tax

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
Opening Balance	141,359,812	91,288,052
Add: Advance Corp. Tax & Withholding Tax during the year [Tax on interest and vehicle]	226,999,798	50,071,760
Sub-Total	368,359,610	141,359,812
Less: Settlement during the year	-	-
Details in the note : 10.7a	368,359,610	141,359,812

10.7a Withholding Tax at source

Advance Corporate Tax (Under Section #64 of ITO, 1984)	184,743,789	-
TDS @10% & 15% on Interest Income from Balance with Banks	46,010,384	41,963,306
TDS@10% on FDR Interest Income with FIs	88,258,363	63,701,564
TDS @ 20% on Cash Dividend received from Quoted Share	6,189,898	3,122,902.40
Tax deposited @ 5% on commission on L/C	1,996,481	570,258.78
Upfront @ 5% on Interest of T-Bills/Reverse REPO deducted by Bangladesh Bank	40,402,895	31,453,781
Advance Tax to City Corporation/Purasuva under section 52k	7,800	3,000
Advance Tax for Bank's Pool Vehicles	750,000	545,000
	368,359,610	141,359,812

10.8 Inter Branch General Account (IBGA) Balance

	No. of Entry		
Inter Branch General Account Debit Balance	5	-	24,805
Inter Branch General Account Credit Balance	10	-	22,133
		-	2,672

*Outstanding amount of Inter Branch General account Balance were duly responded in 2016

11 Borrowings from Bangladesh Bank, other Banks, Fiancial Institutions and Agents

In Bangladesh (Note 11.1)	763,427,007	426,901,731
Outside Bangladesh	-	-
	763,427,007	426,901,731

11.1 In Bangladesh

Bangladesh Bank (Refinance under SPD/SME/WE)	143,427,007	206,901,731
Bangladesh Bank (LS/REPO)	-	-
Other Banks (Borrowings from Call)	620,000,000	220,000,000
	763,427,007	426,901,731

11.2 Analysis by Security

Secured	-	-
Unsecured	763,427,007	426,901,731
	763,427,007	426,901,731

11.3 Repayment pattern

Repayable on demand	620,000,000	220,000,000
Repayable on maturity/terms	143,427,007	206,901,731
	763,427,007	426,901,731

Disclosure of repayable on maturity in the annex-E

11a Borrowings from Bangladesh Bank, other Banks, Financial Institutions and Agents

NRBC Bank Limited
NRBC Bank Securities Limited

At Dec 31, 2016
Taka

At Dec 31, 2015
Taka

763,427,007

426,901,731

-

-

763,427,007**426,901,731****12 Deposits and other accounts**

Deposit from Inter Bank (note-12.1)
Deposit from Customers (Note-12.2)

3,650,000,000

650,000,000

40,568,692,884

28,344,554,103

44,218,692,884**28,994,554,103****12a Consolidated deposits and other accounts**

NRBC Bank Limited
NRBC Bank Securities Limited

44,218,692,884

28,994,554,103

60,569,188

-

44,279,262,072

28,994,554,103

Less: Inter company transaction

135,981,762

113,870,405

44,143,280,310**28,880,683,698****12.1 Deposits from Inter Bank**Fixed Deposit:

Uttara Bank Limited
AB Bank Limited
Jamuna Bank Limited
Janata Bank Limited
Rajshahi Krishi Unnayan Bank
Rupali Bank Ltd.

1,500,000,000

-

400,000,000

500,000,000

250,000,000

500,000,000

400,000,000

50,000,000

700,000,000

-

3,650,000,000**650,000,000****12.2 Deposits and other accounts****i. Current accounts and other accounts**

Current Deposit
Foreign Currency Deposit
Deposit Under Q-Cash
Sundry Deposit (Note: 12.3)

1,853,927,154

1,084,332,865

30,658,028

57,266,544

1,633,855

327,165

630,520,847

526,996,166

2,516,739,883**1,668,922,740****ii. Bills Payable**

Pay Order

2,754,668,268**246,712,400****iii. Savings Bank Deposit****2,334,369,949****1,331,655,120****iv. Term Deposit/Fixed Deposit**

Fixed Deposit
Short Term Deposit
Deposit Under Schemes

20,157,188,850

17,393,267,534

3,368,085,124

1,140,468,313

9,437,640,810

6,563,527,996

32,962,914,784**25,097,263,843****40,568,692,884****28,344,554,103**

12.3 Sundry Deposit

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
Margin on Letter of Guarantee	100,277,013	74,811,157
Margin on Letter of Credit	356,205,343	325,423,650
Margin on Bills	7,574,005	15,587,136
Margin on Others	19,896,101	1,713,046.00
Sale Proceeds of Govt. Savings Certificates	3,600,000	7,100,000.00
Security Deposits	2,287,932	3,549,459
Risk Fund on Loans and Advances	3,952,800	3,051,970
Provident Fund	3,115,583	2,554,192.00
Employees Welfare Fund	4,658,396	2,977,471
VAT, Excise Duty and Withholding Tax	65,523,188	77,325,395
Value Added Tax- VAT on Utility Bills Collection	9,971,455	4,036,226
Sundry Creditors	2,213,900	332,663
Sundry NPSB Txn_ Dispute A/C	77,850	53,210
Sundry VISA Txn_ Dispute A/C	89,100	8,495
Dividend Payable	32,043,120	-
Sundry Deposit-Agent Point	9,102	100,300
Other Sundry Deposits	19,025,959	8,371,796
	630,520,847	526,996,166

12.4 Maturity Analysis of Interbank Deposit

Repayable on demand	-	-
Payable within 1 month	2,900,000,000	650,000,000
Over 1 month but within 3 months	750,000,000	-
Over 3 months but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
Over 10 years	-	-
	3,650,000,000	650,000,000

12.5 Maturity Analysis of Other Deposit

Repayable on demand	3,293,269,990	1,076,215,455
Payable within 1 month	3,230,659,532	1,078,824,198
Over 1 month but within 3 months	9,122,908,417	7,338,647,808
Over 3 months but within 6 months	5,829,836,888	4,521,358,625
Over 6 months but within 1 year	5,972,783,908	5,297,434,663
Over 1 year but within 5 years	8,406,879,657	6,044,972,285
Over 5 years but within 10 years	4,011,109,566	2,987,101,068
Over 10 years	-	-
	39,867,447,957	28,344,554,103

Bank did not retain any unclaimed deposit above 10 years as of 31 December 2016

12.6 Demand and Time Deposits**A. Demand Deposits**

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
Current Accounts and Other Accounts	1,853,927,154	1,084,332,865
Savings Deposits (9%)	210,093,295	119,848,961
Sundry Deposit	630,520,847	526,996,166
Foreign Currency Deposit	30,658,028	57,266,544
Deposit Under Q-Cash	1,633,855	327,165
Bills Payable	2,754,668,268	246,712,400
	5,481,501,447	2,035,484,101

B. Time Deposits

Savings Deposits (91%)	2,124,276,653	1,211,806,159
Short Notice Deposits	3,368,085,124	1,140,468,313
Fixed Deposits	23,807,188,850	18,043,267,534
Deposit Under Schemes	9,437,640,810	6,563,527,996
	38,737,191,438	26,959,070,002
	44,218,692,884	28,994,554,103

13 Other Liabilities

Accumulated Provision against unclassified Loans and Advances (Note 13.1)	370,493,774	237,583,707
Accumulated Provision against Classified Loans and Advances (Note 13.2)	58,650,757	4,766,783
Provision for Off Balance Sheet items (Note 13.3)	129,349,471	86,517,544
Payable to Recognized NRBC Bank Employees' Gratuity Fund (Note 13.4)	30,000,000	15,000,000
Accrued Interest (Note 13.5)	369,041,907	473,248,239
Current Income Tax Payable (Note 13.6)	790,507,881	332,251,584
Deferred Tax Liabilities (Note 13.7)	-	16,043,302
Interest Suspense A/C (Note 13.8)	35,843,126	2,089,004
Provision for Office Rent	20,977,660	10,003,618
Provision for Incentive Bonus-Employees and Staff	87,548,068	71,168,800
Provision for Telephone Bill-Office	61,273	68,704
Provision for Telephone Bill-Residence	711	2,211
Provision for Power and Electricity Expense	643,744	397,904
Provision for Wasa, Gas and Sewerage Bill	4,000	-
Provision for Postage	1,200	-
Provision for diminution of Shares and Others	2,595,275	2,595,275
FC Held Against BTB Bills, EDF Loan and Others	929,964,474	479,846,020
Audit Fees payable	287,500	300,000
CSR/Donation/Contribution Fund *	114,255,502	49,365,502
Lease Payable for Lease Hold Property (Note 13.09)	11,906,911	17,534,156
Inter Branch General Account (IBGA) Credit Balance (Note 13.10)	29,092	-
	2,952,162,327	1,798,782,355

* This fund has been kept as per LOI condition and will be disbursed/paid according to prescribe guideline of Bangladesh Bank & NBR

13.01 Accumulated Provision against unclassified Loans and Advances

i. The movement in General Provision for Unclassified Loans

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
Provision held at the beginning of the period	235,958,113	158,005,580
Provision During the period (+)	124,462,679	77,952,533
Transfer to general reserve during the year (-)	-	-
Transferred to Provision for Special Mentioned Account (SMA) (-)	-	-
Transferred to Provision for Bad and Doubtful Debts (-)	-	-
Provision held at the end of the Period	360,420,792	235,958,113

ii. The movement in General provision for Special Mentioned Account (SMA)

Provision held at the beginning of the period	1,625,594	-
Provision during the period (+)	8,447,388	1,625,594
Transfer from General Provision of Unclassified Loans (+)	-	-
Transferred to Provision for Bad and Doubtful Debts (-)	-	-
Provision held as on 31 December	10,072,982	1,625,593.63
Provision held as on 31 December	370,493,774	237,583,707

13.02 Accumulated Provision against Classified Loans and Advances

The movement in specific provision for Bad and Doubtful Debts

Provision held at the beginning of the period	4,766,783	-
Fully provisioned Depreciated/written off loan during the period (-)	-	-
Recovery of amounts previously Depreciated /written off Loan (+)	-	-
Special provision kept for the period (+)	53,883,974	4,766,783
Transferred to general provision of Unclassified Loans (-)	-	-
Transfer from general reserve (+)	-	-
Recoveries and such provision which are no longer required (-)	-	-
Net charge to Profit and Loss Statement (+)	-	-
Provision held as on 31 December	58,650,757	4,766,783

13.03 Provision for Off Balance Sheet Items

Provision held at the beginning of the period	86,517,544	38,498,747
Less : Transferred to general reserve	-	-
Add: Provision made during the period	42,831,926	48,018,797
Less: Adjustment during the period	-	-
Provision held as on 31 December	129,349,471	86,517,544

13.04 Recognized NRBC Bank Employees' Gratuity Fund

Opening Balance	15,000,000	6,300,000
Add: Contribution made by Bank for the year 2016	40,700,000	36,000,000
Less: Release from Bank to the Fund	29,000,000	27,300,000
	26,700,000	15,000,000

National Board of Revenue approved "NRB Commercial Bank Limited Employees' Gratuity Fund" on 21 September 2014 , (Ref:08.01.0000.03502.0021.2014/322) as per clause 2, 3, 4 of Part-C of First Schedule, Income Tax Ordinance 1984. "The Trusty" will manage the fund and settle the liabilities of employees.

13.05 Accrued Interest

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
Interest Payable on SB A/C	(22)	-
Interest Payable of FDR-Day basis	9,850,458	11,030,865
Interest Payable of FDR-1 month	316,587	463,469
Interest Payable of FDR-3 months	87,833,979	82,925,595
Interest Payable of FDR-6 months	62,985,191	94,815,971
Interest Payable of FDR-12 months & above	161,612,205	189,866,721
Interest Payable on Priority Deposit Scheme	32,259,844	65,392,149.20
Interest Payable on borrowing from Bangladesh Bank	3,037,695	3,347,997
Interest Payable on borrowing from Other Banks & Fis	10,963,889	25,389,583.34
Interest Payable on borrowing from Call	182,083	15,889
	369,041,907	473,248,239

13.06 Current Income Tax Payable

Adjusted Opening Balance		332,251,584	96,381,421
Add: Provision made during the Year	(Note: 38)	458,256,297	235,870,164
Less: Payment		-	-
		790,507,881	332,251,584

According to Finance Act-2015, National Board of Revenue reduced the corporate tax on Bank, Insurance and Financial Institutions from 42.5% to 40.00% and, therefore, restated the Current Tax Payable for the Financial Year 2014.

13.07 Deferred Tax Payable

Opening Balance		18,754,684
Additional Expenses during the Year		-
Less: Adjustment/Settlement		(2,711,382)
		16,043,302

In 2016, Deductible temporary differences have been created which was incurred due to application of different depreciation method from third schedule of ITO-1984 and classified loan loss provision. Management are satisfied that there would be adequate taxable profit available in future against which such Deductible temporary differences could be settled viz. future current tax liability would be lessen.

13.08 Movement of Interest Suspense Account

Opening Balance		2,089,004	-
Amount of Interest Transferred/credited as suspended in the Year	(+)	206,692,219	31,714,021
Amount of suspended interest Recovered during the year	(-)	172,901,121	29,625,017
Amount of suspended interest depreciated/Waiver during the year	(-)	36,977	-
Balance		35,843,126	2,089,004

13.09 Lease Payable for Financial Lease from Jamuna Bank Limited, Foreign Exchange Branch

In Compliance with BAS-17, following disclosure are given below regarding minimum lease payment:

i. Not later than one Year	6,298,190	5,627,245
ii. Later than one year and not later than five Year	5,608,721	11,906,911
iii. Later than five year	-	-
	11,906,911	17,534,156

13.10 Inter Branch General Account (IBGA) Balance

	No. of Entry		
Inter Branch General Account Credit Balance	2	29,842	
Inter Branch General Account Debit Balance	1	750	
		29,092	-

Aging of IBTA are given Below as of 2016:

AGING	Debit		Credit	
	No. of Entry	Amount	No. of Entry	Amount
Up to 6 months*	1	750	2	29,842
Over 6 Months to 1 Year				
Over 1 Years to 5 Years				
Above 5 Years				

*Aging of Outstanding amount of Inter Branch General account Balance is less than 01 month

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
13a Consolidated Other liabilities		
NRBC Bank Limited	2,952,162,327	1,798,782,355
NRBC Bank Securities Limited	33,108,561	606,600
	2,985,270,888	1,799,388,955
Less: Inter company transaction	1,613,204	895,067
	2,983,657,684	1,798,493,887
14 Share Capital		
14.1 Authorized Capital		
100,00,00,000 ordinary shares of Taka 10 each	10,000,000,000	10,000,000,000
14.2 Issued, Subscribed and Paid-up-Capital		
45,79,44,077 ordinary shares of Taka 10 each issued for cash	4,579,440,770	4,446,059,000

14.3 Particulars of Share Capital

Particulars	Shareholding	
	In Number	In Percentage
Sponsors/Promoters	457,944,077	100%
Financial Institutions	-	-
Others	-	-
Total	457,944,077	100%

14.4 Name of the Directors and their shareholdings

SL	Name of the Directors	Status	No of Shareholding
1	Engr. Farasath Ali	Director & Chairman of the Board	20,600,103
2	Dr. Toufique Rahman Chowdhury	Director & Vice Chairman	10,300,000
3	Mr. ABM Abdul Mannan	Director	31,326,008
4	Mr. Mohammed Oliur Rahman	Director	37,659,375
5	Mr. Mohammed Enayet Hossain	Director	25,837,550
6	Mr. Md. Amir Hossain	Director	20,628,943
7	Mr. Tamal SM Parvez	Director	20,607,210
8	Mr. Rafikul Islam Mia Arzoo	Director	21,022,300
9	Mr. Mohammed Adnan Imam	Director	10,312,154
10	Mrs. Kamrun Nahar Sakhi	Director	13,703,944
11	Mr. Abu Bakr Chowdhury	Director	20,600,000
12	Mr. Mohammad Shahid Islam	Director	20,600,000
13	Mr. Loquit Ullah	Director	17,579,937
14	Mr. Mohammed Nazim	Director	20,609,579
15	Mr. Syed Munsif Ali	Director	18,467,900
16	Dr. Nuran Nabi	Director	2,060,000
17	Mr. Mohammed Manzurul Islam	Director	1,044,832

14.5 Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III

In terms of section 13(2) of Banking Companies Act, 1991 and Bangladesh Bank BRPD Circular No. 07 & 18 dated March 31, 2014 and December 21, 2014 respectively, required capital based on consolidated RWA of the Bank at the close of business on 31 December 2016 is Taka 4,594.21 crore as against available Tier-1 Capital of Taka 569.03 crore and Tier-2 of Taka 51.03 crore that is, a total of Taka 620.06 crore thereby showing surplus capital/equity of Taka 131.93 crore at that date. Details are shown below:

14.6 Core Capital/Common Equity (Tier I) (Going Concern Capital)

	Amt in Crore	Amt in Crore
Fully Paid-up-Capital	457.94	444.61
Non-Repayable Share Premium Account		
Statutory Reserve	46.28	20.32
General Reserve	-	-
Retained Earnings	62.79	41.93
Dividend Equalization Account	-	-
Non-Controlling Interest in Subsidiaries	4.07	3.99
Actuarial Gain/Loss (Actuarial Gain/Loss in Books in Bangladesh for Foreign Bank)	-	-
Others (If any Items approved by Bangladesh Bank)	-	-
Regulatory Adjustment from Tier-1 (Core Capital)		
Shortfall in provisions required against Non Performing Loan (NPLs)	-	-
Shortfall in provisions required against Investment in Shares	-	-
Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
Goodwill and all other Intangible Assets	-	-
Deferred Tax Assets (DTA)	2.05	0.18
Defined benefit pension fund assets	-	-
Gain on sale related to securitization transaction	-	-
Investment in own CET-1 Instruments/Shares (As per BASEL III Guideline)	-	-
Reciprocal Crossholding in the CET-1 Capital of Banking Financial and Insurance Entities	-	-
Any investment exceeding the approved limit under section 26 ka(1) of Banking Companies Act, 1991, Others if any	-	-
Investment in Subsidiaries which are not consolidated	-	-
Others, if any	-	-
Total Admissible Tier-I Capital	569.03	510.67
Additional Tier-1 Capital		
Non-Cumulative irredeemable Preference Share	-	-
Instruments issued by the Bank that meet the Qualifying criteria of addl Tier-1 (AT-1) as per BASEL III	-	-
Any Other item specifically allowed by BB from time to time for inclusion in AT-1	-	-
Others (if any items approved by BB)	-	-
Regulatory Adjustment from Tier-1		
Investment in own AT-1 Instrument/Share as per BASEL III	-	-
Reciprocal Crossholding in the AT-1 Capital of Banking Financial and Insurance Entities	-	-
Others, if any	-	-
Total Additional Tier-1 Capital Available	569.03	510.67

Maximum Limit of AT-1 (AT-1 Capital can be maximum upto 1.5% of the total RWA or 33.33% of CET1, which ever is higher)

Excess amount over Maximum limit of AT-1

Total Admissible Additional Tier-1 Capital

Tier -2 Capital

General Provision (Inclusion in Tier -2 will be limited Maximum 1.25 Percentage Point of Credit RWA under standardised Approach

All other Preference share

Subordinate Debt/Instruments issued by Bank that meet the qualifying criteria for Tier-2 as Basel III Guideline

Non-Controlling Interest i.e. Tier 2 issued by consolidated subsidiary to the third Parties

Revaluation Reserves as on 31 December 2014 (50 % of Fixed Assets & Securities and 10% of Equities)

Others (if any items approved by Bangladesh Bank)

Regulatory Adjustment from Tier-2

Revaluation Reserves for Fixed Assets, Securities and Equities Securities (Phase in deductions as per Basel III. i.e. 40% for 2016)

Investment in own T-2 Instrument/Share as per BASEL III

Reciprocal Crossholding in the T-2 Capital of Banking Financial and Insurance Entities

Any investment exceeding the approved limit under section 26 ka(1) of Banking Companies Act, 1991, Others if any (50% of Investment)

Investment in Subsidiaries which are not consolidated (50% of Investment)

Others, if any

Total Tier -2 Capital Available

Maximum Limit of Tier-2 Capital (Maximum up to 4% of the Total RWA or 88.89% of CET1, which ever is higher)

Excess amount over Maximum Limit of T-2

Total Admissible Tier-II Capital

Total Regulatory Capital

A. Total Assets including off-Balance Sheet items

B. Total Risk-Weighted Assets (RWA)

C. Required capital based on Risk Weighted Assets (10.625% of Total RWA for 2016)

D. Capital Surplus / (Shortfall)

E. Capital to Risk Weighted Assets Ratio (CRAR) (%)

Calculation basis of Risk Weighted Assets in the Annex-F

Capital Requirement (Percentage of Capital on Risk-Weighted Assets)

189.66	170.21
-	-
49.98	32.41
-	-
-	-
-	-
1.75	1.75
-	-
51.73	34.16
0.70	0.35
-	-
-	-
-	-
-	-
-	-
0.70	0.35
51.03	33.81
505.81	453.93
-	-
51.03	33.81
620.06	544.48
6,655.40	4,491.08
4,594.21	2,876.80
488.13	287.68
131.93	256.80
13.50%	18.93%

	2016		2015	
	Required	Held	Required	Held
Core Capital (Tier- I)	5.50%	12.39%	5.00%	17.75%
Supplementary Capital (Tier II)		1.11%		1.18%
Total Capital to Risk Weighted Assets Ratio (CRAR)		13.50%		18.93%
Minimum Total Capital plus Capital Conservation Buffer for 2016		10.625%		10.00%
Excess of CRAR for 2016		2.87%		8.93%

Capital to Risk Weighted Assets Ratio (CRAR) has been calculated as per Basel-III, BRPD Circular No- 18 dated December 21, 2014

15 Statutory Reserve

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
Opening Balance at the beginning of the period	203,221,865	44,388,286
Add: Addition during the year	259,549,535	158,833,579
Add./less Adjustment for Foreign Exchange Rate Fluctuation	-	-
Closing Balance at the end of the period	462,771,400	203,221,865

At least 20% of net profit before tax is transferred to statutory reserve account each year until the cumulative balance equal to the amount of paid up capital account as per Section 24 of the Bank Company Act 1991 as amended. During the year 2016, 20% of Pre-tax profit transferred to statutory reserve.

16 Other Reserve

General Reserve (Note 16.1)	-	-
Assets Revaluation Reserve (Note 16.2)	-	-
Investment Revaluation Reserve (Note 16.3)	17,988,187	44,448,919
Foreign Currency Translation Gain/ (Loss) (Note 16.4)	-	-
	17,988,187	44,448,919

16.1 General Reserve

Opening Balance at the beginning of the period	-	-
Add: Addition during the year (+)	-	-
Closing Balance at the end of the period	-	-

As per rule, Bonus Share/ Cash Dividend may be issued out of surplus of the profit of the year. If there is any short fall, that may be covered from General Reserve Account as per approval of Board of Directors of the Bank.

16.2 Assets Revaluation Reserve

Opening Balance at the beginning of the period	-	-
Add: Addition during the year (+)	-	-
Less : Adjustment during the year (-)	-	-
Closing Balance at the end of the period	-	-

16.3 Investment Revaluation Reserve

Revaluation Reserve for HFT Securities

Opening Balance at the beginning of the period	44,424,299	34,982,219
Add: Addition during the year (+)	-	9,442,081
Less : Adjustment during the year (-)	26,486,729	-
Closing Balance at the end of the period	17,937,571	44,424,299

Revaluation Reserve for HTM Securities

Opening Balance at the beginning of the period	24,619	1,773
Add: Addition during the year (+)	25,997	22,846
Less : Adjustment during the year (-)	-	-
Closing Balance at the end of the period	50,617	24,619

		At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
16.4 Foreign Currency Translation Gain/ (Loss)			
Opening Balance at the beginning of the period		-	-
Add: Addition during the year	(+)	-	-
Closing Balance at the end of the period		-	-
16a Consolidated Other Reserve:			
NRBC Bank Limited		17,988,187	44,448,919
NRBC Bank Securities Limited		-	-
		17,988,187	44,448,919
17 Retained Earnings/Movement of Profit and Loss Account			
Restated Opening Balance		420,131,981	62,417,037
Add: Post-Tax Profit during the period	(+)	861,352,297	561,009,113
Less: Transfer to Statutory Reserve	(-)	259,549,535	158,833,579
Less: Cash Dividend	(-)	400,145,310	44,460,590
Less: Transfer to General Reserve	(-)	-	-
Add/(Less): Foreign Exchange Translation Loss		-	-
		621,789,433	420,131,981
17a Retained Earnings/Movement of Profit and Loss Account			
NRBC Bank Limited		621,789,433	420,131,981
NRBC Bank Securities Limited		6,746,124	(933,548)
		628,535,557	419,198,433
Less: Minority Interest		674,612	(93,355)
		627,860,945	419,291,788
17b Non-Controlling Interest			
NRBC Bank Securities Limited:			
Equity Capital of Non-Controlling Interest		40,000,000	40,000,000
Less: Retained Earning/(Loss)		674,612	(93,355)
		40,674,612	39,906,645
18 Contingent liabilities		12,934,947,050	8,651,754,433
18.1 Acceptances and Endorsements			
Accepted Bills Against BTB LC- Local		870,329,787	594,030,048
Accepted Bills Against BTB LC- Foreign		546,930,246	263,904,774
Bankers Liability against EDF Fund		144,051,000	
Accepted Bills Against BTB LC EPZ		70,529,059	34,716,992
Accepted Bills Against LC Cash		2,975,016,048	2,148,003,066
		4,606,856,139	3,040,654,880

18.2 Letters of Guarantee

Money for which the Bank is in contingently liable in respect of guarantees to the:

	At Dec 31, 2016 Taka	At Dec 31, 2015 Taka
Directors	-	-
Government	-	-
Banks and other Financial Institutions	-	-
Others (Note 18.2a)	2,509,275,340	2,148,498,257
	2,509,275,340	2,148,498,257

18.2a Letters of Guarantee -Others

Shipping Guarantee Against Cash LC-Sight	37,169,092	81,635,259
Bid Bond Local	347,933,417	387,514,598
Performance Guarantee Local	1,926,225,751	1,558,057,146
Advance Payment Guarantee Local	180,848,826	110,214,000
Shipping Guarantee agst. BTB LC	11,077,254	11,077,254
Performance Guarantee Foreign	6,021,000	-
	2,509,275,340	2,148,498,257

18.3 Irrevocable Letters of Credit

3,197,789,274 **1,860,041,032**

18.4 Bills For Collection

2,621,026,297 **1,602,560,264**

19 Interest Income

Interest on Loans and Advances:

	2016 Taka	2015 Taka
Loans and Advances	3,526,218,718	2,656,928,990
Bills Purchased and Discounted	119,854,797	10,161,288
	3,646,073,515	2,667,090,279

Interest on:

Balance with Bangladesh Bank	300	-
Balance with foreign banks	-	-
Balance With Banks and Fis	259,282,770	253,327,307
	259,283,070	253,327,307
	3,905,356,585	2,920,417,585

19a Consolidated Interest Income

NRBC Bank Limited	3,905,356,585	2,920,417,585
NRBC Bank Securities Limited	7,846,790	1,999,782
	3,913,203,375	2,922,417,367
Less: Inter company transaction	7,812,996	1,999,782
	3,905,390,379	2,920,417,585

20 Interest Paid on Deposits and Borrowings, etc.

Interest Paid on Deposits (Note 20.1)	2,354,401,630	2,053,780,553
Interest Paid on Refinance (Note 20.2)	10,105,550	7,762,230
Interest Paid on Borrowings (Note 20.3)	511,447,905	637,865,067
	2,875,955,085	2,699,407,850

	2016 Taka	2015 Taka
20a Consolidated Interest Paid on Deposits and Borrowings, etc.		
NRBC Bank Limited	2,875,955,085	2,699,407,850
NRBC Bank Securities Limited	-	-
	2,875,955,085	2,699,407,850
Less: Inter company transaction	7,812,996	1,999,782
	2,868,142,089	2,697,408,067
20.1 Interest Paid On Deposits		
Current Account	14,494,298	9,610,684
Savings Account [Customer and Staff]	75,689,259	31,305,845
Special Notice Deposits (SND)	112,796,266	36,979,059
Fixed Deposit Receipts	1,273,470,790	1,319,553,789
Deposit under Schemes and Others	877,951,017	656,331,176
	2,354,401,630	2,053,780,553
20.2 Interest on Refinance		
Interest on Refinance from Bangladesh Bank	10,105,550	7,762,230
	10,105,550	7,762,230
20.3 Interest Paid on Borrowings		
Interest Paid on Borrowing from Bangladesh Bank	-	4,953,339
Interest Paid on Call Money Borrowing	41,506,000	17,158,250
Interest Paid on REPO Borrowed from Other Banks and FIs	3,964,471	16,690,154
Interest Paid on Other Bank Deposit	99,332,639	63,000,278
Interest Paid on Secondary Security Purchased (T-Bond)	366,644,795	536,063,046
	511,447,905	637,865,067
21 Investment Income		
Interest on Treasury Bills	5,602,409	17,978,280
Interest Income on Money at Call	1,032,667	15,548,194
Interest on Treasury Bonds	833,442,655	915,674,162
Interest on Coupon Bonds	212,985,609	181,820,486
Interest on Reverse Repo	-	17,260.28
Dividend Income	13,805,960	14,449,181
Gain on Sale of Shares and Debentures	142,044,716	166,977
Gain on Sale of Bonus Shares listed with DSE/CSE (Note : 21.1)	19,105,560	-
Gain on Sale of Approve Govt. Securities	253,704,825	323,237,255
Interest on Bangladesh Bank Bills	-	-
	1,481,724,400	1,468,891,794

21.1 Gain on Sale of Bonus Shares listed with DSE/CSE

Quoted Share listed with DSE/CSE	% of Bonus Share Entitled	No. of Bonus Share	Avg. Unit Sale Price	Total Value
Uttara Finance Limited	10%	1,660	62.85	104,333
BSRM Limited	10%	142,105	132.8430	18,877,654
Square Textiles Limited	10%	1,782	69.3400	123,564
Total		145,547		19,105,550

21a Consolidated Investment income

	2016 Taka	2015 Taka
NRBC Bank Limited	1,481,724,400	1,468,891,794
NRBC Bank Securities Limited	7,215,106	-
	1,488,939,506	1,468,891,794
Less: Inter company transaction	-	-
	1,488,939,506	1,468,891,794

22 Commission, Exchange and Brokerage

Commission on Letter of Credit	69,532,696	44,562,283
Commission on Bank Guarantee	28,223,482	26,703,404
Commission on Export Bills	1,793,481	1,129,700
Commission on Accepted Bills	42,378,857	31,661,076
Commission on Clean Bill	54,033	60,209
Commission on Remittance	2,039,143	1,284,921
Commission on Sale of FC Cash	87,570	106,651
Commission from Other Services	5,726	14,056
Underwriting Commission	1,411,485	765,500
Exchange gain	199,655,243	126,155,672
	345,181,715	232,443,473

Commission income arises on service provided by the bank which is recognized on a cash basis. Commission charged on the Customer on Letter of Credit and letter of Guarantee are credited to income at the time of effecting the transaction.

22a Consolidated Commission, Exchange and Brokerage

NRBC Bank Limited	345,181,715	232,443,473
NRBC Bank Securities Limited	892,632	-
	346,074,348	232,443,473
Less: Inter company transaction	808,358	-
	345,265,990	232,443,473

23 Other Operating Income

Service Charges and Fees	27,685,774	14,698,847
Income from Card Services	36,286,245	18,332,608
Charges On Trade Finance	62,431,406	37,529,994
Miscellaneous Earnings	13,979,356	7,307,888
	140,382,780	77,869,336

23a Consolidated Other Operating Income

NRBC Bank Limited	140,382,780	77,869,336
NRBC Bank Securities Limited	66,323	-
	140,449,103	77,869,336
Less: Inter company transaction	43,758	-
	140,405,345	77,869,336

24 Salaries and Allowances

Basic Salary	220,115,219	159,840,928
Festival Bonus	33,629,000	25,244,000
Yearly incentive Bonus	84,200,000	71,000,000
Contractual Staff Salary/Expense	3,928,040	8,140,769
Leave Encashment/Retirement/Service benefit on Resignation from bank	15,468,202	31,800
Bank Contribution To Recognized NRBC Employees' Provident Fund	18,034,478	13,073,817
Contributed to Recognized NRBC Employees' Gratuity Fund Payment/Expense	44,000,000	36,000,000
Allowances	269,061,484	198,438,092
	688,436,422	511,769,406

	2016 Taka	2015 Taka
24a Consolidated Salaries and Allowances		
NRBC Bank Limited	688,436,422	511,769,406
NRBC Bank Securities Limited	3,504,458	-
	691,940,880	511,769,406
Less: Inter company transaction		
	691,940,880	511,769,406
25 Rent, Taxes, Insurance, Electricity, etc.		
Rent, Rate and Taxes (Note : 25.01)	177,152,903	149,938,619
Insurance Expenses	18,576,825	13,859,035
Electricity and Other Utility Expenses	30,617,039	21,579,541
	226,346,767	185,377,194
25.01 Rent, Rate and Taxes		
Office Rent	175,450,791	148,399,875
Garage Rent & Parking Charge	133,485	258,600
Rate & Taxes (Excise duty, Trade Licence, Patent Fees, Toll Charge, etc)	1,568,627	1,280,144
	177,152,903	149,938,619
25a Consolidated Rent, Taxes, Insurance, Electricity, etc.		
NRBC Bank Limited	226,346,767	185,377,194
NRBC Bank Securities Limited	1,016,191	40,000
	227,362,958	185,417,194
Less: Inter company transaction	-	-
	227,362,958	185,417,194
26 Legal expenses		
Stamp, Power of Attorney and Notary Public Charge	4,412,600	65,535
RJSC and SEC Fees	33,611	2,386
Legal and Consultancy fees	3,124,482	114,750
	7,570,693	182,671
26a Consolidated Legal/Preliminary Expense		
NRBC Bank Limited	7,570,693	182,671
NRBC Bank Securities Limited	80,336	3,042,177
	7,651,029	3,224,848
Less: Inter company transaction	-	-
	7,651,029	3,224,848
27 Postage, Stamps, Telecommunication, etc.		
Stamps and Cartridge Cost	143,710	60,769
Postage & Courier Charges	1,419,046	1,053,593
Telephone Charges	4,698,170	3,902,380
SWIFT, FAX, Internet, WAN, Radio Link & DDN Charges	17,180,359	12,601,199
	23,441,285	17,617,941

	2016	2015
	Taka	Taka
27a Consolidated Postage, Stamps, Telecommunication, etc		
NRBC Bank Limited	23,441,285	17,617,941
NRBC Bank Securities Limited	96,152	-
	23,537,437	17,617,941
Less: Inter company transaction	-	-
	23,537,437	17,617,941
28 Stationery, Printing, Advertisement, etc		
Stationery and Printing Expenses	14,648,302	11,513,984
Publicity and Advertisement, etc	8,764,458	6,647,385
Hoarding & Neon Sign and Misc Advertisement	7,770	25,650
Computer Expenses including Toner, Ribon, Other Computer Expenses	9,677,653	2,739,675
	33,098,182	20,926,694
28a Consolidated Stationery, Printing, Advertisement, etc		
NRBC Bank Limited	33,098,182	20,926,694
NRBC Bank Securities Limited	157,826	235,980
	33,256,008	21,162,674
Less: Inter company transaction	-	-
	33,256,008	21,162,674
29 Chief Executive's salary and fees		
Basic Salary	6,964,516	5,882,258
Festival Bonus	1,200,000	1,000,000
Other Allowance	4,741,128	4,800,000
	12,905,644	11,682,258
30 Directors' Fees & Meeting Expenses		
Directors' Fees	1,858,400	1,920,500
Travelling and Haltage	7,375,323	7,617,729
Board Meeting Expenses	1,500,779	1,722,834
	10,734,502	11,261,063
Each Director is entitled to get honorium & travelling expenses for attending meeting of the Board of Directors as per BRPD Circular Letter #11, dated October 04, 2015. There were no other financial benefits provided to the Directors of the Bank.		
30a Consolidated Directors' Fees & Meeting Expenses		
NRBC Bank Limited	10,734,502	11,261,063
NRBC Bank Securities Limited	227,169	106,353
	10,961,671	11,367,416
Less: Inter company transaction	-	-
	10,961,671	11,367,416
31 Auditors' Fees		
Statutory	287,500	300,000
Others	-	-
	287,500	300,000

31a Consolidated Auditors' fees

	2016 Taka	2015 Taka
NRBC Bank Limited	287,500	300,000
NRBC Bank Securities Limited	17,250	11,500
	304,750	311,500

32 Charges on Loan Losses

Loan-written off	-	-
Interest waived	-	-

33 Depreciation and Repairs of Bank's AssetsDepreciation of Bank's Assets-Own Assets (a):

Land, Building and Construction	-	-
Furniture & Fixtures	22,595,233	14,030,542
Equipment and Machinery	89,243,710	61,276,384
Vehicle	5,450,000	4,339,166
Books	4,674	4,674
	117,293,616	79,650,766

Depreciation of Bank's Assets-Leased Assets (b):

Land, Building and Construction	-	-
Furniture & Fixtures	-	-
Equipment and Machinery	-	-
Vehicle	5,421,325	5,421,325
	5,421,325	5,421,325

Depreciation has been charged from the month of purchasedRepair, Renovation & Maintenance of Bank's Assets (c):

Repair and Replacement of Land, Building and Construction	21,680	11,534
Repair and Replacement of Furniture and Fixtures	1,519,391	388,503
Repair and Replacement of Office Equipment and Machinery	24,328,961	2,126,020
Repair and Replacement of Rented Property	1,751,586	775,006
Repair and Replacement of Electronics and Fittings	3,461,591	2,657,460
Repair, Replacement and servicing of Computer and Software	43,640	25,640
Repair, Replacement and Servicing of Motor Vehicle	1,947,658	1,795,121
Repair, Replacement and Maintenance of Plant	65,068	46,400
	33,139,574	7,825,684

Total [a+b+c+d]**33a Consolidated Depreciation and Repairs**

NRBC Bank Limited	155,854,515	92,897,775
NRBC Bank Securities Limited	605,271	-
	156,459,786	92,897,775
Less: Inter company transaction		
	156,459,786	92,897,775

34 Other Expenses

	2016 Taka	2015 Taka
Bank Charges	1,046,637	850,158
Car Expenses including Registration, Tax token, Fitness, etc paid to BRTC	3,216,546	3,113,782
Brokerage/Commission to Bank/FIs/Share Trading Co.	809,395	507,402
Training and Internship	3,478,245	4,810,360
Salary of Security and Cleaning support Staff	70,447,591	46,262,043
Exgratia of Security and Cleaning support Staff	5,185,260	3,311,760
Entertainment and other Expenses	5,960,883	4,496,502
Travelling Expenses for office purpose	4,863,877	4,354,133
Conveyance, Labor, Carriage and Freight Expense	2,278,181	1,885,896
Development and Publicity	6,951,506	6,373,770
Liveries and Uniforms payment /Expense for Support Staff	1,267,385	243,500
Medical Expenses	191,170	499,411
Newspaper, Magazine and Periodicals	429,678	316,075
Loss on Sale of Securities	13,742,354	5,595,151
Interest Expense on Leased Properties	1,795,223	3,070,968
Charges and Expenses on Card Operation	8,885,656	7,291,823
Others Expenses*	106,932,419	71,866,232
Agent Banking Charges and Expenses	519,817	1,800.00
Loss on Govt. Securities:Treasury Bills and Bonds	12,639,417	59,496,540
	310,641,240	224,347,306

*Other Expenses includes Donation, Contribution, Subscription, NID Verification Charge, Discomfort allowance, AGM Expense, Professional Expenses, Cash Remittance Charge, Nursery & Planation, Laundry & Cleaning, Photocopy & Photograph, etc.

34a Consolidated Other Expenses

NRBC Bank Limited	310,641,240	224,347,306
NRBC Bank Securities Limited	166,342	-
	310,807,582	224,347,306
Less: Inter company transaction	852,116	-
	309,955,466	224,347,306

35 Provision against loans and advances

i. Provision against unclassified loans and advances		
Provision for SMA Loans and Advances	8,447,388	1,625,594
Provision for Unclassified Loans and Advances	124,462,679	77,952,533
	132,910,068	79,578,127
ii. Provision against classified loans and advances		
Provision for Sub-Standard Loans and Advances	52,241	3,849,958
Provision for Doubtful Loans and Advances	6,132,254	916,825
Provision for Bad & Loss of Loans and Advances	47,699,479	-
	53,883,974	4,766,783
	186,794,042	84,344,910

35a Consolidated provision against loans and advances

NRBC Bank Limited	186,794,042	84,344,910
NRBC Bank Securities Limited	-	-
	186,794,042	84,344,910

36 Provision for Diminution in Value of Investments

Provision for Diminution in Value Quoted Company Share & Stock	-	(2,679,571)
Provision for Diminution in Value Unquoted Share & Stock	-	-
Provision for Other Assets	-	-
	-	(2,679,571)

		2016	2015
		Taka	Taka
36a Consolidated Provision for Diminution in Value of Investments			
NRBC Bank Limited		-	(2,679,571)
NRBC Bank Securities Limited		-	-
		-	(2,679,571)
37 Other Provisions			
Provision required on Off-Balance Sheet Exposures		42,831,926	48,018,797
Others		-	-
		42,831,926	48,018,797
37a Consolidated Other Provisions			
NRBC Bank Limited		42,831,926	48,018,797
NRBC Bank Securities Limited		-	-
		42,831,926	48,018,797
38 Current Tax Expense			
SL	Particulars		
1	Taxable Income	1,103,226,584	582,409,075
2	Current Tax Payable @40% before considering extra ordinary items	441,290,634	232,963,630
3	Add: Adjustment of Tax for Capital Gain, Dividend & Rebate	16,965,663	2,906,534
4	Current Tax Payable after considering extra ordinary items	458,256,297	235,870,164
5	Deferred Tax Liability for the period	(21,860,918)	(2,711,382)
6	Tax Expense for the Period	436,395,379	233,158,782
38a Consolidated Current Tax Expense			
NRBC Bank Limited		436,395,379	233,158,782
NRBC Bank Securities Limited		2,470,184	(502,680)
		438,865,563	232,656,102
38b Consolidated Current Tax Payable			
NRBC Bank Limited		458,256,297	235,870,164
NRBC Bank Securities Limited		2,102,515	-
		460,358,812	235,870,164
39 Deferred Tax Expense			
	Carrying Amt	Tax Base	Temporary Difference
Fixed Assets	554,875,222	515,535,285	39,339,936
Total Temporary Difference at Liability side			44,875,040
			39,339,936
Provision for classified loan	53,883,974	-	53,883,974
Total Taxable Deductible Difference at Asset side			4,766,783
			53,883,974
Net Taxable deductible Temporary Difference [i.e. Tax will be paid in future period]			(14,544,037)
			40,108,257
Tax Rate @40% i.e deferred Tax Liability			(5,817,615)
Less : Deferred Tax Expense at 2015			16,043,303
Deffered Tax Income for the year			18,754,685
			(21,860,918)
			(2,711,382)

39a Consolidated Deferred Tax Expense

	2016 Taka	2015 Taka
NRBC Bank Limited	(21,860,918)	(2,711,382)
NRBC Bank Securities Limited	367,669	(502,680)
	(21,493,249)	(3,214,062)

40 Earnings Per Share (EPS)

Profit after Taxation	861,352,297	561,009,113
Number of Ordinary Shares outstanding	457,944,077	444,605,900
Earnings Per Share	1.88	1.26

40a Consolidated Earnings Per Share (EPS)

Net Profit attributable to the shareholders of parent company	868,264,002	560,075,565
Number of Ordinary Shares outstanding	457,944,077	444,605,900
Earnings Per Share	1.90	1.26

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2016 in terms of Bangladesh Accounting Standard (BAS)-33.

41 Receipts from Other Operating Activities

Interest on Treasury Bills	5,602,409	17,978,280
Interest on Money at call	1,032,667	15,548,194
Interest on Treasury Bonds	814,605,601	910,033,366
Interest on Coupon Bonds	216,395,342	164,891,422
Gain on Sale of Shares and Debentures	142,044,716	166,977
Gain on Sale of Bonus Shares listed with DSE/CSE	19,105,560	-
Gain on Sale of Approve Govt. Securities	253,704,825	323,237,255
Interest on Reverse Repo	-	17,260
Service Charges and Fees	27,685,774	14,698,847
Income from Card Services	36,286,245	18,332,608
Charges on Trade Finance	62,431,406	37,529,994
Miscellaneous Earnings	13,979,356	7,307,888
	1,592,873,899	1,509,742,091

41a Consolidated Receipts from other operating activities

NRBC Bank Limited	1,592,873,899	1,509,742,091
NRBC Bank Securities Limited	66,323	-
	1,592,940,222	1,509,742,091
Less: Cash Increase/(Decrease) through Intercompany Transaction	-	-
	1,592,940,222	1,509,742,091

	2016 Taka	2015 Taka
42 Payments for Other Operating Activities		
Rent, Taxes, Insurance, Electricity, etc	214,780,718	179,387,323
Legal expenses	7,570,693	205,646
Audit Fees	300,000	250,000
Postage, Stamps, Telecommunication, etc	24,239,524	18,094,796
Directors' fees & Meeting Expenses	10,734,502	11,261,063
Repair, Replacement, Renovation & Maintenance of Bank's Assets	33,139,574	7,828,934
Payment for Donation/Contribution/CSR and Subscription	42,042,419	15,657,575
Other Expenses	188,708,821	166,634,672
	521,516,251	399,320,010
42a Consolidated Payments for Other Operating Activities		
NRBC Bank Limited	521,516,251	434,792,579
NRBC Bank Securities Limited	483,247	3,424,510
	521,999,498	438,217,089
Less: Cash Increase/(Decrease) through Intercompany Transaction	36,826	595,100
	521,962,672	437,621,989
43 Payment/(Settled) for Other Assets		
Advance Security Deposit	1,252,770	1,375,988
Suspense Account	(39,381,916)	28,089,703
Advance Rent	(13,261,596)	(16,120,169)
Share Sale proceed Receivable	545,030	-
Investment in Subsidiary	-	360,000,000
Inter Branch General Account Balance	(31,764)	2,672
	(50,877,477)	373,348,194
43a Consolidated Payment/(Settled) for Other Assets		
NRBC Bank Limited	(50,877,477)	373,348,194
NRBC Bank Securities Limited	38,156,329	-
	(12,721,148)	373,348,194
Less: Cash Increase/(Decrease) through Intercompany Transaction	-	360,000,000
	(12,721,148)	13,348,194
44 (Payment)/Receive of Other Liabilities		
FC Held Against BTB Bills, EDF Loan and Others	450,118,454	(312,149,122.29)
Lease Payable for Lease Hold Property	(5,627,245)	(5,154,682)
	444,491,209	(317,303,805)
44a (Payment)/Receive of Other Liabilities		
NRBC Bank Limited	444,491,209	(317,303,805)
NRBC Bank Securities Limited	30,065,000	-
	474,556,209	(317,303,805)
Less: Cash Increase/(Decrease) through Intercompany Transaction	-	-
	474,556,209	(317,303,805)
45 (Purchase)/ Sale of Government Securities		
Treasury Bills-HFT	(607,221,083)	1,899,834,298
Treasury Bills-HTM	(508,518,847)	(1,841,329,122)
Adjustment of Revaluation (Gain)/Loss on Treasury Bills which is non cash	(26,460,731)	9,464,927
	(1,142,200,661)	67,970,103

46 Currency Conversion Rates

Assets and Liabilities as at 31 December 2016 denominated in foreign currencies have been converted to local currency Bangladesh Taka (BDT) at the following exchange rates:

Currency	Abbreviation	Unit	Equivalent BDT
US Dollar	USD	1	78.70
Japanese Yen	JPY	1	0.67
EURO	EURO	1	81.90
GBP	GBP	1	96.20

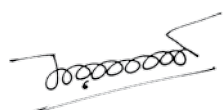
47 Highlights of overall activities of the Bank

Sl #	Particulars	2016	2015
		Taka	Taka
1	Paid-up Capital	4,579,440,770	4,446,059,000
2	Total Capital	6,200,610,260	5,444,762,768
3	Capital Surplus	1,665,067,779	2,567,959,480
4	Total Assets	53,619,100,916	36,259,007,533
5	Total Deposits	44,143,280,310	28,880,683,698
6	Total Loans and Advances	37,408,284,100	23,227,386,522
7	Total Contingent Liabilities and Commitments	12,934,947,050	8,651,754,433
8	Credit-Deposit Ratio	82.99%	79.11%
9	Ratio of Classified Loans against Total Loans and Advances	0.52%	0.27%
10	Profit after Tax and Provisions	869,031,969	560,075,565.10
11	Loans Classified during the Year	193,023,226	62,859,258.74
12	Provision kept against Classified Loans	58,650,757	4,766,783.30
13	Provision Surplus/(deficit)	-	-0.00
14	Cost of Deposit	6.91%	8.40%
15	Interest Earning Assets	48,816,248,408	31,991,229,603
16	Non-interest Earning Assets	4,802,852,509	4,267,777,929
17	Return on Investments (ROI)	15.97%	11.55%
18	Return on Assets (ROA)	1.93%	1.83%
19	Income from Investments	1,974,610,841	1,779,204,604
20	Earnings Per Share	1.90	1.26
21	Net Income Per Share	1.90	1.26
22	Net Assets Value	12.42	11.50
23	Price-Earnings Ratio (Times) *	N/A	N/A

* Bank is yet to be listed with any stock exchange in Bangladesh

48 Events after Reporting Period

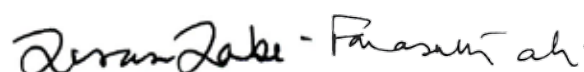
The Board of Directors of NRBC Bank Limited in its 51st Board Meeting held on 26 February 2017 recommended Dividend @ 12% comprising in the form of 5% Cash & in the form of 7% Stock on the holding of shares for the year end December 31, 2016.



Dewan Mujibur Rahman
Managing Director & CEO



Mohammed Shahid Islam
Director, BoD



Dr. Nuran Nabi
Chairman, Audit Committee of BoD

Engr. Farasath Ali
Chairman, BoD

Annex-A

Currency wise balance position of FC Clearing Accounts With Bangladesh Bank

SL	Name of the Account	Location	Name of currency	As at 31 December 2016			2015
				Amount in Foreign Currency	Conversion Rate	Equivalent Amount in Taka	Amount in Taka
1	BB FC Clearing	Dhaka	USD	259,437.68	78.70	20,417,745	48,482,079
2	BB FC Clearing	Dhaka	Euro	773.61	81.90	63,361	208,186
Total				260,211		20,481,106	48,690,265

Annex-B

Placement of FDR/TDR with Banks/NBFIs

As of 31 December 2016

SL	Name of the NBFIs	Period	Issue Date	Maturity Date	Principal Amount
1	Phoenix Finance & Investment Limited	182 Days	7-Aug-15	5-Feb-17	200,000,000.00
2	First Lease Finance and Investment Limited	182 Days	17-Jul-16	15-Jan-17	50,000,000.00
3	FAS Finance and Investment Limited	182 Days	21-Aug-16	19-Feb-17	100,000,000.00
4	First Lease Finance and Investment Ltd.	182 Days	4-Sep-16	5-Mar-17	50,000,000.00
5	FAS Finance and Investment Limited	181 Days	7-Sep-16	7-Mar-17	100,000,000.00
6	Union Capital Ltd	181 Days	14-Sep-16	14-Mar-17	100,000,000.00
7	International Leasing & Financial Services Limited	92 Days	4-Oct-16	4-Jan-17	100,000,000.00
8	Peoples Leasing and Financial Services Limited	180 Days	5-Oct-16	3-Apr-17	50,000,000.00
9	Bangladesh Industrial Finance Company Ltd.	181 Days	17-Oct-16	16-Apr-17	50,000,000.00
10	FAS Finance and Investment Limited	181 Days	18-Oct-16	17-Apr-17	100,000,000.00
11	FAS Finance and Investment Limited	92 Days	19-Oct-16	19-Jan-17	100,000,000.00
12	Peoples Leasing and Financial Services Limited	91 Days	23-Oct-16	22-Jan-17	100,000,000.00
13	GSP Finance Company (Bangladesh) Limited	91 Days	26-Oct-16	25-Jan-17	150,000,000.00
14	Hajj Finance Company (Bangladesh) Ltd	91 Days	3-Nov-16	2-Feb-17	100,000,000.00
15	Fareast Finance and Investment Ltd.	92 Days	8-Nov-16	8-Feb-17	100,000,000.00
16	Hajj Finance Company (Bangladesh) Ltd	94 Days	10-Nov-16	12-Feb-17	50,000,000.00
17	Phoenix Finance & Investment Limited	182 Days	20-Nov-16	21-May-17	200,000,000.00
18	Peoples Leasing and Financial Services Limited	90 Days	21-Nov-16	19-Feb-17	100,000,000.00
19	Union Capital Ltd	91 Days	4-Dec-16	5-Mar-17	100,000,000.00
20	First Lease Finance and Investment Limited	91 Days	4-Dec-15	5-Mar-17	100,000,000.00
21	Bangladesh Finance and Investment Company Limited	182 Days	4-Dec-16	4-Jun-17	100,000,000.00
22	International Leasing & Financial Services Limited	91 Days	5-Dec-16	6-Mar-17	100,000,000.00
23	Prime Finance & Investment Limited	91 Days	6-Dec-16	7-Mar-17	100,000,000.00
24	Phoenix Finance & Investment Limited	182 Days	11-Dec-16	11-Jun-17	200,000,000.00
25	Bangladesh Industrial Finance Company Ltd.	91 Days	11-Dec-16	12-Mar-17	50,000,000.00
26	Union Capital Ltd	91 Days	14-Dec-16	15-Mar-17	100,000,000.00
27	Peoples Leasing and Financial Services Limited	91 Days	18-Dec-16	19-Mar-17	50,000,000.00
28	Fareast Finance and Investment Ltd.	182 Days	19-Dec-16	19-Jun-17	100,000,000.00
29	Fareast Finance and Investment Ltd.	180 Days	22-Dec-16	20-Jun-17	100,000,000.00
30	GSP Finance Company (Bangladesh) Limited	90 Days	22-Dec-16	22-Mar-17	120,000,000.00
31	Meridian Finance and Investment Limited	90 Days	22-Dec-16	22-Mar-17	100,000,000.00
32	LankaBangla Finance Limited	91 Days	26-Dec-16	27-Mar-17	300,000,000.00
33	Meridian Finance and Investment Limited	91 Days	26-Dec-16	27-Mar-17	100,000,000.00
34	LankaBangla Finance Limited	91 Days	27-Dec-16	28-Mar-17	200,000,000.00
36	International Leasing & Financial Services Limited	91 Days	28-Dec-16	29-Mar-17	100,000,000.00
37	Bangladesh Industrial Finance Company Ltd.	90 Days	29-Dec-16	29-Mar-17	10,000,000.00
Total					3,830,000,000

Currency wise balance position of Nostro Accounts As of 31 December 2016

SL	Name of the bank	Location	Name of currency	As at 31 December 2016			2015
				Amount in Foreign Currency	Conversion Rate	Equivalent Amount in Taka	Amount in Taka
1	Habib American Bank	New York	USD	446,889.12	78.70	35,170,174	1,213,119
2	Mashreq Bank PSC	New York	USD	874,794.35	78.70	68,846,315	5,136,013
3	AB Bank Limited	Mumbai	Acu Dollar	32,538.77	78.70	2,560,801	43,685
4	Mashreq Bank PSC	London	GBP	2,705.36	96.20	260,263	21,652
5	United Bank of India	Kolkata	Acu Dollar	14,210.01	78.70	1,118,328	26,431
6	Mashreq Bank PSC	London	EURO	9,418.18	81.90	771,378	12,786
7	Mashreq Bank PSC	Mumbai	Acu Dollar	5,337.46	78.70	420,058	4,360
8	National Bank of Pakistan	Tokyo	Jap. Yen	534,352.00	0.67	358,604	2,484,681
9	Kookmin Bank	Seoul	USD	30,774.65	78.70	2,421,965	5,703
10	Habib Metro Bank Limited	Karachi	Acu Dollar	7,767.00	78.70	611,263	4,338
Total				1,958,787		112,539,149	8,952,767

Investment in Share, Preference Share and Bonds

As of 31 December 2016

a. Quoted shares & MFs

SL	Company Name	Value (Tk.)
1	Banks	-
2	NBFIs	-
3	Engineering	2,808,456
4	Textiles	-
5	Fuel & Power	-
6	Pharmaceuticals & Chemicals	44,643,173
7	Mutual Fund	-
Total		47,451,629

b. Investment in Preference Share

SL	Issuer Name	Financial Product	Tenure	Intt. Rate/ Divi.	Maturity Date	Amount (Taka)	Major Feature
1	Regent Power Limited	Regent Power Preference Share	6 Years	13.00%	11-May-20	80,000,000	Preference Share with having tax Rebate
Total						80,000,000	

c. Investment in Bonds

SL	Issuer Name	Financial Product	Tenure	Intt. Rate/ Divi.	Maturity Date	Amount (Taka)	Major Feature
1	Mercantile Bank Limited	Mercantile Bank Subordinated Bond	7 Years	Floating rate	29-Jun-21	450,000,000	Subordinated Bond. Floating Rate bond Ranging from 12% to 15% based on 6 month average FDR rate plus 3% mark-up
2	The Trust Bank Limited	Trust Bank Subordinated Bond	7 Years	12.50%	7-Sep-21	150,000,000	Subordinated Bond at Fixed Rate.
3	AB Bank Limited	AB Bank Subordinated Bond	7 Years	Floating rate	26-Aug-21	100,000,000	Subordinated Bond. Floating Rate bond Ranging from 9.82% to 12.82% based on 5 year Govt. Treasury Bond Rate plus 3% markup
4	The City Bank Limited	City Bank Subordinated Bond	7 Years	Floating rate	21-Oct-20	196,000,000	Subordinated Bond. Floating Rate bond Ranging from 12.50% to 14.50% based on 6 month average FDR rate plus 2.5% mark-up.
5	United Commercial Bank Limited	UCBL Subordinated Bond	7 years	Floating rate	29-Jul-22	100,000,000	Subordinated Bond. Floating Rate bond Ranging from 10% to 13.50% based on 6 month average FDR rate of schedule Bank Plus 2.5% mark-up
6	Mutual Trust Bank Limited	MTB Subordinated Bond	7 years	Floating rate	20-Oct-22	200,000,000	Subordinated Bond. Floating Rate bond Ranging from 10.50% to 13.50% based on 6 month average FDR rate of schedule Bank Plus 2.5% mark-up
7	AB Bank Limited	2nd AB Bank Subordinated Bond	7 years	Floating rate	29-Sep-22	300,000,000	Subordinated Bond. Floating Rate bond Ranging from 10.50% to 13.50% based on 6 month average FDR rate of schedule Bank Plus 2.5% margin
8	BSRM Limited	BSRM Convertible Bond	5 Years	13.00%	27-Apr-19	297,000,000	12% Convertible Bond of Tk. 9.90 Crore in 2016 and remaining balance will continue
Total						1,793,000,000	

Refinance Terms & Payment on maturity

As of 31 December 2016

Annex-E

A. Refinance from Bangladesh Bank under Refinance Scheme

SL	Refinance Scheme	Branch Name	No. of Refinance Facilities	Tenure	Intt. Rate	Maturity Date	Amount (Taka)
1	Special Programme Loan-Agri	Principal Branch	1	05 Years	5%	11-Feb-19	90,602,742
2	Small&Medium Enterprise	Principal Branch	1	03 Years	5%	21-Jan-18	225,000
3	Solar Enery-Green Finance	Hemayetpur Branch	2	03 Years	5%	26-Jun-19	31,311,764
4	Small & Medium Enterprise	Uttara Branch	1	05 Years	5%	21-Jan-20	2,187,500
5	Effluent Treatment Plant	Chatkhil Branch	1	05 Years	5%	21-Dec-21	5,000,000
6	Women Enterprise	Agrabad Branch	1	03 Years	5%	23-Sep-18	500,000
7	Women Enterprise	Board Bazar Branch	1	05 Years	5%	19-Oct-21	2,000,000
8	Women Enterprise	Mugrapara Branch	1	05 Years	5%	16-Nov-21	600,000
9	Women Enterprise	Sylhet Branch	1	01 Years	5%	11-Jan-17	1,000,000
10	Women Enterprise	Barisal Branch	1	05 Years	5%	23-Sep-20	5,000,000
11	Women Enterprise	Naogaon Branch	1	01 Years	5%	11-Jan-21	5,000,000
Total							143,427,006

Annexure-F

Schedule of Property, Plant & Equipment (Accounting Purpose)

As of 31 December 2016

Sl NO.	Properties & Assets	Assets			Rate of Depreciation	Depreciation			Book Value
		Opening Balance	Addition during the year	Disposal during the year		Closing Balance	Opening Balance	Addition during the year	
1	Land, Building and Construction	-	-	-	2.50%	-	-	-	-
2	Furniture and fixtures	197,726,446	53,479,139	-	10.00%	251,205,585	17,969,926	22,595,233	210,640,475
3	Equipment and Machinery	169,200,642	73,883,092	-	20.00%	243,083,735	34,815,221	40,982,992	167,285,521
4	Computer and Computer Equipment	147,881,984	9,311,190	-	20.00%	157,193,174	58,006,391	30,636,577	68,550,207
5	Intangible Assets/Bangladesh Made Computer Software	47,271,897	76,020,284	-	20.00%	123,292,181	20,431,428	17,624,141	85,236,613
6	Motor Vehicles	27,250,000	-	-	20.00%	27,250,000	7,989,166	5,450,000	13,810,834
7	Professionals and Reference Books	23,370	-	-	20.00%	23,370	7,683	4,674	11,014
8	Leased Assets: Motor Vehicle	27,106,624	-	-	20.00%	27,106,624	12,344,691	5,421,325	9,340,608
Total		616,460,963	212,693,705			829,154,668	151,564,505	122,714,941	554,875,222

Annexure-G

Schedule of Property, Plant & Equipment (Tax Purpose)

As of 31 December 2016

Sl NO.	Properties & Assets	Assets			Rate of Depreciation	Depreciation/Amortization			Book Value
		Opening Balance	Addition during the year	Disposal during the year		Closing Balance	Opening Balance	Addition during the year	
1	Land, Building and Construction	-	-	-	2.50%	-	-	-	-
2	Furniture and fixtures	197,726,446	53,479,139	-	10.00%	251,205,585	29,847,313	22,135,827	199,222,444
3	Office Equipment and Machinery	169,200,642	73,883,092	-	10.00%	243,083,735	32,229,741	21,085,399	189,768,594
4	Computer and Computer Equipment	147,881,984	9,311,190	-	30.00%	157,193,174	78,644,936	23,564,471	54,983,767
5	Intangible/Bangladesh Made Computer Software	47,271,897	76,020,284	-	50.00%	123,292,181	36,618,612	43,336,785	43,336,785
6	Motor Vehicles	27,250,000	-	-	20.00%	27,250,000	8,367,333	3,776,533	15,106,133
7	Professionals and Reference Books	23,370	-	-	30.00%	23,370	11,919	3,435	8,016
8	Leased Assets: Motor Vehicle	27,106,624	-	-	20.00%	27,106,624	10,719,691	3,277,387	13,109,546
Total		616,460,963	212,693,705			829,154,668	196,439,545	117,179,838	515,535,285



Annexure-H

Risk Weighted Assets (RWA) for	2016		2015	
	Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
A. Credit Risk	53,298,067,587	41,771,003,153	37,226,506,278	26,344,391,314
On- Balance Sheet (as shown below)	49,724,813,208	37,602,060,755	33,096,559,176	21,663,922,045
Off-Balance Sheet (as shown below)	3,573,254,379	4,168,942,398	4,129,947,102	4,680,469,269
B. Market Risk		1,159,224,008		749,159,398
C. Operational Risk		3,011,863,029		1,674,482,169
Total: RWA (A+B+C)	53,298,067,587	45,942,090,189	37,226,506,278	28,768,032,881

SL	Exposure Type	2016			
		Exposure	Rating	Risk Weigh	Risk Weighted Asset
a	Cash and Cash Equivalents	580,890,853		0%	-
b	Claims on Bangladesh Government and Bangladesh Bank	6,262,194,545		0%	-
c	Claims on other Sovereigns & Central Banks*	-		50%	-
d	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank	-		0%	-
e	Claims on Multilateral Development Banks (MDBs):	-		0%	-
	i. IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB				
	ii. Others MDBs	-	1	20%	
		-	2,3	50%	
		-	4,5	100%	
		-	6	150%	
		-	Unrated	50%	
f	Claims on Public Sector Entities (other than Government) in Bangladesh	-	1	20%	
		-	2,3	50%	
		-	4,5	100%	
		-	6	150%	
		-	Unrated	50%	
g	Claims on Banks and Non-bank Financial Institution (NBFI):				
	i) Original maturity over 3 months	644,352,076	1	20%	128,870,415
		682,430,490	2, 3	50%	341,215,245
		-	4, 5	100%	-
		-	6	150%	-
		13,043,618	Unrated	100%	13,043,618
	ii) Original Maturity Up to 3 months	4,005,293,035		20%	801,058,607
h	Claims on Corporate (excluding equity exposure)	515,368,535	1	20%	103,073,707
		4,129,623,669	2	50%	2,064,811,835
		2,096,603,197	3, 4	100%	2,096,603,197
		-	5, 6	150%	-
		15,695,001,227	Unrated	125%	19,618,751,533
i	Claim on SME	-	SME 1	20%	-
		-	SME 2	40%	
		-	SME 3	60%	
		-	SME 4	80%	
		-	SME 5	120%	
		-	SME 6	150%	
		1,255,290,485	Unrated (Small Enterprise & <BDT 3.00m)	75%	941,467,864
		4,433,014,595	Unrated (Small enterprise having ≥ BDT 3.00m & medium enterprise)	100%	4,433,014,595

SL	Exposure Type	2016			
		Exposure	Rating	Risk Weigh	Risk Weighted Asset
j	Claims under Credit Risk Mitigation	-	PSE		-
		199,528,624	Banks & NBFIs		-
		741,046,505	Corporate		215,715,365
		831,130,585	Retail & Small		36,916,973
		80,511,257	SME		73,851,257
		59,931,368	Consumer Finance		-
		-	Residential property		-
		-	Commercial Real State		-
k	Claim categories as retail portfolio (Excluding SME, Consumer Finance & Staff loan) Upto 1 Crore	1,739,059,863		75%	1,304,294,897
l	Consumer Loan	249,144,554		100%	249,144,554
m	Claims fully secured by residential property	944,302,223		75%	472,151,111
n	Claims fully secured by commercial real estate	1,559,680,644		100%	1,559,680,644
o	1. Past Due Claims (Risk weights are to be assigned net of specific provision):				
	Where Specific provisions are less than 20 percent of the outstanding amount of the past due claim	663,168,920		150%	994,753,380
	Where Specific provisions are no less than 20 percent of the outstanding amount of the past due claim	3,671,859		100%	3,671,859
	Where Specific provisions are more than 50 percent of the outstanding amount of the past due claim	-		50%	-
	2. Claims fully secured against residential property that are past due for more than 60 days and/or impaired specific provision held there-against is less than 20 percent of outstanding amount	-		100%	-
	3. Loans & Claims fully secured against residential property that are past due for more than 60 days and/or impaired and specific provision held there-against is more than 20 percent of outstanding amount	-		75%	-
p	Capital Market Exposure	-		125%	-
q	Investment in Equity and Regulatory Capital Instruments issued by other banks and Mercantile Bank/Brokerage Houses/Exchange Houses which are not listed in Stock Exchange (other than those deducted from capital) held in banking book	395,000,000		125%	493,750,000
r	Investments in Venture Capital	-		150%	-
s	Investments in premises, plant and equipment and all other fixed assets	560,097,478		100%	560,097,478
t	Claims on all fixed assets under operating lease	-		100%	-
u	All other Assets				
	i. Claims on GoB & BB	-		0%	-
	ii. Staff Loan/Investment	361,637,978		20%	72,327,596
	iii. Cash Item in process of Collection	-		20%	-
	iv. Claim on Offshore Banking Unit (OBU)	-		100%	-
	v. Other Assets (Not specified above) (Net of Specific Provision, If any)	1,023,795,024		100%	1,023,795,024
Total		49,724,813,208			37,602,060,755

SL	Exposure Type	2016			
		Exposure	Rating	Risk Weigh	Risk Weighted Asset
Credit Risk - Off Balance Sheet items					
a	Claims on Bangladesh Government (Other than PSEs) and Bangladesh Bank	-		0%	-
b	Claims on other Sovereigns & Central Banks*	-			
c	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank	-		0%	-
d	Claims on Multilateral Development Banks (MDBs):				
	i. IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-		-	
	ii. Other MDBs	-	1	20%	-
		-	2, 3	50%	-
		-	4, 5	100%	-
		-	6	150%	-
		-	Unrated	50%	-
e	Claims on Public Sector Entities (other than Government) in Bangladesh	-	1	20%	-
		-	2, 3	50%	-
		-	4, 5	100%	-
		-	6	150%	-
		-	Unrated	50%	-
f	Claims on Banks:				
	i) Maturity over 3 months	-	1	20%	-
		-	2, 3	50%	-
		-	4, 5	100%	-
		-	6	150%	-
		-	Unrated	100%	-
	ii) Maturity less than 3 months	-		20%	
g	Claims on Corporate	-	1	20%	-
		237,234,416	2	50%	118,617,208
		54,491,277	3, 4	100%	54,491,277
		-	5, 6	150%	-
		2,922,325,371	Unrated	125%	3,652,906,714
h	Claims against retail portfolio (excluding SME & consumer loan)	32,321,542		75%	24,241,156
i	Claim On SME	-	SME 1	20%	-
		-	SME 2	40%	-
		-	SME 3	60%	-
		-	SME 4	80%	-
		-	SME 5	120%	-
		-	SME 6	150%	-
		32,782,921	Unrated (Small Enterprise & <BDT 3.00m)	75%	24,587,191
		294,098,852	Unrated (Small enterprise having ≥ BDT 3.00m & medium enterprise)	100%	294,098,852
j	Consumer Finance	-		100%	-
k	Claims fully secured by residential property	-		50%	-
l	Claims fully secured by commercial real estate	-		100%	-
m	Investments in venture capital	-		150%	-
n	All other assets	-		100%	-
Total		3,573,254,379			4,168,942,398

Related Party Disclosure

i. Directors' interest in different entities

Sl	Name of Director	Status with Bank	Experience	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employee, etc.	Status as in Column E	Percentage of Holding/Interest in the concern
A	B	C	D	E	F	G
1	Engr. Farasath Ali	Chairman	24 Years	a. 1586 Restaurant Inc (Vivo Restaurant), 1586-2nd Ave, NYC, NY-10028. b. SNA Knitting Mill Inc., 1 Market Street, Passaic, N-J-07055.	a. President b. Shareholder	a. 50% b. 90%
2	Dr. Toufique Rahman Chowdhury	Vice Chairman	38 Years	a. East Anglia Resources Ltd, 1 Kedleston Road, Grantham, NG317FE, UK. b. Mercantile Bank Limited 61, Dilkusha C/A, Dhaka-1000 c. National Credit Ratings Ltd. 3 Bijoy Nagar, Dhaka. d. Sylhet Metropolitan Chamber of Commerce & Industry (SMCCI) Ananda Tower, Jail Road, Sylhet e. Mercantile Bank Securities Ltd. 61, Dilkusha C/A, Dhaka-1000. f. NRBC Bank Securities Ltd., 114 Motijheel C/A, Dhaka-1000 g. Metropolitan University Trust, Zindabazar, Sylhet-3100. Premier Leasing & Finance Ltd. h. City Centre (17th Floor), 90/1, Motijheel C/A, Dhaka-1000. Premier Leasing Securities Ltd. i. City Centre (17th Floor), 90/1, Motijheel C/A, Dhaka-1000. j. Premier Leasing Capital Management Ltd. k. Syl-Track Associates Ltd.	a. Director b. Sponsor c. Director d. Founder & President e. Director f. Director g. Founder & Chairman h. Family Interest i. Family Interest j. Family Interest k. Family Interest	a. 50% c. 19%
3	Mr. ABM Abdul Mannan	Director	14 Years	AAA Wash & Clean, 89-04 Elliot Avenue, Rego Park, NY 11374, USA.	Owner	100%
4	Mr. Mohammed Oliur Rahman	Director	23 Years	a. Al Haramain Trading LLC PO Box: 13754, Dubai, UAE. b. Al Haramain Perfumes MFG & Oudh Processing Industry LLC, PO Box: 1885, Ajman, UAE. c. Al Haramain Perfumes LLC Dubai, UAE. d. Best in Fragrance Hilton tower, Gate#3, Shops#6-7, PO Box: 18083, Holy Makkah, KSA e. Noor Al Haramain LLC PO Box: 13754, Dubai, UAE. f. Al Haramain Hospital Pvt. Ltd. Kazi Tower, Samata-10, Bishwa Road, Chali Bandar, Subhani Ghat, Sylhet-3100, Bangladesh.	a. Director b. Shareholder c. Shareholder d. Shareholder e. Shareholder f. Vice Chairman	a. 24% b.20% c.30% d.30% e. 24%

Sl	Name of Director	Status with Bank	Experience	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employee, etc.	Status as in Column E	Percentage of Holding/Interest in the concern
A	B	C	D	E	F	G
				g. Hamidia Tea Company Ltd., HO, Fair Tower, 3rd Floor, Shonali 120, Shibgonj, Sylhet-3100, Bangladesh	g. Director	
				h. Al Haramain Perfumes Group of Companies Oman, Kuwait, Qatar and Bahrain.	h. Shareholder	
5	Mr. Mohammed Enayet Hossain	Director	19 Years	a. Tanjil-Co Via Marteri Della Liberta-208, Sanremo, (IM) Italy.	a. Director	a. 100%
				b. Tanjil Co. Cleaning Company Via Ciotti No-1, Vallebona (IM) Italy.	b. Director	b. 100%
6	Mr. Md. Amir Hossain	Director	21 Years	a. Trimx Recycling LLC 2730 Weaver Rd., Macon, GA 31217.	a. CEO	a. 100%
				b. Trimx Ventures LLC 2730 Weaver Rd., Macon, GA 31217.	b. CEO	b. 100%
				c. Trimx International, LLC 5 Concourse PKWY, Suite 3000, Atlanta, GA 30328.	c. CEO	c. 100%
7	Mr. Tamal S.M.Parvez	Director	19 Years	a. OY STN Electronics Ltd., Nokkalanniemi 1C, 02230 Espoo, Finland.	a. CEO and President	a. 100%
				b. System Invest Trekhpudnaya, 11/13, Off 25, Moscow, Russia.	b. Director	b. 95%
				c. R & M , Kurtskaya, Moscow, Russia	c. Owner	c. 63%
				d. Telexia Oy, Finland	d. Board Member	d. 33%
				e. Makia Fashion Clothing, Finland	e. Share holder	e. 05%
				f. Twic Oy , Finland	f. Board Member	f. 25%
				g. Turuntie 40 Oy, Finland	g. Share holder	g. 15%
8	Mr. Rafikul Islam Mia Arzoo	Director	24 Years	a. Bonanza, 2nd Magietralnaya 14 G, Moscow, Russia.	a. President	a. 90%
				b. Mela, 2nd Magietralnaya 14 G, Moscow, Russia.	b. MD	b. 89.5%
				c. Lisichka, St. Bibirovskaya 2/1, Moscow, Russia.	c. Director	c. 80%
9	Mr. Mohammed Adnan Imam	Director	15 Years	a. IPE Capital Limited, 10 Margaret Street, London, W1W 8RL.	a. MD	a. 25%
				b. AWR Developents Limited, 82 Great Eastern Street, London, EC2A 3JF.	b. MD	b. 45%
				c. AWR Real Estate Limited, 10 Margaret Street, London, W1W 8RL.	c. MD	c.. 50%
				d. IPE Building Products Ltd., House-09, Road-25/A, Block-A, Banani, Dhaka-1213, Bangladesh.	d. MD	d. 50%
				e. Oracle Services Ltd., House-09, Road-25/A, Block-A, Banani, Dhaka-1213, Bangladesh.	e. MD	e. 50%
				f. Genex Infosys Ltd., House-09, Road-25/A, Block-A, Banani, Dhaka-1213, Bangladesh.	f. MD	f. 41%
10	Mrs. Kamrun Nahar Sakhi	Director	14 Years	a. 7069367 Canada Inc. 587 Third Line, Oakville, ON, L6L 4A8, Canada.	a. Director	a. 50%

Sl	Name of Director	Status with Bank	Experience	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employee, etc.	Status as in Column E	Percentage of Holding/Interest in the concern
A	B	C	D	E	F	G
				b. Mishmak Developments Ltd., Forum Central (6th Floor), Golpahar Circle, MM Ali Road. Chittagong.	b. Director	b. 10%
				c. Mishmak Lands Developments Ltd. Forum Central (6th Floor), Golpahar Circle, MM Ali Road, Chittagong.	c. Director	c. 10%
11	Mr. Abu Bakr Chowdhury	Director	14 Years	a. Baizid Steel Industries Ltd. Rahima Center, 4th Floor, 1618/1839 CDAa. MD Avenue, Nasirabad, Chittagong.	a. MD	a. 59.50%
				b. CSS Corporation (BD) Ltd. Rahima Center, 4th Floor, 1618/1839 CDAb. MD Avenue, Nasirabad, Chittagong.	b. MD	b. 40%
				c. CSS Power Ltd. Rahima Center, 4th Floor, 1618/1839 CDAc. MD Avenue, Nasirabad, Chittagong.	c. MD	c. 80%
				d. ABC Marks Holdings Ltd. Rahima Center, 4th Floor, 1618/1839 CDAd. MD Avenue, Nasirabad, Chittagong.	d. MD	d. 50%
				e. ATN News Ltd. Hassan Plaza, 53 Kawran Bazar, Dhaka-1215.	e. Shareholder	e. 10%
				f. ABC Associates Ltd. Rahima Center, 4th Floor, 1618/1839 CDAg. MD Avenue, Nasirabad, Chittagong.	g. MD	g. 2.50%
12	Mr. Mohammad Shahid Islam	Director	20 Years	Marafie Kuwaitia Group Arab Union Building, 4th Ringroad, 4th FL Hawally, State of Kuwait.	CEO and Partner	49%
13	Mr. Loquit Ullah	Director	34 Years	Store Alamin SNC Via Principe Amedia, 134-136, Rome, Italy.	Managing Director	100%
14	Mr. Mohammed Nazim	Director	18 Years	a. Al Majal Car Wash and Maint Al Maliha Street, Industrial Area,-10, Neara. MD Gico, PO: 29037, Sharjah, UAE.	a. MD	a. 100%
				b. Al Badar Car Washing Station New I/A, PO Box-1267, Ajman, UAE.	b. MD	b. 100%
				c. Dar Al Madina Washing Station, Jouraf I/A-1, Near China Mall, Ajman, UAE.	c. MD	c. 100%
				d. Dar Al Salam Car Washing Station, Ajman, UAE.	d. MD	d. 50%
				e. Al Ardh Al Thahabiah Trucks & Heavy Machines Maint. Center, Sharjah, UAE.	e. MD	e. 50%
15	Engr. Syed Munsif Ali	Director	13 Years	a. Multiplan Limited 69/1 Panthpath, Dhaka-1205.	a. Chairman and CEO	a. 05%
				b. Multiplan Canada Limited 69/1 Panthpath, Dhaka-1205.	b. Chairman and CEO	b. 20%
				c. Multiplan Accessories Ltd. 69/1 Panthpath, Dhaka-1205.	c. Chairman and CEO	c. 20%
				d. Golden Life Insurance Ltd. 80 Tejgaon, Dhaka.	d. Founding Chairman & Director	d. 16%
16	Dr. Nuran Nabi	Director	19 Years	Plainsboro Township, New Jersey, USA	Councilman	None.
17	Mr. Mohammed Manzurul Islam	Director	15 Years	a. Swadesh Life Insurance Company Ltd.	a. Director	a. 4%
				b. ATN News Ltd., Hasan Plaza, 53, Kawran Bazar, Dhaka.	b. Director	b. 20%



				Dhaka Bangla Channel (DBC) News, c. Ahsan Tower, 76 Bir Uttam A.K Khandakar Sarak, Dhaka, Bangladesh	b. Director & CEO	b. 10%
ii. Significant contracts were executed where the Bank is a party and wherein Directors have interest: Nil						
iii. Shares to the Directors and Executives without consideration or exercisable at discount: Nil						
iv. Related Party relationship and transaction: Please see Annexure-I1						
v. Lending policies for granting loan to the Related Party: Related parties are allowed Loans and Advances as per General Loan Policy of the Bank.						
vi. Business other than Banking business with any related concern of the Directors as per section-18 (2) of the Banking Companies Act, 1991: Nil						
vii. Investments in the Security of Directors and their related concerns: Nil						

Annexure-I1

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 BAS 24. The Bank in normal course of business had transactions with other entities that fall within the definition of 'Related Party' as contained in Bangladesh Accounting Standards (BAS)-24 (Related party disclosures) and as defined in the BRPD circular #14, issued by Bangladesh Bank on 25 June 2003.

1. The significant Related party transactions during the year was as follow

a. Letting out of Premises

Name of the Organization	Representing Director	Nature of interest of Director of the Organization/Property	Nature of agreement	Premises	Financial Involvement with the agreement
-	Engr. Farasath Ali, Representative Chairman of NRBC Bank Ltd.	Owner	Rental Agreement	Munshi Bazar Br	Monthly Rent Tk.16,000.00 (2000 Sft @ Tk. 8.00)
AWR Real Estate Ltd.	Mr. Mohammed Adnan Imam, Representative Director of NRBC Bank Ltd.	Managing Director	Rental Agreement	Banani Branch	Monthly Rent Tk.11.00 lac (5000 sft @ Tk.220/)
-	Engr. Syed Munsif Ali Representative Director of NRBC Bank Ltd.	Owner	Rental Agreement	Sylhet Uposhahar Br	Monthly Rent Tk.1.50 lac (4000 Sft @ Tk. 37.50)





Auditor's Report

To the Shareholders of NRBC Bank Securities Limited

We have audited the accompanying financial statements of NRBC Bank Securities Limited (NRBCBSL) which comprise the financial position as at 31 December 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Notes 1-30 to the financial statements.

Management's Responsibility for the Financial Statements

Management of NRBCBSL is responsible for the preparation and fair representation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, financial statements which have been prepared in accordance with Bangladesh Financial Reporting Standards give a true and fair view of the state of affairs of the company as at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

We also report that:

- a). We have obtained all the material information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b). In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c). The Company's financial position and financial performance dealt with by the report are in agreement with the books of account; and
- d). The expenditure incurred was for the purposes of the Company's business.

-SD-

Place: Dhaka
Date: January 29, 2017

Hoque Bhattacharjee Das & Co.
Chartered Accountants



NRBC BANK SECURITIES LIMITED

Statement of Financial Position

As at December 31, 2016

Particulars	Notes	Amount in Taka	
		At Dec 31, 2016	At Dec 31, 2015
Non Current Assets			
Property, Plant & Equipment	4	5,222,256	-
Investments			
Investment in Share & Stock	5	353,424,000	285,000,000
Loan and Advances :			
Margin Loan	6	364,049	-
Current Assets:			
Advances, deposits, prepayments, Receivables	7	40,790,095	299,967
Deferred Tax Assets	8	-	502,680
Cash and Cash Equivalents	9	100,623,474	113,870,405
		141,413,569	114,673,052
Total Assets		500,423,873	399,673,052
Shareholders' Equity		406,746,124	399,066,452
Share Capital	10	400,000,000	400,000,000
Retained Earnings	11	6,746,124	(933,548)
Current Liabilities		93,677,749	606,600
Other Liabilities	12	93,045,823	11,500
Payable to Parents Company	13	631,926	595,100
Total equity and Liabilities		500,423,873	399,673,052

The annexed notes form an integral part of the Financial Statements.

-SD-
Manna Shome
Chief Executive Officer

-SD-
Dewan Mujibur Rahman
Director

-SD-
Md. Shahidul Ahsan
Chairman

This is the Statement of Financial Position referred to in our report of even date.

Place: Dhaka
Date: January 29, 2017

-SD-
Hoque Bhattacharjee Das & Co.
Chartered Accountants

NRBC BANK SECURITIES LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended December 31, 2016

	Notes	Amount in Taka	
		Year ended Dec 31, 2016	Year ended Dec 31, 2015
Operating income			
Interest income	14	7,846,790	1,999,782
Interest Expenses	15	-	-
Net interest income		7,846,790	1,999,782
Brokerage commission	16	892,632	-
Investment Income	17	7,215,106	-
Other operating income/loss	18	66,323	-
Total operating income		16,020,851	1,999,782
Operating expenses			
Salary & Allowances	18	3,504,458	-
Rent, taxes, insurance, electricity, etc.	19	1,016,191	25,000
Legal/Professional/Preliminary Expenses	20	80,336	3,042,177
Stamp, Postage & Telecommunication etc.	21	96,152	-
Stationery, Printing, Advertisement, etc.	22	157,826	235,980
Board of Directors' Meeting Expense	23	227,169	106,353
Audit Fee		17,250	11,500
Other Financial Expenses	24	43,197	15,000
Depreciation on Property, Plant & Equipment	25	605,271	-
Other Expenses	26	123,145	-
Total Operating Expenses		5,870,995	3,436,010
Profit/(Loss) before provision		10,149,856	(1,436,228)
Provision for Taxation		2,470,184	502,680
Current Tax	27	2,102,515	-
Deferred Tax	28	367,669	502,680
Profit/Loss after taxation		7,679,672	(933,548)
Other comprehensive income		-	-
Total comprehensive income/(loss)		7,679,672	(933,548)
Earnings Per Share (EPS)	29	0.19	(0.02)

The annexed notes form an integral part of the Financial Statements.

-SD-
Manna Shome
Chief Executive Officer

-SD-
Dewan Mujibur Rahman
Director

-SD-
Md. Shahidul Ahsan
Chairman

This is the Statement of Comprehensive Income referred to in our report of even date.

Place: Dhaka
Date : January 29, 2017

-SD-
Hoque Bhattacharjee Das & Co.
Chartered Accountants

NRBC BANK SECURITIES LIMITED

Statement of Cash Flows

For the year ended December 31, 2016

Particulars	2016 Taka	2015 Taka
A. Cash flows from operating activities		
Cash received from :		
Interest income	7,846,790	1,999,782
Dividend Receipts	7,215,106	-
Brokerage Commission Receipts	892,632	-
Receipts from Other operating activities	66,323	-
	16,020,851	1,999,782
Cash payment to :		
Interest expenses	-	-
Paid to the Employee	3,388,608	-
Legal/Preliminary Expense	80,336	3,042,177
Audit Fees	11,500	-
Payments to suppliers/Service providers	961,238	260,980
Paid for Other Operating Activities	391,411	121,353
	4,833,093	3,424,510
Operating profit before changes in operating assets & liabilities	11,187,758	(1,424,728)
Increase/decrease in operating assets and liabilities		
Deposit received from client agsint Share purchased	60,569,188	-
Deposit received from client agsint IPO Fund	30,065,000	-
Loan/Received to/from Parents Company	36,826	595,100
(Increase) / Decrease in Operating Assets	90,671,014	595,100
Net cash from/(used in) operating activities (A)	101,858,772	(829,628)
Cash used in Investing Activities		
Purchase of Property, Plant and Equipment	(5,827,527)	-
Investment in Shares/Securities	(68,424,000)	(285,000,000)
Advances, deposits, prepayments, Receivables	(40,490,128)	(299,967)
Loan and Advances	(364,049)	-
Net cash used in Investing Activities (B)	(115,105,704)	(285,299,967)
Cash flows from Financing Activities		
Share Capital	-	400,000,000
Dividend Paid	-	-
Net cash flow from financing activities (C)	-	400,000,000
Net Surplus/(Deficit) in Cash and Bank Balances for the year (A+B+C)	(13,246,932)	113,870,405
Cash and Bank Balance at beginning of the year	113,870,405	-
Cash & Bank Balance at the end of the year	100,623,474	113,870,405
(*) Cash & Bank Balance:		
Cash in Hand	23,876	-
Cash at Bank	100,599,598	113,870,405
	100,623,474	113,870,405

The annexed notes form an integral part of the Financial Statements.

-SD-

Manna Shome
Chief Executive Officer

-SD-

Dewan Mujibur Rahman
Director

-SD-

Md. Shahidul Ahsan
Chairman

This is the Statement of Comprehensive Income referred to in our report of even date.

-SD-

Place: Dhaka
Date: January 29, 2017

Hoque Bhattacharjee Das & Co.
Chartered Accountants

NRBC BANK SECURITIES LIMITED

Statement of Changes in Equity

For the Year Ended December 31, 2016

Particulars	Share capital Taka	Retained earnings Taka	Total Taka
Opening Balance at January 01, 2016	400,000,000	(933,548)	399,066,452
Net Profit after Tax for the year	-	7,679,672	7,679,672
Balance at December 31, 2016	400,000,000	6,746,124	406,746,124
Balance at December 31, 2015	400,000,000	(933,548)	399,066,452

These Financial Statements should be read in conjunction with annexed notes (1 to 25)

-SD-

Manna Shome
Chief Executive Officer

-SD-

Dewan Mujibur Rahman
Director

-SD-

Md. Shahidul Ahsan
Chairman

This is the Statement of Comprehensive Income referred to in our report of even date.

Place: Dhaka
Date: January 29, 2017

-SD-

Haque Bhattacharjee Das & Co.
Chartered Accountants



NRBC BANK SECURITIES LIMITED

Basis of Preparation and Significant Accounting Policies

For the period ended 31 December 2016

1.1 Nature of Business Activities

NRBC Bank Securities Limited (the Company), a majority owned subsidiary company of NRBC Bank Limited was incorporated as a Public limited company in Bangladesh on 20 September 2015 bearing certificate of incorporation no. C-125904/2015 under the Companies Act 1994 having its registered office at 114 Motijheel Commercial Area, Dhaka- 1000.

1.2 Nature of business

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

2.0 Significant accounting policies and basis of preparation of financial statements

2.1 Statement of compliance

The financial statements of the Company are prepared on a going concern basis under historical cost conversion in accordance with Bangladesh Financial Reporting Standards (BFRS)/Bangladesh Accounting Standards (BAS). The financial statements has also been made in accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the listing Rules of Dhaka Stock Exchange, Guidelines from Bangladesh Bank, other applicable laws and regulations.

NRBC Bank Securities Ltd. will be also registered with the Bangladesh Securities and Exchange Commission (BSEC) to act as Stock Dealer for carrying its own investment in the capital market. It will also extends margin loan to its clients against their margin for investment in the listed securities. The required margin level is to be monitored daily and pursuant to established guidelines of BSEC.

2.2 Use of estimates and judgments

The preparation of financial statements are in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimate were made and in any future periods affected.

2.3 Going Concern Assessment

The Company has adequate resources to continue in operation for foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The Probable credit facilities from parents and Others as well as adequate resources of the Company provide sufficient funds to meet the present requirements of its businesses and operations in the future.

2.4 The financial statements referred to here comprise

- a. Statement of Financial Position
- b. Statement of Comprehensive Income
- c. Statement of Cash Flows
- d. Statement of Changes in Equity and
- e. Notes to the Financial Statements

2.5 Statements of Cashflow

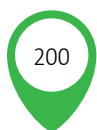
Statement of cash flows is prepared in accordance with the Bangladesh Accounting Standard-7 "Statement of Cash Flows" under direct method.

2.6 Reporting period

These financial statements cover one calendar year from 1 January to 31 December.

2.7 Functional and presentational currency

The financial statements are presented in Bangladesh Taka, which is the Company's functional currency.



3.0 Consistency accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, as per BAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.2 Depreciation policy

Full month's depreciation has been charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. Depreciation is provided at the following rates on straight-line basis in accordance with BAS 16 over the periods appropriate to the estimated useful lives of the different types of assets:

Categories of Assets	Rate of Depreciation (%)
Furniture and fixtures	10
Office Equipments	10
Computer and Accessories	20
Bangladesh Made Computer Software	20
Motor Vehicles	30
Professionals and Reference Books	10

3.3 Investment in TREC (Membership)

Investment in Stock Exchanges for TREC (Membership) are stated at cost. The cost of acquisition of a TREC (Membership) is the purchase price paid to the previous holder. As per the Demutualization Act, 2013, Trading Right Entitlement Certificate (TREC) has been allotted 7,215,106 no. of ordinary shares of Dhaka Stock Exchange Limited (DSE).

3.4 Investment in Securities

Investment in listed securities are to be recognized at cost. Quarterly impairment test will be carried out by comparing cost with market price. In case of diminution of market value compared to cost, provision will be made on portfolio basis but no unrealized gain will be booked when market value exceeds cost.

3.5 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to income statement.

However, Advance income tax mainly tax deduction at source on interest income arisen from bank deposit.

3.6 Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary Differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the reporting date. The impact on the account of changes in the deferred tax assets and liabilities have also been recognized in the statement of comprehensive income as per BAS-12 "Income Taxes

3.7 Provision for income tax

Provision for current income tax has been made in compliance with relevant provisions of income tax law.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank, which are held and available for use by the company without any restriction and are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value.

3.9 Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

3.10 Payables

Trade and other payables will be stated at their nominal values.

3.11 Other Liabilities for Expenses

Liabilities are to be recognized for the goods and services received, whether paid or not for those goods and services. Payables will not interest bearing and are stated at their nominal values.

3.12 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the company in accordance with the Bangladesh Accounting Standard (BAS) 18 "Revenue Recognition"

3.12.1 Interest income

Income from margin loan/bank deposit are recognised on accrual basis. Such income is calculated considering daily margin loan balance of the respective parties or balances with the banks.

3.12.2 Brokerage commission

Brokerage commission is recognized as income when selling or buying order executed.

3.12.3 Other Income

Other income, comprises of service charges and capital gain, is recognized when service rendered.

3.13 Event after the reporting period

As per BAS- 10 "Events after the Reporting period", events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- i) those that provide evidence of conditions that existed at the end of the reporting period (Adjusting events after the reporting period) and
- ii) those that are indicative of conditions that arose after the reporting period (Non-adjusting events after the reporting period).

There was no material events which have occurred after the reporting period which could affect the values stated in the financial statements

3.14 Related party transaction

As per BAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. NRBCBSL) that is preparing its financial statements. Related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per BAS 24.

Related Parties include the Company's Directors, key management personnel, associates, companies under common directorship etc. as per BAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted as arm's length transactions. Related parties disclosure given in the Note-30

3.15 Authorization of the financial statements for issue

The financial statements of the company have been authorized for issue by the Board of Directors on 29 January 2017

3.16 General

- i) Figures relating to previous year/period included in this report have been rearranged, wherever considered necessary.
- ii) The figures appearing in these financial statements are expressed in Taka currency and rounded off to the nearest Taka unless otherwise stated.

		Amount in Taka	
		At Dec 31, 2016	At Dec 31, 2015
4.00	Property, Plant and Equipment		
	At Cost	-	-
	Opening Balance	0	0
	Add: Addition During the Year	5,827,527	0
		5,827,527	-
	Less: Accumulated Depreciation	605,271	-
	Written Down Value	5,222,256	-
A Schedule of Property, Plant and Equipment is given in Annexure-1 for accounting & Tax Purpose			
5.00	Investments in Shares		
	Quoted (Publicly Traded)	38,424,000	-
	Cost of Acquisition of DSE TREC & Share	285,000,000	285,000,000
	Initial Public Offer	30,000,000	-
		353,424,000	285,000,000
A Schedule of Investments in Shares is given in Annexure -2			
6.00	Loan and Advances		
	Margin Loan	364,049	-
		364,049	-
This represent amount of loan to the customer against shares purchased under prescribed guideline of BSEC			
7.00	Advances, deposits, prepayments, Receivables		
	Security Deposit (Note: 7.01)	200,000	-
	Advance Income Tax (Note: 7.02)	2,633,766	299,967
	Accounts Receivable (Note: 7.03)	37,956,329	-
		40,790,095	299,967
7.01	Security deposits		
	Security Deposit with Central Depository Bangladesh Ltd. (CDBL)	200,000	-
		200,000	-
7.02	Advance Income Tax		
	On Turnover	205,693	-
	On Bank Interest	984,552	299,967
	On Dividend Income	1,443,021	-
	Advance Tax- Others	500	-
		2,633,766	299,967
7.03	Accounts Receivable		
	Dhaka Stock Exchange Ltd.	37,956,329	-
		37,956,329	-
8.00	Deferred Tax Assets		
	Opening Balance (Incurred due to business loss)	502,680	-
	Add: Addition During the Year		502,680
		502,680	502,680
	Less: Recovered from Current tax liabilities of 2016	502,680	-
		-	502,680
Deferred Tax has been recognized in compliance of Paragraph # 34-35 of BAS 12 of BFRS in FY 2015 and it is recovered from taxable profit as per section 38 of ITO, 1984.			
9.00	Cash and Cash Equivalents		
	Cash in Hand	23,876	-
	Cash at Bank (Note: 09.01)	100,599,598	113,870,405
		100,623,474	113,870,405

9.01 Cash at Bank**NRB Commercial Bank Limited, Principal Branch**

NRB Commercial Bank Limited A/C 0101-360-099

NRB Commercial Bank Limited A/C 0101-360-098

NRB Commercial Bank Limited A/C 0101-364-002

Al-Arafa Islami Bank Limited, Motijheel Branch

Al-Arafa Islami Bank Limited A/C 0021220006396

Al-Arafa Islami Bank Limited A/C 0021220006385

10.00 Share Capital**Authorized Capital**

100,000,000 Ordinary Shares of Taka 10.00 each

Issued, Subscribed and Paid-up Capital

40,000,000 Ordinary Shares of Taka 10.00 each fully paid

Shareholding position at December 31, 2016 is as follows:

Name of Shareholders	No. of shares
NRB Commercial Bank Limited	36,000,000
Dr. Toufique Rahman Chowdhury	200,000
Mr. Md. Shahidul Ahsan	200,000
Mr. Mohammed Mahtabur Rahman	200,000
Ms. Anika Rahman	200,000
Mr. Marzanur Rahman	200,000
Mr. A M Saidur Rahman	200,000
Mr. A.K.M Mostafizur Rahman	200,000
Mr. Abu Bakr Chowdhury	200,000
Mr. Mohammad Shahid Islam	200,000
Mr. Anwar Hossain	200,000
Mr. Tamal S.M Parvez	200,000
Mr. Rafikul Islam Mia Arzoo	200,000
Mr. Md. Mohiuddin	200,000
Ms. Shamimatun Nasim	200,000
Mr. Mohammed Adnan Imam	200,000
Mr. Rashed M Ibrahim	200,000
Mr. Dr. Rafiqul Islam Khan	200,000
Mr. Mohammad Zakaria Khan	200,000
Mr. Aziz U Ahmad	200,000
Mr. Mohammed Manzurul Islam	200,000
	40,000,000


11.00 Retained Earnings

Opening Balance

Add: Total Comprehensive Income/(Loss)

Less: Dividend Paid During the Year

Amount in Taka	
At Dec 31, 2016	At Dec 31, 2015
77,174,990	113,870,405
1,164,039	-
30,065,865	-
45,945,087	113,870,405
23,424,608	-
21,852,316	-
1,572,291	-
100,599,598	113,870,405
1,000,000,000	1,000,000,000
400,000,000	400,000,000
(933,548)	-
7,679,672	(933,548)
6,746,124	(933,548)
-	-
6,746,124	(933,548)



14.00 Interest Income

Interest on Bank Deposit
Interest Income from Margin Loan

Amount in Taka	
At Dec 31, 2016	At Dec 31, 2015
7,845,742	1,999,782
1,048	-
7,846,790	1,999,782
985,879	-
93,247	-
93,247	-
-	-
892,632	-
7,215,106	-
7,215,106	-
43,258	-
23,000	-
65	-
66,323	-
1,427,129	-
1,772,280	-
223,200	-
52,150	-
29,699	-
3,504,458	-
631,926	-
44,324	25,000
149,020	-
113,252	-
76,059	-
1,610	-
1,016,191	25,000
44,324	25,000
18,120	-
50,000	-
25,000	-
38,400	-
17,500	-
149,020	-

15.00 Interest Expense

No loan were taken from Banks and Financial Institutions for the year.

16.00 Brokerage Commission

Brokerage Commission
Less: Direct Charges:
Laga Charge
Howla Chanrg

17.00 Investment Income (Listed Company)

Dividend Income

18.00 Other Operating Income

Transaction / Transmission Fee
Account Opening/Closing Fee
IPO Commission/fee

18.00 Salary and Allowance

Basic Salary
Allowances
Festival Bonus
Gratuity Expense
Company Contribution to Providend Fund

19.00 Rent, Taxes, Insurance, Electricity, etc.

Office Rent
Rate & Taxes (Note : 19.01)
DES/BSEC/RJSC Fees & Charge (Note : 19.02)
CDBL Charges (Note : 19.03)
Insurance Expenses
Electricity and Other Utility Expenses

19.01 Rate & Taxes

Patent /Trade License/Holding Tax/Sign Board Tax

19.02 DES/BSEC/RJSC Fees & Charge

RJSC Registration Fess
TREC Renewal Fee
Broker Association of Bangladesh annual Fee
Authorized Representative Fee
TWS establishment Fee

	Amount in Taka	
	At Dec 31, 2016	At Dec 31, 2015
19.02 CDBL Charges		
CDBL Charges- Share Trading	111,752	
CDBL Charges- Fees	1,500	
	113,252	
20.00 Legal/Professional/Preliminary Expenses		
Preliminary Expenses	-	3,042,177
Notary Public and Other Charge	3,390	-
Legal & Consultancy Fees	76,946	-
	80,336	3,042,177
21.00 Stamp, Postage & Telecommunication etc.		
Stamp and Courtridge Cost	13,434	-
Postage & Courier Charges	125	-
Telephone Charges	33,409	-
Fax, Networking/Bandwidth Charge	49,184	-
	96,152	-
22.00 Stationery, Printing, Advertisement, etc.		
Stationery and Printing Expenses	137,253	-
Publicity, Advertisement, etc	-	235,980
Photocopy & Book Binding	1,565	-
Computer Expenses	19,008	-
	157,826	235,980
23.00 Board of Directors' Meeting Expenses		
BOD Meeting Expenses	227,169	106,353
	227,169	106,353
24.00 Bank/Financial Expenses		
Excise Duty	37,500	15,000
Bank Charge & Commission	5,697	-
	43,197	15,000
25.00 Depreciation on Property, Plant & Equipment		
Furniture & Fixtures	4,133	-
Office Equipment	4,388	-
Computer Accessories	8,750	-
Bangladesh Made Software	30,000	-
Motor Vehicles	558,000	-
	605,271	-
A schedule of fixed assets for account purpose and Tax Purpose Annexure-2.		
26.00 Other Expenses		
Office Maintenance	28,650	-
Local Conveyance	4,180	-
Entertainment	87,863	-
Newspaper and Periodical	2,452	-
	123,145	-

27.00 Current Tax Expense

Amount in Taka		
	At Dec 31, 2016	At Dec 31, 2015
Operating Profit	10,149,856	-
Less: Company Income Where Tax Rate is Lesser/Zero		
Dividend Income [20% Tax as per Paripatra 2016-2017]	7,215,106	-
Demeed Income on Turnover u/s 53BBB with 82C of ITO, 1984	587,694	
Net Income Before Tax Considering extra ordinary Items	2,347,056	-
Add: Depreciation for Accounting Purpose	605,271	-
Less: Depreciation for Tax Purpose	1,655,753	-
Taxable Income	1,296,574	-
Corporate Tax @35%	453,801	-
Add : Demeed Income on Turnover u/s 53BBB with 82C of ITO, 1984	205,693	
Add: Dividend Income [20% Tax as per Paripatra 2016-2017]	1,443,021	-
Current Tax Expense after considering extra ordinary items	2,102,515	-

28.00 Deferred Tax Expense

Fixed Assets	5,222,256	4,171,774	1,050,482	
Net Taxable Temporary Difference [i.e. Tax will be paid in future Period]				
Corporate Tax @ 35% i.e. Deferred Tax Liability			367,669	502,680
Less : Deferred tax Liabilities in 2015			-	-
Deferred Tax liability for the Period			367,669	502,680

29.00 Earnings Per Share (EPS)

Profit after Taxation	7,679,672	(933,548)
Number of Ordinary Shares Outstanding	40,000,000	40,000,000
	0.19	(0.02)

Earnings per shares (EPS) have been computed by dividing the basic earnings by the number of ordinary shares outstanding as on December 31, 2016 in accordance with BAS-33.

30.00 Nature and type of related party transaction of the company

A. NRBC Bank Limited : Parents Subsidiary Relationship

Nature of Transaction	Types	Note	2016	2015
Advance Income Tax- AIT on Interest	Assets- Inter Company	7	981,278	299,967
Bank Deposit:	Assets- Inter company	9		
NRB Commercial Bank Limited A/C 0101-360-099			1,164,039	
NRB Commercial Bank Limited A/C 0101-360-098			30,065,865	
NRB Commercial Bank Limited A/C 0101-364-002			45,945,087	113,870,405
Interest on Bank Deposit	Income-Inter company	14	7,812,996	
Brokerage Commission	Income-Inter company	16	808,357	
Rent, Tax and Insurance :	Expense-Liability	19		
Office Rent			631,926	
Trade License Fee				25,000
Legal/Professional/Preliminary Expenses	Expense Liability	20		511,450
Stationary, Printing & Advertisement :	Expense- Liability	22		
Advertisement				58,650
Bank/Financial Expense	Expense-Inter Company	24	15,000	15,000

B. Other Related Parties with Directors :

No other transaction been occurred with stake holding of Directors of NRBC Bank Securities Limited
Above transactions has been occurred under normal course of business

NRBC BANK SECURITIES LIMITED

Details of Property, Plant & Equipment for Accounting Purpose

As at December 31, 2016

Annexure - 1

Sl NO.	Properties & Assets	Assets				Rate of Depreciation	Depreciation			Book Value	
		Opeing Balance	Addition during the year	Disposal during the year	Closing Balance		Opeing Balance	Addition during the year	Disposal during the year		Closing Balance
1	Furniture and fixures	-	495,927	-	495,927	10.00%	-	4,133	-	4,133	491,794
2	Office Equipment	-	526,600	-	526,600	10.00%	-	4,388	-	4,388	522,212
3	Computer and Accessories	-	525,000	-	525,000	20.00%	-	8,750	-	8,750	516,250
4	Bangladesh Made Computer Software	-	1,800,000	-	1,800,000	20.00%	-	30,000	-	30,000	1,770,000
5	Motor Vehicles	-	2,480,000	-	2,480,000	30.00%	-	558,000	-	558,000	1,922,000
6	Professionals and Reference Books	-	-	-	-	10.00%	-	-	-	-	-
Total		-	5,827,527		5,827,527		-	605,271	-	605,271	5,222,256

Details of Property, Plant & Equipment for Tax Purpose

As at December 31, 2016

Sl NO.	Properties & Assets	Assets			Depreciation				Book Value	
		Opening Balance	Addition during the year	Disposal during the year	Closing Balance	Rate of Depreciation	Opeing Balance	Addition during the year		Disposal during the year
1	Furniture and fixures	-	495,927	-	495,927	10.00%	-	49,593	-	446,334
2	Office Equipment	-	526,600	-	526,600	10.00%	-	52,660	-	473,940
3	Computer and Accessories	-	525,000	-	525,000	30.00%	-	157,500	-	367,500
4	Bangladesh Made Computer Software	-	1,800,000	-	1,800,000	50.00%	-	900,000	-	900,000
5	Motor Vehicles	-	2,480,000	-	2,480,000	20.00%	-	496,000	-	1,984,000
6	Professionals and Reference Books	-	-	-	-	10.00%	-	-	-	-
Total		-	5,827,527	-	5,827,527		-	1,655,753	-	4,171,774



NRBC BANK SECURITIES LIMITED

Investments in Shares

For the Year Ended December 31, 2016

Annexure- 2

Shares (quoted):

Particulars	Number of Shares	Market price per share	Total market price	Cost per share	Total Cost
Bangladesh Steel Re-Rolling Mills Limited	300,000	127.60	38,280,000	128.08	38,424,000
Total			38,280,000		38,424,000

Cost of Acquisition of DSE TREC & Share:

Particulars	At Cost
Dhaka Stock Exchange Limited (*)	285,000,000
Total	285,000,000

(*) This represents the acquisition cost of DSE memberships paid by NRBC Bank Securities Limited. Acquisition of Trading Right Entitlement Certificate (TREC) bearing No. 082 of DSE along with acquisition of 7,215,106 nos. Ordinary Shares of DSE held in the BO account and blocked account maintained with CDBL under the control of the Board of Directors of DSE.

Initial Public Offer:

Particulars	At Cost
Pacific Denims Limited	30,000,000
Total	30,000,000

THE MANAGEMENT & EXECUTIVES

MD & CEO

Mr. Dewan Mujibur Rahman

Deputy Managing Director

Mr. Md. Shafiet Wahed

Mr. Kazi Md. Talha

Mr. Kazi Ahsan Khalil

Executive Vice President

Mr. Muhammad Hajjaj-Bin-Mahfooz

Mr. Kabir Ahmed

Mr. Syed Mahbubul Haq

Mr. Tanusree Mitra

Mr. Kazi Md. Safayet Kabir

Senior Vice President

Mr. Harunur Rashid

Mr. Md. Kabir Hossain

Mr. Md. Mynul Hossain Kabir

Mr. Dipak Kumar Chakraborty

Mr. Md. Delwar Hossain

Mr. A. I. M. Mostafa

Vice President

Mr. Md. Azharul Islam

Mr. Mohammad Mostahaque

Mr. Md. Akhtar Hossain

Mr. Md. Anisur Rahman

Mr. Md. Joynal Abedin

Mr. Sayed Md. Moharam Hossain

Mr. Asif Ahmed

Mr. Chowdhury Mohiuddin

Mr. Md. Haider Akhlaque

Mr. Md. Masum Haider

Mr. Ibne Ali Md. Najmul Kibria

First Vice President

Mr. BM Anowar Hossain

Mr. Ashim Kumar Das

Mr. Habibur Rahman Khan

Mr. Md. Abu Moshahed

Mr. Md. Monirul Islam

Mr. Hasnat Reza Mohibbul Alam

Mr. Golam Mahamood

Mr. M. M. Moshir Rahman

Md. Shafiul Azam

Assistant Vice President

Mr. Md. Arifur Rahman

Mr. Md. Nasimul Kabir

Mr. Pradyuth Bikash Chowdhury

Mr. Sayed Ahmed

Mr. Abdul Awoal Mia

Mr. Syed Sirajul Haque

Mr. Saiful Islam Manik

Mr. Md. Monirul Islam

Mr. G.K.A.M. Maksud Bin Harun

Ms. Nighat Anjum

Mr. Md. Abdullah Al Mamun

Mr. Mohammad Shamsuzzaman

Mr. Subhashis Roy

Mr. Mohd. Shamim Ahmed Joarder

Mr. Kazi Zunaid Zaman

Mr. Mohammad Shahidul Islam

Mr. Md. Abdul Gofur Raana

Mr. Md. Ruhul Amin

Mr. Sk. Ahsanul Haque

Mr. M. M. Waliar Rahman

Mr. Md. Sakawat Hossain

Mr. Shamol Chandra Barmon

Mr. Mohammad Aminul Islam

Mr. Mohammad Saiful Islam

Mr. A. S. M. Maruf Uddin Kamal

Mr. Md. Jafar Iqbal Howlader

Mr. Mohammad Abdus Shobhan

Mr. Md. Solaiman Hossain

Mr. Dewan Al Amin Al Mutakabbir

The Memorable Events-2016



The Honorable Chairman Engr. Farasath Ali inaugurated 44th Branch (Hatirepool) at Dhaka. Honorable Vice Chairman Dr. Toufique Rahman Chowdhury & Managing Director & CEO Mr. Dewan Mujibur Rahman were present among the others.



Professor Ali Ashraf, MP inaugurated 50th Branch (Chandina) at Comilla District in the presence of Honorable Chairman Engr. Farasath Ali, Managing Director & CEO Mr. Dewan Mujibur Rahman, Senior Executives and Distinguished guests on that locality.



The Honorable Vice Chairman Dr. Toufique Rahman Chowdhury inaugurated 51st Branch (Dhanmondi Ladies Branch) at Dhanmondi, Dhaka. Honorable Chairman Engr. Farasath Ali & Managing Director & CEO Mr. Dewan Mujibur Rahman were present among the others.



The Honorable Chairman Engr. Farasath Ali inaugurated 48th Branch (Hat Gopalpur) at Jhinaidah. Managing Director & CEO Mr. Dewan Mujibur Rahman and Bank Executives were present among the others.



Memorandum of understanding (MoU) with Hotel Agrabad, Chittagong for NRBC Banks Credit Card Holder



Signing Ceremony with Auto Xpress Limited (Vehicle Solution) and NRBC Bank Limited (NRBC Bank Credit Card holder will enjoy 0% SimpleBuy for 3,6,9 & 12 months insta payment against motor services and parts purchase.

THE GREAT BANGLADESH RUN- 1004 KM FROM TAKNAF TO TATULIA

*"Run" for healthy Bangladesh; a cherish young Mohammad Shamsuzzaman Arafat dream to run highest path of the Bangladesh to create awareness among the young generation. **NRBC Bank assistance** the financial support to visualize the dream*





সুন্দর ভবিষ্যত গড়ার জন্য

এনআরবিসি ব্যাংক সঞ্চয়ী ও মেয়াদী আমানত

সঞ্চয়ী হিসাব

চলতি হিসাব

এসএনডি হিসাব

প্রায়োরিটি সঞ্চয় স্কিম

স্থায়ী হিসাব (এফডিআর)

তনুগ বৃদ্ধি আমানত প্রকল্প

দ্বিগুণ বৃদ্ধি আমানত প্রকল্প

সহজ সঞ্চয় ডিপোজিট হিসাব

ডিপোজিট পেনশন স্কিম

স্টুডেন্ট সঞ্চয় হিসাব

কর্পোরেট মানি মেকার স্কিম

লাখপতি সঞ্চয় প্রকল্প

মানি মেকার স্কিম

মাসিক মুনাফা প্রকল্প

www.nrbcommercialbank.com

NRBC Bank Deposit Products

Savings Account

Customer can open Savings Account in his/her own name or in joint name. Customers can deposit and withdraw any amount from this account. There are no hidden charges and half yearly maintenance fee. NRBC Bank Ltd. ensures attractive rate of return on balance amount. Other benefits include cheque book, VISA debit card and internet banking facility, access to account 24/7 via ATM, and opportunity to get interest etc. The rate of interest of this account is 5.00%

Shohoj Shanchay Deposit Account

Shohoj Shanchay Deposit Account is a unique account with an opportunity to earn higher interest and enjoy the freedom of savings account. Any individual can open this account in his/her own name or jointly by depositing any of the following minimum declared amounts. Customer can deposit and withdraw any amount from this account. There are cheque book and debit card facility against this account. If customer maintains minimum declared amount throughout the month, he/she will get interest as per following table:

SL. No	Minimum Declared Amount	Interest Rate
01	50,000.00	5.25%
02	1,00,000.00	5.50%
03	2,00,000.00	5.75%

Student Savings Account

Student Savings Account is designed for our future generation to encourage them in Banking practice. Any student at the age of below eighteen years can open this account. This account is operated by or Legal Guardian of the students. Cheque and ATM card (only debit card) can be used to withdraw amount from this account. Drawer of the cheque must be the guardian. Maximum limit for monthly withdrawal through ATM Card and Point of Sales (POS) will be Tk. 2000.00 This limit may be increased up to Tk. 5000.00 on request of the Guardian.

Savings Account-RMG Workers

Savings Account-RMG Workers is designed to provide financial service to the garment workers as a part of the Bank's Financial Inclusion Strategy. Any garment workers can open this account. This account is similar to Bank's regular savings account except the rate of interest and minimum balance. The rate of interest of this account is 6.00% p.a. and minimum required balance is Tk.10.00 only.

Current Deposit Account

Current Deposit Account has been designed for business transactions without any restriction on withdrawal or deposit either in amount or in frequency. Other key benefits include cheque book, VISA debit card and internet banking facility, access to account 24/7 via ATM, and opportunity to get interest etc. The rate of interest is 1.00% p.a. on daily balance

Short Notice Deposit Account

Short Notice Deposit Account is an interest bearing deposit account specially designed to facilitate the financial need of large corporate or Government bodies. This account allows customers withdraw and deposit any amount and earn a higher rate of return at the end of month. Other key benefits include cheque book facility, VISA debit card facility, access to account 24/7 via ATM and opportunity to get up to 3.50% interest etc. Interest rate on SND accounts varies on the daily balance of the account. Present rate of interest is as under;

Amount	Rate of Interest
Below 1 crore	2.00%
1 crore and above but below 50 crore	3.00%
50 crore and above	3.50%

Fixed Deposit Account

Under this account customer can deposit any amount from Tk. 10,000.00 for a prescribed fixed tenor and enjoy fixed rate of interest at maturity. Present rate of interest is given below;

Tenor	Amount	Rate (%)
1 Month	Any Amount	4.25%
3 Months	<100.00 Crore	6.75%
	≥100.00 Crore (Consolidated)	7.00%
6 Months	<100.00 Crore	7.00%
	≥100.00 Crore (Consolidated)	7.25%
1 Year	Any Amount	7.25%
2 Year	Any Amount	7.50%
3 Year	Any Amount	8.00%

Money Maker Scheme

To encourage small savings Money Maker Scheme allows customers to deposit small amount of money on monthly basis. It is a simple, safe and convenient way to make money grow. Under this scheme customers will deposit a certain amount in every month for a specific tenor of 3 years, 5 years, 7 years or 10 years and get attractive benefit at maturity as mentioned in the following table:

Monthly Installment	200	500	1,000	2,000	2,500	5,000	10,000	20,000	25,000
Term									
03 Years	8,000	20,000	40,000	80,000	1,00,000	2,00,000	4,00,000	8,00,000	10,00,000
05 Years	15,460	38,650	77,300	1,54,600	1,93,250	3,86,500	7,73,000	15,46,000	19,32,500
07 Years	24,020	60,050	1,20,100	2,40,200	3,00,250	6,00,500	12,01,000	24,02,000	30,02,500
10 Years	40,400	1,01,000	2,02,000	4,04,000	5,05,000	10,10,000	20,20,000	40,40,000	50,50,000

Corporate Money Maker Scheme

The Corporate Money Maker is similar to regular Money Maker Scheme except the size of installment. Any individual and corporate bodies such as Multinational Company, Corporate House of EPZ, Local Corporate House (sole proprietorship concern, partnership

concern, private/public limited company), Educational Institute, Non-banking Financial Institute, Insurance Company, Club and Association, NGO etc. can open this scheme. Monthly installment size and corresponding maturity value (Principal + Interest) are as below;

Monthly Installment	25,000.00	50,000.00	75,000.00	1,00,000.00	3,00,000.00	5,00,000.00
Term						
02 Years	6,42,000.00	12,84,000.00	19,26,000.00	25,68,000.00	77,04,000.00	1,28,40,000.00
03 Years	10,00,000.00	20,00,000.00	30,00,000.00	40,00,000.00	1,20,00,000.00	2,00,00,000.00
04 Years	14,49,000.00	28,98,000.00	43,47,000.00	57,96,000.00	1,73,88,000.00	2,89,80,000.00
05 Years	19,00,000.00	38,00,000.00	57,00,000.00	76,00,000.00	2,28,00,000.00	3,80,00,000.00

Priority Deposit Scheme

Customer is allowed to open this scheme in his/her own name or jointly or in name of institution/organization by depositing at least Tk. 20 lac. Tenor of the scheme: 3 months, 6 months, 1 year, and 2 years. Payable amount at maturity is as proportionate to the amount given below:

Tenor	Principal	Maturity Value*
03 Months	20,00,000.00	20,35,500.00
06 Months		20,72,500.00
01 Year		21,50,000.00
02 Years		23,00,000.00

* Maturity value for other amount in excess of Tk. 20.00 Lac will be calculated in proportion to the table mentioned above.

Deposit Pension Scheme

Deposit pension scheme allows customers to deposit a specific amount every month throughout six year. At the end of the 6 years customer can get either a lump sum amount or a specific monthly benefit throughout next five years. At the end of the pension period customer will get the lump sum amount. Furthermore, at any time of the pension period, customer may stop enjoying pension and withdraw the full lump sum according to the below table.

Monthly installment	Option: A	Option: B	
	Amount payable on maturity (after 6 years)	Monthly benefit payable after maturity (next 5 years)	Fixed amount payable at a time after receiving monthly benefit for 5 years
1,000.00	95,200.00	700.00	95,200.00
2,000.00	1,90,400.00	1,400.00	1,90,400.00
3,000.00	2,85,600.00	2,100.00	2,85,600.00
4,000.00	3,80,800.00	2,800.00	3,80,800.00
5,000.00	4,76,000.00	3,500.00	4,76,000.00
10,000.00	9,52,000.00	7,000.00	9,52,000.00

Monthly Benefit Scheme

Monthly benefit scheme allows customers to enjoy interest amount on monthly basis against a one-time deposit. Customer is allowed to open this scheme in his/her own name or jointly by depositing any amount of Tk. 50,000 or its multiple. Tenor of the scheme is 3 years. Benefit will be given upon completion of each month upto 36 months. Principal will be given back to the customer upon maturity/encashment of the scheme. At present the monthly benefit is as under;

Principal	Monthly Benefit
50,000	350.00
1,00,000	700.00

Double Benefit Deposit Scheme (DBDS)

Under this scheme deposited amount will be doubled at 8 years. Customer can open this scheme in his own name or jointly by depositing BDT 10,000 or its multiple.

Triple Benefit Deposit Scheme (TBDS)

Under this scheme principal amount will be tripled at 12 years 6 months. Customer is allowed to open this scheme in his own name or jointly by depositing any amount of Tk. 10,000 or its multiple. Moreover, if customers encash the scheme before maturity, they will get the full interest for the completed year(s). Yearly payable amount with principal amount for amount of Tk 10,000.00 is given below:

Tenor	Yearly payable amount with Principal amount
00 Year	10,000
01 Year	10,550
02 Years	11,190
03 Years	12,010
04 Years	12,910
05 Years	13,960
06 Years	15,220
07 Years	16,590
08 Years	18,370
09 Years	20,240
10 Years	22,090
11 Years	25,160
12 Years 06 Months	30,000

Lakhopoti Savings Scheme

Customer can open this scheme in his own name or jointly by depositing an Initial Deposit amount and First Installment amount. Tenor of this scheme is 5 years. After depositing 60 installments along with the initial deposit customer will get attractive benefit as below;

Deposit Amount		Payable on Maturity
Initial Deposit	Monthly Installment	
15,000	1,000	1,00,000
30,000	2,000	2,00,000
45,000	3,000	3,00,000
60,000	4,000	4,00,000
75,000	5,000	5,00,000
1,50,000	10,000	10,00,000
7,50,000	50,000	50,00,000
15,00,000	1,00,000	1,00,00,000


Millionaire Savings Scheme

This is an ideal scheme for individuals who want to save their surplus income and attain a savings goal. Customers can deposit a specific amount each month to become a millionaire. Maturity period varies between 3 to 10 years.

Term	Monthly Installments	Amount Payable on Term
03 (Three) Years	24,500.00	BDT 10,00,000 (Taka Ten Lac)
04 (Four) Years	17,500.00	
05 (Five) Years	13,300.00	
06 (Six) Years	10,500.00	
07 (Seven) Years	8,500.00	
08 (Eight) Years	7,000.00	
10 (Ten) Years	5,000.00	

Student Savings Scheme

This product is designed aiming to build saving tendency among students. Any student at the age of below eighteen years can open this scheme in his/her own name by depositing first installment. Parents or legal guardian of the students will operate the scheme on behalf of the students. Monthly installment size and corresponding maturity value (Principal plus Interest) are as below;



Monthly Installment	200.00	300.00	500.00
Term			
03 Years	8,600.00	12,900.00	21,500.00
5 Years	16,160.00	24,240.00	40,400.00
07 Years	25,600.00	38,400.00	64,000.00
10 Years	44,460.00	66,690.00	111,150.00

Money Maker Scheme-RMG Workers

This scheme is designed to provide financial service to the garment workers of the country. Any garment worker can open this scheme upon producing employee id. This is a monthly installment based scheme with higher rate of returns. Monthly installment size and corresponding maturity value is given in the following table:

Installment Year	200	500	800	1,000	1,500	2,000	2,500	3,000	5,000	10,000
3 Years	8,400	21,000	33,600	42,000	63,000	84,000	105,000	126,000	210,000	420,000
5 Years	15,580	38,950	62,320	77,900	116,850	155,800	194,750	233,700	389,500	779,000
7 Years	24,300	60,750	97,200	121,500	182,250	243,000	303,750	364,500	607,500	1,215,000
10 Years	41,120	102,800	164,480	205,600	308,400	411,200	514,000	616,800	1,028,000	2,056,000

Note:

1. Depositor may avail credit facility against all schemes according to the credit policy of the bank.
2. Tax and other govt. charge will be applicable on the account / scheme.



Branch Network

Dhaka Division

Principal Branch

114, Motijheel C/A, Dhaka-1000
PABX: 88 029573422-30, Fax: 88 02 9588 323
Cell : 01955 502 101, 01678 433 101
E Mail : principalbr@nrbcommercialbank.com
HOB: Mr. Kazi Md. Talha, DMD

Gulshan Branch

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E Mail : gulshan@nrbcommercialbank.com
HOB: Mr. Hasnat Reza Mohibbul Alam, FVP (CC)

Ruhitpur Branch

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E Mail : ruhithpur@nrbcommercialbank.com
HOB: Mr. Mohammad Abul Kalam Azad, PO

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HOB: Mr. Muhammad Shamim Ahmed Shahin, PO

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Fax:+88 02 945 2483
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E Mail : chinishpur@nrbcommercialbank.com
HOB: Mr. Md. Lalon Sarwar, FAVP

Hemayetpur Branch

225 Singair Road, Hemayetpur, Savar, Dhaka
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E Mail : hemayetpur@nrbcommercialbank.com
HOB: Mr. Md. Monirul Islam, AVP

Uttara Branch

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PABX: +88-02-58950025, 8950192, FAX-8950126
Cell : 019 555 02 108, 01678433 108
E Mail : uttara@nrbcommercialbank.com
HOB: Mr. Md. Delwar Hossain, SVP

Board Bazar Branch

China Town Bangladesh
84 Kalameswar, Ward No.-35, Zone-02
Board Bazar, Joydebpur, Gazipur
PABX: 9291831, 9291834
Cell : 019 555 02 109, 01678 433 109
E Mail : boardbazar@nrbcommercialbank.com
HOB: Mr. Md. Anisur Rahman, VP

Mograpara Branch

Nurul Islam Plaza Habibpur (Mograpara)
Mograpara, Sonargaon, Narayanganj
Cell : 019 555 02 110, 01678 433 110
E Mail : mograpara@nrbcommercialbank.com

HOB: Mr. Md. Delower Hossain, FAVP

Dhanmondi Branch

Mir Nur Square ,House# 43(New)
Road #2-A(New), Satmasjid Road
Dhanmondi R/A, Dhaka
PABX: 9671713, 9671786, 9671798
Cell : 019 555 02 111, 01678 433 111
E Mail : dhanmondi@nrbcommercialbank.com

HOB: Mr. Muhammad Hajjaj-Bin Mahfooz, EVP

Aganagar Branch

Din Complex, 1st floor Kodomtoli Morh,
Shuvatta Keraniganj, Dhaka,
PABX : 7764581-82
Cell : 019 555 02 112, 01678 433 112
E Mail : aganagar@nrbcommercialbank.com

HOB: Mr. Mohammad Abdus Shobhan, AVP

Gorai Branch

Mir Milton Complex
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E Mail : gorai@nrbcommercialbank.com

HOB: Mr. Md. Rahat Siddique, SEO

Panchabati Branch

Mamun Super Market (Panchabati)
Harihorpara, Enayetnagar
Fatulla, Narayanganj, PABX: 7670461-2
Cell : 019 555 02 114, 01678433114
E Mail : panchabati@nrbcommercialbank.com

HOB: Mr. Md. Solaiman Hossain, AVP

Zirabo Branch

Fuad Complex, Zirabo Bazar, Taibpur
Ashulia, Savar, Dhaka
PABX: 7792671-2
Cell : 019 555 02 115 , 01678 433 115
E Mail : zirabo@nrbcommercialbank.com

HOB: Mr. Kazi Mizanur Rahman, FAVP

Nabinagar Branch

Unity Trade Centre ,Dendabor, Savar Cantonment
Ashulia, Savar, Dhaka
PABX: 7792673-4
Cell : 019 555 02 117, 01678 433 117
E Mail : nabinagar@nrbcommercialbank.com

HOB: Mr. Mohammad Sultan Chowdhury, FAVP

Banani Branch

AWR NIB Tower House# 99, Road# 11
Block # C, Banani, Dhaka
Pabx- 982 2396-7, Fax : 982 2364
Cell : 019 555 02 121, 01678 433 121
E Mail : banani@nrbcommercialbank.com

HOB: Mr. Md. Kabir Hossain, SVP

Ekuria Branch

Holding # 01, Block-A, Ward # 9
Hasnabad Housing Plot, Ekuria
South Keraniganj, Dhaka-1311
Tel: 776 2495 & 776 2390,
Cell : 019 555 02 123, 01678 433123
E Mail : ekuria@nrbcommercialbank.com

HOB: Mr. Md. Nasimul Kabir, AVP

Zirani Bazar Branch

College Road, Zirani Bazar,
BKSP, PS.Ashulia, Dhaka
Cell : 019 555 02 127, 01678 433 127
E mail: ziranibazar@nrbcommercialbank.com

HOB: Mr. Md. Faisal Mahmud, PO

Narayanganj Branch

148, Bangabandhu Road, Word#14
Narayanganj Sadar, Narayanganj
PABX: 7632289
Cell : 019 555 02 128, 01678 433 128
E-mail: narayanganj@nrbcommercialbank.com

HOB: Mr. Sayed Ahmed, AVP

Mirpur Branch

Zone Tower, 128, Rokeya Sarani
Mirpur, Dhaka
PABX:9032375-6
Cell : 019 555 02 129, 01678 433 129
E-mail: mirpur@nrbcommercialbank.com

HOB: Mr. Md. Shafiul Azam, FVP

Harirampur Branch

Sohel Market (1st Floor)
Sonargaon Janapath Road
Khalpur, Uttara, Dhaka-1230
Cell : 019 555 02 133, 01678 433 133
Email: harirampur@nrbcommercialbank.com

HOB: Mr. Saiful Islam Manik, AVP

Nayabazar Branch

Holding # 31, Road : Nawab Yousuf Road,
Ward# 35, Kotawali Dhaka.
PABX: 57396626
Cell: 019 555 02 139, 01678 433 139
Email: nayabazar@nrbcommercialbank.com

HOB: Mr. Asif Ahmed, VP

Bhulta Branch

Salam Mansion, Mir Market
Golakandail Union, Rupganj
Bhulta, Narayanganj
Cell: 01955 502 140, 01678 433 140
Email: bhulta@nrbcommercialbank.com
HOB: Mr. Md. Tareq, PO

Madhobdi Branch

NS Tower (Borhan Market),
PO & PS.Madhobdi, Norshingdi.
Cell: 019 555 02 142, 01678 433 142
Email:madhobdi@nrbcommercialbank.com
HOB: Mr.Md. Akhtar Hossain, VP

Bhuigar Branch

Bhuigar, Fatulla, Narayanganj
Cell: 01955 502 143, 01678 433 143
Email: bhuigar@nrbcommercialbank.com
HOB: Mr.Md. Azharul Islam, VP

Hatirpul Branch

Paribag, Shah Saheb Road, Hatirpul, Dhaka
PABX: 02-9663205, 02-9666785
Cell: 01955 502 144, 01678 433 144
Email: hatirpul@nrbcommercialbank.com
HOB: Mr.Sayed Md. Moharam Hossain, VP

Charabag Branch

Charabag Bus Stand, Ashulia, Dhaka
Cell: 019 555 02 145, 01678 433 145
Email: charabag@nrbcommercialbank.com
HOB: Mr. Md. Harun-Ur-Rashid Khan, PO

Gazipur Chowrasta Branch

Shapla Mansion,
Gazipur Chowrasta, Gazipur
Cell: 019 555 02 147, 01678 433 147
Email: gazipurchowrasta@nrbcommercialbank.com
HOB: Mr.Mohammad Shahidul Islam, AVP

Dhanmondi Mohila Branch

Jebun Archade, Road # 16 (New), 27 (Old),
PS.Dhanmondi, Word# 15(Beside Rapa Plaza),
Dhanmondi, Dhaka-1205, Bangladesh
Cell: 019 555 02 151, 01678 433 151
Email: dhanmondi.mohila@nrbcommercialbank.com
HOB: Ms.Nighat Anjum, AVP

Chittagong Division

Agrabad Branch

Quaderi Chamber, 37, Agrabad C/A, Chittagong
Tel:+88 031-2521702-04, Fax:+88 031-2521706,
Cell : 019 555 02 105, 01678 433 105
E Mail : agrabad@nrbcommercialbank.com
HOB: Mr. Syed Mahbubul Haq, EVP

O R Nizam Road Branch

Atlanta Trade Centre, GEC Morh, O R Nizam Road,
Chittagong, PABX 031-612413, 612866,
Cell : 019 555 02 118, 01678 433 118
E Mail : ornizam@nrbcommercialbank.com
HOB: Mr. Chowdhury Mohiuddin, VP

Chatkhil Branch

Jonaki Super Market Chatkhil
Pourosova, Post: Chatkhil, Dist: Noakhali
Tel : 0322 75357-9
Cell : 019 555 02 124, 01678 433 124
E Mail : chatkhil@nrbcommercialbank.com
HOB: Mr. Kazi Mohammad Ziaul Karim, PO

Chandraganj Branch

Dada Bhai Plaza, Chandraganj Bazar,
Chandraganj, Lakshmipur
Cell : 019 555 02 125, 01678 433 125
E Mail : chandraganj@nrbcommercialbank.com
HOB: Mr. Md. Sakhawat Hossain, AVP

Borodighirpar Branch

Haji Raza Mia Market Chikon Dondi, Hathazari,
Chittagong, Tell : 031-2580 407-8
Cell : 019 555 02 126, 01678 433 126
E Mail : bordighirpar@nrbcommercialbank.com
HOB: Mr. Mohammad Aminul Islam, AVP

Raozan Branch

Firoj Tower, Ramjan Ali Chowdhury Hat
PS.Raozan, Dist-Chittagong
PABX: 030265
Cell : 019 555 02 132, 01678 433 132
E-mail : raozan@nrbcommercialbank.com
HOB: Mr.Md. Khairul Bashar, FAVP

Mainamati Branch

Mainamati Senakalyan Market
Nischintapur, PS.Adarsha Sadar
Union #2 Durgapur (north), Dist.Comilla
E-mail: mainamoti@nrbcommercialbank.com
Cell: 01955 502 134, 01678 433 134
HOB: Mr. A.K.M. Nazmul Hasan, FAVP

Jubilee Road Branch

9/A, Jubilee Road, PS.Kotoali, Chittagong.
PABX: 0302656410-11
Cell: 019 555 02 137, 01678 433 137
Email: jubileeroad@nrbcommercialbank.com
HOB: Mr. Md. Joynal Abedin, VP

Feni Branch

Holding No.180/6, Latu Mia Complex, SSK
Road, Ward # 10, PS.Feni, District : Feni
Cell: 01955 502 149, 01678 433 149
Email: feni@nrbcommercialbank.com
HOB: Mr. Md. Arifur Rahman, AVP

Chandina Branch

Hazi Ali Mansion, Holding No.1304 , PS.Chandina,
Word No: 05,
District : Comilla
Cell: 019 555 02 150, 01678 433 150
Email:chandina@nrbcommercialbank.com
HOB: Mr. Md. Kamrul Hasan, PO

Sylhet Division

Sylhet Branch

HS Tower Darghagate, Waves 1, Sylhet.
PABX: 0821-711476-7
FAX: 0821-711486,
Cell : 019 555 02 116, 01678 433 116
E Mail : sylhet@nrbcommercialbank.com
HOB: Mr. Ibne Ali Md. Najmul Kibria, VP

Munshibazar Branch

Munshibazar, Rajnagar, Moulovibazar
e-mail: munshibazar@nrbcommercialbank.com
Cell: 01955 502 135, 01678 433 135
HOB: Mr. Muhammad Shafique Miah Majumder, PO

Sylhet Uposhohor Branch

Syed Plaza, Block-D,
Shahjalal Housing Estate
Upasahar, Sylhet.
PABX: 0821728953
Cell: 01955 502 136, 01678 433 136
Email: sylhetuposahar@nrbcommercialbank.com
HOB: Mr. Dewan Al Amin Al Mutakabbir, AVP

Barisal Division

Barisal Branch

Lisa Plaza
140/1, Sadar Road, Barisal.
PABX: 043163122
Cell : 01955 502 119, 01955 502 119
E Mail : barisal@nrbcommercialbank.com
HOB: Mr. G. K. A. M. Maksud Bin Harun, AVP

Inderhat Branch

Hasem Ali Market
Sohagdal (Swarupkati)
Nesarabad, Pirojpur
Cell: 01955 502 138, 01678 433 138
Email: gopalchandaroy@nrbcommercialbank.com
HOB: Mr.Gopal Chandra Roy, PO

Rajshahi Division

Rajshahi Branch

F R Plaza, Rani Bazar, Boalia
Rajshahi City Corporation, Rajshahi.
Tel : 0721 775046, 773373, Cell : 019 555 02 120,
01678 433120
E Mail : rajshahi@nrbcommercialbank.com
HOB: Mr. Ashim Kumar Das, FVP

Naogaon Branch

T K Plaza, Batar Morh
Naogaon Sadar, Naogaon
Tel : 0741 62 006- 8
Cell : 019 555 02 122, 01678 433 122
E Mail : naogaon@nrbcommercialbank.com
HOB: Mr. Shamol Chandra Barmon, AVP

Bogra Branch

Goni Plaza, Namazgor More, H #151, Word # 05 ,
Bogra Sadar, Bogra
PABX: 5178040
Cell: 01955 502 146, 01955 502 146
Email: awoal@nrbcommercialbank.com
HOB: Mr.Abdul Awoal Mia, AVP

Rangpur Division

Rangpur Branch

GM Tower, 16, GL Road Rangpur Sadar, Rangpur
PABX: 052153301-02
Cell : 019 555 02 130 01678 433 130
E-mail: rangpur@nrbcommercialbank.com
HOB: Mr. Syed Sirajul Haque, AVP

Pulhat Branch

Sarker Bhaban, Pulhat Dinajpur.
Cell : 019 555 02 141, 01678 433 141
E-mail: pulhat@nrbcommercialbank.com
HOB: Mr. Monibor Rahman, FAVP

Khulna Division

Khulna Branch

34, KDA Avenue, Khulna Sadar, Khulna.
Cell : 019 555 02 131 , 01678 433 131
Email : khulna@nrbcommrcialbank.com
HOB: Mr. BM Anowar Hossain, FVP

Hatgopalpur Branch

Mondol Market , 11 No. Poddakor Union , Upozila:
Zhinaidah Sadar
PS : Zhinaidah , District: Zhinaidah
Cell : 019 555 02 148 , 01678 433 148
E-mail: russel@nrbcommercialbank.com
HOB: Mr.Russel Mehedi,PO



Registered Office: 114 Motijheel C/A, Dhaka

Proxy Form

I/We
 of..... being a Member of
 NRB Commercial Bank Limited do hereby appoint Mr./Ms. of

 falling him/her.....
 of
 as my/our Proxy to attend and vote for me/us, and on my/our behalf, at the 04th Annual General Meeting of the
 Company to be held on 23rd April 2017, Sunday, at 11:30 am at FARS Hotel & Resorts at 212, Shahid Syed Nazrul Islam
 Sharani (Bijoy Nagar), Dhaka-1000, Bangladesh or at any adjournment thereof.

Signed this day of 2017

Signature of Proxy

Signature of Shareholder

Folio No.:

No. of Shares

N.B.

This Proxy Form, duly completed, must be deposited at least 48 (forty eight) hours before the meeting at the
 company's Registered Office. Proxy is invalid if not signed and stamped as explained above.

Revenue
Stamp
Tk.20.00



Attendance Slip

I hereby record my attendance at the 04th Annual General Meeting of the Company to be held on 23rd April 2017, Sunday,
 at 11:30 am at FARS Hotel & Resorts at 212, Shahid Syed Nazrul Islam Sharani (Bijoy Nagar), Dhaka-1000, Bangladesh.

Name of Member/Proxy

Folio No.:

Signature

Date



NRB Commercial Bank Limited

Head Office : 114 Motijheel C/A, Dhaka 1000. Bangladesh

Tel : 02 9573422-30 Fax : 02 9573421

www.nrbcommercialbank.com