



**CORPORATE GOVERNANCE REPORT TO
THE SHAREHOLDERS**



প্রবাসীর স্বপ্ন
এনআরবিসি ব্যাংক  **NRBCBANK**





CORPORATE GOVERNANCE REPORT-2021

Statement from the Company Secretary:

Dear Shareholders,

It is a pleasure and privilege to present to you the Annual Corporate Governance Report 2021 of NRB Commercial Bank Limited. The Bank which was incorporated in early 2013, became a listed company with the stock exchanges having started trading of shares on March 22, 2021 enabling its transformation as a public domain in the truest sense. Hence, we are committed to maintaining the highest standards of Corporate Governance in NRB Commercial Bank Limited.

The profound changes in the Bank's operating environment and, specifically, those in respect to regulatory compliance, have significant implications for the process of decision-making. However, one thing remains unchanged – our steadfast commitment to operating in an ethical, responsible and accountable manner, giving fair consideration to the legitimate interests and expectations of all our stakeholders.

Sound Corporate Governance does not merely depend upon policies and procedures, but it is fundamentally linked to our culture. The theme of change, and how important it is that the Bank and its subsidiaries awakens an ability to manage it responsibly and effectively, runs throughout our integrated report for the year. Seeking continuous and rapid improvement in relation to a dynamic environment is a feature of this ability and underpins our approach to corporate governance. It is valuable therefore to reflect specifically on the milestones we have attained and the challenges we have undertaken in our corporate governance journey and to highlight our focus areas for the year ahead.

Good governance practices provide a solid foundation for the sustainable growth of business, promoting ethical business conduct and transparency as we strive to create value for our stakeholders. The corporate values and a comprehensive policy framework approved by

the Board, serve to communicate to employees at all levels how business should be conducted. The Board of NRBC Bank Limited is committed to reviewing and revising our policies and governance structure with the objective of upholding the highest standards in governance and stakeholder engagement which have been a tradition carefully nurtured within NRBC Bank.

We would like to take this opportunity to thank all regulatory bodies involved in overseeing the application of corporate governance across the Bank. We have the highest regards for ensuring good governance for it is fundamental to the stability of the financial and banking sectors and therefore the national economy.

We emphasize our commitment to improve the wide range of financial and banking services offered by NRBC Bank. We are honor bound to pay special concentration to support a culture of compliance that reflects adherence to business ethics and transparency as well as an unquestioned respect for law, legislation and regulations to ensure the effective contribution in the sustainable development of our country.

As a financial institution that is rooted in Bangladesh's soil, we will do everything possible to drive the growth potential of our nation and embrace the highest levels of governance as a key priority in this aspiration.

With my best wishes,

Md. Reaz Uddin Asif
Company Secretary



Statement of Corporate Governance

The basic principles of corporate governance are accountability, transparency, fairness, and responsibility. Good corporate governance is an essential foundation for long term sustainable corporate success and enhances the stakeholders' confidence. We have designed our corporate governance structure to ensure compliance with legal and regulatory framework and meeting the information needs of our stakeholders.

NRBC Bank emphasizes its effective corporate governance principles, accountability, transparency, fairness, and responsibility in business transactions, statutory and legal compliances, protection of shareholders' interests; commitment to values and ethical conduct of business.

The Board of Directors collectively is the supreme authority in the Bank's affairs among its Members' meetings. They owe a duty to the shareholders and exercise care, skill and diligence in discharging their responsibilities and in exercising the powers vested in them. The key purpose of the Board of Directors of NRBC Bank Limited is to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and other stakeholders. In addition to business and financial issues, the Board deals with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics and ensures that its organization and operation are, at all times, in correct and appropriate order. The Board is, among other things, responsible for setting business objectives, strategies and business plans, formulating risk policies, confirming key aspects of the Bank's internal organization and making decisions on the establishment of all business units i.e. Branches/Sub-branches/etc.

NRBC Bank is committed to excellence in corporate governance, transparency and accountability. This is essential for the long-term

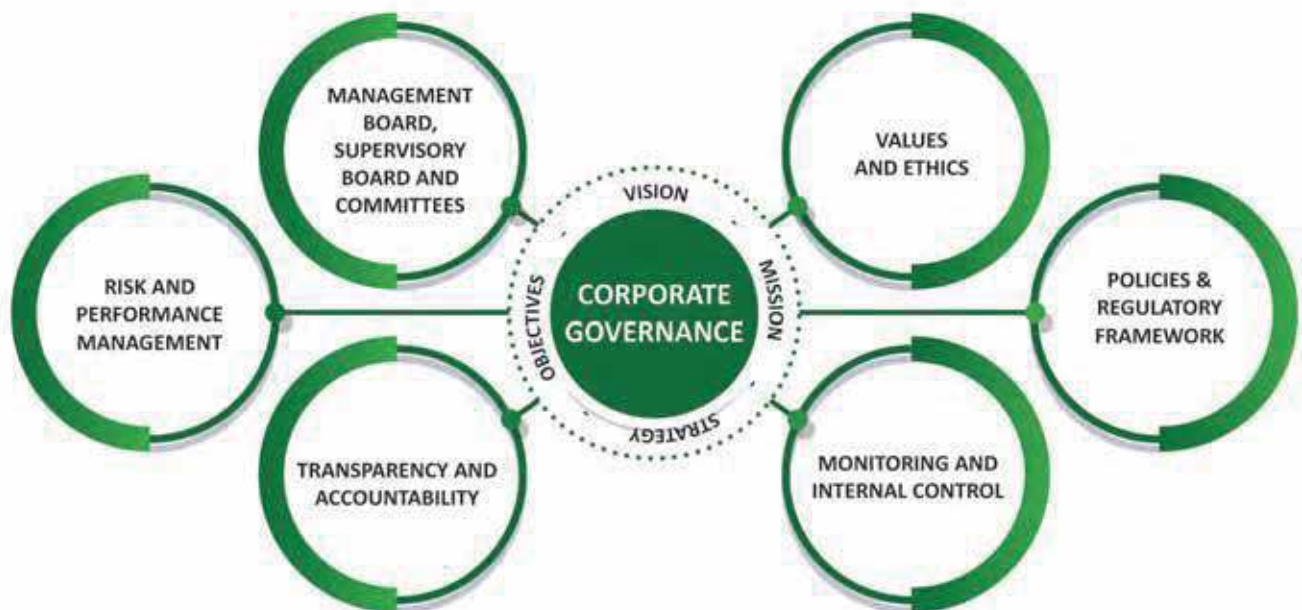
performance and sustainability of the Company, and to protect and enhance the interests of their shareholders and stakeholders. Their governance framework plays an integral role in supporting their business. It provides the structure through which their strategy and business objectives are set, their performance is monitored, and the risks they face are managed. It includes a clear framework for decision making and accountability across their business and provides guidance on the standards of behavior they expect from their people.

As a listed Company, NRBC Bank must follow the guideline of Bangladesh Securities and Exchange Commission's Corporate Governance Code, which require disclosing the extent in the Annual Report. Especially as per Corporate Governance Code of BSEC, the status of compliance shall be certified by a practicing professional Accountant/ Chartered Secretary. The Compliance Certificate with corporate governance code certified by professional accountants M/s. Hussain Farhad & Co. Chartered Accountants which depict in the Page No. 127.

Scope

NRBC Bank operates within the legal framework of the Bank Companies (Amendment) Act, 2013(updated 2018), Corporate Governance guidelines of Bangladesh Securities and Exchange Commission and the Companies Act, 1994. It has recognized that corporate governance guidelines are crucial for achieving a business that is built for the long-term.

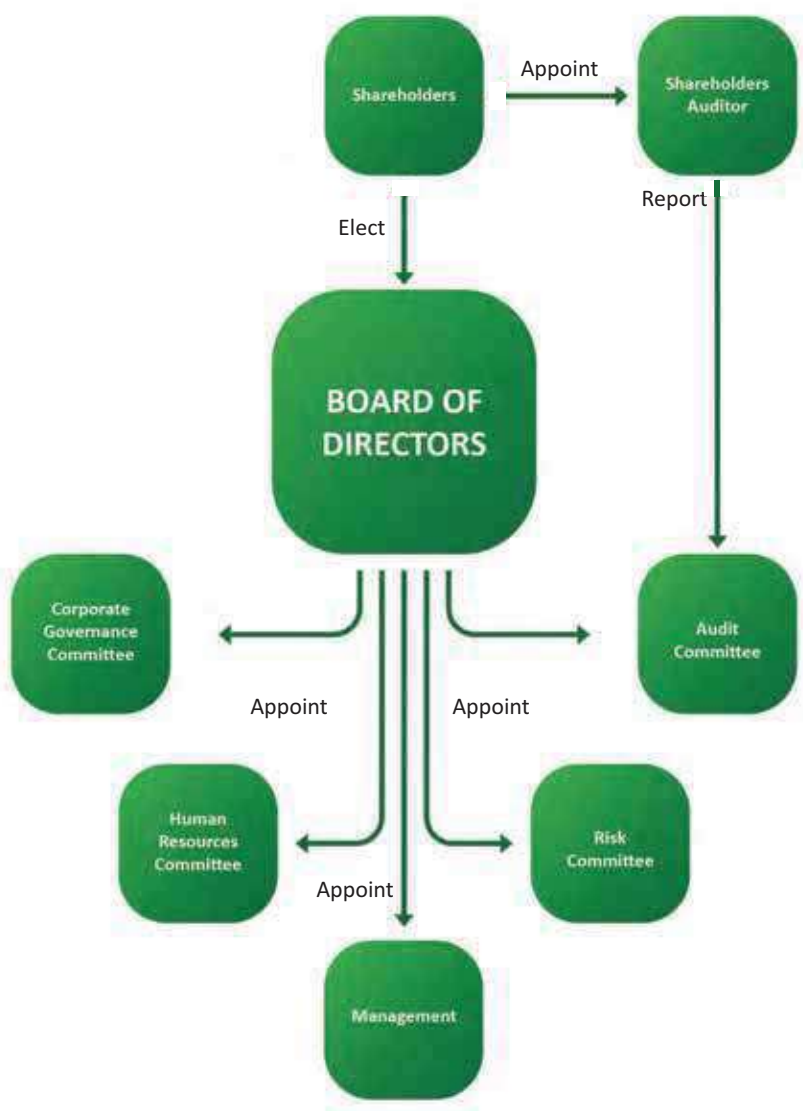
NRBC Bank is always committed to attain the highest levels of corporate governance practices to ensure sustainable growth of the organization and to create long-term value for shareholders. Since its inception, NRBC Bank has continued with its efforts of adopting, implementing and enhancing the application of the best and most up-to-date corporate governance standards throughout the organization.



Governance structure of the Bank

The Board of Directors plays a pivotal role in shaping governance structures and practices through their choice of strategy and leadership to drive the bank towards growth. The board is responsible for the design and implementation of governance mechanisms, including the selection and appointment of members of subcommittees. The risk

management and overall support functions of the bank have been designed and kept fully independent of the ordinary course of business to safeguard against any unforeseen events that may weaken the bank's brand value. The governance structure of the bank is as follows:



Guiding philosophy of governance practices

Principles of good governance are embedded in the core values of NRBC Bank, a bank that strongly believes in inclusive and sustainable growth. As a locally incorporated bank, the following acts, regulations,

notifications, and circulars played a major role in shaping the governance structure and practices of the bank.

External	Internal
<ul style="list-style-type: none"> • The Companies Act, 1994 • The Bank Company Act, 1991 • Bangladesh Securities and Exchange Commission (BSEC) Ordinance 1969, Rules 1987, Act 1993 and Public Issue Rules 2015 • Circulars, Rules and regulations issued by Bangladesh Bank time to time • Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited rules and regulations • Financial Reporting Act 2015 	<ul style="list-style-type: none"> • Articles of Association of NRBC Bank. • Organizational Structure • Resolutions of meetings of Management Committees • Board approved policies on all major operational aspects • Code of Conduct of NRBC Bank. • Internal Circulars



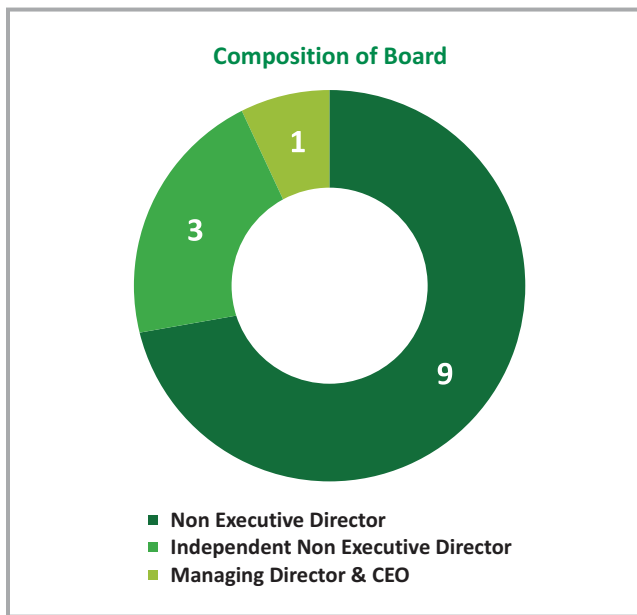
Board of Directors

Size of the Board of Directors

The Board of NRBC Bank Limited consists of 12 (twelve) Non-executive Directors including 03 (three) Independent Directors excluding the Managing Director & CEO wherein the latter is an Executive Director (ex-Officio).

Present Members of Board of Directors is as follows:

SL No	Name of the Directors	Position
01	Mr. S M Parvez Tamal	Chairman
02	Mr. Rafikul Islam Mia Arzoo	Vice-Chairman
03	Mr. Mohammed Adnan Imam, FCCA	Director
04	Mr. Abu Mohammad Saidur Rahman	Director
05	Mr. Mohammed Oliur Rahman	Director
06	Mr. Abu Bakr Chowdhury	Director
07	Mr. Loquit Ullah	Director
08	Mr. Mohammed Nazim	Director
09	Mr. AKM Mostafizur Rahman	Director
10	Air Chief Marshal Abu Esrar, BBP, ndc (Retd.)	Independent Director
11	Dr. Khan Mohammad Abdul Mannan	Independent Director
12	Dr. Raad Mozib Lalon	Independent Director
13	Mr. Golam Awlia	MD & CEO



The Board of Directors of NRBC Bank complied with the requirement for holding meeting at least once in every quarter for the year 2021 as per BRPD Circular # 11, dated October 27, 2013.

In compliance with the Corporate Governance (CG) Code-2018 of BSEC, the Bank in its 100th, 105th and 106th Board Meetings held on 27 June 2020, 12 October 2020 and 29 October 2020 respectively appointed three Independent Directors Air Chief Marshal Abu Esrar (Retd.), Dr. Khan Mohammad Abdul Mannan and Dr. Raad Mozib Lalon as per requirements of CG Code-2018 of BSEC, BRPD Circular # 11, dated October 27, 2013 and completed all regulatory compliance accordingly.

Hence, composition in the Board of Directors stand 13 (thirteen) including 3 (three) Independent Directors and the Managing Director & CEO.

The Managing Director & CEO Mr. Md. Mukhter Hossain retired from the Board on 29 April, 2021 due to retirement from service of the Bank. Mr. Golam Awlia was appointed as Managing Director & CEO from the Board on May 02, 2021 and work as Executive Director in the Board.

Company's policy on appointment of Directors disclosed

NRBC Bank complied with pertinent guidelines of Bangladesh Bank circulars, rules and regulations of the Companies Act 1994 (amended up to 2020), Bank Companies Act 1991 (amended up to 2018), Bangladesh Securities and Exchange Commission (BSEC) Notifications, Guidelines of Bangladesh Bank and Memorandum & Articles of Association of the Bank.

The Board of NRBC Bank is always committed to ensuring diversity and inclusiveness in its composition and deliberations, embracing the proposition that having a diverse Board would have a positive, value relevant impact on the Bank. In this regard, the Board considers diversity from a number of different aspects, including gender, age, cultural and educational Background. In case of nomination, removal, causal vacancy and alternate Directors, NRBC Bank follows all relevant rules and regulations. The Bank's non-executive Directors are independent of management and free from day to day business of the bank. Directors are accountable to the shareholders for the Bank's performance and governance.

Directors' Shareholding Status

All sponsors/promoters and directors of the bank shall perpetually hold minimum 30% (thirty percent) shares of the bank. Each director other than the independent director(s) of the Bank shall hold minimum 2% (two percent) shares of the paid-up capital of the Bank. In compliance with BSEC Notification No. SEC/CMRRCD/2009-193/15/Admin/112 dated December 10, 2020; all directors other than independent directors of NRBC Bank have complied accordingly.

SL	Name of the Directors	Status	As of 31 December 2021		
			No. of Sharesheld	Taka	Holding %
1	Mr. SM Tamal Parvez	Chairman	34,715,692	347,156,920	4.71%
2	Mr. Rafikul Islam Mia Arzoo	Vice-Chairman	31,986,799	319,867,990	4.34%
3	Mr. Mohammed Adnan Imam, FCCA	Director	17,255,843	172,558,430	2.34%
4	Mr. Abu Mohammad Saidur Rahman	Director	19,287,960	192,879,600	2.61%
5	Mr. Mohammed Oliur Rahman	Director	25,872,208	258,722,080	3.51%
6	Mr. Abu Bakr Chowdhury	Director	28,248,937	282,489,370	3.83%
7	Mr. Loquit Ullah	Director	27,999,874	279,998,740	3.80%
8	Mr. Mohammed Nazim	Director	28,062,228	280,622,280	3.80%
9	Mr. AKM Mostafizur Rahman	Director	20,787,159	207,871,590	2.82%
10	Air Chief Marshal Abu Esrar, BBP, ndc (Retd.)	Independent Director	Nil	-	-
11	Dr. Khan Mohammad Abdul Mannan	Independent Director	Nil	-	-
12	Dr. Raad Mozib Lalon	Independent Director	Nil	-	-

The Board of directors represent/hold 31.75% share of the company.



Directors' Remuneration

Directors are not entitled to any remuneration other than attending the meeting of the Board and its committees. As per Bangladesh Bank guidelines, Director of NRBC Bank Limited is entitled to receive Tk. 8,000 for attending each meeting of Board and its committee.

Adequate representation of Non-Executive Directors

As per guideline of Bangladesh Bank, NRBC Bank maintain adequate representation of non-executive directors in the Board. The Managing Director is the only Executive Director in the Board of Directors of the Bank. All other Directors are non-executive directors.

Independent Directors

NRBC Bank complies with the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) and the Bank Companies Act, 1991 including the BRPD Circular No. 11, dated 27 October, 2013, for appointment of Independent Directors. Out of 12 (twelve), there are 3 (three) Independent Directors in the Board of NRBC Bank.

As per the Notification No-11 and dated 27 October, 2013, the Independent Directors declare their independency in a form of Fit and Test. Pursuant to the Notification of Bangladesh Securities and Exchange Commission, an Independent Director meets the requisite qualification to be an Independent Director.

Qualification of Independent Director

Air Chief Marshal Abu Esrar, BBP, ndc (Retd.), Independent Director

Air Chief Marshal Abu Esrar, BBP, ndc (Retd.) completed his Distinguished Graduate from Air Command and Staff College, USA. He was the Chief of Air Staff (assumed the highest position of Bangladesh Air Force) from 2015 to 2018. He was also the assistant Chief of Air Staff (Operation and Training) of Bangladesh Air Force from 2009 to 2015. During this time the total budgeting of BAF was formulated under his supervision. He was a Defense Attaché at the Embassy of Bangladesh in Russia, Director of Special Security Force, Air Officer Commanding of BAF Base Pahar kanchanpur, Tangail, Bashar, Kurmitola, Zahurul Haque, Deputy Commandant of Bangladesh Air Force Academy, Director of Air Operations of Air Headquarters, Command of several Flying Wings and Flying Squadron in Bangladesh Air Force.

Dr. Khan Mohammad Abdul Mannan, Independent Director

Dr. Khan Mohammad Abdul Mannan, PhD was Inspector General of Registration of Bangladesh (Senior District & Sessions Judge), Registration Directorate. Before that he was a District & Sessions Judge at Jhenidah, Bangladesh. He completed his PhD from American World University, California, USA. He also completed his DLC (Development Lawyers Course) from International Development Law Institute, Rome, Italy in the year 1992. During his glorious career, he was involved in a number of extra curriculum activities, such as being the Vice President of Bangladesh Judicial Service Association, Present of Bangladesh Law Association, Founder Secretary General of Padma Degree College, Dohar and so on. He actively participated in the liberation war of Bangladesh in 1971.

Dr. Raad Mozib Lalon, Independent Director

Dr. Raad Mozib Lalon is a renowned Faculty Member of Department of Banking and Insurance, University of Dhaka. Prior to that he was a faculty member in different private universities of Bangladesh. He completed his PhD from University of Dhaka on Banking in the year 2018. He is a specialist of Multinational Financial Management, Risk Management in Commercial Banking/ Financial Institution, Investment Analysis & Modern Portfolio Management and so on. During his glorious career, he conducted many research works and achieved many awards for his merit, such as Dean's Merit Award, Certificate of Merit from University of Dhaka. He wrote a number of International Journals on Finance and Banking, Economics and Business Management Studies.

Role of Independent Directors

Under present rules and regulations, independent directors are not required to have any significant relationship with the bank, its top management, or the board apart from receiving directors' remuneration for attending board and committee meetings. The bank meets the criterion by appointing independent directors who are not shareholders in the bank and have no family or other ties to the board of directors, executives, or management. Apart from performing the roles of directors, independent directors also perform other roles as follows:

- Oversee issues where there is a potential conflict of interest.
- Consider, review, evaluate, and provide oversight over related-party transactions to ensure transactions are fair and in the best interests of NRBC Bank.
- Validate that the organization maintains an effective and independent compliance function.
- Bring valuable independent judgment to the Board.

Duality of Chairperson of the Board of Directors and Managing Director & CEO

In compliance with Bangladesh Bank BRPD Circular No. 11 and Circular Letter No. 18 dated October 27, 2013, and Clause 1(4) of BSEC Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 on Corporate Governance Code dated June 3, 2018, the functional responsibilities of the Chairman of the Board and the Managing Director are kept separate and independent of each other. The Board has appointed Mr. S.M Parvez Tamal as the Chairman and Mr. Golam Awlia as the Managing Director and CEO of the Bank.

The position of the Chairman of the Board and the Managing Director are filled by different Individuals. This has been in practice since inception of the Bank. Presently Mr. S.M Parvez Tamal is the Chairman and Mr. Golam Awlia is Managing Director of the Bank. The Board has clearly defined respective roles and responsibilities of the Chairperson and the Managing Director.

In the absence of the Chairperson of the Board, the remaining members of the Board elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson is being duly recorded in the minutes according to the Section 4 of the BSEC's notification on Corporate Governance Code.

However, Mr. S.M Parvez Tamal presided all of 21 meetings held in 2021.

Responsibilities of the Chairman of the Board

As per BRPD Circular No. 11 dated October 27, 2013, issued by Bangladesh Bank and the Corporate Governance Code issued by BSEC on June 3, 2018, the Chairman of the Board of Directors broadly possesses the following major responsibilities:

- Ensure that the board sets and implements the bank's direction and strategy effectively;
- Organize the business of the board, ensure its effectiveness and establish its agenda;
- Ensure effective operations of the Board and its committees in conformance with the highest standards of corporate governance;
- Ensure that all key issues are discussed in a timely and constructive manner by the Board of Directors;
- Ensure the non-intervention of any director in the routine affairs of the bank;
- Sign the minutes of the board meeting for formal confirmation.

The Directors' Report to Shareholders

The Directors' Report to Shareholders of NRBC Bank Limited is presented on page no.71 of this Annual Report.



Meetings of the Board of Directors

The following is a statement of board meetings held in 2021, as well as the attendance of directors from January 1, 2021 to December 31, 2021:

SL	Name of the Members	Status in the Board	Total Board Meeting held during the year	Total Meeting held during their period	No. of meeting attended	No. of meeting absent	Remarks
01	Mr. S M Parvez Tamal	Chairman	21	21	21	0	
02	Mr. Rafikul Islam Mia Arzoo	Vice Chairman	21	21	21	0	
03	Mr. Mohammed Adnan Imam, FCCA	Director	21	21	21	0	
04	Mr. A M Saidur Rahman	Director	21	21	19	02	
05	Mr. Mohammed Oliur Rahman	Director	21	21	15	06	
06	Mr. Abu Bakr Chowdhury	Director	21	21	17	04	
07	Mr. Loquit Ullah	Director	21	21	20	01	
08	Mr. Mohammed Nazim	Director	21	21	20	01	Including presence of Alternate Director
09	Mr. AKM Mostafizur Rahman	Director	21	21	21	0	
10	Air Chief Marshal Abu Esrar (Retd.)	Independent Director	21	21	21	0	
11	Dr. Khan Mohammad Abdul Mannan	Independent Director	21	21	20	01	
12	Mr. Raad Mozib Lalon, PhD	Independent Director	21	21	20	01	
13	Mr. Golam Awlia	Managing Director & CEO	21	13	13	0	

Code of Conduct for the Chairman, Board Members and Managing Director & CEO

Code of Conduct for the Chairman

- As the Chairman of the Board of Directors or Chairman of any committee formed by the Board neither personally possess the jurisdiction to apply policy-making nor executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.
- The Chairman may conduct onsite inspections of any bank branch or financing activities under the purview of the oversight responsibilities of the Board. He may call for any information relating to the bank's operations or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the Board or the executive committee and, if deemed necessary, with the approval of the Board, he shall take the necessary action thereon, in accordance with the set rules through the CEO.

However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the Board along with the statement of the CEO.

- The Chairman may be offered an office room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business interests of the bank, subject to the approval of the Board.

Code of Conduct for the Board of Directors

The Board of Directors follows a Code of Conduct which was adopted to provide guidance to directors to carry out their duties in an honest, responsible and businesslike manner and within the scope of their authority, as set forth in the laws of the country as well as in the Memorandum and Articles of Association of the Company.

The Code of Conduct states:

- The Members shall act honestly, in good faith and in the best interests of the shareholders and the company.
- The members shall not make improper use of information acquired as a director.
- The members shall not take improper advantage of the position as a director.

- The members will be obligated to be independent in judgment and actions and take all reasonable steps to be satisfied as to the soundness of decision taken by the board of directors.
- Members shall make every effort to attend all Board and Committee Meetings during their tenure. They will not absent themselves without good reasons or confirming leave of absence.
- Board members having interest of any nature in the agenda of the meeting, shall declare beforehand the nature of their interest and withdraw from the room, unless they have a dispensation to speak.
- Training opportunities/orientation/workshops will be arranged for the members (especially for the newly inducted members) to make them acquainted with the international best practices, their fiduciary obligations, Code of Conduct etc.
- Every Director will assure annually signing a confirmation that they have gone through, have complied with and will continue to comply with the set of codes approved by the Board of Directors.

Code of Conduct for the Managing Director & CEO

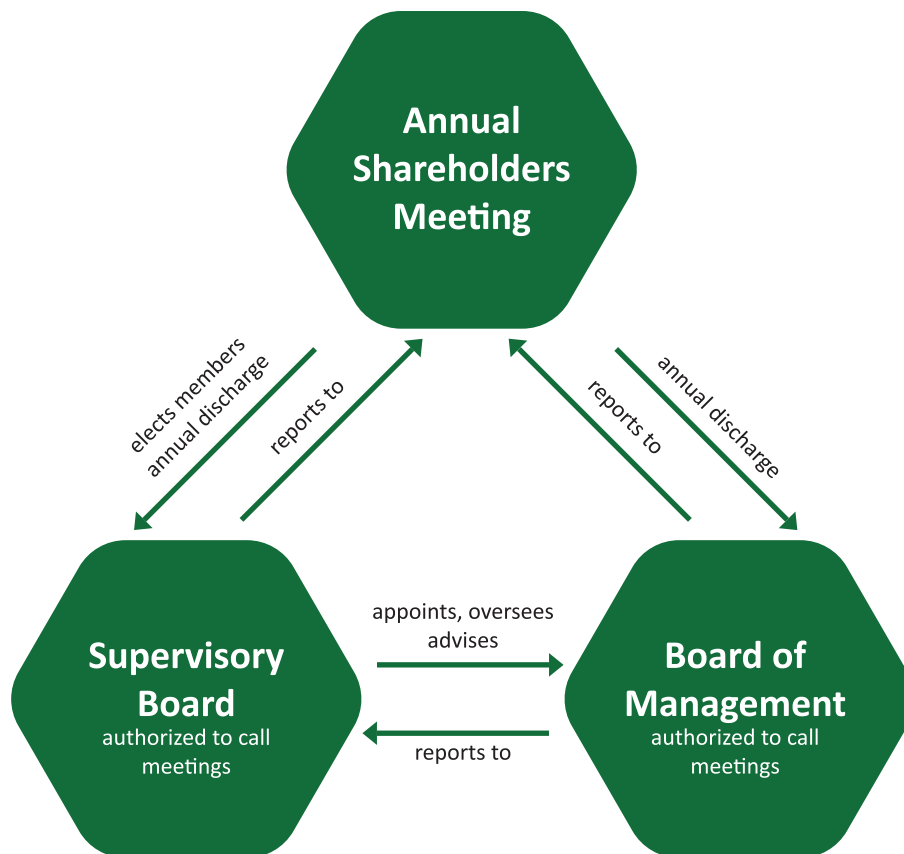
- The Managing Director & CEO shall remain accountable for the achievement of financial and other business targets approved by the Board of Directors in respect of business plans, efficient implementation thereof and prudent administrative and financial management.
- The Managing Director & CEO shall recruit and promote all of the bank's staff, except those in the two tiers below him - which shall rest upon the Board of Directors.
- The Managing Director & CEO shall act in such cases in accordance with the approved service rules on the basis of the human resource policy and sanctioned strength of employees, as approved by the Board.

The authority relating to the recruitment, promotion, transfer and disciplinary action against staff, except two tiers below the Managing Director & CEO, rest upon on him and are in compliance with the bank's policy.

Succession Plan

NRBC Bank believes that the membership and composition of the Board should be reassessed from time to time so succession planning is a pivotal part of corporate governance practices to meet the company's long-term goals and objectives and to ensure that the knowledge, experience, and skill set of its members would be well suited to meet the demands of the ever changing financial industry.





Policy on training of Directors

In line with clause no.6 of BRPD Circular 11 dated October 27, 2013, the Directors of NRBC Bank Limited make themselves fully aware of the banking laws and other related rules and regulations for performing their duties properly. To facilitate this further, the bank makes available all relative laws before the Board of Directors for their instant information, along with any single notification in due course.

Directors' Training

Training in specific aspects of the bank's businesses is provided to Directors when requested and regularly as part of site visits. Directors

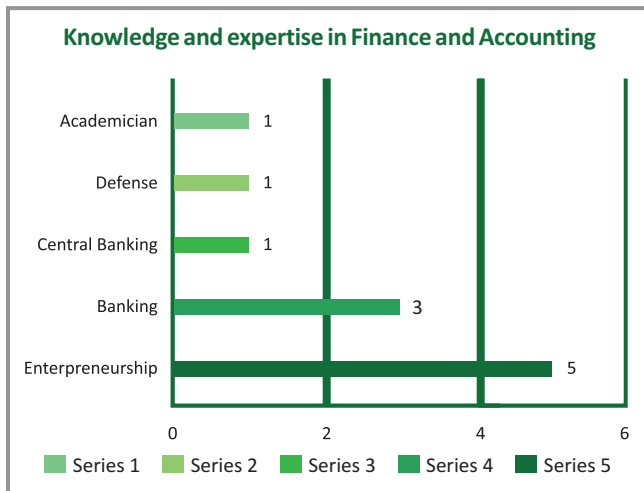
are briefed on issues at Board and Committee meetings, for example, receiving briefings on cyber risks, and relevant commercial, legal and regulatory developments. All Directors have full and timely access to relevant information ahead of each meeting and are able to contact members of management for further information, as required. In accordance with best practice, the Chairman considers and addresses the development needs of the Board as a whole, if any, and ensures that each Director updates their individual skills, knowledge and expertise.

If required, external training courses may be provided at the company's expense.



Knowledge and expertise in Finance and Accounting

NRBC Bank's Board of Directors comprises of members who have wide knowledge and experience in the field of finance, accounting, economics, management, marketing and business administration. By that, it is ensured that they have the ability to interpret the decisions of bank's management in a prudent manner.



During the Financial Year 2021, the Board conducted twenty one (21) meetings to deliberate and consider a variety of significant matters that required its guidance and approval. The Board also had separate sessions with the management to discuss the Bank's strategies

Key Activities performed by Board in 2021

The Board meets on a monthly basis and meetings are scheduled well in advance (before the commencement of each financial year) to enable members to plan ahead. When required, the Board will meet on an ad hoc basis to deliberate urgent matters.

Board of Directors

- Approval of decisions on the basis of the information and analysis of the Committees and monitoring and oversight of decisions

Board Committees

- Analysis of proposals prior to submission to the Board, issuance of report and oversight of implementation of decisions

Senior Management

- Proposals with exhaustive, comprehensive, suitable and consistent information

particularly in pandemic period of COVID -19. Among the topics and strategies that were reviewed, deliberated and approved by the Board during the Financial Year 2021 were as follows:

Strategy	Risk, Compliance and oversight	Governance
<ul style="list-style-type: none"> Business Strategy of the bank Budget and Business plan for the year 2021 Capital and Dividend strategy Sustainability and Corporate Governance Strategy Human Resource policy 	<ul style="list-style-type: none"> Risk appetite of the Bank for the year 2021 Audit Plan for 2021 Capital adequacy statement in 2021 Anti money laundering issues Ethical issues Risk related with COVID 19 	<ul style="list-style-type: none"> Evaluation and Fit and Proper Assessment Corporate Governance Disclosures Directors fees and disclosure the remuneration of top management Appointment of external Directors Governance on subsidiaries

Governance of Board of Directors of Subsidiary Company

As per BSEC Corporate Governance Code Sec-2, dated 3 June 2018, NRBC Bank entirely follows the governance of Board of Directors of Subsidiary Company:

- At least one independent director of NRBC Bank is a director on the Board of the subsidiary company.
- The minutes of the Board Meeting of the subsidiary company are being placed for review at the following Board meeting of NRBC Bank Limited.
- The Board of Directors reviews the affairs of the subsidiary company.
- The Audit committee of NRBC Bank Limited review the Financial Statements, in particular the investments made by the subsidiary company.

Air Chief Marshal Abu Esrar (Retd.) is appointed as Independent Director of the Bank in the Board of Directors of NRBC Bank Securities Limited at 104th Meeting held on October 11, 2020 and other activities were done accordingly.

Managing Director & CEO, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)

- The Board appoints The Managing Director & CEO, The Company Secretary, the Chief Financial Officer and the Head of Internal Audit and Compliance;
- The positions of the Managing Director & CEO, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance are filled by different individual;
- The Managing Director, The Company Secretary, the Chief Financial Officer and Head of Internal Audit and Compliance are not holding any executive position in other company;
- The Board have clearly defined respective roles, responsibilities and duties of the CFO, the HIAC and the CS;
- The Managing Director & CEO, the Company Secretary, the Chief Financial Officer and Head of Internal Audit and Compliance are not being removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchanges.



Requirement to attend Board of Directors' Meeting

As per BSEC Corporate Governance Guidelines, The Managing Director & CEO and Company Secretary were attending every meetings of Board of Directors. But the Chief Financial Officer and Head of Internal Audit & Compliance were attend the meeting wherein matter relating affairs of the respective division.

They shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.

Duties of Managing Director & CEO and Chief Financial Officer

The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that 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;

The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the bank during the year which are fraudulent, illegal or in violation of the bank's code of conduct.

The Certification of the Managing Director & CEO and CFO is disclosed in the Annual Report at Page 170.

Appointment of Directors (Chairman, Board of Directors and Managing Director & CEO)

NRBC Bank complies with the regulations stipulated by Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and the Companies Act, 1994, for the appointment of Directors. As per regulations, all Directors, except nominated, independent or alternate Directors, are required to maintain at least 2% shareholding in the bank, individually.

Pursuant to the Companies Act, 1994, 1/3rd of the Directors will retire and, if eligible, are placed for reappointment, which refers to the Annual General Meeting for approval of shareholders. As per the Bank Company Act, 1991 (as amended in 2018), Directors are appointed with prior approval of Bangladesh Bank, considering a term of three years, which can be extended by three terms, subject to approval of Bangladesh Bank as well as by shareholders in ensuing Annual General Meeting. As per the Corporate Governance guidelines issued by BSEC dated on June 03, 2018, the Independent director shall not be subject to the retirement by rotation of Director.

An Independent Director, pursuant to the Bangladesh Bank guidelines, is appointed with the prior approval of Bangladesh Securities and Exchange Commission (BSEC) and approval of Bangladesh Bank. Subsequently, it is placed in the following Annual General Meeting for the approval of shareholders.

The Managing Director & CEO is also appointed with the prior approval of Bangladesh Bank, duly meeting the fit and test criteria.

Non-Executive Directors

The Managing Director and CEO, Mr. Md. Mukhter Hossain, was the ex-officio Director, But presently Mr. Golam Awlia act for the same with effect from May 02, 2021 and all other Directors are non- Executive Directors.

Independent Directors' independence

According to Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank's rules and regulations, Independent Directors

will not be an executive of the Company in the immediate preceding two financial years, who does not have any material relationship and does not hold any shares of the company. The Independent Director will not have any significant relationship, whether pecuniary or otherwise, with the bank, its top management and the Board. The bank complies with the requirement and appoints Independent Directors who does not have any family or other relationship with its Board of Directors and its executive management. However, approval of Bangladesh Securities and Exchange Commission and approval of Bangladesh Bank are required for the appointment on Independent Director.

NRBC Bank ensures compliance with Bangladesh Bank's guidelines and Bangladesh Securities and Exchange Commission's requirements relating to the appointment of Independent Directors.

Independence of non-Executive Directors

As part of our good governance practices at NRBC Bank, the non-Executive Directors enjoy full freedom in discharging their responsibilities. They are also sincere to attend Board meetings, Executive Committee Meetings, Audit Committee meetings and Risk Management Committee meetings. They also actively participate in discussions on the agenda.

The key roles and responsibilities of the Chairman

The Chairman's main duties include chairing meetings of the Board of Directors are appended below;

- Provides leadership and governance of the Board so as to create the conditions for overall Board's and individual Director's effectiveness, and ensures that all key and appropriate issues are discussed by the Board in a timely manner
- Promotes effective relationships and open communication, and creates an environment that allows constructive debates and challenges, both inside and outside the boardroom, between Nonexecutive Directors and the management
- Ensures that the Board as a whole plays a full and constructive part in the development and determination of the company strategies and policies, and that Board decisions taken are in the bank best interests and fairly reflect Board's consensus
- Ensures that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management
- Sets, in consultation with the Chief Executive and Company Secretary, the Board meeting schedule and agenda to take full account of the important issues facing the bank and its subsidiaries of all Directors, and ensures that adequate time is available for thorough discussion of critical and strategic issues
- Ensures that the Board is properly briefed on issues arising at Board meetings and receives, in a timely manner, adequate information which must be accurate, clear, complete and reliable, to fulfill its duties, such as reports on the bank and its subsidiaries performance, the issues, challenges and opportunities facing the bank and its subsidiaries, and matters reserved for it to make decision
- Arranges informal meetings of the Directors at least annually, including meetings of the Nonexecutive Directors at which the Chief Executive is not present, and ensures that sufficient time and consideration is given to complex, contentious or sensitive issues
- Ensures that there is effective communication with shareholders, and that each Director develops and maintains an understanding of the stakeholders' views
- Establish good corporate governance practices and procedures and promotes the highest standards of integrity, probity and corporate governance throughout the bank and its subsidiaries particularly at Board level



The key roles and responsibilities of the Board

The main roles and responsibilities of the Board of Directors, as envisaged in the BRPD Circular No. 11 dated 27 October, 2013, include the following:

1. Lay down a code of conduct for all Board members and senior management;
2. Review and set up annual performance targets of the bank for achieving targets;
3. Monitoring the effectiveness of the bank's governance practices and reviewing changes as needed and identifying opportunities where corporate governance standards could be further improved;
4. Determining the bank's corporate social responsibility status and taking steps for its improvement;
5. Ensure stronger internal controls;
6. Grant approval of policies and operational manuals to establish an effective risk management framework in core banking areas and internal control;
7. Appoint Managing Director & CEO and fixing his benefits;
8. Purchase or acquisition of property for the bank;
9. Provide welfare benefits to employees;
10. Determining the Corporate Social Responsibility status and taking steps;
11. Analyze reasons for success or failure of the bank's annual budget achievement;
12. Periodic review of the bank's operational budget achievements;
13. Undertake risk management initiatives;
14. Review of sufficiency and requirement for internal control efforts of the bank;
15. Reviewing the bank's human resource (HR) policy;

Appraisal of the Board's performance

The Board of Directors is accountable to the shareholders of the bank. Once in every year, the bank holds an Annual General Meeting (AGM). The shareholders attend the Annual General Meeting (AGM) and they critique and express their analysis about the performance of the bank as before like listed company.

NRBC Bank takes constructive suggestions from the Annual General Meeting and tries to implement it for qualitative improvement of the bank. The performance of the bank is also measured on the basis of other indicators, including financial aspects like business performance, asset growth and current NPL.

Evaluation of the Managing Director & CEO

The Board of Directors of NRBC Bank Limited evaluates the performance of Managing Director & CEO in annual basis. The Board also set the roles and responsibilities of the Managing Director & CEO of the bank. There are some key Performance Indicators (KPI) to appraise the performance which are: meet the annual budgetary targets of the bank, which was approved by the Board, maximize shareholder value measured through desired ROA, ROE, EPS, ensure proper risk management as per the expectations of the Board, ensure sustainable growth in loans and advances, low-cost deposits, CASA mix, diversify revenue streams of the bank, ensure improvement in NPL ratio, achieve recovery of overdue loan and improve all reviews conducted by BB, including scores in CAMELS rating.

Training on corporate governance

At NRBC Bank, our corporate governance standards represent the foundations on which we have built transparent relationships among the institution's management, Board, shareholders and other

stakeholders. In line with this, NRBC Bank organizes training on corporate governance round the year for the staff. NRBC Bank offers special emphasis on training in corporate governance.

Objectives of corporate governance training:

- i. To establish good governance, ensuring the best practices of corporate governance to understand how they improve consistency in business direction and strategies;
- ii. To mitigate risks and provide the maximum opportunities for developing individual skills, tools and frameworks in line with action plans and to address challenges as well as overcome these with prudence;
- iii. To help Board members develop the right strategies for change management and create advanced plans for seamless change in order to identify internal and external opportunities and challenges, manage change or implement new approaches;
- iv. To drive a positive culture such as developing the Board's skills and leadership style;

Board of Directors' Committees

The Board has constituted the following 3 (three) Board Sub-Committees, which are (i) Audit Committee, (ii) Risk Management Committee and (iii) Executive Committee in compliance with BRPD Circular # 11, dated October 27, 2013

i. Audit Committee

SL	Name	Status with Board	Status with Committee
1	Air Chief Marshal Abu Esrar (Retd.)	Independent Director	Chairman
2	Mr. Rafikul Islam Mia Arzoo	Vice-Chairman	Member
3	Mr. Mohammed Nazim	Director	Member
4	Mr. AKM Mostafizur Rahman	Director	Member
5	Dr. Raad Mozib Lalon	Independent Director	Member

ii. Risk Management Committee

SL	Name	Status with Board	Status with Committee
1	Mr. A M Saidur Rahman	Director	Chairman
2	Mr. Mohammed Nazim	Director	Member
3	Mr. Rafikul Islam Mia Arzoo	Vice-Chairman	Member
4	Air Chief Marshal Abu Esrar (Retd.)	Independent Director	Member
5	Dr. Khan Mohammad Abdul Mannan	Independent Director	Member

iii. Executive Committee

SL	Name	Status with Board	Status with Committee
1	Mr. Mohammed Adnan Imam, FCCA	Director	Chairman
2	Mr. Mohammed Oliur Rahman	Director	Member
3	Mr. Abu Bakr Chowdhury	Director	Member
4	Mr. Loquit Ullah	Director	Member
5	Mr. S.M Parvez Tamal	Chairman	Member

In compliance with the circular no SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of Bangladesh Securities & Exchange Commission, NRBC Bank formed another committee in addition to aforesaid Audit Committee:



iv. Shariah Supervisory Committee

Sl.	Name	Status in Committee
1	Mr. Shah Mohammad Wali Ullah	Chairman
2	Mr. Obaid Ullah Hamzah	Member
3	Mr. Mohammed Oliur Rahman	Member
4	Mr. Mohammed Adnan Imam, FCCA	Member
5	Mr. AKM Mostafizur Rahman	Member
6	Mr. Loquit Ullah	Member
7	Dr. Khan Mohammad Abdul Mannan	Member
8	S M Parvez Tamal (Chairman, BoD)	Member

Committee Meeting

Board meeting held in 2021

Statement of Board meetings held and the attendance of Directors from 01.01.2021 to 31.12.2021 : 21

SL	Name of the Members	Status in the Board	Total Board Meeting held during the year	Total Meeting held during their period	No. of meeting attended	No. of meeting absent	Remarks
01	Mr. S M Parvez Tamal	Chairman	21	21	21	0	
02	Mr. Rafikul Islam Mia Arzoo	Vice Chairman	21	21	21	0	
03	Mr. Mohammed Adnan Imam, FCCA	Director	21	21	21	0	
04	Mr. A M Saidur Rahman	Director	21	21	19	02	
05	Mr. Mohammed Oliur Rahman	Director	21	21	15	06	
06	Mr. Abu Bakr Chowdhury	Director	21	21	17	04	
07	Mr. Loquit Ullah	Director	21	21	20	01	
08	Mr. Mohammed Nazim	Director	21	21	20	01	Including presence of Alternate Director
09	Mr. AKM Mostafizur Rahman	Director	21	21	21	0	
10	Air Chief Marshal Abu Esrar (Retd.)	Independent Director	21	21	21	0	
11	Dr. Khan Mohammad Abdul Mannan	Independent Director	21	21	20	01	
12	Dr. Raad Mozib Lalon	Independent Director	21	21	20	01	
13	Mr. Golam Awlia	Managing Director & CEO	21	13	13	0	

The Board has granted leave of absence against the absentee directors of the meeting.

Executive Committee (EC) meeting held in 2021

Statement of Executive Committee (EC) meetings held and the attendance of Directors from 01.01.2021 to 31.12.2021: 10

SL	Name of the Members	Position	Total Board Meeting held during the year	Total Meeting held during their period	No. of meeting attended	No. of meeting absent	Remarks
1	Mr. Mohammed Adnan Imam, FCCA	Chairman	10	10	10	-	
2	Mr. Mohammed Oliur Rahman	Member	10	10	7	3	
3	Mr. Abu Bakr Chowdhury	Member	10	10	5	5	
4	Mr. Loquit Ullah	Member	10	10	9	1	
5	Mr. S M Parvez Tamal	Member	10	10	10	-	

The EC has granted leave of absence against the absentee directors of the meeting.



Audit Committee (AC) meeting held in 2021

Statement of Audit Committee meetings held and the attendance of Directors from 01.01.2021 to 31.12.2021: 5

SL	Name of the Members	Position	Total Board Meeting held during the year	Total Meeting held during their period	No. of meeting attended	No. of meeting absent	Remarks
1	Air Chief marshal Abu Esrar (Retd.)	Chairman	5	5	5	--	
2	Mr. Rafikul Islam Mia Arzoo	Member	5	5	5	-	
3	Mr. Mohammed Nazim	Member	5	5	4	1	
4	Mr. AKM Mostafizur Rahman	Member	5	5	5	-	
5	Dr. Raad Mozib Lalon	Member	5	5	5	-	

The Audit Committee has granted leave of absence against the absentee directors of the meeting.

Risk Management Committee meeting held in 2021

Statement of Risk Management Committee meetings held and the attendance of Directors from 01.01.2021 to 31.12.2021: 4

SL	Name of the Members	Position	Total Board Meeting held during the year	Total Meeting held during their period	No. of meeting attended	No. of meeting absent	Remarks
1.	Mr. A M Saidur Rahman	Chairman	4	4	4	-	
2.	Mr. Mohammed Nazim	Member	4	4	2	2	
3.	Mr. Rafikul Islam Mia Arzoo	Member	4	4	2	2	
4.	Air Chief Marshal Abu Esrar (retd.)	Member	4	4	4	-	
5.	Dr. Khan Mohammad Abdul Mannan	Member	4	4	4	-	

The Risk Management Committee has granted leave of absence against the absentee directors of the meeting.

Shariah Supervisory Committee meeting held in 2021

Statement of Shariah Supervisory Committee meetings held and the attendance of Directors from 01.01.2021 to 31.12.2021: 2

SL	Name of the Members	Position	Total Board Meeting held during the year	Total Meeting held during their period	No. of meeting attended	No. of meeting absent	Remarks
1	Mr. Shah Mohammad Wali Ullah	Chairman	2	2	2	-	
2	Mr. Obaid Ullah Hamzah	Member	2	2	-	-	
3	Mr. Mohammed Oliur Rahman	Member	2	2	1	1	
4	Mr. Mohammed Adnan Imam, FCCA	Member	2	2	-	-	
5	Mr. AKM Mostafizur Rahman	Member	2	2	1	1	
6	Mr. Loquit Ullah	Member	2	2	2	-	
7	Dr. Khan Mohammad Abdul Mannan	Member	2	2	1	1	
8	S M Parvez Tamal (Chairman, BoD)	Member	2	2	2	-	

The Shariah Supervisory Committee has granted leave of absence against the absentee directors of the meeting.

Maintaining a website by the Company

NRBC Bank has an official website www.nrbcommercialbank.com with the linked website of the stock exchange.

As per Bangladesh Securities & Exchange Commission Notification on Corporate Governance Code for appointment of Professional for the certification on Corporate Governance for the year 2022 will be confirmed at the 9th AGM that will be held on June 02, 2022.

Reporting and Compliance of Corporate Governance

The status of compliance with Corporate Governance guidelines of Bangladesh Securities and Exchange Commission has been given hereafter "**Hussain Farhad & Co., Chartered Accountants**", duly certified the bank's Compliance Status, which is presented on page 127.

Appointment of professional for the Certification on Corporate Governance

The existing professional Accountant **M/S Hussain Farhad & Co., Chartered Accountants**, has expressed of willingness to work as Auditor on compliance status on Corporate Governance Code. But considering other proposal and remuneration, the Board of Directors has recommended M/S Ahmed Shafic & Co., Chartered Accountants, as compliance Auditor for the year 2021 in the 140th meeting held on May 15, 2022.

Business objectives and strategic management

The Board of Directors of NRBC Bank determines the business objectives and goals and, to this end, chalk out strategies and work plans on an annual basis. The Board specifically engages in formulating strategies consistent with the predetermined objectives and goals and in issues relating to structural changes and reformation for the enhancement of institutional efficiency and other relevant policy matters.

Philosophy on code of corporate governance

NRBC Bank believes in adopting and adhering to the best standards of corporate governance for the benefit of all its stakeholders. The bank's corporate governance standards are based on the following principles: Appropriate composition, size of the Board and commitment to adequately discharge its responsibilities and duties Transparency and



independence in the functioning of the Board Independent verification and integrity assurance of financial reporting Adequate risk management and internal control Protection of shareholders' rights and placing priority on investor relations Timely and accurate disclosure on all matters concerning operations and performance of the bank. The bank's philosophy on corporate governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealing with shareholders, employees, regulators and other relevant stakeholders. By doing so, the bank demonstrates its understanding and respects its fiduciary roles and responsibilities to shareholders.

Ethics and compliance

NRBC Bank has a Code of Conduct for the Board of Directors and ethical guidelines for the bank's employees which are an integral part of the Service Rules and Regulations for the employees of the bank. Our employees comply with the code of conduct and requirements of ethical principles. The Board has always been deeply committed to establishing the highest levels of ethics and compliance among all employees of the bank. It has always encouraged the management to ensure that everyone maintains high ethical standards within the bank. The Board guides the management on policies that should be adopted and followed by everyone in the bank.

Facilities accorded to the Chairman, Directors and the Managing Director & CEO

In accordance with the guidelines of Bangladesh Bank, the following facilities can only be given to the Directors:

Chairman	The Chairman has an office with personal secretary and office assistant provided by Bank along with a mobile phone and a car at his full-time disposal.
Directors	Fees and other facilities for attending each meeting of the Board or any Committee as per guidelines of Bangladesh Bank and Bangladesh Securities and Exchange Commission.
Managing Director	Only those benefits as agreed upon in his contractual appointment and approved by Bangladesh Bank

Key policies regarding to remuneration of Directors and employees

The Board of Directors reviews the pay scale from time-to-time, the remuneration of employees based on the bank's performance and the general inflation in the economy. All employees including the senior management are paid a competitive remuneration package.

Human Capital-Excellence in Mobilization Resources

The report on human capital is presented in detail on page 92 and 93 of this Annual Report.

Communication to shareholders/ stakeholders for participation in Annual General Meeting

NRBC Bank serves the notice along with the Annual Report to shareholders at least 21 days before of Annual General Meeting. As per Bangladesh Bank guidelines and notifications of Bangladesh Securities and Exchange Commission quarterly accounts or information are notified to the shareholders and updated on the website. The bank's also provides services to shareholders round the year. The bank also ensures that all stakeholders are informed of the bank's activities on a routine basis.

Sustainable financing

NRBC Bank has incorporated the ethos of socially -responsible banking through which it has been mainstreaming sustainable development and aligning it with the core business strategies of the bank. In fact, sustainability is integrated into the way we do business, into the contribution we make to local economies and into serving the communities we live in. The Board monitors all social and ecological factors with the aim of protecting the environment and conserving natural resources.

Credit rating

As per Bangladesh Bank guidelines and notifications of Bangladesh Securities and Exchange Commission, NRBC Bank conducts its credit rating each year with due disclosure. Credit rating of NRBC Bank is available on page 110 in this Annual Report.

Roles and responsibilities of the Company Secretary

The roles, responsibilities and duties of the Company Secretary of NRBC Bank are prepared in pursuant to Circular No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of Bangladesh Securities & Exchange Commission. The Company Secretary ensures that all regulatory procedures for the appointment of Directors have been followed. He provides detailed support and guidance to the Directors, both individually as well as collectively, for taking decisions and raises matters wherever needed to call for the attention of the Board of Directors. He also assists the Board of Directors and the management of the bank in ensuring excellence in governance. He communicates with shareholders, as appropriate, and ensures that due regard is given to their interests. He also assists to form the sub-committee of the Board of Directors, as directed by the Regulatory Bodies Act, as a mediator to the Board of Directors to resolve disputes rose to the Board, according to the laws, rules and regulations. The Company Secretary is also mandated with providing comprehensive corporate secretarial services to the Board, Directors and committees and also ensures that all compliance are complied following the respective laws, rules and regulations. He also ensures that the decisions taken by the Board of Directors are transmitted to the concerned department/s for taking the next course of action. He also updates the Board of Directors or the management about the direction, circulars, notifications, etc., which is made by the regulatory bodies and follows up on the respective steps taken.

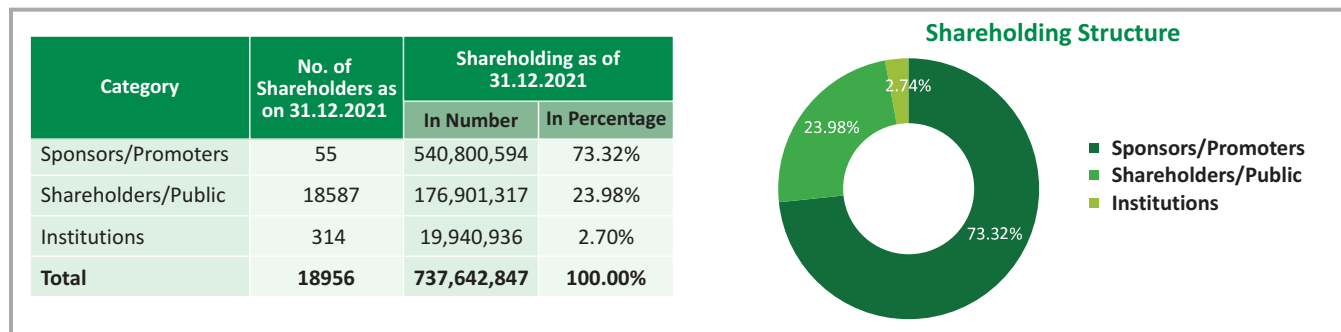
Sponsors and Directors Jointly Shareholding as per BSEC guideline

In accordance with the directive of Bangladesh Securities and Exchange Commission (BSEC) no. SEC/ CMRRCD/2009-193/15/Admin/112 dated December 10, 2020, all sponsors and directors other than independent directors of a company listed with any stock exchange shall all time jointly hold minimum 30% (thirty percent) shares of the paid-up capital of the company. We confirm that, all sponsors and directors other than independent directors of NRBC Bank shall all time jointly hold more than 30% (present holding 73.32%) shares of the paid-up capital of the company to meet up the BSEC requirement.



Shareholding Structure

At the end of the year 2021, the shareholding structure of NRB Commercial Bank Limited was as follows:



Classification of shareholders by holding as on 31.12.2021

Share Holding	No. of Shareholders as on 31.12.2021	No. of Shares as on 31.12.2021	Ownership (%)
0000000001-0000010000	17,127	24,268,565	3.290%
0000010001-0000020000	766	11,364,951	1.541%
0000020001-0000030000	309	7,722,663	1.047%
0000030001-0000040000	188	6,599,350	0.895%
0000040001-0000050000	117	5,420,939	0.735%
0000050001-0000060000	73	4,029,759	0.546%
0000060001-0000070000	52	3,387,050	0.459%
0000070001-0000080000	39	2,951,679	0.400%
0000080001-0000090000	17	1,432,333	0.194%
0000090001-1000000000	268	670,465,558	90.893%
Total :	18,956	737,642,847	100.00%

Latest Shareholding Position as on December 31, 2021

SL. No.	Names of Directors & Sponsors	Status	Status	Shareholding %
1	Mr. S.M. Parvez Tamal	Sponsor Director & Chairman	34,715,692	4.706
2	Mr. Rafikul Islam Mia Arzoo	Sponsor Director & Vice Chairman	31,986,799	4.336
3	Mr. Mohammed Adnan Imam, FCCA	Sponsor Director	17,255,843	2.339
4	Mr. Mohammed Oliur Rahman	Sponsor Director	25,872,208	3.507
5	Mr. Abu Bakr Chowdhury	Sponsor Director	28,248,937	3.830
6	Mr. Loquit Ullah	Sponsor Director	27,999,874	3.796
7	Mr. Mohammed Nazim	Sponsor Director	28,062,228	3.804
8	Mr. Abu Mohammad Saidur Rahman	Director	19,287,960	2.615
9	Mr. A K M Mostafizur Rahman	Director	20,787,159	2.818
10	Air Chief Marshal Abu Esrar (Retd)	Independent Director	-	-
11	Dr. Khan Mohammad Abdul Mannan	Independent Director	-	-
12	Dr. Raad Mozib Lalon	Independent Director	-	-
13	Engr. Farasath Ali	Sponsor	11,421,827	1.548
14	Dr. Toufique Rahman Chowdhury	Sponsor	13,756,967	1.865
15	Mr. Tanwir M.O. Rahman Chowdhury	Sponsor	8,788,356	1.191
16	Mr. ABM Abdul Mannan	Sponsor	41,839,891	5.672
17	Mr. Mohammed Enayet Hossain	Sponsor	34,509,353	4.678
18	Mr. Md. Amir Hossain	Sponsor	27,552,592	3.735
19	Mr. Abu Mohammad Tushar Iqbal Rahman	Sponsor	1,824,462	0.247
20	Mr. Firoz Haider Khan	Sponsor	187,237	0.025



SL. No.	Names of Directors & Sponsors	Status	Status	Shareholding %
21	Mrs. Kamrun Nahar Sakhi	Sponsor	18,303,370	2.481
22	Mr. Mohammad Shahid Islam	Sponsor	26,325,127	3.569
23	Engr. Syed Munsif Ali	Sponsor	12,778,143	1.732
24	Mrs. Shamimatun Nasim	Sponsor	1,326,445	0.180
25	Dr. Nizam Mohammad Meah	Sponsor	13,756,967	1.865
26	Dr. Nuran Nabi	Sponsor	2,751,392	0.373
27	Mrs. Kaniz Farzana Rashed	Sponsor	891	0.000
28	Dr. Rafiqul Islam Khan	Sponsor	5,423,224	0.735
29	Dr. Shahanara Begum Ali	Sponsor	14,444,953	1.958
30	Mr. Sarwar Zaman Chaudri	Sponsor	9,277,284	1.258
31	Mr. Mohammad Zakaria Khan	Sponsor	14,859,381	2.014
32	Mr. Shabbir Ahmed Mubin	Sponsor	6,213,388	0.842
33	Mr. Izaharul Islam Halder	Sponsor	6,878,482	0.932
34	Mr. Mostafisur Prince Rahman	Sponsor	5,654,661	0.767
35	Mr. Aziz U Ahmad	Sponsor	4,473,625	0.606
36	Mr. Mohammed Manzurul Islam	Sponsor	1,395,504	0.189
37	Mr. Mahammed Jamal Uddin	Sponsor	1,375,695	0.186
38	Mr. Faruk Ali	Sponsor	1,375,832	0.187
39	Mr. Zulfiker Alim	Sponsor	1,375,832	0.187
40	Mrs. Ferdoushe Begum	Sponsor	1,376,383	0.187
41	Mr. Mohammed Ashraf Ali	Sponsor	349,287	0.047
42	Mr. Fahad Madani Islam	Sponsor	1,375,832	0.187
43	Mr. Shamim Ali	Sponsor	341,308	0.046
44	Mr. Shakawat Ali	Sponsor	1,375,832	0.187
45	Mr. Mohammed Shofiqul Islam	Sponsor	1,395,643	0.189
46	Mr. Nahid Ahmed Chowdhury	Sponsor	1,397,981	0.190
47	Mr. Tohel Ahmed	Sponsor	1,799,547	0.244
48	Mr. Azadul Haq	Sponsor	1,396,744	0.189
49	Mr. Mohammad Iqbal Rashed	Sponsor	1,420,816	0.193
50	Mr. Mohammed Jahangir Alam	Sponsor	340,758	0.046
51	Mrs. Nazni Mansur	Sponsor	1,399,494	0.190
52	Mr. Anwar Hossain	Sponsor	1,446,680	0.196
53	Mr. Sunahwar Ali	Sponsor	263,582	0.036
54	Mr. Mohammed Sabbir Ahmed	Sponsor	122,847	0.017
55	Mr. Mohammad Kashem	Sponsor	68,508	0.009
56	Mr. Mohammed Tanvir Ahmed	Sponsor	68,508	0.009
57	Dr. Abul M. Ibrahim	Sponsor	1,396,193	0.189
58	Mr. S.M. Gulam Robbani Chowdhury	Sponsor	1,377,070	0.187
	Total Shares (Directors & Sponsors)	-	540,800,594	73.315
	Remaining Shareholding - Breakup given below:			26.685
	Govt.			0.00%
	Institution			2.704%
	Foreign			0.00%
	Public (including Shareholders other than Sponsors/Directors)			23.981%
	Total			100.00



Corporate Office:

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**Report to the Shareholders of
NRB Commercial Bank Limited
on compliance on the Corporate Governance Code**

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

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

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

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

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.

Place: Dhaka;
Dated: April 28, 2022

For Hussain Farhad & Co., Chartered Accountants


A.K.M. Fazlul Haque, FCA
Partner

Member of



Chattogram Office:

Yamuso City Center (9th Floor), 807, CDA Avenue, Nasirabad, Chattogram ☎ : +88 (031) 2859282 ✉ : rtg@hfc-bd.com



STATUS OF COMPLIANCE ON BSEC NOTIFICATION ON CORPORATE GOVERNANCE

For the Period ended 31 December, 2021

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

(Report under Condition No. 9.00)

Conditio No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors.			
1(1)	Size of the Board of Directors			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not to be less than 5 (five) and more than 20 (twenty).	✓	-	The Board of NRBC Bank Limited is comprised of 12 Directors as on December 31, 2021
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓	-	The Board of NRBC Bank Limited is comprised of 12 Directors including 3 Independent Directors
1.2 (b)	For the purpose of this clause "independent director" means a director-	✓	-	
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;			Does not hold any share of the Company
1(2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓	-	
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2(two) financial years;	✓	-	
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓	-	
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director, or officer of any stock exchange;	✓	-	
1(2)(b)(vi)	Who is not a shareholder, director excepting independent direct or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓	-	
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓	-	
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	✓	-	
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	✓	-	
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	✓	-	



Conditio No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓	-	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days.	✓	-	
1(2)(e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	✓	-	
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓	-	The qualification and background of Independent Directors justify their capabilities to ensure mentioned compliances.
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	N/A	-	
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	N/A	-	
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	✓	-	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓	-	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓	-	Details mentioned in "Our Directors' Profile" section of this report.
1(3)(c)	The independent director(s) shall have at least 10(ten) years of experiences in any field mentioned in clause (b);	✓	-	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	N/A	-	
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓	-	Chairman- Mr. S M Parvez Tamal MD & CEO- Mr. Golam Awlia
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓	-	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓	-	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/ or Chief Executive officer;	✓	-	



Conditio No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓	-	No such event arose during reporting period i.e. Chairperson of the Board attend all meeting and preside over there.
1(3)	The Directors' Report to the Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓	-	The Director's Report Complied with the guideline
1(5)(ii)	The Segment-wise or product-wise performance;	✓	-	Do
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓	-	Do
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓	-	Being a Bank, Interest Income, Interest Expenses and Profit Margins were discussed.
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	-	-	No such event arose during reporting period
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓	-	Included in the Directors' Report part of this Annual Report [Annexure –I of Audited Financial Reporting Segment].
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;	✓	-	Tk. 120 Crore through Initial Public Offering (IPO) duly utilized in the Year 2021 and detail statement given in the Director report.
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO). Rights Share Offer, Direct Listing, etc;	✓	-	Financial result was not deteriorate after approval by BSEC on November 18, 2020 and Trading of share on March 22, 2021
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	✓	-	
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	-	-	Directors do not get any remuneration except Board Meeting Fees and Travelling Allowance related with Board Meeting (at actual).
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓	-	
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓	-	
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓	-	



Conditio No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓	-	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓	-	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓	-	
1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓	-	
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓	-	
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓	-	
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	15% Dividend comprised of 7.5 % cash and 7.5% stock for the year ended December 31, 2021 recommended by Board in its 138Th meeting held on April 13, 2022 and will be placed before 9th AGM for approval.
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-	-	No interim dividend was declared.
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓	-	
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name -wise details);	✓	-	All shares held by individual Sponsors & Shareholders
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name- wise details);	✓	-	
1(5)(xxiii)(c)	Executives;	✓	-	
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more than voting interest in the company (name-wise details).	✓	-	No Director/Shareholders holds 10% or more shares in the Company.
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: -			
1(5)(xxiv)(a)	a brief resume of the director	✓	-	
1(5)(xxiv) (b)	nature of his/her expertise in specific functional areas;	✓	-	
1(5)(xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓	-	
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on:			



Conditio No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓	-	
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓	-	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓	-	
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓	-	
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓	-	
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and			
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓	-	
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	✓	-	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	✓	-	
1(6)	Meetings of the Board of Directors			
1(7)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓	-	
1(7)(a)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	-	-	Not Applicable as formation of NRC for Bank is restricted by Bangladesh Bank vide letter ref. no. BRPD (R- 1)717/2021-5064 dated June 16, 2021
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and interdependency.	-	-	
2	Governance of Board of Directors of Subsidiary Company: -			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓	-	
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;	✓	-	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓	-	



Conditio No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓	-	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓	-	
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓	-	
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓	-	
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓	-	
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓	-	
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓	-	
3(2)	Requirement to attend Board of Director's Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓	-	
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓	-	Stated in the certificate of diligence by CEO & CFO
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓	-	
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓	-	
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the code of conduct for the company's Board or its member;	✓	-	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓	-	
4.	Board of Director's Committee. - For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓	-	
4(ii)	Nomination and Remuneration Committee	✓	-	Not Applicable as formation of NRC for Bank is restricted by Bangladesh Bank vide letter ref. no. BRPD (R- 1)717/2021- 5064 dated June 16, 2021
5.	Audit Committee:-			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓	-	Do



Conditio No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(1)(b)	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;	✓	-	Do
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓	-	Do
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓	-	Constituted the Committee as per Prime Regulator i.e. BB's BRPD Circular:11 Date 27.10.2013
5(2)(b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	✓	-	Do
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10(ten)years of such experience;	✓	-	Do
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓	-	No such situation arisen in the reporting year
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓	-	Mr. Reaz Uddin Asif
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓	-	
5(3)	Chairman of the Audit Committee			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	✓	-	Air Chief Marshal Abu Esrar, BBP; ndc (Retd.)
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.	✓	-	Chairperson of the board attend all meeting and preside over there
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓	-	
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓	-	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓	-	
5(5)	Responsibility to the Board of Directors			



Conditio No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(a)	Oversee the financial reporting process;	✓	-	
5(5)(b)	Monitor choice of accounting policies and principles;	✓	-	
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	✓	-	
5(5)(d)	Oversee hiring and performance of external auditors.	✓	-	
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓	-	
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓	-	
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	✓	-	
5.5(h)	Review the adequacy of internal audit function;	✓	-	
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;			
5(5)(j)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓	-	
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓	-	
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;			
5(5)(m)	Oversee whether the proceeds raised through Initial public Offering (IPO) or Repeat public Offering (RPO) or Rights Share offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission:	✓	-	
5(6)(a)	Reporting of the Audit Committee			
5(6)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓	-	
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any: -			
5(6)(a)(ii)(a)	report on conflicts of interests;	✓	-	No such event occurred during the period under review
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; control system;	✓	-	Do
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	✓	-	Do
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓	-	Do
5(6)(b)	Reporting to the Authorities: -			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	✓	-	No such event occurred during period under review



Conditio No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓	-	No such reportable incidence arose
6.	Nomination and remuneration Committee (NRC).	Not Applicable as formation of NRC for Bank is restricted by Bangladesh Bank vide letter ref. no. BRPD (R- 1)717/2021- 5064 dated June 16, 2021		
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All member of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		No Such event Occurred
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-		Not Applicable as formation of NRC for Bank is restricted by Bangladesh Bank vide letter ref. no. BRPD (R- 1)717/2021- 5064 dated June 16, 2021
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-		Not Applicable as formation of NRC for Bank is restricted by Bangladesh Bank vide letter ref. no. BRPD (R- 1)717/2021- 5064 dated June 16, 2021
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	-		



Conditio No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-		Not Applicable as formation of NRC for Bank is restricted by Bangladesh Bank vide letter ref. no. BRPD (R- 1)717/2021- 5064 dated June 16, 2021
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-	-	Not Applicable as formation of NRC for Bank is restricted by Bangladesh Bank vide letter ref. no. BRPD (R- 1)717/2021- 5064 dated June 16, 2021
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-	-	
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	-	-	
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-	-	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-	-	
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-	-	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-	-	
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-	-	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	-	-	
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	-	-	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	-	-	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-	-	
7.	External or Statutory Auditors			
7(1)	The issuer shall not engage its external or statutory auditors to perform the following services of the company, namely :--			
7(1) (i)	Appraisal or valuation services or fairness opinions;	✓	-	
7 (1) (ii)	Financial information system design and implementation;	✓	-	
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statement;	✓	-	



Conditio No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7 (1) (iv)	Broker –dealer services;	✓	-	
7 (1) (v)	Actuarial services;	✓	-	
7 (1) (vi)	Internal audit services or special audit services;	✓	-	
7 (1) (vii)	Any services that the Audit Committee determines.	✓	-	
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	✓	-	
7 (1) (ix)	Any other service that creates conflict of interest	✓	-	
7(2)	No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold ant shares in the said company;	✓	-	
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓	-	
8.	Maintaining a website by the Company.-			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	✓	-	The address of official website of the Bank is www.nrbcommercial-bank.com & it's already linked with websites of DSE & CSE.
8(2)	The company shall keep the website functional from the date of listing.	✓	-	
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	✓	-	
9.	Reporting and Compliance of Corporate Governance.-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓	-	
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	✓	-	
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓	-	



STATUS OF COMPLIANCE ON BANGLADESH BANK GUIDELINES ON CORPORATE GOVERNANCE

The Bangladesh Bank (BB) guidelines and NRBCBL's compliance as per BRPD Circular No.11 dated 27 October 2013 thereto are presented below:

SL No.	Particulars	Compliance Status
1.	FORMATION OF BOARD OF DIRECTORS According to Section 15 of the Bank Company Act, 1991 (Amended upto 2018) includes provisions for prior approval of Bangladesh Bank before the appointment of new bank directors, as well as dismissal, termination or removal of any director from the post; director's fit & proper criteria; maximum number of directors; appointment of independent directors; appointment of maximum 4(four) members from a family as director; etc.	Complied
1.1	Appointment of New directors: Under section 15(4) of the Bank Company Act, 1991 (amended upto 2018), every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing directors should furnish the following documents along with the application: <ul style="list-style-type: none"> a) Personal information of the nominated person (Appendix-ka); b) Nominated person's declaration(Appendix-kha); c) 'Declaration for confidentiality' by the nominated person (Appendix-ga); d) In case of Independent director, the approval letter from Security and Exchange commission; e) In case of Independent director, a declaration of the directors concern as Appendix-gha (he will also submit declaration under Appendix-ka, kha & ga); f) CIB report of the nominated person; g) Updated list of the directors. 	Complied
1.2	Vacation of office of Director: <ul style="list-style-type: none"> a) The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfill the minimum eligibility criteria, the office of the director will be vacated. b) If the office of a director is vacated by a notice under the section 17 of BCA, 1991, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of BCA, 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution c) Besides, Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the board of a banking company under Section 47 of BCA, 1991. 	Complied
1.3	Removal of Directors from office: According to section 108(2) of the Companies Act, 1994, with the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.	Complied [No such removal occurred during the period]
1.4	Appointment of Alternate Director: Subject to compliance of section 101 of the Companies Act, 1994, an alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions should be followed: <ul style="list-style-type: none"> a) Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the chief executive officer should immediately inform it to Bangladesh Bank. b) The copy of the decision of the board regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his return. 	Complied



SL No.	Particulars	Compliance Status
	<p>c) Any loan defaulter or any person who is not eligible to become a director as per any rules & regulation will not be appointed as an alternate director.</p> <p>d) As appointment of alternate director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the board.</p> <p>e) While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules & regulations will also be applicable to the alternate director</p>	
2.	<p>DEPOSITOR DIRECTOR</p> <p>As the previous provisions regarding appointment of Depositor Directors of the Bank Company Act, 1991 has been amended; appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended upto 2018) bank can consider the tenure of existing depositor director or may appoint them as independent director.</p>	N/A
3.	<p>INFORMATION REGARDING DIRECTORS</p> <p>Banks are advised to take the following steps regarding director information:</p> <p>a) Every bank should keep an updated list of bank directors,</p> <p>b) Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.</p> <p>c) Banks should display a list of directors in the website and update it on a regular basis.</p>	Complied
4.	RESPONSIBILITIES OF THE BOARD OF DIRECTORS	
4.1	<p>Responsibilities and Authorities of the Board of Directors:</p> <p>To ensure good governance in the bank management it is essential to have specific demarcation of responsibilities and authorities among controlling bodies over bank affairs. In the Bank Company Act, 1991 (amended upto 2013) the newly included Section 15(kha) & (ga) give responsibility to the board of directors for establishing policies for the bank company, for risk management, internal controls, internal audit and compliance and for ensuring their implementation.</p>	
(a)	Work-planning and strategic Management:	
	<p>i) The board Shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans.</p> <p>ii) The board shall have its analytical review incorporated in the Annual Report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO and other senior executives and have it evaluated at times.</p>	Complied
(b)	Credit and risk management:	
	<p>(i) The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, direct or indirect, into the process of loan approval.</p> <p>(ii) The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.</p>	Complied
(c)	Internal control management:	
	<p>The board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.</p>	Complied



SL No.	Particulars	Compliance Status
(d)	Human resources management and development:	
	(i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.	Complied
	(ii) The board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these programs incorporated in its annual work plan.	
	(iii) The board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.	
(e)	Financial Management:	
	(i) The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.	Complied
	(ii) The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the board	
	iii) The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.	
(f)	Appointment of Chief Executive Officer (CEO): In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank.	Complied
(g)	Other responsibilities of the Board: The board should follow and comply with the responsibilities assigned by Bangladesh Bank.	Complied
4.2	Meetings of the Board of Directors: Board of Directors may meet once or more than once in a month upon necessity and shall meet at least once in every three months. Excessive meetings are discouraged.	Complied. Usually NRBCBL holds one or two Board Meetings in a month [Total 21 meeting held in 2021]
4.3	Responsibilities of the Chairman of the Board:	
	(a) As the chairman of the board of directors or chairman of any committee formed by the board or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.	Complied
	(b) The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO	Complied
	(c) The chairman may be offered an office-room, a personal secretary/assistant, one peon/ MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the board.	Complied



SL No.	Particulars	Compliance Status
5.	FORMATION OF COMMITTEES FROM THE BOARD OF DIRECTORS: Each bank company can form 1(one) executive committee, 1(one) audit committee and 1(one) risk management committee with the directors. Board can't form any other permanent, temporary or sub-committee except the above mentioned three committees.	Complied
5.1	Executive committee Executive Committee (EC): Executive committee should be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors.	Complied
	a) Organizational structure:	
	i. Members of the committee will be nominated by the board of directors from themselves;	
	ii. The executive committee will comprise of maximum 07 (seven) members;	
	iii. Members may be appointed for a 03 (three)-year term of office;	
	iv. Chairman of the Board of Directors can be the chairman of executive committee;	
	v. Company secretary of the bank will be the secretary of the executive committee.	
	b) Qualifications of the Members:	Complied
	i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	
	ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
	iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	
	c) Roles and Responsibilities of the Executive Committee:	
	i. The executive committee can decide or can act in those cases as instructed by the Board of directors that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations.	Complied
	ii. The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors.	Complied
	iii. All decisions taken in the executive committee should be ratified in the next board meeting.	
	d) Meetings:	
	i. The executive committee can sit any time as it may deem fit.	
	ii. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	
	iii. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	Complied
	iv. All decisions/observations of the committee should be noted in minutes.	
5.2	Audit Committee: The board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.	Complied
	a) Organizational structure:	
	i. Members of the committee will be nominated by the board of directors from the directors;	
	ii. The audit committee will comprise of maximum 05 (five) members, with minimum 2(two) independent directors;	
	iii. Audit committee will comprise with directors who are not executive committee members;	
	iv. Members may be appointed for a 03 (three) year term of office;	
	v. Company secretary of the bank will be the secretary of the audit committee.	Complied



SL No.	Particulars	Compliance Status
	b) Qualifications of the Member:	Complied
	i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee ;	
	ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee	
	iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	
	iv. Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee.	
	c) Roles and Responsibilities of the Audit Committee:	
	i) Internal Control:	Complied
	1. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;	
	2. Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS);	
	3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;	
	4. Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.	
	(ii) Financial Reporting:	Complied
	1. Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank;	
	2. Discuss with management and the external auditors to review the financial statements before its finalization.	
	(iii) Internal Audit:	Complied
	1. Audit committee will monitor whether internal audit working independently from the management.	
	2. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process;	
	3. Examine the efficiency and effectiveness of internal audit function;	
	4. Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.	
	(iv) External Audit:	Complied
	1. Review the performance of the external auditors and their audit reports;	
	2. Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.	
	3. Make recommendations to the board regarding the appointment of the external auditors.	
	(v) Compliance with existing laws and Regulations:	Complied
	Review whether the laws and regulations framed by the regulatory authorities (central bank and other Bodies) and internal regulations approved by the board are being complied with.	



SL No.	Particulars	Compliance Status
	(vi) Other Responsibilities:	
	1. Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;	Complied
	2. External and internal auditors will submit their related assessment report, if the committee solicit;	
	3. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.	
	d) Meetings:	
	1. The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;	Complied
	2. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	
	3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	
	4. All decisions/observations of the committee should be noted in minutes.	
5.3	Risk Management Committee:	
	To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.	Complied
	a) Organizational Structure:	
	1. Members of the committee will be nominated by the board of directors from themselves;	Complied
	2. The Risk Management Committee will comprise of maximum 05 (five) members;	
	3. Members may be appointed for a 03 (three) year term of office;	
	4. Company secretary of the bank will be the secretary of the Risk Management Committee.	
	b) Qualifications of the Member:	
	1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	Complied
	2. Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
	3. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	
	c) Roles and Responsibilities of the Risk Management Committee:	
	i) Risk identification & control policy :	
	Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.	Complied
	ii) Construction of organizational structure:	
	The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.	Complied



SL No.	Particulars	Compliance Status
	iii) Analysis and approval of Risk Management policy: Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.	Complied
	iv) Storage of data & Reporting system: Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.	Complied
	v) Monitoring the implementation of overall Risk Management Policy: Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.	Complied
	vi) Other responsibilities: 1. Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form; 2. Comply instructions issued time to time by the controlling Body; 3. Internal & external auditor will submit respective evaluation report whenever required by the committee.	Complied
	d) Meetings: 1. The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deem fit; 2. The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary; 3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; 4. All decisions/observations of the committee should be noted in minutes.	Complied
6	Training of the Directors: The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.	Complied
7	Intimation of the Circular to the Board and related persons by CEO: The CEO will inform about this Circular to the directors and other related persons.	Complied
2	Appointment and responsibilities of Chief Executive Officer (CEO)	
A	Rules and regulations for appointment of the CEO	
1	Moral Integrity: In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that: a) He has not been convicted by any Criminal Court of Law b) He has not been punished for violating any rules, regulations or procedures/ norms set by any regulatory authority. c) He was not associated with any such company/organization; registration or license of which has been cancelled.	Complied
2	Experience and Suitability: a) For appointment as a CEO, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a post immediate below the CEO of a bank	Complied



SL No.	Particulars	Compliance Status
	<p>b) He must have a Master's degree at minimum from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.</p> <p>c) In respect of service, the concerned person should have excellent track record of performance.</p> <p>d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company</p> <p>e) Any director of any bank or financial institution or any person who has business interest in the concerned bank will not be eligible for appointment to the post of the CEO</p>	
3.	Transparency and financial integrity: Before making appointment as a CEO, satisfaction should be ensured to the effects that:	
	<p>a. The concerned person was not involved in any illegal activity while performing duties in his own or banking profession</p> <p>b. He has not deferred payment to creditors or has not compromised with his creditors to be relieved from debts or he is not a loan defaulter</p> <p>c. He is not a tax defaulter</p> <p>d. He has never been adjudicated a bankrupt by the Court.</p>	Complied
4.	Age Limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.	
5.	Tenure: The tenure of the CEO shall not be more than 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that shorter period	Complied
6.	<p>Guidelines in fixing the salary and allowances: Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to Bangladesh Bank:</p> <p>a. In fixing the salary and allowances of the CEO, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration.</p> <p>b. Total salary shall be comprised of direct salary covering 'Basic Salary' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to Bangladesh Bank. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount</p> <p>c. Total salary shall be comprised of direct salary covering 'Basic Salary' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to Bangladesh Bank. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount</p> <p>d. Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the work performance of the current CEO.</p> <p>e. The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above</p> <p>f. The bank shall not pay any income tax for the CEO, i.e., the CEO so appointed shall have to pay it.</p>	Complied
7.	Incentive Bonus: The CEO will get incentive bonus subject to paying incentive bonus to all executives/officers/workers of the bank and the said bonus amount will not exceed BDT 1,000,000 in a year	Complied
8.	Honorarium for attending the Board Meeting: Being a salaried executive, CEO will not get any honorarium for attending the Board meeting or Board formed Committee meeting.	Complied



SL No.	Particulars	Compliance Status
9.	Evaluation Report: For reappointment of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to Bangladesh Bank.	N/A [Managing Director & CEO is continue his first time appointment]
10.	Prior Approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of Bank Company Act 1991 (amended up to 2018). For processing such approval, along with the proposal signed by the Chairman of the Board, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of Board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations as per Annexure Ka& Annexure Kha to Bangladesh Bank.	Complied
11.	Decision of Bangladesh Bank is final: The decision of Bangladesh Bank regarding appointment of the CEO will be treated as final and such appointed CEO cannot be dismissed, released or removed from his/her office without prior approval from Bangladesh Bank.	Complied
B	Responsibilities and Authorities of the CEO: The CEO of the bank, whatever name called, shall discharge the responsibilities and exercise the authorities as follows:	
	a. In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
	b. The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging of routine functions of the bank.	Complied
	c. The CEO shall include clearly any violation from Bank Company Act 1991 and/or other relevant laws and regulations in the "Memo" presented to the meeting of the Board or any other Committee (s) engaged by the Board.	Complied
	d. The CEO shall report to Bangladesh Bank of issues in violation of the Bank Company Act 1991 or of other laws/regulations.	
	e. The recruitment and promotion of all staffs of the bank except those in the two tiers below him/her shall rest on the CEO. He/she shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and approved delegation of employees as approved by the Board.	Complied
	f. The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him/her, which he/she shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the Board, he/she shall nominate officers for training etc.	Complied
3.	Contractual appointment of Advisor and Consultant	
A	Rules and regulations for appointment of an Advisor	
1.	Experience and Suitability: For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications:	
	a. Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities.	
	b. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.	
	c. Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/ Director/ Executive of any company.	
	d. The person who is working in any bank or financial institution or who has business interest in that bank will not be eligible for appointment to the post of Advisor.	
	e. Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated a bankrupt by the Court.	
		N/A [No such advisor appointed by Bank]
2.	Responsibilities of the Advisor: The roles and responsibilities of the Advisor should be defined specifically. The Advisor can advise the Board of Directors or CEO only on those matters specified in the appointment letter. The routine and general activities of the bank will not be included in his terms of reference. He will not be entitled to exercise any power or involved himself in the decision making process of financial, administrative, operations or other activities of the bank.	N/A [No such advisor appointed by Bank]



SL No.	Particulars	Compliance Status
3.	Prior approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing an Advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of Board's approval shall be submitted to Bangladesh Bank. The nominated person has to make a declaration as per Annexure A. This declaration shall also be submitted to Bangladesh Bank.	N/A [No such advisor appointed by Bank]
4.	Remuneration and other facilities of Advisor: The post of Advisor is not a fixed or substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with the terms of reference of the advisor will not be considered as acceptable to Bangladesh Bank.	N/A [No such advisor appointed by Bank]
5.	Tenure of Advisor: The tenure of the Advisor shall be maximum 01(one) year, which is renewable. An evaluation report (by the Chairman that is approved by the Board) of previous tenure should be submitted to Bangladesh Bank along with the re-appointment proposal.	N/A [No such advisor appointed by Bank]
6.	Appointment of Ex-officials: For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible to become an Advisor in the same bank immediately after their retirement or resignation. However, after one year from such retirement or resignation, he/she will be eligible for appointment as Advisor	Complied [Ex. Managing Director was not pointed as advisor who retire from service on March 31, 2021]
B	Rules and regulations for appointment of a Consultant	
1.	Terms of reference of Consultant: Consultant can be appointed for specialized tasks like tax, law and legal procedures, engineering and technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	N/A[No such consultant appointed by Bank]
2.	Responsibilities of a Consultant: The responsibilities or terms of reference of a Consultant should be specified. He/she should not be involved in any activities beyond his/her terms of references and he/she cannot exercise any kind of power in bank operation or cannot participate in the decision making process.	N/A[No such consultant appointed by Bank]
3.	Appointment of a Consultant: A Consultant can be appointed with the approval of the Board. After Such appointment the bank shall send the Consultant's complete resume, terms of reference and details of remuneration to Bangladesh Bank immediately.	N/A[No such consultant appointed by Bank]
4.	Tenure of a Consultant: The tenure of a Consultant should be consistent with the terms of reference, but would not exceed 02 (two) years. Generally the Consultant will not be eligible for re-appointment. But to complete the unfinished tasks, his contract may be extended for maximum period of 01 (one) year with the approval of Bangladesh Bank. The Chairman of the bank upon approval of the Board shall have to submit the extension proposal to Bangladesh Bank with the evaluation report of his previous tenure.	N/A[No such consultant appointed by Bank]
5.	Remuneration/Honorarium of a Consultant: The Consultant's remuneration should be in the form of monthly or single lump-sum payment and he is not entitled to any other facilities	N/A[No such consultant appointed by Bank]
6.	Appointment of Ex-officials: For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible for appointment as a Consultant in the same bank immediately after their retirement or resignation. However, after one year from such retirement or resignation, he/ she will be eligible for appointment as a Consultant.	Complied [Ex. Managing Director was not pointed as consultant who retire from service on March 31, 2021]

