

ANNUAL REPORT 2015



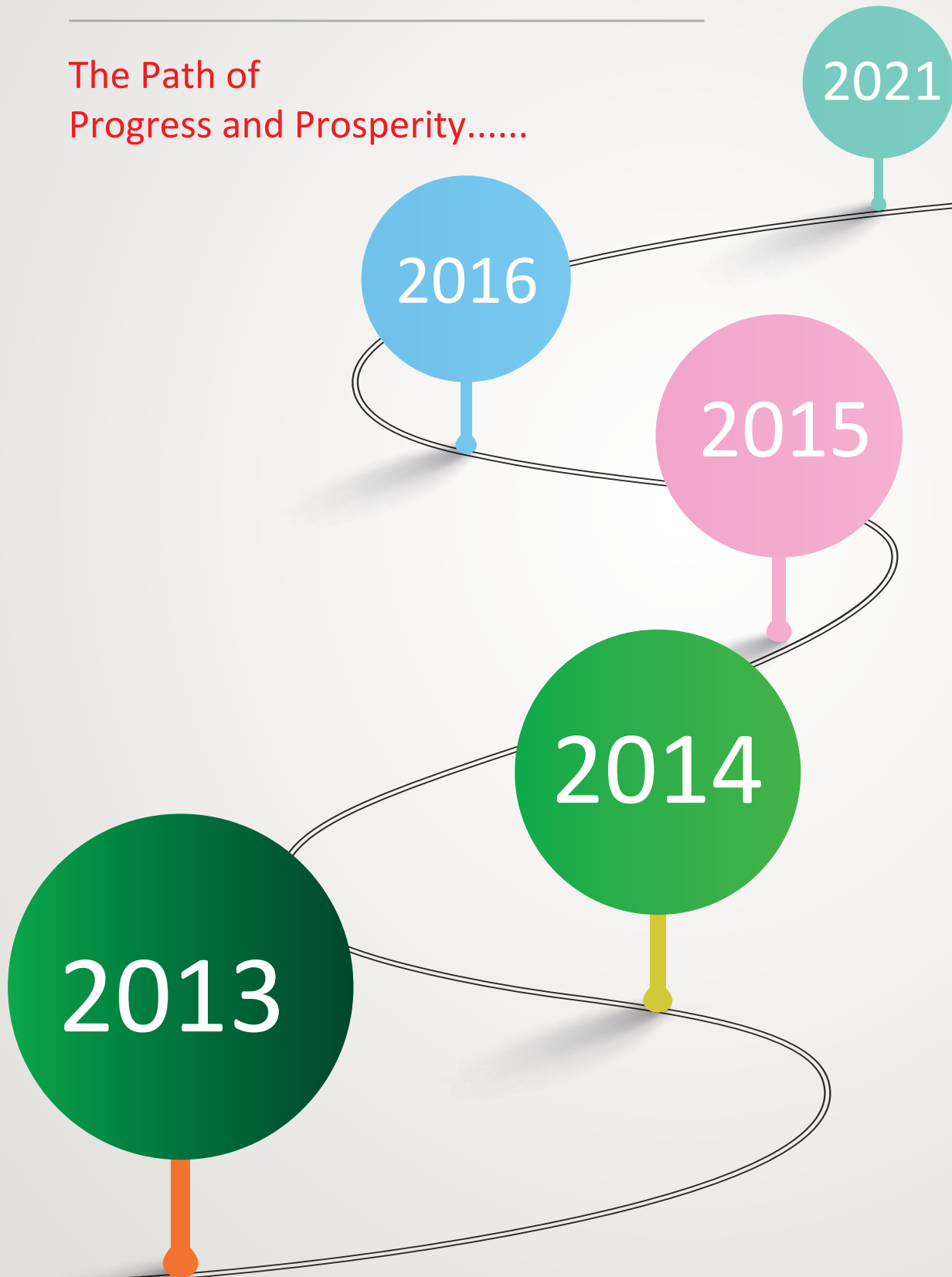


AWARD

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

NRB Commercial Bank Limited

The Path of
Progress and Prosperity.....



Annual Report 2015

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Letter of Transmittal

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

Subject : Annual Report of NRB Commercial Bank Limited (NRBC Bank) for the period ended on 31st December 2015.

Dear Sir(s)

We are pleased to present before you the Bank's (NRBC Bank) Annual Report – 2015, along with the Audited Consolidated Financials, as at and for the period ended on 31st December 2015.

The Report includes consolidated Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement, along with Notes thereon and Directors' Report, of NRBC Bank for the period ended on 31st December 2015.

The Report is forwarded for your kind information and record.

Best regards

Sincerely yours



Md. Rafiquzzaman
Executive Vice President &
Company Secretary



Notice Of The 3rd Annual General Meeting

Notice is hereby served that the 03rd Annual General Meeting (AGM) of NRB Commercial Bank Limited will be held on April 18, 2016, at 11.00 a.m. at the Silver Tower, 52 Gulshan Avenue, Gulshan-1, Dhaka-1212, to transact the following business:

Agenda

- a.) To confirm the Minutes of the 02nd Annual General Meeting (AGM) of the Bank held on 28th February 2015.
- b.) To receive, consider and adopt the Profit and Loss Account of the Company for the period ended on 31st December 2015 and the Balance Sheet as at the date together with the Reports of the Auditors and Directors thereon.
- c.) To declare Dividend out of the profits for the period ended on 31st December 2015.
- d.) To elect/re-elect Directors, subject to receiving direction from the appropriate Court of Law.
- e.) To appoint Auditors of the Company for the term until conclusion of the next Annual General Meeting and to fix their remunerations.
- f.) To transact any other business with permission of the Chair.

By order of the Board

Md. Rafiquzzaman
Executive Vice President &
Company Secretary

Dated : Dhaka, 28th March 2016

Notes

- g.) The Members (Sponsor Shareholders) whose names appear in the Register of the Company shall attend the AGM.
- h.) Any Member (Sponsor Shareholder) of the Company entitled to attend and vote at the general meeting may appoint a proxy to attend and vote on his/her behalf.
- i.) The Proxy Form duly filled in and signed by the Member (Sponsor Shareholder) and stamped must be submitted at the Registered Office of the Company at least 48 (Forty eight) hours before the meeting (within 11.00 a.m. of 16 April 2016).
- j.) Members (Sponsor Shareholders) are requested to notify the change of address, if any, well in time.
- k.) The Board of Directors have recommended 9.00% (6% Cash and 3% Stock) dividend for the period ended on 31st December 2015, to be considered in the AGM.



Corporate Profile

Corporate Profile

Publication Facts & Figure as on 31 December 2015

Name of the Company NRB Commercial Bank Limited	Tax Consultants Hasan & Associates Chartered Accountants	Chief Anti-Money Laundering Officer (CAMELCO) Mr. Zabed Amin
Registered Office Red Crescent Jashim Trade Centre 114 Motijheel C/A Dhaka-1000, Bangladesh Phone : 880-02-9573423-7 Fax: 880-02-9573421 SWIFT Code: NRBB BDDH Email: nrbc@nrbccommercialbank.com www.nrbccommercialbank.com	Rating Agency Credit Rating Information & Services Limited (CRISL)	Chief Risk Officer (CRO) Mr. Md. Shafiet Wahed
Legal Form Public Limited Company	Authorized Capital Tk. 10,000 Million	Company Secretary Mr. Md. Rafiquzzaman
Date of Incorporation February 20, 2013	Capital Tk. 5,444.76 Million	Chief Financial Officer (CFO) Mr. Harunur Rashid
Formal Inauguration April 2, 2013	Paid-up Capital Tk. 4,446.06 Million	Reserves Tk. 247.67 Million
Core Banking Segment Conventional Banking	Employee s No. of Officials : 477 No. of Staff : 2	Total Assets Tk. 36,259.01 Million
Agent Banking Bangladesh Bank Approval : May 29, 2015 Inauguration : December 17, 2015 Agent Point : 20 Agent Points	Name of NRBC Bank's Subsidiary NRBC Bank Securities Limited Incorporation : September 20, 2015 Registered Office : 114 Motijheel C/A, Dhaka-1000	Earnings per Share Tk. 1.26
Network Total Branches : 40 Total ATM : 29 Total RMA : 135 Total Nastro Account : 11	Chairman Engr. Farasath Ali	Net Asset Value Tk. 5,152.92 Million
Publication Annual Report-2015	Chairman –Executive Committee Mr. Mohammed Adnan Imam, FCCA	Net Asset Value Per Share Tk. 11.50
Auditors K. M. Hasan & Co. A. Wahab & Co. Chartered Accountants	Chairman – Risk Management Committee Mr. Mohammad Shahid Islam	Net Operating Cash flow Per Share Tk. 7.68
	Chairman – Audit Committee Mr. Rafikul Islam Mia Arzoo	Return on Investment/Equity (ROI/ROE) 11.55%
	Managing Director Mr. Dewan Mujibur Rahman	Return on Asset (ROA) 1.83%
		Capital to Risk Weighted Assets Ratio (CRAR) 18.93%



Vision
Mission
Strategic Objectives



Our Mission

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

Our Vision

To become a peerless bank . . .

Strategic Objectives

- Create opportunities for NRBs to invest their earnings, utilize their professional expertise in the economic development of Bangladesh.
- Channelize idle and less remunerative fund of NRB.
- Attract FDI of NRBs through diverse products and projects.
- Balanced and sustainable growth.
- Maximization of shareholders' wealth.
- Accomplish the long cherished desire and dream of NRBs to have a bank of their 'own'.
- Excellence of manpower efficiency through attractive compensation package, promoting staff moral through training, development and career plan.
- To invest in the thrust sector for the overall economic development.
- Technology transfer with the help of the well educated professionals and experienced sponsors of the Bank to have a green banking practice.
- Ensure best Corporate Social Responsibility (CSR) practice.
- Promise to make the world of NRBC Bank a little bigger, everyday.



Chronicles

NRBC Bank's Chronicles

Application for Bank License	May 31, 2011
Letter of Intent (LOI)	April 17, 2012
Certificate of Incorporation	February 20, 2013
Certificate for Commencement of Business	February 20, 2013
First Meeting of Board of Directors	February 23, 2013
Bank License from Bangladesh Bank	March 10, 2013
Primary Dealership license	March 10, 2013
Inauguration Ceremony	April 02, 2013
Branch licence	April 17, 2013
Opening of First Branch	April 18, 2013
Authorized Dealer permission	May 13, 2013
Clearing House Membership	June 16, 2013
SWIFT Membership	August 03, 2013
1st RMA (Relationship Management Agreement)	August 04, 2013
Statutory Meeting of the Shareholders	August 12, 2013
Membership with VISA International	August 28, 2013
Commencement of NRB Desk	December 29, 2013
Opening of 10th Branch (Mugrapara)	December 29, 2013
Achievement of Ten Thousand Accounts	January 23, 2014
Launching of Internet Banking	April 02, 2014
Launching of VISA Card	April 02, 2014
Opening of 20th Branch (Rajshahi)	August 11, 2014
Opening of Training Institute	January 07, 2015
Achievement of Fifty Thousand Accounts	March 08, 2015
Opening of 30th Branch (Rangpur)	July 12, 2015
Subsidiary Company: NRBC Bank Securities Ltd.	September 20, 2015
Launching of Agent Banking	December 17, 2015
Opening of 40th Branch (Bhulta)	December 30, 2015



Message from the Chairman

My Dear Sponsors

Warmest greetings to you all. With a year passed by, I take pride once again to address you and pleased to share the message as Chairman of NRBC Commercial Bank Ltd. (NRBC Bank)

It was perhaps the best of the times that we formed the group of Sponsors and organized the group of banking professionals under a common roof -NRBC Bank. It was perhaps the time of wisdom that both the groups were formed. It was perhaps the epoch that NRBC Bank was formed and was the spring of hope that we launched the bank in the month of April 2013.

Retrospection

Subdued economic activity coupled with extreme political unrest throughout early 2015 discouraged borrowing and investments in both the public and private sector. However NRBC Bank managed to expertly contain the crisis through sound portfolio management, improved asset quality, good liquidity and a significant reduction in the cost of fund while maintaining adequate capital against the overall risk exposure provided much needed strength and stability over the year.

At the end of 2015, NRBC Bank's capital to Risk Weighted Assets Ratio (CRAR) under Basel III was 18.93% against central bank's requirement of 10.00%. Deposits grew by Tk. 11,609.80 million in 2015 from 17,270.88 million i.e. 67.22% growth in deposit mobilization. Loans and advances rose from 287.72% in 2014 to 61.16% in 2015.

Taking into consideration all the macro economic constraints, the bank made a remarkable operating profit of Tk. 922.41 million and profit after tax increased by 541.38% from Tk. 84.77 million the previous year to Tk. 560.08 million.



Country Economy in 2015

Despite political agitation early in 2015 that adversely affected transport services, exports, and private investment, growth in Bangladesh held up well because of brisk domestic demand, boosted by higher worker remittances, private sector wages, and public investment.

Inflation moderated at 6.85% in FY2015 much as forecast from 7.6% a year earlier, reflecting large public stocks of food grains, normal weather, a supportive monetary policy, and lower global food and commodity prices that a steady exchange rate allowed to pass through.

Export growth was 3.3% in FY2015, down significantly from 12.1% in FY2014. Garments—accounting for about 80% of total exports—grew slowly by 4.1%, reflecting supply chains disrupted by political demonstrations in early 2015, soft demand from the European Union and the US, and a marked decline in prices for cotton, a major input cost that can affect pricing. Imports rose by 11.2%, accelerating from 8.9% growth in FY2014. Larger imports of food grains, machinery, fertilizer, and industrial raw materials helped to propel the expansion. As exports grew significantly more slowly than imports, the trade deficit widened markedly.

Despite the emergence of 1300 million deficit in the current account in the first seven months of FY 15, the surplus in the overall balance of payments has been sustained, leading to continued accumulation of official foreign exchange reserves to present nominal exchange rate appreciation. Reserves are at a comfortable level at over 6 month's of imports of goods and services.

The resilience of Bangladesh Economy continues to be tested by faltering political stability, weak global markets and structural constraints. These are inhibiting the economy's income growth as well as progress on shared prosperity.

Banking -a challenging journey in 2015

The overall business environment in the banking sector 2015 was significantly more challenging than which was originally predicted. The operating profits of the country's private commercial banks (PCBs) showed a mixed trend in 2015 mainly due to declining weighted average of spread between lending and deposits rates, sluggish trend in country's capital market, lower import payments and huge provisioning against non performing loans. A number of PCBs have been able to record only a modest growth of their operating profits.

Amidst all odds, I am pleased to share that NRBC Bank registered operating profit of Tk. 922.41 million 178.52% increase than the previous year. Bank's total deposit rose to 28,880.68 million in 2015 which was 67.22% higher than previous year. Loans and Advances registered a growth of 61.16% by reaching Tk 2,322.74 million in the year under review. Foreign trade was Tk 24,150.50 million against Tk 13,188.60 million in 2014, portraying a growth of 83.12%

Unlike many of our peers and competitors in financial service industry, NRB Commercial Bank remains well capitalized, deposit funded and extremely liquid. We have a diverse collection of market leading businesses that help support one another through economic cycle. As for network expansion, we have added 14 new branches in urban and rural areas and closed the year with a total of 40.


Agent Banking - New Channel of business

As part of our commitment to offer banking services to unbanked communities at remote corners of the country, it is a pleasure to inform that NRBC has launched its full fledged "Agent Banking operation" in 2015. At this initial stage, this new service platform has been built and available to serve new customers through 20 new outlets managed by 3 principal agents at various remote locations throughout the country.

All these agent points are fully equipped with most modern technology and ensures a real time online transaction facilities to all customers. A wide range of services like collection and processing of documents in relation to account opening, Loan application, credit card and debit card, disbursement of foreign remittance, cash deposit and withdrawal at limited scale, deposits of insurance premium, utility bill payments etc are offered through these outlets.

Corporate Social Responsibility

As part of the corporate social responsibility, the bank donated a substantial amount to Prime Minister's Relief fund for distribution of blankets among the cold stricken people through out the country. The bank distributed school



bags, exercise books and water bottles in the school going children of some of the defunct enclaves at Panchagar. The bank also has extended hands of cooperation and donated blankets to the quake hit survived people at Nepal. The bank shall keep going with the stand to be by the side of the needy people of the society.

Focusing 2016 and beyond

Sustainable business growth, dynamic and talented human capital driven by values, excellent risk management and involvement of mid level management in decision making process will sure command some key strengths for NRB Commercial Bank. With our excellent track record of over last 3 years of ethical and prudent banking, we want to emerge as one of the most trusted partners of progress to trade and business of the country. As we look forward, we are committed to build a shared prosperity for our society to continue to meet the needs of future generations. The combined experience of senior management team of the bank have given us the confidence to drive the bank in right track and we draw our strength from our tradition of ethical business practices. Our objectives are simple enough- to continue to improve our operational efficiency and to offer innovative products and services to cater to the contemporary needs and tastes of our valued customers.

Note of appreciation

I would like to extend my sincere thanks to our dynamic Board of Directors for their valuable and judicious policy support and timely decisions all along. My deepest gratitude goes to our regulators specially Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of joint stock companies & Firms, Large tax payers unit, VAT Commissionerate and external auditors. I also thank the NRBC Bank management team for their passion, dedication and efforts to attain corporate vision, mission and strategic objective and at the same time for ensuring our core value remains consistent.

Wishing you all another exciting and successful year 2016.



Engr. Farasath Ali
Chairman



Message from the Managing Director and CEO

To the honorable directors, sponsors, customers, employees and all the stakeholders of the bank, I feel privileged to report the year 2015 as another stirring year for NRBC Bank.

The journey of NRBC Bank began three years ago as the outcome of dreams of few non-resident Bangladeshis. In the quest for developing a strong platform to serve motherland by contributing to national economy, they dreamt and sowed the seed of a flower named NRBC Bank. After three years of voyage, it is my immense pleasure seeing the flower blooming.

Outlook of Bangladesh Economy: 2015

In the year, 2015, Bangladesh economy was full with a number of macroeconomic advantages including lower inflation, declining interest rate, stable exchange rate, positive balance of payment and increased foreign exchange reserves. The low level of global commodity prices including that of oil has also provided some relief to meet subsidy demands. Bangladesh economy managed to maintain six plus percent annual average real GDP growth for last several years.

Deposit and lending interest rates of banks and financial institutions have been constantly coming down. Low demand for credit from the private sector resulted to huge idle money to the tune of around Tk.120,000.00 crore in the banks. Banks were also hit by non-performing loans and the recovery of banks' assets was lower than expected. The call-money market was stable throughout the year 2015 due to low demand for cash.

Accomplishments: 2015:

- Opened 14 new branches across the country at different vital rural & urban areas increasing the total number to 40 to keep firm pace in banking arena of the country.
- Reached over 76,000 of different types of deposit & loan accounts. People of different corners have now come to know about NRBC Bank and it has gradually been developing own brand image.
- Developed real time online centralized banking environment at all branches. No matter, where the customer is, from any corner of the country, one can do banking with us even having account at a remote branch.

- Deposit of the bank was Tk. 2,888.06 crore with 67.22% growth over previous year.
- Loans & advance of the bank was Tk.2322.74 crore with 61.16% growth over previous year.
- So far NRBC Bank has extended financing worth Tk.212.46 crore at SME sector, Tk.3.75 crore to women entrepreneurs, Tk.42.51 crore as rural credit. Certainly, our wheel of growth has been rolling and it is expected that the bank will grab a leading position in micro and SME financing within few years.
- Maintaining constant supervision & nursing, we were capable to keep our credit portfolio with very little irregular loans. No customer was fallen defaulted borrower.
- As expected in earlier year, in Y 2015, we were able to serve numerous customers to collect their utility bills & charges of BRTA, DPDC, DESCO and REB, with the help of our modern banking services.
- Established Relationship Management Application (RMA) with many bank branches across the world during 2015. Foreign Exchange operation has been flourishing.
- Facilitated Import: Tk.1,237.79 crore.
- Facilitated Export: Tk.1,177.26 crore.
- Facilitated Inward remittance: Tk.39.93 crore.
- NRBC Bank has already launched its 'Agent Banking' operation formally at presence of Honorable Governor of Bangladesh Bank. Now, it is widening its scope of operation with view to boost up financial inclusion program.
- So far, we have issued over 12,000 debit cards and a 1000 credit cards. 29 ATM machines have already been set up which will increase in the new year. We put focus on increasing secured fast plastic money service with varieties of offerings.

Priorities: 2016

We are planning to set up 15 more branches all over the country. We would like to reach at every corner of our country at the shortest possible time. Spreading out our service is one of our most priorities. We will keep focus on providing quality services and assistance to our regular business clients, focusing more on small, medium & micro credit industry rather than being concentrated on few large conglomerates.

We always endeavor to develop more modern banking technologies in addition to existing conventional methods. Deployment of new internet features including apps & other modern services is our constant priority. Diversification of credit portfolio and development of new deposit products are always top concern of our bank. We will put more effort to expand toward unexplored promising SME & Micro financing sector in Y 2016.

2016: Sailing toward new goals

Though NRBC Bank is moving forward at a firm pace unveiling new era in banking services, we are not complacent. We have vision to take this bank to a new height in Y 2016. We have one of the best teams in banking industry and are considered as the most valuable asset of the bank. With the help of our experienced and dedicated team, I believe, we can reach higher. We will focus on building a strong customer base for whom we can create the most value. Our prime focus will be to secure quality assets more, improve service quality, advance knowledge base to provide our customers better financial solution.

Thank You!

I express my sincere thanks and gratitude to Bangladesh Bank for their support and guidance. I am deeply indebted to the Chairman and the Board of Directors of NRBC Bank for their constant cooperation, inspiration and patron. I sincerely acknowledge the encouragement that we received from our customers and sponsors who believed in us toward achieving our dream toward holding a firm position and respect in Bangladesh economy. I thank my team from bottom of my heart for their constant endeavor, devotion, and loyalty along the journey.



Dewan Mujibur Rahman
Managing Director & CEO

BOARD OF DIRECTORS

Chairman

Engr. Farasath Ali

Vice Chairman

Dr. Toufique Rahman Chowdhury

Directors

Mr. ABM Abdul Mannan

Mr. Mohammed Oliur Rahman

Mr. Mohammed Enayet Hossain

Mr. Md. Amir Hossain

Mr. Abu Mohammad Tushar Iqbal Rahman

Mr. Feroz Haider Khan

Mrs. Kamrun Nahar Sakhi

Mr. Abu Bakr Chowdhury

Mr. Mohammad Shahid Islam

Mr. Loquit Ullah

Mr. Tamal S M Parvez

Mr. Rafikul Islam Mia Arzoo

Mr. Mohammed Nazim

Engr. Syed Munsif Ali

Mr. Mohammed Adnan Imam

Dr. Nuran Nabi

Mrs. Kaniz Farzana Rashed

Mr. Mohammed Manzurul Islam

Managing Director & CEO

Mr. Dewan Mujibur Rahman



Directors' Profiles



Engr. Farasath Ali
Chairman

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

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



Dr. Toufique Rahman Chowdhury
Vice Chairman

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



Mr. A B M Abdul Mannan
Director

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



Mr. Mohammed Oliur Rahman
Director

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



Mr. Mohammed Enayet Hossain
Director

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



Mr. Md. Amir Hossain
Director

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



Mr. Abu Mohammad Tushar Iqbal Rahman
Director

Mr. Abu Mohammad Tushar Iqbal Rahman, is a permanent Resident of Germany. He did his Graduation from BUET, Dhaka in Triple E in 2000 & Post Graduation from the University of ULM, Germany in 2004. Mr. Rahman is engaged as Professional Engineer in Germany.



Mr. Feroz Haider Khan
Director

Mr. Feroz Haider Khan, an NRB and a Canadian citizen is an Engineer by profession & he did his Graduation & Post Graduation from Bangladesh & Canada respectively. Presently, he is the Head of Network Security and Audit (VP) of a Mobile Phone operator in Canada. He is also engaged in various businesses in Canada.



Mrs. Kamrun Nahar Sakhi
Director

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



Mr. Abu Bakr Chowdhury
Director

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



Mr. Mohammad Shahid Islam
Director

Mr. Mohammad Shahid Islam, a permanent resident of Kuwait, is a Graduate and is involved in the service industry in Kuwait as CEO & Partner in the Company named Marafie Kuwaitia Group.



Mr. Loquit Ullah
Director

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



Mr. Tamal S.M. Parvez
Director

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



Mr. Rafikul Islam Mia Arzoo
Directo

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



Mr. Mohammed Nazim
Director

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



Engr. Syed Munsif Ali
Director

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



Mr. Mohammed Adnan Imam, FCCA
Director

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



Dr. Nuran Nabi
Director

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



Mrs. Kaniz Farzana Rashed
Director

Mrs. Kaniz Farzana Rashed, an NRB and a Canadian citizen, did her Graduation from National University, Bangladesh. Mrs. Rashed is engaged in import and wholesale business in Canada. Mrs. Rashed is a Director of North South Inc., Canada. She is also the respectable Chairperson of Bay Navigation Limited and a Shareholder of MRF Essentials Trade Limited.



Mr. Mohammed Manzurul Islam
Director

Mr. Mohammed Manzurul Islam, an NRB living in the USA, obtained BA (Hons.) and MA degrees from Dhaka University and MA from New York University, USA. He was a certified teacher in New York City School for 10 years. He is a Founder Director and CEO of ATN News, a popular TV channel of the country. He is also the CEO & Founder Director of upcoming 24/7 news channel Dhaka Bangla Media & Communication Ltd. An internationally known journalist, TV anchor and a media news producer. Mr. Islam is also a very successful Real Estate Businessman with a strong background in socio-political and socio-economic affairs.



Mr. Dewan Mujibur Rahman
Managing Director & CEO

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

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

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

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

SPONSORS

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

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

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



Sponsors



Engr. Farasath Ali



Dr. Toufique Rahman Chowdhury



Mr. Tanwir M O Rahman Chowdhury



Mr. ABM Abdul Mannan



Mr. Mohammed Oliur Rahman



Mr. Mohammed Enayet Hossain



Mr. Md. Amir Hossain



Mr. Abu Mohammad Tushar Iqbal Rahman



Mr. Firoz Haider Khan



Mrs. Kamrun Nahar Sakhi



Mr. Abu Bakr Chowdhury



Mr. Mohammad Shahid Islam



Mr. Loquit Ullah



Mr. Tamal S M Parvez



Mr. Rafikul Islam Mia Arzoo



Mr. Mohammed Nazim



Engr. Syed Munsif Ali



Mrs. Shamimatun Nasim



Mr. Mohammed Adnan Imam



Dr. Nizam Mohammad Meah



Dr. Nuran Nabi



Mrs. Kaniz Farzana Rashed



Dr. Rafiqul Islam Khan



Dr. Shahanara Begum Ali



Mr. Sarwar Zaman Chaudri



Mr. Mohammad Zakaria Khan



Mr. Shabbir Ahmed Mubin



Mr. Izaharul Islam Halder



Mr. Mostafisur Prince Rahman



Mr. Aziz U Ahmad



Mr. Mohammed Manzurul Islam



Mr. Mohammed Jamal Uddin



Mr. Faruk Ali



Mr. Zulfiker Alim



Mrs. Ferdoushe Begum



Mr. Mohammed Ashraf Ali



Mr. Fahad Madani Islam



Mr. Shamim Ali



Mr. Shakawat Ali



Mr. Mohammed Shofiqul Islam



Mr. Nahid Ahmed Chowdhury



Mr. Tohel Ahmed



Mr. Azadul Haq



Mr. Mohammad Iqbal Rashed



Mr. Mohammed Jahangir Alam



Mrs. Nazni Mansur



Mr. Anwar Hossain



Mr. Sunahwar Ali



Mr. Mohammed Sabbir Ahmed



Mr. Mohammad Kashem



Mr. Mohammed Tanvir Ahmed



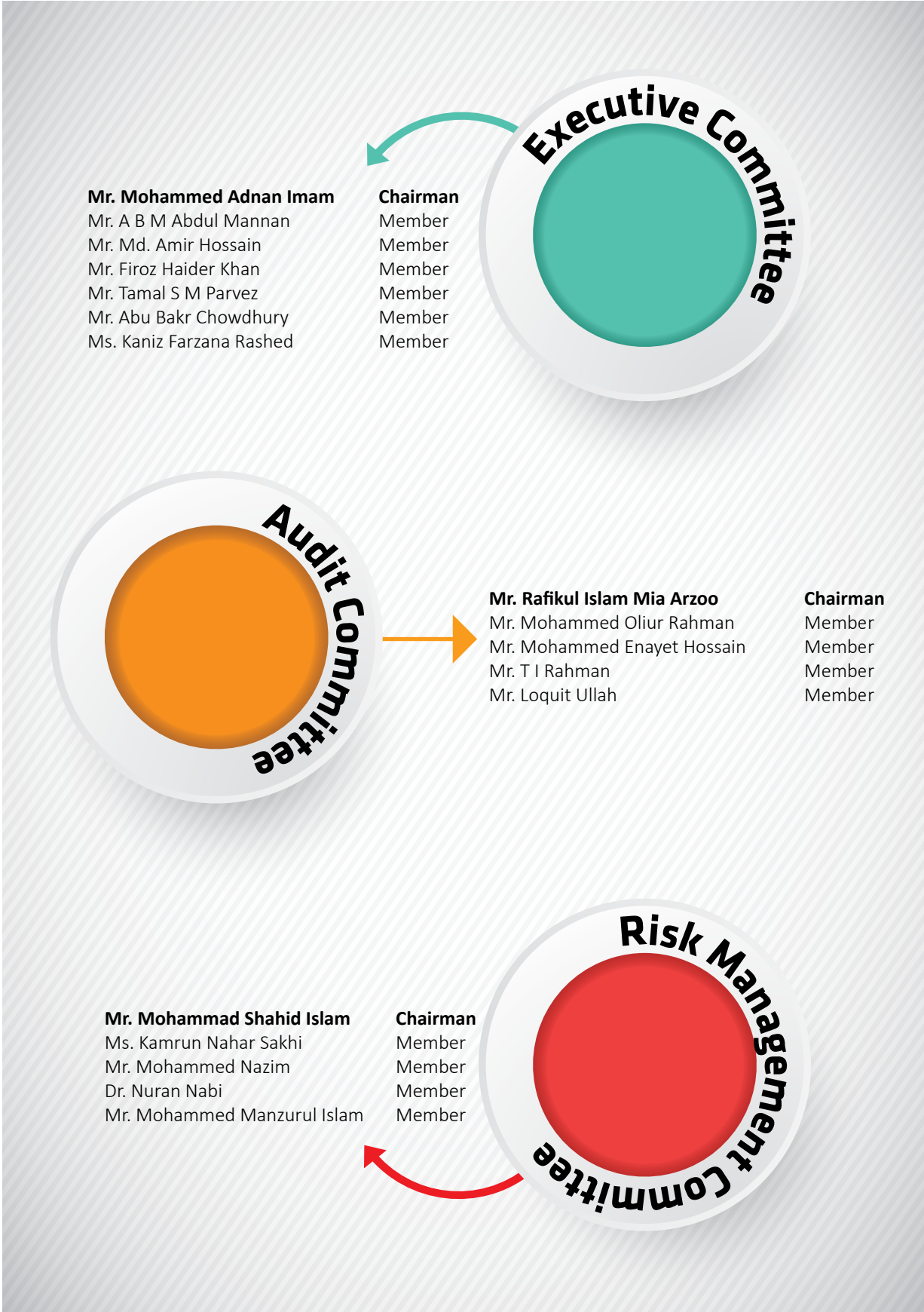
Dr. Abul M. Ibrahim



Mr. S.M. Gulam Robbani Chowdhury



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





Mr. Dewan Mujibur Rahman, MD & CEO

- Mr. Zabed Amin, DMD (Administration)
- Mr. Md. Shafiet Wahed, DMD (Operation) & Head of CRMD
- Mr. Kazi Md. Talha, DMD & Head of Principal Branch
- Mr. Arif Md. Shahedul Haque, SEVP & Head of HRD & GBD
- Mr. Md. Rafiqzaman, EVP & Company Secretary
- Mr. Kabir Ahmed, EVP & Head of ID & AML
- Mr. Tanusree Mitra, SVP & Head of Corporate Banking
- Mr. Kazi Md. Safayet Kabir, SVP & Head of FI & ADC
- Mr. Harunur Rashid, SVP & CFO
- Mr. Dipak Kumar Chakraborty, SVP & Head of ICTD
- Mr. Md. Mynul Hossain Kabir, SVP & Head of RMD
- Mr. Mohammad Mostahaque, VP & Head of SSD
- Mr. A. I. M. Mostafa, VP & Head of ICCD
- Mr. Sayed Md. Moharam Hossain, VP & Head of RBBD
- Mr. Md. Masum Haider, FVP & Head of CAD
- Mr. M. M. Moshiur Rahman, AVP, PRD

Chairman

- Member
- Member
- Member
- Member Secretary
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member



Mr. Dewan Mujibur Rahman

- Mr. Zabed Amin
- Mr. Md. Shafiet Wahed
- Mr. Arif Md. Shahedul Haque
- Mr. Kabir Ahmed
- Mr. Mynul Hossain Kabir
- Mr. Harunur Rashid

Chairman

- Member
- Member
- Member
- Member
- Member
- Member Secretary

Management Committee (MANCOM)



From
Left
Side

1. Mr. M. M. Moshir Rahman
2. Mr. Dipak Kumar Chakraborty
3. Mr. Mohammad Mostahaque
4. Mr. Tanusree Mitra
5. Mr. Kabir Ahmed
6. Mr. Md. Shafiq Wahed
7. Mr. Zabeed Amin
8. Mr. Dewan Mujibur Rahman
9. Mr. Arif Md. Shahedul Haque
10. Mr. Kazi Md. Talha
11. Mr. Md. Rafiqzaman
12. Mr. Md. Mynul Hossain Kabir
13. Mr. Md. Masum Haider
14. Mr. Kazi Md. Safayet Kabir
15. Mr. Harunur Rashid
16. Mr. Sayed Md. Moharam Hossain
17. Mr. A. I. M. Mostafa

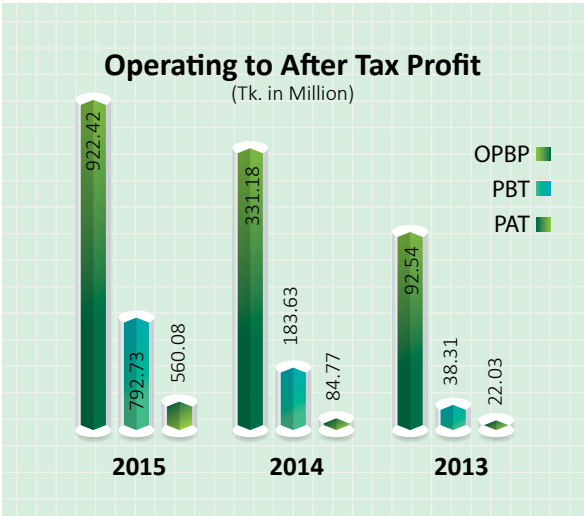
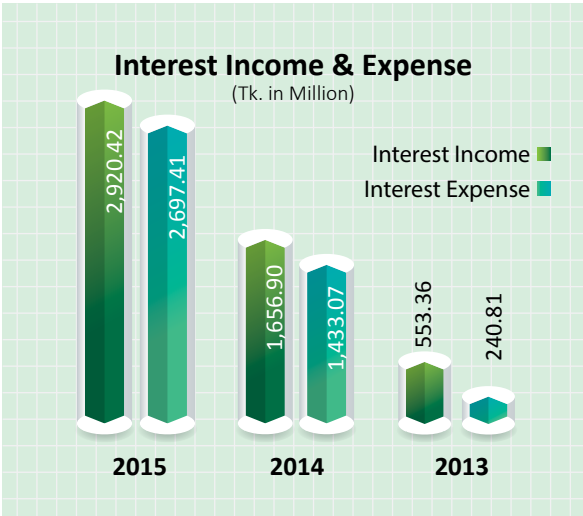
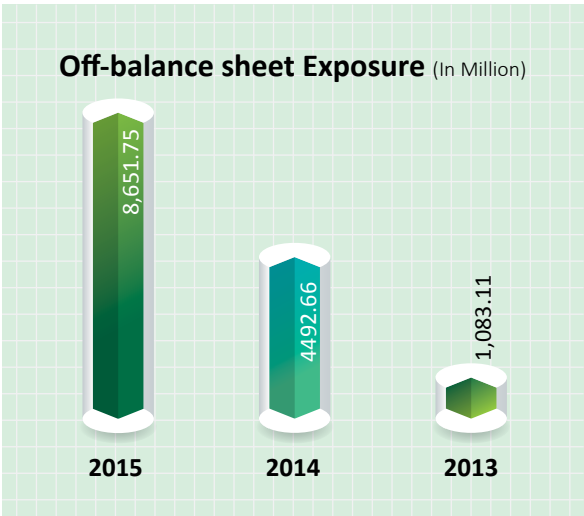
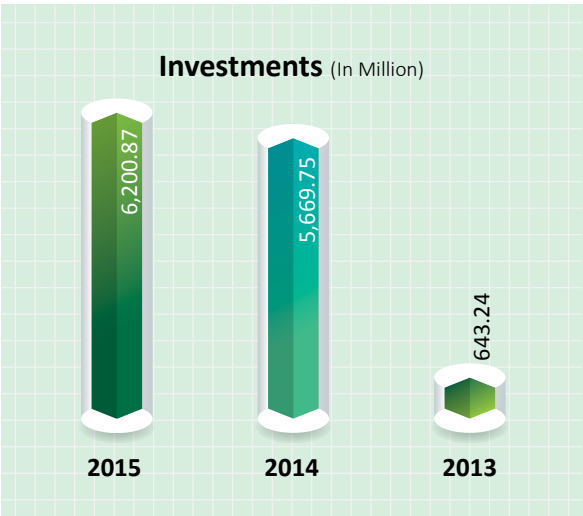
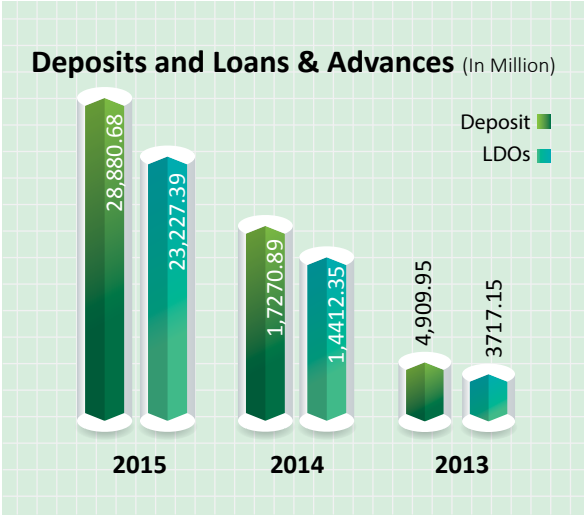
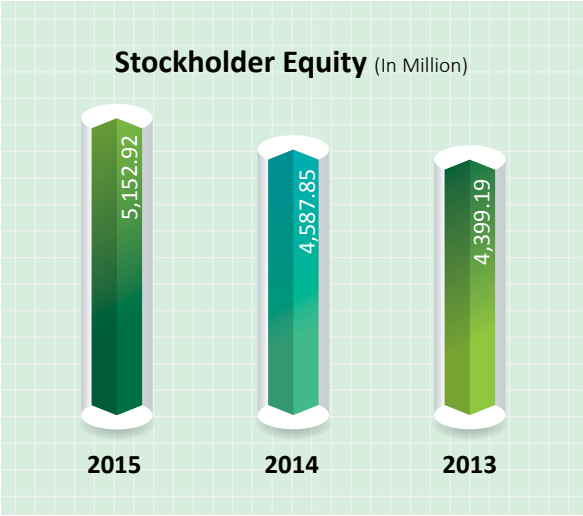


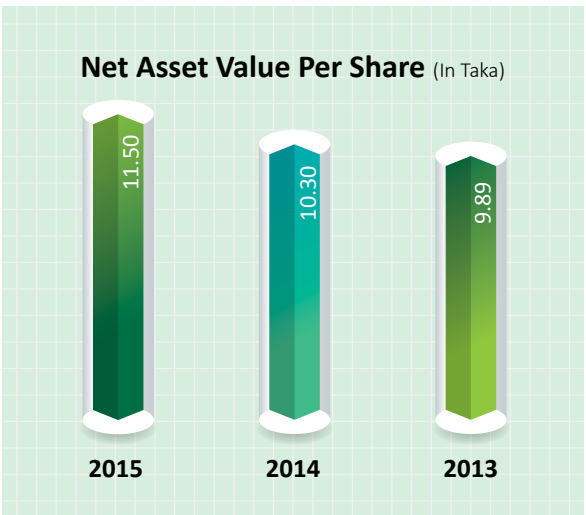
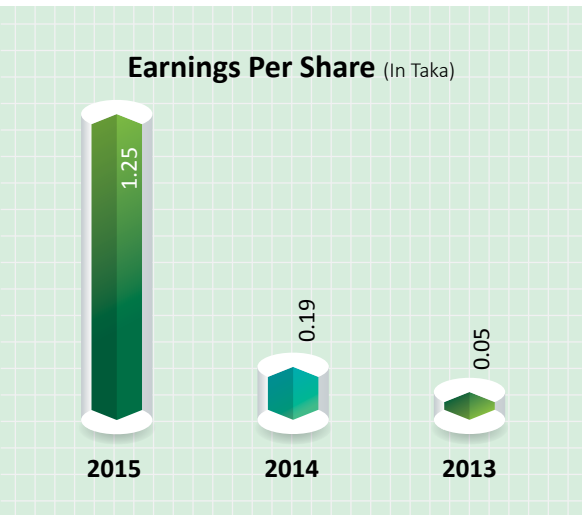
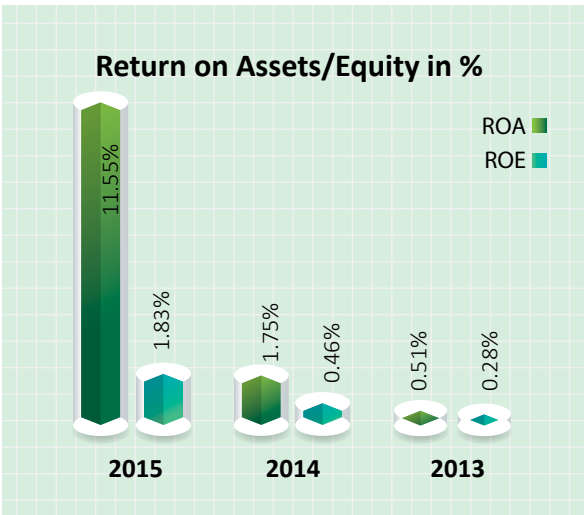
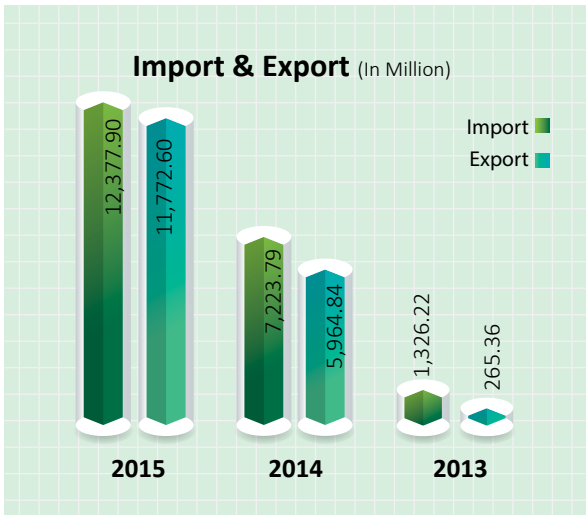
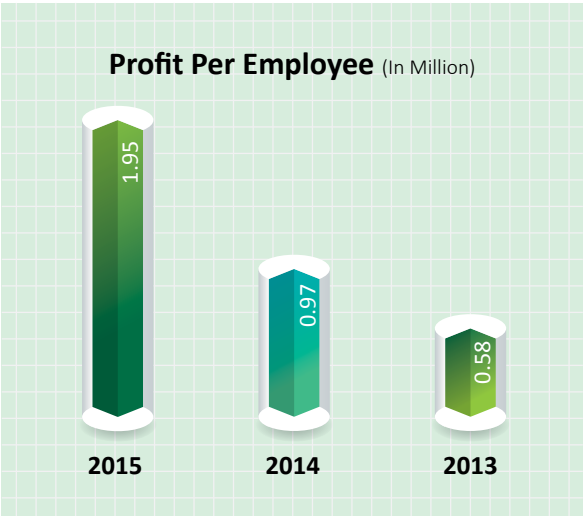
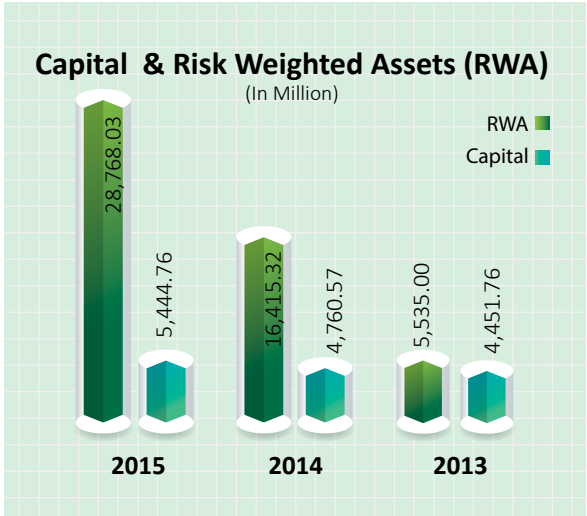
Key Performance Indicators

Million Taka otherwise specified

Particulars	2015	2014	2013
BALANCE SHEET MATRIX			
Authorized Capital	10,000	10,000	10,000
Paid up capital	4,579.44	4,446.06	4,446.06
Reserved Fund & Surplus	667.80	141.79	25.33
Total Stockholder Equity	5,152.92	4,587.85	4,399.19
Deposits	28,880.68	1,7270.89	4,909.95
Loans & Advances	23,227.39	1,4412.35	3717.15
Investments	6,200.87	5,669.75	643.24
Fixed Assets	464.90	342.89	145.15
Total Assets	36,259.01	2,4848.11	9,537.59
Total Off-Balance Sheet Items	8,651.75	4492.66	1,083.11
Interest Earning Assets	31,991.23	22,288.91	8554.98
Non-Interest Earning Assets	4,267.78	2,559.05	982.61
INCOME STATEMENTS MATRIX			
Interest Income	2,920.42	1,656.90	553.36
Interest Expense	2,697.41	1,433.07	240.81
Investment income	1,468.89	609.35	28.48
Non-Interest Income	310.31	157.81	12.65
Operating Expense	1,079.80	659.80	261.14
Total Income	4,699.62	2,424.05	594.49
Total Expense	3,777.21	2,092.87	501.95
Operating Profit	922.42	331.18	92.54
Profit before tax	792.73	183.63	38.31
Profit after tax	560.08	84.77	22.03
CAPITAL MEASURE			
Risk Weighted Assets	28,768.03	16,415.32	5,535.00
Core Capital (Tier I)	5,106.67	4,581.57	4,395.88
Supplementary Capital (Tier II)	338.09	214.00	55.88

Particulars	2015	2014	2013
Total Capital	5,444.76	4,760.57	4,451.76
Capital Surplus/(Deficit)	2567.96	3,119.05	3,898.26
Tier – I Capital Ratio	17.75%	27.70%	79.42%
Tier – II Capital Ratio	1.18%	1.30%	1.01%
Total Capital to Risk Weighted Assets Ratio (CRAR)	18.93%	29.00%	80.43%
CREDIT QUALITY			
Classified Loan	62.86	Nil	Nil
Provision for Unclassified Loan	237.59	158.01	43.40
Provision for classified Loan	4.76	Nil	Nil
Provision for Off-Balance Sheet Items	86.52	38.50	10.83
FOREIGN EXCHANGE BUSINESS			
Import	12,377.90	7,223.79	1,326.22
Export	11,772.60	5,964.84	265.36
Remittance (inward)	399.30	275.69	81.90
OPERATING PROFIT RATIO			
Credit Deposit Ratio	79.11%	79.79%	75.71%
Cost of Deposits	8.32%	9.81%	11.14%
Profit Margin	11.92%	3.24%	3.71%
Yield on Loan & Advances	13.25%	14.42%	15.17%
Administrative Cost	3.17%	3.57%	5.70%
Spread	4.93%	4.61%	4.04%
Return on Assets	11.55%	1.75%	0.51%
Return on Equity	1.83%	0.46%	0.28%
PERFORMANCE RATIO			
Profit Per Employee	1.95	0.97	0.58
Burden Ratio	31%	58%	86%
Cost to income ratio	53.93%	66.58%	73.84%
Salary Exp to total overhead Exp.	34.71%	40.23%	38.86%
DIVIDEND			
Cash	6%	1%	Nil
Stock	3%	Nil	Nil
SHARE INFORMATION MATRIX			
Share Outstanding	457.95	444.61	444.61
No. of Share Holder	53	53	53
Earnings Per Share (Taka)	1.26	0.19	0.05
Net Asset Value Per Share (Taka)	11.50	10.30	9.89
Net Operating Cash flow per share(Taka)	7.68	6.42	2.14
OTHER INFORMATION			
No. of Branches	40	26	10
No. of ATM	29	15	10
No. of RMA	135	116	70
No. of employees	479	340	160
No. of Nastro Account	11	10	09





DIRECTORS' REPORT

Bismillahir Rahmanir Rahim

Honorable Shareholders

On behalf of the Board of Directors of NRBC Bank Limited, I am really happy to welcome you all to the 3rd Annual General Meeting (AGM) and going to present the Annual Report of the Bank. I must share, this is truly a pleasure to represent our bank, NRBC Bank, the first Bank among the 4th Generation Banks of Bangladesh which started its operation on 18th April 2013 being promoted, nurtured and sponsored by 53 distinguished Non-Resident Bangladeshis who have visions for their motherland.

The delightful occasion allows me to present the Directors' Report along with the audited Financial Statements of the Bank for the year ended on 31st December 2015 for information, consideration and approval of our valued shareholders. The

Financial Statements of the Bank have been prepared with an eye to providing the widest possible coverage in terms of compliance with the related regulators and financial standards and to give a fair view of the business activities of the Bank in a transparent manner to our shareholders, regulators and stakeholders.

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

1a) The State of the Company's Affairs

NRB Commercial Bank Limited (NRBC Bank) has just completed another successful year of 2015, although the preceding year was one of the most turbulent year for Bangladesh in the recent past in terms of domestic



political instability. As a result, the economy had to bear the brunt in many ways. It is also frustrating that while there is dampened demand for credit, the amount of non-performing loans (NPL) is soaring at an alarming rate that effects upon the health of the banking sector. But despite all the negative vibes, the progress of NRBC Bank was mentionable considering all parameters which is reflected in the State of the Company's "Bank" Affairs in 2015:

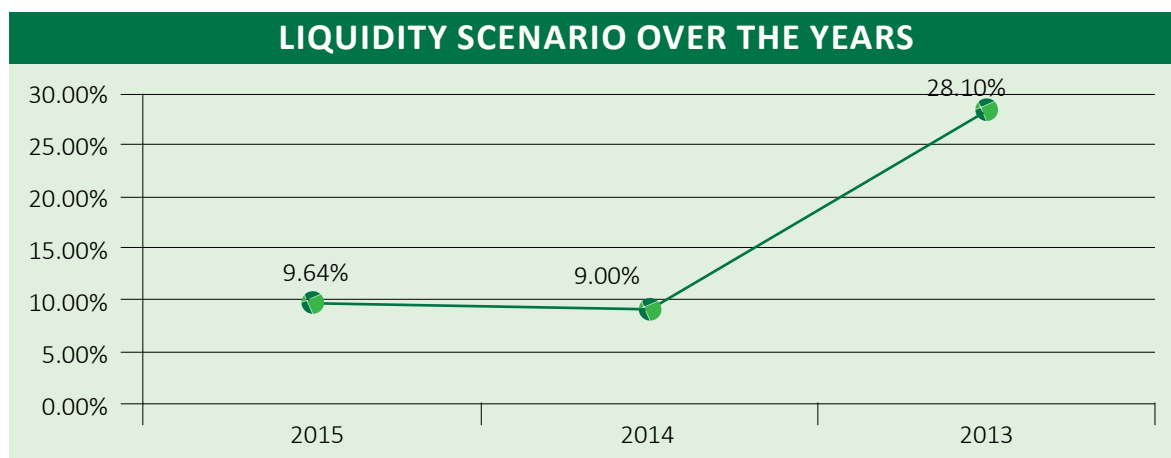
- **Cash Management**

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

in million otherwise specified

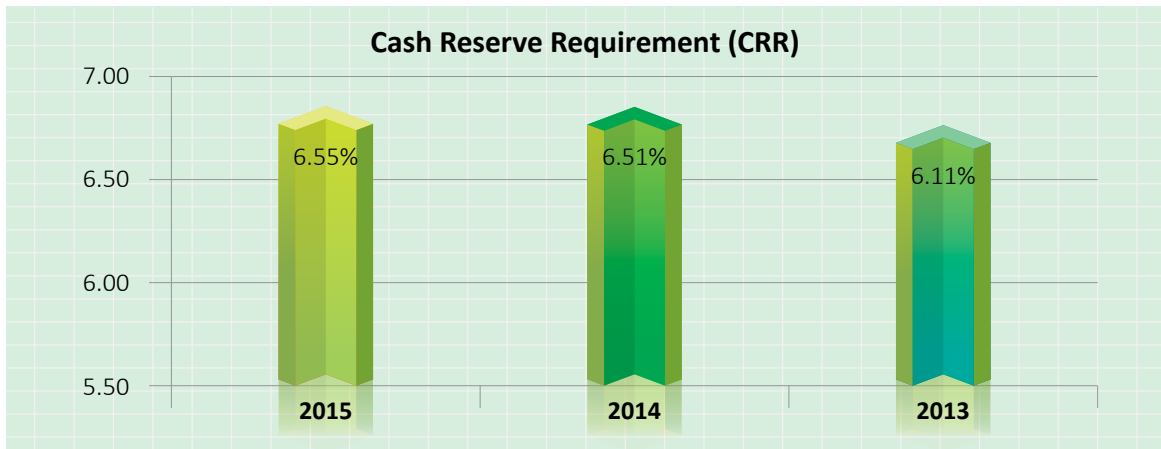
Particulars	Year		
	2015	2014	2013
Cash in Hand & at Bank	5,313.93	3,715.25	4,522.54
CRR in December	6.55%	6.51%	6.11%
Cash to Deposit Ratio (Including CRR)	9.64%	9.00%	28.10%
Operating Cash Flow per share	7.68	6.42	2.14

But bank has prudently managed the liquidity over last two years against propensity of customer withdrawal and Cash Reserve Requirement (CRR) than in 2013:



Due to the political turbulence in the early months of 2015, credit growth in the private sector maintained a stagnant situation that resulted in the piled up of the liquidity in the banking sector and it continued throughout year. However, NRBC Bank has been successfully handling the liquidity position to articulate maximum benefit for the Bank.

According to MPD Circular No. 01 dated 23 June 2014 of Bangladesh Bank, Cash Reserve Requirement (CRR) increased to 6.50% on bi-weekly basis with effect from 24 June 2014 and the Bank has accordingly maintained the regulatory rate since 2013.



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

- Treasury Management**

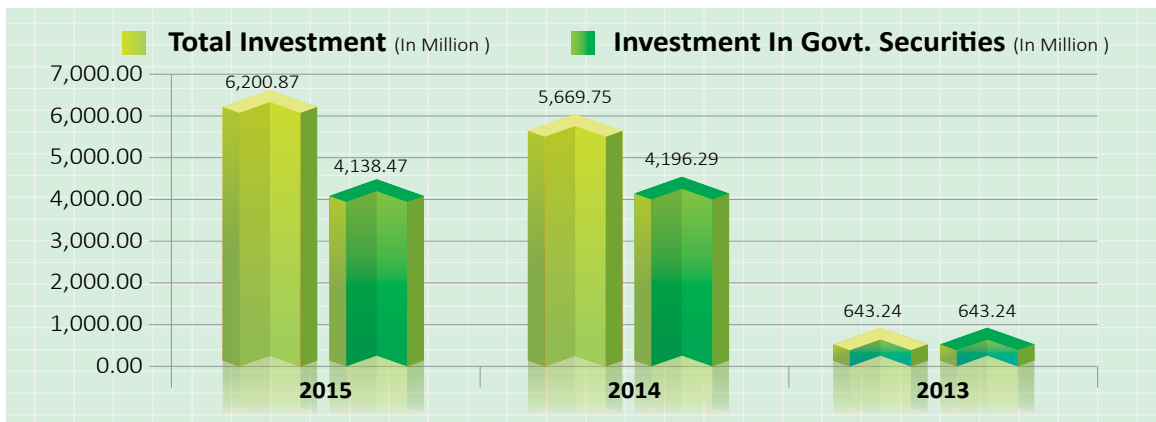
The Treasury Division of NBRC Bank has been vigilant in efficient management of liquidity through active Asset-Liability Management (ALM) by ensuring proper regular compliance. Due to Stagnant in credit growth and influence of foreign loan in domestic market, both foreign exchange and money market were liquid in the year 2015. By utilizing resources through exploring diverse investment windows, treasury has contributed in sound liquidity and profitability for NRBC Bank.

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

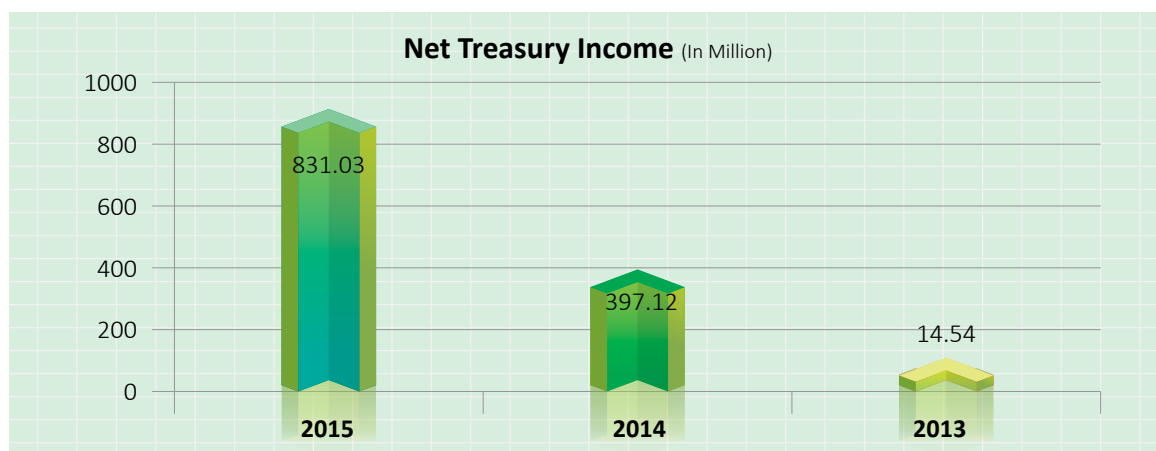
In million otherwise specified

Particulars	Year		
	2015	2014	2013
Total Investment	6,200.87	5,669.75	643.24
Investment In Govt. Securities	4,138.47	4,196.29	643.24
Ratio of Govt. Investment to Total Invest	66.74%	74.01%	100.00%
Net Treasury Income	831.03	397.12	14.54

Investment in government treasury securities such as T-bills and T-bonds vastly increased in 2014 than 2013 and became steady in 2015. To maintain its footprint in secondary market trading, the holding of Government Security increased in mid 2015.



In 2014, Net income against security trading increased by 2,731.12% than 2013 and maintained growth to 109.26% in 2015.

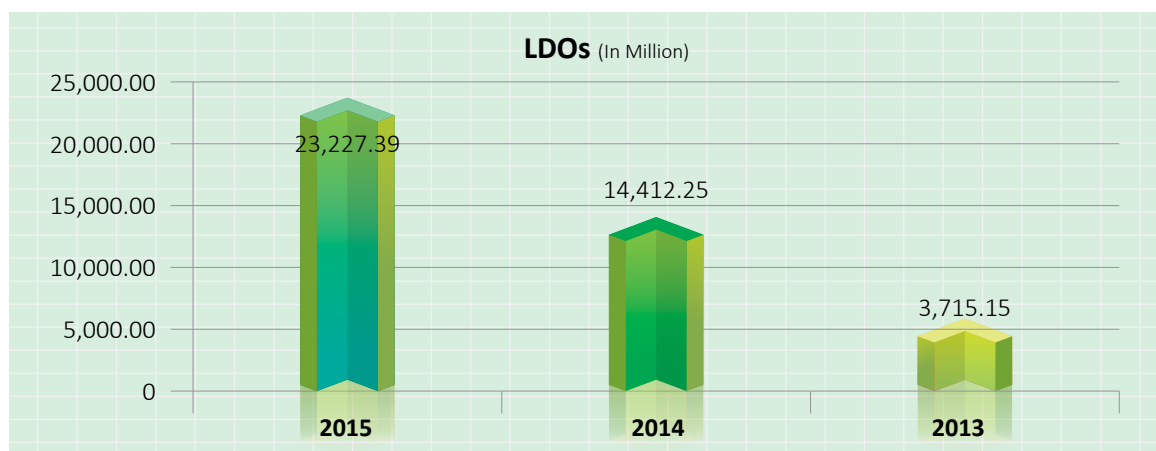


- Credit Performance**

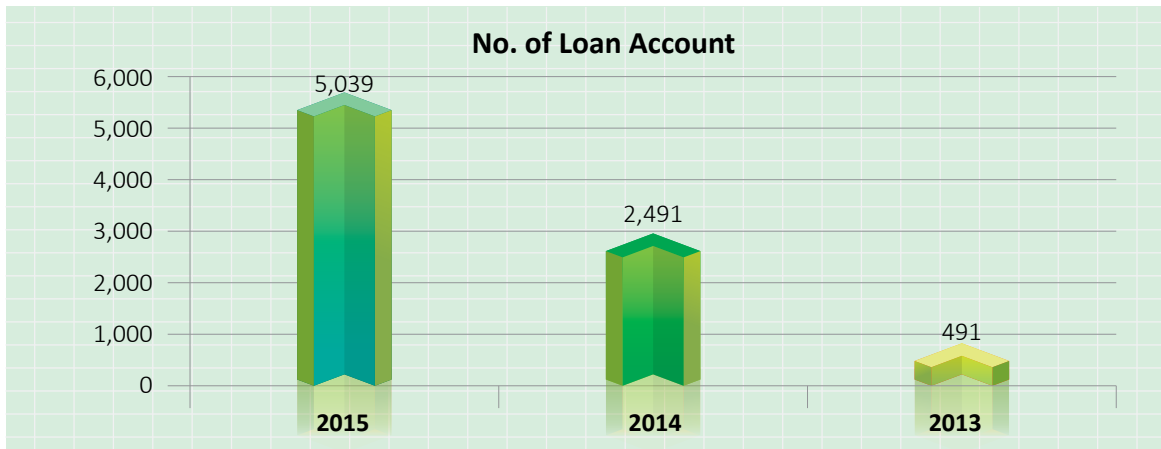
Private sector credit growth fell by 2.31 percent which was not up to the mark as against target set by the Bangladesh Bank in the last fiscal year. The overall credit growth shrank due to political unrest which resulted in shortage against growth target. However, NRBC Bank credit performance was satisfactory in context of all parameters in 2015 revealed in the below table:

Particulars	In million otherwise specified		
	2015	2014	2013
LDOs	23,227.39	14,412.25	3,717.15
AD Ratio	79.11%	79.79%	75.71%
% of Classified Loan	0.27%	0.00%	0.00%
% of Large loan Concentration	25.81%	32.35%	48.65%
No. of loan Account	5,039	2,491	491

NRBC Bank registered a remarkable credit growth in 2015, which observe a 61.16% growth over the previous year performance. The management team entertained credit file on the basis of its merit, credit worthiness, market reputation etc. This sagacious process helped the bank to build a healthy assets portfolio. As a result, Non-Performing Assets (NPA) in 2015 was recorded at 0.27% of total loans & Advances which is one of the lowest in the industry.



Dependency on large loan is observed decreasing trend over the years, because focus has been made to the Small & Medium Enterprise (SME), Retail & Agricultural credit.



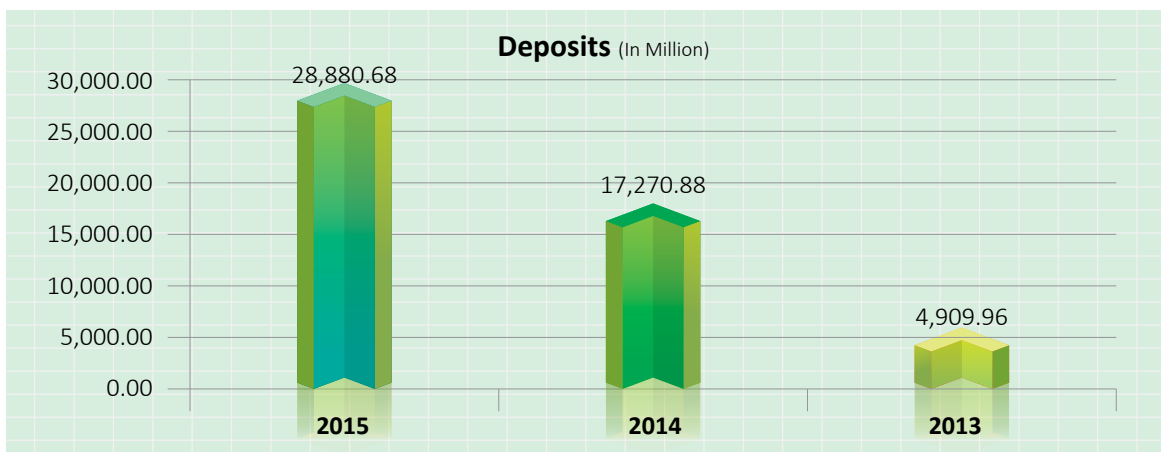
- Deposit Mobilization**

Stagnant credit demand, less Government borrowing, declining inflation and inflow of remittances pushed the declining deposit rates sustained in 2015. It resulted in contributing to less attraction for deposit mobilization. However, its is pleasure to inform that a net volume of Tk. 11,609.180 has been added to our deposit portfolio in 2015.

in million otherwise specified

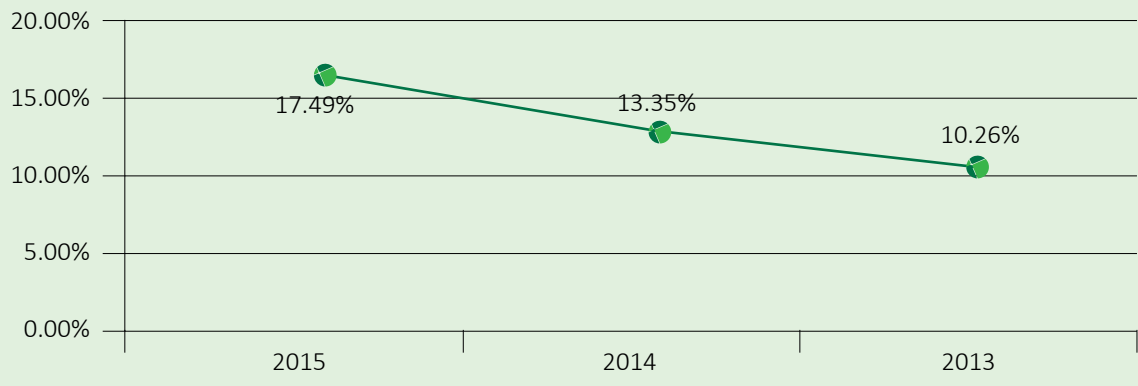
Particulars	Year		
	2015	2014	2013
Deposits	28,880.68	17,270.88	4,909.96
Cost of Deposit	8.40%	9.81%	11.13%
No. of Deposit A/c	76,890	42,132	8,259
% of low cost deposit mixing (CASA)	17.49%	13.35%	10.26%

NRBC Bank has consistently been maintaining a strong deposit since 2013 and concentrating on mobilize low cost fund i.e. saving, current, SND, etc. It may be mentioned that our cost of deposit decreased by 14.73% than previous year.



Low-cost deposits i.e. CASA is one of the key factors for a banks' profitability in the long run, though its sustainability would depend on factors such as credit growth and return on assets. NRBC Bank has gradually increased the CASA ratio in the deposit basket i.e. Tk.5,051.23 million CASA deposit out of total Deposit of Tk.28,880.68 million in 2015, which is 31.03% higher than 2014.

LOW COST DEPOSIT MIXING (CASA DEPOSITS)



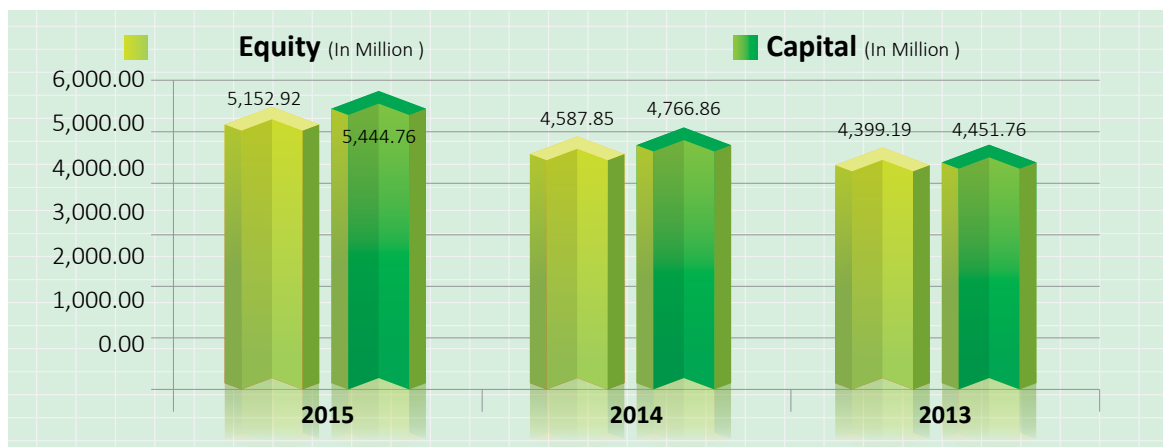
Shareholders Equity Value

Since 2013, equity value of NRBC Bank Shareholders has consistently increased due to phenomenal growth in business. If we look at the table below it shows that equity and capital coincide over the years, which indicates that good quality assets are contributed in the growth.

in million otherwise specified

Particulars	Year		
	2015	2014	2013
Equity	5,152.92	4,587.85	4,399.19
Total Capital (Tier- I & II)	5,444.76	4,766.86	4,451.76
Net Asset Value (NAV)	11.50	10.30	9.89
Capital Surplus/(Deficit)	2,567.96	3,125.33	3,898.26
Risk Weighted Assets	28,768.03	16,415.32	5,534.95
Capital Adequacy Ratio	18.93%	29.04%	80.43%
Capital- Core (Tier I)	5,106.67	4,552.86	4,395.88
Capital- Supplementary (Tier II)	338.09	214.00	55.88

Net Assets Value (NAV) per share stood at Tk.11.50, which is 11.65% higher than previous year. Both healthy equity and capital are the symbol of safe investment by the investors resulting NAV is ahead of par value of share:



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

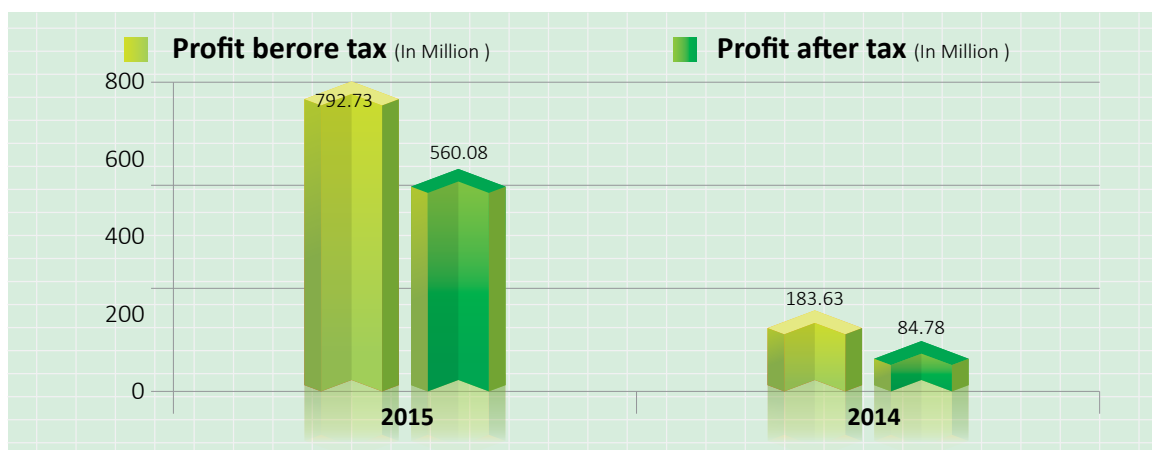
- Operational Performance**

Political turmoil derailed the economic and social progress in early 2015. Despite these external challenges, the performance of the Bank was satisfactory considering all indicators. Growth of operating profit was 178.53% than 2014, because of multiple effect of the positive gap between operating income and operating expenses i.e. change of operating income was higher than operating expenses by 13.40%.

In million otherwise specified

Particulars	2015	2014	Change
Total Operating Income	4,699.63	2,424.05	93.87%
Total Operating Expense	3,777.21	2,092.87	80.47%
Operating Profit (Profit before provision and tax)	922.42	331.18	178.53%
Profit Before Tax	792.73	183.63	331.70%
Tax Provision	232.66	105.14	121.29%
Profit After Tax (PAT)	560.08	84.78	613.47%
Earnings per share (EPS)	1.26	0.18	600.00%
Cost Income Ratio	53.93%	66.58%	23.46%
Return on Investment (ROI)	11.55%	1.75%	21.68 Times
Return on Assets (ROA)	1.83%	0.46%	2.97 Times

In 2015, the Bank earned Tk.337.85 million from trading of Government securities (T-bond & T-bill) and dividend income from stocks out of its total income for which Tax implication varied from 0% to maximum 20 % resulting in growth of Profit after Tax and Earnings Per Share (EPS) by more than 600%.



Over the past three years, NRBC Bank Limited has maintained a strong Return on Equity (ROE) and it is increasing trend. ROE has reached a very satisfactory level in 2015, considering industry average.

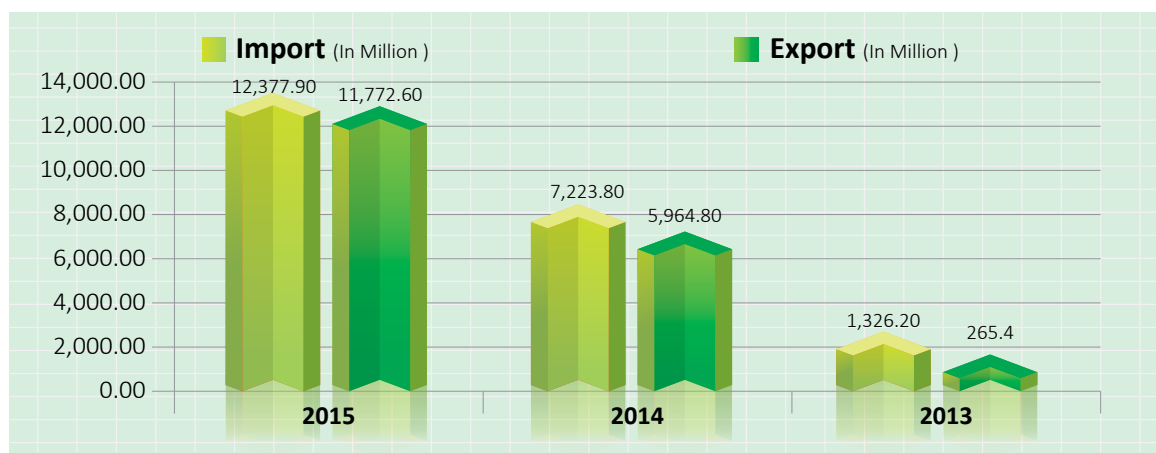
- Foreign Trade Business**

Though identity of NRBC Bank as a “New Bank” like others New Bank’s is a hindrance to make relationship with multi-national Bank’s through which trade finance activities are facilitated. This milestone achieved aided in the growth of foreign trade business of the Bank.

In million otherwise specified

Particulars	Year		
	2015	2014	2013
Import	12,377.90	7,223.80	1,326.20
Export	11,772.60	5,964.80	265.40
Remittance	399.30	275.70	81.90
Relationship Management Agreement (RMA)	135	116	70
Nostro Account	11	10	09
Agreement with remittanc Agencies	5	1	0

Our constant drive is being maintained with foreign counterpart banks to open credit line which will result in future business growth. However, Import & export business were increased remarkably in 2015 over the previous two years, which is revealed in the graph below:



Repatriation of foreign remittance is another challenge for the Bank. A good inflow of foreign remittance has been observed with increasing through Remitter Agencies. In the near future, Bank shall sign agreements with the renowned remitters agencies, even though there existing foreign correspondent offices of the countries where Bangadeshi Expatriates are serving.

(1b) Transfer to Reserve in the Audited Financial Statement approved by Board

Pursuant to Section 24 of the Bank Companies Act 1991, as amended 2013, at least 20% of net profit before tax is to be transferred to statutory reserve account each year until the cumulative balance equals to the amount of Paid up Capital account. During the year 2015, 20.00% of Pre-tax profit has been transferred to statutory reserve for the reason mentioned earlier, and the balance stood as below:

Statutory Reserve	Taka In million
Opening Balance	44.39
Transfer during the period	158.83
Closing Balance	203.22

Net Assets Value (NAV) is Tk.11.50 per share as of 31 December 2015, because of amounting Tk. 158.83 million was kept as Statutory Reserve. No other reserve was maintained/proposed during the period under consideration.

(1c) Recommendation of dividend by Board of Directors

The Bank started dividend payout policy in 2014. The Board of Directors is continuously trying to uphold and protect the interest of all sponsors and ensure stable growth of the Bank.

In continuation of the previous financial year, the Board of Directors in its 41st meeting held on 07th March 2016 recommended for 9% dividend (6% Cash & 3% Stock) on the holding of shares for the year 2015. Therefore distribution of dividend as



Singing ceremony of Audited Financial Statements after recommendation of 9% dividend by BOD

recommended by the BoD shall be as under :

In Million

Rate of Dividend Recommended by Board	Form	Amount	Remarks
6%	Cash	266.76	
3%	Stock	133.38	Paid up capital will Stand Tk.4,579.44 million

However, the Dividend recommended by the Board of Directors is placed before the 3rd Annual General Meeting for approval which is scheduled to be held on April 18, 2016 (Monday).

(1d) Material changes and commitments have occurred between the end of the financial year and the date of the Director Report

No material changes has been occurred between the end of the financial year and the date of the Directors Report i.e. notice issuing date 29.03.2016, except the Board of Directors in its 41st meeting held on 07 March 2016 recommended Dividend @ 9% (6% Cash & 3% Stock) on the holding of shares for the year 2015 which is expected to be approved in the Annual General Meeting.

(2) Material Change of the state of company's affairs

It is mentioned earlier that material change for appreciation of the state of the company's affairs by its members which have occurred during the financial year 2015:

(a) Change in Company's Business Nature

NRBC has explored two other business avenues in fulfilling the demand of society and indeed development of capital market. They are.

i. Agent Banking

NRBC Bank is one of the pioneers of Agent Banking operation in Bangladesh. Being approached by the Bank and due to constant focus on the changing need and desire of customers, development of new and re-engineered process of service delivery, Bangladesh Bank accorded the Agent Banking operation on May 29, 2015 as another alternative delivery channel of the Bank that was inaugurated on 17th December 2015.

Presently, Agent Banking is being operated through 20 new outlets in different corners of the country and further expansion has been planned for up coming years.

It is expected that Agent Banking program will change the banking scenario of Bangladesh in the near future and will unfold new era in banking operations. Low income and unbanked people will get banking services throughout the country.

ii. Capital Market operation

The capital market is the engine of growth for an economy, and performs a critical role in acting as an intermediary between savers and companies seeking additional financing for business expansion. Vibrant capital market is likely to support a robust economy. While lending by commercial banks provide valuable initial support for corporate growth, a developed stock-market is an important pre-requisite for moving into a more matured growth phase with more sophisticated conglomerates.

Net foreign investment was more than trebled year-on-year in December 2015 in the capital market indicates overseas investors rushed in to take positions in local securities [Source: The Financial Express]. To exploit the positive market outlook and favorable macroeconomic conditions of the country, NRBC's Board of Directors decided to form a subsidiary company named and titled "NRBC Bank Securities Limited" to attract the foreign investors and Non-Resident Bangladeshis to inject money into local securities.

Bangladesh Bank accorded approval to establish the subsidiary company "NRBC Bank Securities Limited" with a paid up capital Tk.400.00 million, vide their letter # BRPD(R-1)717/2015-3315 dated 05 May 2015. And subsequently, Bangladesh Securities and Exchange Commission issued consent for raising the paid up capital on 16 August 2015.

And finally, NRBC Bank Securities Limited was incorporated as a public limited company in Bangladesh with Tk. 1,000.00 million authorized capital on 20th September 2015 bearing Certificate of Incorporation No. C-125904/2015 under the Companies Act 1994 having its registered office at 114 Motijheel Commercial Area, Dhaka – 1000.

(b) Change in the company's subsidiaries or in the nature of the business carried on

Majority of shares of NRBC Bank Securities Limited is owned (i.e. 90% of total share holding) by NRBC Bank Limited.

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


The company has no intention to change its nature of business in the near future.

(c) Change in classes of business in which the company has an interest

No other changes occurred during the financial year, except exploring two business avenues as mentioned above.

(3) Fullest information and Explanation contained in the Auditors' Report

The Board of Directors have duly reviewed the Auditors' Reports issued by the Auditors' K.M. Hasan & Co., Chartered Accountants and A. Wahab & Co., Chartered Accountants, based on the consolidated financial statements of the Group for the year ended 31 December 2015. The Auditors did not mention any material misstatement or significant disagreement of the Bank's consolidated financial statements. The Auditors have issued an unqualified opinion on the consolidated financial statements of the Group viz. True and Fair view opinion on the consolidated financial statements of the Group for the year ended 31 December 2015.



The Additional Statement in the Directors' Report according to Notification No. SEC/CMRRCD/2006 158/134/ Admin/ 44 dated 07 August 2012 of the Securities and Exchange Commission apart from the Section 184 of Companies 199

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

Bangladesh's economy is on a stable path with a positive near-term macroeconomic outlook. The latest Bangladesh Development Update notes declining inflation, rising reserves, contained fiscal deficit and stable public debt. Downside risk persists for the economy regarding both domestic and external factors. International competitiveness is on both demand and supply sides show a declining trend in Bangladesh. Headcount poverty based on PPP US\$ 1.25 per day is projected to have declined from 43.50 percent in 2010 to 38.40 percent in 2015.

Apart from macroeconomic prospective, banking industry featured concurrently in many ways:

1. Banking sector experienced momentum in declining credit growth rate from August 2015 that came to below 13.00%. However, the rate hovered between 13.50% and 13.60% at the early of 2015.
2. Private sector credit growth came down to less than 13 percent in December 2015 from over 25.00% in 2011 due to businessmen are reluctant to expand their business as the barriers they have been facing are still prevailing.
3. Lower export and import growth due to price fall in commodities in the international market accounted for slower credit growth.
4. Money flow throughout the year was excess in the currency market. So, the income from the interest on call money was not significant.
5. It is also frustrating that while there is dampened demand for credit the amount of non-performing loans (NPL) is soaring at an alarming rate that tells upon the health of the banking sector.
6. Excess liquidity piled up in the Banking sector could pressure on profitability.
7. The lending rate is continuously falling over the last two years against the deposit rate.
8. Cyber security is question in the Banking sector.

According to evaluation of World Bank, Bangladesh needs to sustainable Gross Domestic Product (GDP) and remittances growth, create jobs, contain inflation, and improve the quality of public service delivery to reduce extreme poverty and boost shared prosperity. The World Bank point out overall development of Bangladesh:

- ✓ Growth momentum regained with political stability
- ✓ Inflation declined to 6.4 percent in FY15 from 7.3 percent in FY14
- ✓ Despite current account deficit, balance of payment surplus amounted to about \$4.4 billion in FY15 compared to \$5.5 billion in FY14, thus sustaining the appreciation pressure on the nominal exchange rate. It is also expected that exchange rate will be stable in 2016 aimed that export will be boost up.
- ✓ Monetary management on track with feeble domestic credit growth
- ✓ Macroeconomic outlook seems positive with moderate, uneven global growth at 3.1 percent in 2015 and 3.6 percent in 2016.
- ✓ Growth in FY16 is projected at 6.5 percent backed by stronger consumption and export growth.
- ✓ Macroeconomic stability expected to sustain in FY16.

If our economy articulates the World Bank prospective, then it certainly believe that all negative factors will be disappear aimed at future development of the banking sector.

ii. Segment-wise or product-wise performance:

In segment wise of business analysis for 2015, Solo and consolidated analysis would shown the performance of each types of business:

In Million

Particulars	Solo	Subsidiary	Consolidated
Cash in Hand & at Bank	5313.93	113.87	5,313.93
Investment	6,560.87	-	6,200.87
Loan & Advances	23,227.39	-	23,227.39
Fixed Assets	464.90	-	464.90
Others Assets	767.02	285.80	1,051.82
Borrowing	426.91	-	426.90
Deposits	28,994.55	-	28,880.68
Other Liabilities	1,798.78	0.61	1798.49
Shareholder Equity	5,113.86	399.07	5,152.93
Balance Sheet Size	36,334.10	399.67	36,259.01
Operating Profit	923.85	(1.44)	922.42
Profit after Tax	561.01	(0.93)	560.08

NRBC Bank holds 90.00% share of NRBC Bank Securities limited which incorporated on 20 September 2015. Loss of subsidiary company was effected on profitability of the Parents which shown in the consolidated statements. But injecting equity of minority group contributed in the parent's equity ultimately regulatory capital of the company.

iii. Risks and concerns:

It has been observed in the recent past that Cyber theft and such other electronic transfer related stealing have created a highly volatile situation in the country. All available Debit and Credit cards with magnetic stripe are vulnerable to skimming device and can copy cardholder's information to create duplicate ATM and credit cards for stealing.

The management of NRBC Bank is, however, concerned of the risk factors along with other risk promulgated by Bangladesh Bank. Meanwhile, the following measures have been initiated/under process by the bank:

- Anti-skimming machine to be installed in all ATMs.
- All cards to be converted to EMV chip based cards.
- SMS Alert message for every transaction as well as creating awareness to the cardholder about the cyber threat
- Continuous monitoring on the IT system and security to be ensured all the time. Any unauthorized access to attempts to execute irregular transaction to be instantly reported and investigated. Corrective measures to be followed immediate after completion of investigation.
- Continuous monitoring of foreign currency transactions regularly by International Division (ID)
- Monitoring of Nostro Account Balance on daily basis.
- Reconciliation of Nostro Account reconciliation on regular interval

NRBC Bank has taken due measures to be implemented all above within the shortest possible time.

iv. A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin:

In banking sector Profitability Analysis, Cost of Goods sold is not relevant to calculate. However, DuPont Analysis is giving the clear view of Gross Profit Margin and Net profit margin.

$$\begin{aligned}\text{ROE/ROI under DuPont} &= (\text{Profit margin}) * (\text{Asset turnover}) * (\text{Equity multiplier}) \\ &= (\text{Net profit/Sales}) * (\text{Sales/Assets}) * (\text{Assets/Equity}) \\ &= \text{Net Profit/Equity}\end{aligned}$$

DuPont analysis

Fig. in million otherwise specified

Particulars	Year		
	2015	2014	2013
Net Profit	560.08	84.78	22.03
Total Revenue	4,699.63	2,424.05	594.49
Total Assets (Average)	30,553.56	17,192.85	7,915.45
Total Equity (Average)	4,850.44	4,493.52	4,332.70
Profit margin	11.92%	3.24%	3.71%
Asset turnover	0.1538 times	0.1410 times	0.0751 times
Equity multiplier	6.299 times	3.826 Times	1.827 time
Return on Equity (ROE/ROI)	11.55%	1.75%	0.51%

Profit margin increased over the past three years augmented by utilization of assets mainly contributed to reach at a very satisfactory level in 2015 considering industry average of Banking system.

v. Discussion on continuity of any Extra-Ordinary gain or loss

Bank earned Tk.323.24 million extra ordinary capital gain in 2015 from trading of (by buying/selling) Government securities (T-bond & T-bill) which has "0" tax implication, in effect, growth of Profit after tax (i.e.613.47%) is nearly double than Pre-tax Profit (i.e.331.70%).

vi. Basis for related party transactions and its disclosure

The basis for related party transactions has been stated in the Corporate Governance Report and a statement of related party transactions has been presented in the Annexure H1 of Notes to the Audited Financial Statements.

vii. Utilization of proceeds from Public Issues, Rights Issues and/or through any others instruments

Bank is yet to go for Initial Public Offering (IPO) which is supposed to be direct listing in the year of 2016. However, at the request of NRB Commercial Bank, Bangladesh Bank accorded delayed direct listing with any Stock Exchange in Bangladesh through Initial Public Offering (IPO) by three years. Therefore, the Bank would go for IPO in the year 2019.

viii. An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct listing, etc:

Though explanation is not applicable for NRBC because no proceed has yet been collected through Initial Public Offering (IPO), the Financial results were very impressive in 2015 than the previous years that detailed in "The State of Affairs of the Company" Segment.

ix. Significant variance occurs between Quarterly Financial performance and management explanation about the variance

Operating Income was increasing over the quarters in 2015, but Operating Profit was downward in the 4th Quarter because 14 New Branches were opened during 2015. As a result branch opening expenses and other administrative expenditure were higher than preceding quarter.

Fig. in Million

Particulars	Q1, 2015	Q2, 2015	Q3, 2015	Q4, 2015	*QA, 2015	Annual, 2015
Net Interest Income	80.42	50.10	(60.35)	152.84	55.75	223.01
Non-Interest Income	252.85	354.03	617.82	554.50	444.80	1,779.20
Operating Income	333.27	404.13	557.47	707.34	500.55	2,002.21
Operating Expenses	182.52	193.48	257.02	446.78	269.95	1,079.80
Operating Profit	150.75	210.65	300.46	260.56	230.60	922.42

*QA = Quarterly Average

Net Interest income turned negative by Tk.60.35 million in the third Quarter as a result of investment in T-bond & T-bill in secondary market amount of Tk. 9,950.20. Consequently interest on Treasury bond purchased from secondary market was accounted for up to the holding period by seller, as per Bangladesh Bank DOS # 5 Date 05 January 2009 against interest income from Loan and Advances.

On the contrary, in the third quarter, Operating Profit was exceptionally 30.30% higher than Quarterly Average, because of realization of accrued coupon interest on Government securities and through sale amounting of Tk.154.16 million in the reporting quarter.

x. Remuneration to directors including independent directors:

Bank is yet to be listed with any stock exchange in Bangladesh. Hence no Independent Director has been appointed by the Bank. Each Director is entitled to get meeting attendance fees of Tk. 8,000.00 and also travelling expenses at actual basis for attending board and committee meetings as per BRPD Circular Letter #11 dated October 04, 2015. No other financial benefits were provided to the Directors of the Bank. The total amount of Directors' remuneration and the travelling expenses for the year 2015 are shown at the Table below.

Sl	Head of Payment	Taka
1	Directors' Fees with VAT	1,920,500.00
2	Travelling and Haltage	7,619,729.00

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

The Management of NRBC is responsible for preparation and fair presentation of the Financial Statements. The said financial statements prepared by the Management as at and for the year ended on 31st December 2015 has been presented fairly, in all material respect, its state of affairs, the results of its operations, cash flows and changes in equity. The external auditors i.e. M/s. K M Hasan & Co. and M/s. A. Wahab & Co., Chartered Accountants, have also provided their opinion on the same by issuing an unqualified audit report. We are referring page No. 108-109 to see the audit report issued by the external auditors.

xii. Proper books of accounts maintained by the Bank:

Proper books of accounts, as required by law, have been Maintained by NRBC Bank. Bank is using a core banking solution "Bank Ultimus" for proper recording of all transactions in compliance of the Companies Act, 1994 and Bank Companies Act, 1991. The external auditors i.e. M/s. K M Hasan & Co. and M/s. A. Wahab & Co., Chartered Accountants, have also opined on the same in point (d) in the "Report on Other Legal and Regulatory Requirements" of their audit report. The said audit report has been mentioned in page No. 108-109



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

Appropriate accounting policies have been consistently applied in preparing the financial statements of the Bank and that the accounting estimates are based on reasonable and prudent judgment. Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to these are recognized in the period in which the estimation has revised and in any future period affected. The significant accounting policies applied and accounting estimates used for preparing the financial statements of the Bank have been stated in detail in the notes # 2 (Page No. 121-142) in the Audited Financial Statement.

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

The financial statements of the Bank as at and for the year ended 31 December 2015 have been prepared under historical cost convention and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the “First Schedule” (section 38) of the Bank Companies Act 1991, as amended (up to 2013), BRPD Circular No. 14 dated 25th June 2003, other Bangladesh Bank Circulars, the Companies Act 1994, the Securities and Exchange Commission Rules 1987, and other laws, rules and regulations applicable in Bangladesh.

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

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

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

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

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

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

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

Bank properly delegates authority to employees as appropriate, records employee job description and requires written approval for changes made to information systems. NRBC Bank has formal recruitment policy and complying with it, have training program, hold given instructions to new employees and have periodic rotation of duties. As per directive of Bangladesh Bank, Bank has Clear segregation of functions is ensured independence of individual departments. Special focus on “Assets” end to the end process is already e.g. assets booking is done at branch level, credit assessment and approval by centralized credit risk management division and loan documentation, disbursement and monitoring by credit administration.

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

NRBC Bank always properly authorize all transactions and activities and there is no deviation among them regarding authorization. Bank management regularly segregates authorization functions, recording and custodian function.

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

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

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

The external auditors i.e. M/S. KM Hasan & Co and M/S. A. Wahub & Co., Chartered Accountants also provided their opinion on adequacy of internal audit, internal control and risk management functions of the bank under the point (b) of the “Report on Other Legal and Regulatory Requirements” of their audit report. The said audit report has been mentioned in page no. 108-109

xvi. Going Concern of NRBC Bank’s Business Ability

There is no significant doubt upon Bank’s ability to continue as a going concern in the foreseeable future. The financial statements of the Bank have been prepared on the assumption that the entity is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that NRBC Bank has neither intention nor the need to liquidate or curtail materially the scale of its operations.

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

Changes of all indicators over the last year’s operating results are showing positive, especially increase of investment income by 141.06% contributed in changes in the operating result.

Amount in Million otherwise specified

Operation Result	FY-2015	FY-2014	Change (%)
Interest Income	2,920.42	1,656.90	76.26%
Interest Expenses	2,697.41	1,433.08	88.22%
Investment Income	1,468.89	609.35	141.06%
Non-Interest Income	310.31	157.81	96.64%
Non-Interest Expenses	1,079.80	659.8	63.66%
Total Income	4,699.62	2,424.06	93.87%
Total Expenses	3,777.21	2,092.88	80.48%
Operating Profit	922.42	331.18	178.53%
Provision for Loans and Others	129.68	147.55	-12.11%
Profit Before Tax	792.73	183.63	331.70%
Provision for Tax	232.66	98.85	135.37%
Profit After Tax	560.08	84.78	560.63%
Cost income ratio	53.93%	66.58%	-19.00%
Return on investment (ROI)	11.55%	1.75%	2168.63%
Return on assets (ROA)	1.83%	0.46%	297.83%
Cost of Fund	8.32%	9.81%	-14.37%
Earnings Per Share	1.26	0.19	563.16%

Bank Management regularly reviews the cost of fund and cost to income ratio and takes necessary & appropriate measures to increase revenue and curtail cost and deliver a satisfactory bottom line. Board of Director observed this efficient management of Balance sheet and recommended 9% Dividend (6% Cash & 3% Stock) in its 41st meeting held on 07th March 2016 on the holding of shares for the year 2015.

xviii. Summarized all key operating and financial data of at least preceding 5 (five) years.

NRBC Bank has completed 3rd year operations and achieved sustainable growth in operational results which are given below:

Amount in Million otherwise specified

key operating and financial data	2015	2014	2013
Loans & Advances	23,227.39	14,412.25	3,717.15
Deposits	28,880.68	17,270.88	4,909.96
Equity	5,152.92	4,587.85	4,399.19
Balance Sheet Size	36,259.01	24,848.11	9,537.59
Total Contingent Liabilities & Commitments	8,651.75	4,492.66	1,083.11
Import	12,377.90	7,223.80	1,326.20
Export	11,772.60	5,964.80	265.40
Remittance	399.30	275.70	81.90
Operating Profit	922.42	331.18	92.54
Profit Before Tax	792.73	183.63	38.31
Profit After Tax	560.08	84.78	22.03
Earnings Per Share	1.26	0.19	0.05
Capital- Core (Tier I)	5,106.67	4,552.86	4,395.88
Capital- Supplementary (Tier II)	338.09	214.00	55.88
Total Capital	5,444.76	4,766.86	4,451.76
Capital Surplus/(Deficit)	2,567.96	3,125.33	3,898.26
Statutory Reserve	203.22	44.39	7.66
Retained Earnings	419.29	62.42	14.37
Capital Adequacy Ratio	18.93%	29.04%	80.43%
Cost income ratio	53.93%	66.58%	73.84%
Return on investment (ROI)	11.55%	1.75%	0.51%
Return on assets (ROA)	1.83%	0.46%	0.28%
Cost of Fund	8.32%	9.81%	11.13%
Loan Deposit Ratio	77.00%	76.83%	72.81%
% CL to Total Loans & Advances	0.27%	0.00%	0.00%

There was impressive combination of AD ratio and management has maintained the Asset quality resulting a marginal portion i.e. 0.27% of Loan and advances had become classified.

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

No reason is required to mention because of BoD of NRBC Bank recommended 9.00% Dividend (6.00% Cash & 3.00% Stock) on the holding of shares for the year 2015.

xx. Board meetings held during the year 2015 and Members' attendance thereof

The Board of Directors had been reconstituted after being re-elected as directors in the 2nd Annual General Meeting held on 28 February 2015. The Board holds meeting on a regular basis usually once in a month, but

emergency meetings are called as and when required. The Management provides information, references and detailed working papers for each item of agenda to all the Directors well ahead of time fixed for the BoD meeting for consideration. In the meeting, the Chairman of the BoD allocates sufficient time for the Directors to consider each item in a prudent way and allow them to freely discuss, inquire, and express opinions on the items of interest so that they can fulfill their duties to the best of their abilities. During the year 2015, total 15 Board Meetings were held. The attendance records of those meetings are as follows:

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

The Directors who could not attend the meeting(s) were granted leave of absence by the Board.

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

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

Shareholding	In Number	In Percentage
Sponsors/Promoters of the Bank	444,605,900	100%
Subsidiary Company	-	-
Associated Companies	-	-
Other related parties	-	-

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

SL	Name of the Directors	Status	No of Shareholding
1	Engr. Farasath Ali	Director & Chairman	20,000,100
2	Dr. Toufique Rahman Chowdhury	Director & Vice Chairman	10,000,000
3	Mr. Abu Bakr Chowdhury	Director	20,000,000
4	Mr. ABM Abdul Mannan	Director	30,413,600
5	Mr. Mohammed Oliur Rahman	Director	36,562,500
6	Mr. Mohammed Enayet Hossain	Director	25,085,000
7	Mr. Md. Amir Hossain	Director	20,028,100
8	Mr. Abu Mohammad Tushar Iqbal Rahman	Director	20,027,800
9	Mr. Firoz Haider Khan	Director	20,004,100
10	Mrs. Kamrun Nahar Sakhi	Director	13,304,800
11	Mr. Mohammad Shahid Islam	Director	20,000,000
12	Mr. Loquit Ullah	Director	17,067,900
13	Mr. Tamal S.M.Parvez	Director	20,007,000
14	Mr. Rafikul Islam Mia Arzoo	Director	20,410,000
15	Mr. Mohammed Nazim	Director	20,009,300
16	Mr. Syed Munsif Ali	Director	17,930,000
17	Mr. Mohammed Adnan Imam	Director	10,011,800
18	Dr. Nuran Nabi	Director	2,000,000
19	Mrs. Kaniz Farzana Rashed	Director	10,066,800
20	Mr. Mohammed Manzurul Islam	Director	1,014,400

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

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

Name	Functional Designation	Share holding
Mr. Dewan Mujibur Rahaman, Managing Director	Chief Executive Officer	NIL
Mr. Rafiquzzaman, EVP	Company Secretary	NIL
Mr. Harunur Rashid, SVP	Chief Financial Officer	NIL
Mr. A. I. M. Mostafa, VP	Head of ICC	NIL

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

Name		Functional Designation	Share holding
Mr. Dewan Mujibur Rahaman	Managing Director	Chief Executive Officer	NIL
Mr. Zabed Amin	Deputy Managing Director	CAMLCO	NIL
Mr. Md. Shafiet Wahed	Deputy Managing Director	Chief Risk Officer	NIL
Mr., Kazi Md. Talha	Deputy Managing Director	Head of Principal Br.	NIL
Mr. Arif Md. Shahedul Haque	SEVP	Head of HRD	NIL

g) 10% or more holding of share by shareholders: No shareholder of NRB Commercial Bank hold 10% or more shares. The maximum individual holding of share is 8.22% by one of the honourable directors.

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

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

However, a legal proceeding is pending before the Hon'ble High Court Division and, therefore, to elect/re-elect Directors is subject to receiving direction/judgment from the appropriate court of law.

In this regard Board may be unable to disclose the following information of appointment/re-appointment of a director to the shareholders:

- a) a brief resume of the director(s);
- b) nature of his/her expertise in specific functional area;
- c) name(s) of company(s) in which the person also holds the directorship and the membership of committees of the board;

➤ Appointment of Auditors of the Bank

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

In compliance with Bangladesh Bank BRPD Circular Letter No.12 dated 11 July 2001, regarding appointment of statutory Auditors of Bank Companies, one Auditor cannot be appointed for more than three consecutive years. Our existing auditors M/s. K M Hasan & Co. and M/s. A Wahab & Co., Chartered Accountants, have completed their third consecutive years in 2015. Therefore, they are not eligible for re-appointment as Auditors for the year 2016.

As recommended by the Audit Committee of the Board, the Board of Directors in its 41th meeting held on 07th March 2016 recommended the following auditors as statutory Auditors of the Bank against Expression of Interest (EOI) from Bangladesh Bank approved list for Bank Companies Auditors:

1. M/S. ACNABIN
2. M/S. Hoque Bhattacharjee Das & Co.

Hence the Shareholders may appoint the above mentioned Auditors for the year 2016 and also fix their remuneration in the 3rd Annual General Meeting to be held on 18th April 2016 (Monday).

➤ Contribution to National Exchequer

“Taxes are what we pay for civilized society”. All kinds of taxes and levies are vibrant for government blood on the way to build a civilized society. Hence the NRBC Bank deposited/paid corporate tax on income, withheld Tax, VAT and Excise Duty to government exchequer on time are shown below:

In Million(Tk.)

Khat of Govt. Revenue	FY-2015	FY-2014	Change (%)
Tax paid by bank & Tax deduction at Source	305.64	202.15	51.19%
VAT	36.07	32.11	12.33%
Excise Duty	29.69	11.21	164.85%
Total	371.40	245.47	51.31%

The NRBC Bank has paid/deposited corporate tax and withheld Tax of Tk.305.64 million in 2015, which is more than 51.19% over the year 2014. The Bank has paid Tk. 36.07 million as VAT to the government, whereas Tk.32.11 million was deposited in 2014. On the other hand Excise Duty from depositors and loan account holders was deposited Tk.11.21 million in 2014 and in 2015 it was Tk. 29.69 million. In total Tk.371.40 million has been deposited/paid to government treasury in 2015 with an increment of 51.31% over the previous year.

However, all the attempts of NRBC Bank regarding taxes, excise duty & VAT depositing goes to the implementation of government functionaries simultaneously.

➤ 3rd Annual General Meeting

The 3rd Annual General Meeting will be held on 18th April 2016 (Monday) at the Silver Tower (4th Floor), 52 Gulshan Avenue, Gulshan-1, Dhaka, Bangladesh, at 11.30 am.

Gratitude and Thanks

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

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

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

Best regards and best wishes to all.

On behalf of the Board of Directors,

Engr. Farasath Ali
Chairman

Report of the Audit Committee to the Shareholders & General Investors

The Audit Committee of the Board of NRB Commercial Bank Limited was formed by the Board of Directors for discharging responsibilities in compliance with Bangladesh Bank guidelines and Bangladesh Securities and Exchange Commission (BSEC) Notification on Corporate Governance and also carries independent oversight of the company's financial reporting, non-financial corporate disclosures, internal control systems and compliance to governing rules and laws etc. The Board of Directors sets out the overall Business Plan & formulates policies that the Management is responsible for implementation. The Audit Committee, on behalf of the Board, strives to ensure effective implementation of the processes and procedures set out in the Business Plans and Policies. Audit Committee also reviews the internal control regime and compliance status of the Bank as a whole.

Composition and Qualifications

The existing composition of Audit Committee (AC) of NRBC Board as reconstituted in the 18th meeting held on 02nd April 2014 is as follows:

Sl.	Name of the Members	Status with the Bank	Status with the committee	Educational Qualification Meetings Attended	Meeting Attendance
01	Mr. Rafikul Islam Mia Arzoo	Director	Chairman	Post Graduate	04 / 04
02	Mr. Mohammed Oliur Rahman	Director	Member	Undergraduate	03 / 04
03	Mr. Mohammed Enayet Hossain	Director	Member	Undergraduate	00 / 03
04	Mr. T I Rahman	Director	Member	B. Sc Engineer	01 / 04
05	Mr. Loquit Ullah	Director	Member	Undergraduate	02 / 03

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

Roles and Responsibilities of Board Audit Committee

The roles and responsibilities of Audit Committee of NRBC Bank have been framed by considering the provisions of BRPD Circular No 11 dated 27 October 2013, Corporate Governance Notification issued by BSEC on 07 August 2012, and other best practice corporate governance guidelines and standards. Some important roles and responsibilities are highlighted below:

Internal Control & Compliance

- Evaluate whether management is adhering to the appropriate compliance culture by communicating the importance of internal control and risk management to ensure that all employees have clear understanding of their respective roles and responsibilities.
- Review the arrangements made by the management for developing and maintaining a suitable Management Information System (MIS).
- Consider whether internal control strategies recommended by internal and external auditors have been implemented timely by the management.
- Review the existing risk management policy and procedures for ensuring an effective internal check and control system.

- Review the corrective measures taken by the management as regards to the reports relating to fraud forgery, deficiency in internal control or other similar issues detected by internal and external auditors and inspectors of the regulators and inform the Board on a regular basis.
- Guide the implementation of Corporate Governance in the Organization

Financial Reporting

- Review the Annual Financial Statements and determine whether they are complete and consistent with applicable accounting and reporting standards set by respective governing bodies and regulatory authorities.
- Meet with Management and External/Statutory Auditors to review Annual Financial Statements before their finalization.
- Review along with management, the quarterly, half-yearly and Annual Financial Statements before submission to the Board for approval.

Internal Audit Inspection Activities

- Monitor/ evaluate whether internal audit functions are conducted independently from the Management.
- Review the activities and organizational structure of the internal audit function and ensure that no unjustified restrictions or limitations are made.
- Review and assess the annual internal audit plan.
- Review the efficiency and effectiveness of internal audit function.
- Review that findings and recommendations made by the Internal Auditors for removing the irregularities, if any, detected are duly acted upon by the management in running the affairs of the bank.
- Meet the Head of ICC and the head of internal audit at least once in a year, without management being present, to discuss their merit and any issues arising from the internal audits carried out. In addition, the Head of ICC and the head of internal audit shall be given the right of direct access to the Chairman of the Board and to the Committee.

External Audit

- Consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the bank's external auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns, the Committee shall investigate the issues leading to this and decide whether any action is required.
- Oversee the relationship with the external auditors including:
 - ✓ Approval of their remuneration, i.e. fees for audit or non-audit services.
 - ✓ Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services.
 - ✓ Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the bank (other than in the ordinary course of business).
 - ✓ Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present; to discuss their remit and any issues arising from the audit.

- ✓ Review the findings and recommendations made by the external auditors for removing the irregularities, if any, detected are duly acted upon by the management in running the affairs of the bank.

Compliance with existing laws and regulations

Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC and other bodies) and internal circular/instructions/policy/regulations approved by the Board and Management have been complied with.

Miscellaneous

- The AC submits a 'Compliance Report' on quarterly rest to the Board mentioning any errors and irregularities, fraud and forgery and other anomalies pointed by Internal and External Auditor and Inspection Team from Bangladesh Bank.
- The AC submits the evaluation report relating to Internal and External Auditor of the Bank to the Board.
- This committee supervises other assignments delegated by the Board and evaluate its own performance regularly.

Meetings of the Audit Committee (AC)

Bangladesh Bank suggested banks to hold at least 4 meetings in a year. The Audit Committee of NRBC Bank held 4 (four) meetings in the year 2015 and had detailed discussions and review session with the Head of Internal Control & Compliance, External Auditors etc. regarding their findings, observations and remedial suggestions on issues of bank affairs that need improvement. The AC instructed management to follow those remedial suggestions and monitored accordingly. Meeting dates are as follows:

SL #	Meeting	Date of Meeting
01	08 th meeting of the Audit Committee	20 January 2015
02	09 th meeting of the Audit Committee	11 April 2015
03	10 th meeting of the Audit Committee	08 July 2015
04	11 th meeting of the Audit Committee	18 October 2015

Major issues focused by AC in 2015

The major areas of focus by the Audit Committee of the Bank during the year 2015 are mentioned below:

- Review and approve the Annual Comprehensive Audit Plan of the Bank
- Review the External Audit Report alongwith the Financial Statements for the period ended 2014 of the Bank and recommended it to the board for their consideration.
- Review of the First Quarter (Q1), half-yearly and Third Quarter (Q3) Financial Statements (Un-audited) for the year 2015 before submission to the Board for approval in compliance with the BSEC's Corporate Governance Guidelines 2012.
- Reviewed the Management report-2014 submitted by External Auditors, Management responses thereto and corrective measures taken by the Bank to avoid recurrence of the lapses mentioned therein.
- Summary of Bangladesh Bank 2nd Core Risk Inspection of NRBC Bank Limited. Credit Risk Management (CRM), Internal Control & Compliance (ICC), Asset-Liability Management (ALM) and Information Communication & Technology (ICT), Anti-Money Laundering Risk, Foreign Exchange Risk and Divisions at Head office and Rajshahi Branch as on 30.06.2014 conducted by Bangladesh Bank.

- Implementation status and Compliance on the Inspection Report conducted by Bangladesh Bank on Principal Branch, Uttara Branch and Gulshan Branch of the Bank as of 30th June 2014.
- Review and recommendation of the comprehensive Inspection reports on the branches, divisions and departments of the Head Office conducted by the Internal Control and Compliance (ICC) Division of the Bank.
- Review of the process of strengthening Internal Control Systems and Procedures of the Bank.

The Minutes of the Audit Committee meetings containing various suggestions & recommendations to the management as well as activities of the committee are placed before the Board of Directors meeting on regular basis.

Acknowledgement

The Board Audit Committee expresses its sincere thanks to the members of the Board, Management and Auditors for their excellent support to the Committee while they carried out their duties and responsibilities.



Rafikul Islam Mia Arzoo

Chairman of the Audit Committee of the Board

CREDIT RATINGS

Rating
2015

Long Term

A

Short Term

ST-3

Rated By CRISL
Dated of March 30,2016

Status	Long Term	Short Term	Outlook
Survelliance Rating 2014	A-	ST-3	Stable
Survelliance Rating 2015	A	ST-3	

Rating Rationale

Long Term rating A (Pronounced as A)

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

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

Short Term rating ST-3

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



Compliance of Corporate Governance

NRBC Bank commenced its business as NRB Commercial Bank Limited on 18th April, 2013. As a result, the Bank enjoys the status of a corporate body. Policies and practices of corporate governance of NRBC Bank are aimed at ensuring proper entrustment, transparency and accountability in the organization as a whole. The bank is formed and evolved in line with the granted corporate governance practices and guidelines of Bangladesh Bank and other concern authority. As private sector bank, it attaches utmost importance clearly speed and well defined corporate governance standards which include among others, compliance, disclosure, transparency.

Corporate governance (CG) is the arrangement of principles, policies, procedures and clearly defined responsibilities and accountabilities framed to overcome the conflicts of interest inherent in the corporate structure. In now-a-day's business arena corporate bodies is subject to a variety of conflicts of interest due to its inherent complexities in varieties and structures. So, two major aims of corporate governance can be:

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

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

Guidance for Corporate Governance

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

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

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

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

NRB Commercial Bank Limited

(As required under the BSEC Guidelines)

We have examined the compliance of conditions to the Bangladesh Securities and Exchange Commission (BSEC) guidelines on Corporate Governance by NRB Commercial Bank Limited (the "Bank") for the year ended 31st December 2015. These guidelines relate to the notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 of BSEC on corporate Governance.

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

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

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

Dated: Dhaka
April 4, 2016

Hoque Bhattacharjee Das & Co.

Hoque Bhattacharjee Das & Co.
Chartered Accountants

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

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

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

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.5	The Directors' Report to Shareholders : The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act,1994 (Act No. XVII of 1994):			
1.5(i)	Industry outlook and possible future developments in the industry.	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns.	√		
1.5 (iv)	A discussion on Cost of goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	√		
1.5 (vii)	Utilization of proceeds from public issues, right issues and/or through any others instruments.			N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		
1.5 (x)	Remuneration to directors including independent directors.	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		Reported Three years only as bank completed 3 years operation
1.5 (xix)	If the issuer company has not declared dividend (Cash or stock) for the year, the reasons thereof shall be given.			9% Dividend recommended by the BOD.
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5 (xxi)	The Pattern of shareholding shall be reported to disclose the aggregate number of share (along with name wise details where stated below) held by:-			
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		Nil
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1.5 (xxi) (c)	Executives;	√		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		No Director hold 10% or more shareholding
1.5(xxii)	In case the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-			

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
1.5(xxii)(a)	a brief resume of the director;	√		Election/ re-election of Directors, subject to receiving direction from the appropriate court of law.
1.5(xxii)(b)	nature of his/her expertise in specific functional area;	√		
1.5(xxii)(c)	names of companies in which the person also holds the directorship and the membership of committees of the board;	√		
2	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)			
2.1	The company shall appoint a Chief Financial Officer (CFO), a head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		
2.2	Requirement to attend the Board Meetings: The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and /or the Company Secretary shall not attend such part of meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters	√		
3	AUDIT COMMITTEE			
3 (i)	The company shall have an Audit Committee as a Sub-committee of the Board of Directors.	√		
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1	Constitution of the Audit Committee			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		Constituted as per BB's Circular
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.			N/A

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
3.1(iii)	All members of the audit committee should be “Financially literate” and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1(iv)	When the term of service of the Committee members expires or there is any circumstances causing any Committee member to unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	√		
3.1(v)	The company secretary shall act as the secretary of the Committee.	√		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.			N/A
3.2	Chairman of the Audit Committee			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.			N/A
3.2 (ii)	Chairman of the audit committee shall remain Present in the Annual General Meeting (AGM).	√		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk management process.	√		
3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management	√		

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.			Yet to money raise through IPO
3.4	Reporting to the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors	√		
3.4.1 (ii) a)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:- a) report on conflicts of interests			No such event occurred during the Year
3.4.1 (ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system			Do
3.4.1 (ii) c)	suspected infringement of laws, including securities related laws, rules and regulations			Do
3.4.1 (ii) d)	any other matter which shall be disclosed to the Board of Directors immediately			Do
3.4.2	Reporting to the Authorities: Reporting to BSEC about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has unreasonably ignored, the Audit Committee shall report such finding to the BSEC, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			No such event occurred during the Year
3.5	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
4	EXTERNAL/STATUTORY AUDITORS: The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:			
4 (i)	Appraisal or valuation services or fairness opinions.	√		
4 (ii)	Financial information systems design and Implementation.	√		
4 (iii)	Book-keeping or other services related to the Accounting records or financial statements.	√		
4 (iv)	Broker-dealer services.	√		
4 (v)	Actuarial services.	√		
4 (vi)	Internal audit services.	√		
4 (vii)	Any other service that the Audit Committee determines.	√		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
4(ix)	Audit/certification services on compliance of corporate governance as	√		
5	SUBSIDIARY COMPANY			
5(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			N/A
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	√		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
6.	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIER FINANCIAL OFFICER (CFO):			
6 (i)	The CEO and CFO shall certify to The Board that:- They have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		

Condition No.	Title	Compliance Status Put (√) in the appropriate column		Remarks (if any)
		Complied	Not Complied	
6(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:	√		
6(i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	√		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7(i)	The company shall obtain a certificate from a practicing Professional Accountant/ Secretary/ Chartered Accountant/Cost and Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report.	√		the Bank is not listed with any Stock Exchange, But enclosed this compliance of conditions of Corporate Governance
7(ii)	Directors statement in the director's report whether the company has complied with these conditions;	√		



Risk Management Report
Disclosure on Risk Based Capital (Basel-III)



Risk Management Report

Banks are invariably faced with different types of risks, In the course of their operations, that may have a potentially negative effect on their business. As a financial institution, NRB Commercial Bank (NRBC Bank) is exposed to certain amount of risks which are associated with its lending, trade-service business and operational activities. Managing and mitigating such risks are always a prioritized concern of NRBC Bank. The bank defines risk widely-as any factor that if not adequately assessed, monitored and managed, may prevent it from achieving its objectives.

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

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

Board Risk Management Committee (BRMC)

On behalf of Board of Directors to implement and ensure proper risk management practice in banks, NRBCB formed Board Risk Management Committee (BRMC) in line with Bank Company (Amendment up to 2013) Act-1991, sec-15 Kha, and subsequent BRPD Circular # 11 dated October 27, 2013. Function of the BRMC is to minimize risk regarding Strategic planning & implementation and to accomplish Board functions accurately related to risk. Duties & Responsibilities of BRMC include Risk determination and control strategy, Organizational Structure, Review and approval of risk management guidelines, Information Storage & Reporting Process, Supervision of overall Risk Management Guidelines implementation and Miscellaneous issues.

Management Risk Committee (MRC)

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

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

Risk Management Division (RMD)

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

Risk Management policies:

To ensure that risks are properly addressed and protected for sustainable development of the Bank, there are approved policies and procedures covering all risk areas. Bank has put in place various Board approved Risk Management Policies i.e. (i) Credit Risk Management Policy (ii) Asset Liability Management Policy (iii) ICC Risk

Management Policy (iv) Anti Money Laundering Risk Policy (v) Foreign Exchange Risk Policy (v) ICT Risk Management Policy (vi) wholesale Borrowing and Funding Guidelines (vii) Liquidity Contingency Plan (viii) Management Action Trigger (ix) Fraud Detection and management process (x) Valuation Methodology of Collateral. These policies are regularly reviewed and updated to keep pace with the changing operating environment, technology and regulatory requirements.

The following sets of principles are used for the sustainable risk management culture at NRBC Bank:

Balancing Risk and Return	Risk is taken considering the interest of Bank's stakeholders, in line with Bank's strategy and within its risk appetite.
Responsibility	All employees ensure that risk-taking is disciplined and focused
Accountability	Risk is taken only by delegated authorities and where there is appropriate infrastructure and resources. NRBCB maintains a clear and transparent process for all risk-taking decisions.
Anticipation	NRBCB seeks to anticipate future risks and ensures awareness of all known risks.
Competitive advantage	The bank seeks to achieve competitive advantage through efficient and effective risk management and control.

Risk Management practice at NRBC Bank under Basel-III:

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

Pillar-I (Minimum Capital Requirement)

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

Pillar-II (Internal Capital Adequacy Assessment Process)

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

Pillar-III (Market Disclosures)

To meet the Pillar III requirements of Basel III, NRBC Bank has adhered to disclosure norms as stipulated in the guidelines of Bangladesh Bank (BB). The disclosures for every year are available in Bank's annual report and website. Under market disclosure bank reveals various types of qualitative and quantitative information so that stakeholders

can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets.

NRBC Bank Risk Management Practice as per Six Core Risk Areas:

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

- Credit risk
- Asset Liability risk
- Foreign exchange risk
- Internal Control and Compliance risk
- Money laundering risk
- Information and Communication Technology risk

Credit Risk Management

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

Credit policies and principles

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

- Extending credit to the clients having clean CIB report.
- Maintaining rational loan deposit ratio
- Avoiding directed and name lending
- Lending maintaining highest ethical standard
- Extending credit in the areas where risks are significantly understood and can be managed
- Conducting lending operations complying with norms and regulations

Credit administration

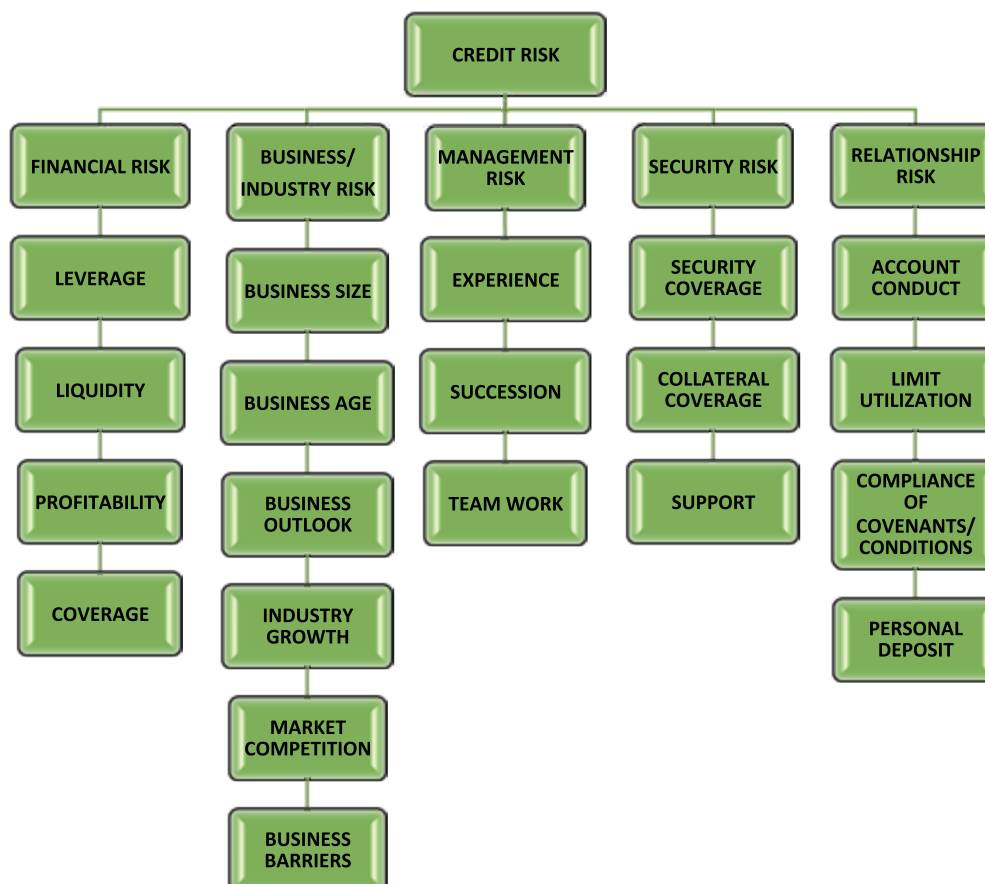
NRBC Bank's credit disbursement functions and administration are strictly handled by Credit Administration Department (CAD) which ensures among others that:

- Documented credit approval are obtained
- Legally enforceable security documents are prepared
- Limit creation and loan documentation check list (LDCL) are obtained
- All standard charge documents are executed.
- Credit disbursement approvals are promptly given

Credit monitoring

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

CREDIT RISK TAXONOMY



Asset - Liability risk management

ALM is a process to manage the composition and pricing of the assets, liabilities and off balance sheet items and aims to control bank's exposure to market risks, with the objective of optimizing net income and net equity value within the overall risk preferences of the bank.

ALM Governance

The asset and liability management committee (ALCO) is the key unit of the risk management system. The ALCO of NRBC Bank consisting of the bank's senior management and headed by CEO & Managing Director is responsible for ensuring adherence to the limits set by the Board and deciding the business strategy of the bank (on the asset and liabilities side) in line with the bank's budget and decided risk management objectives. The committee meets at least once in a month; studies market position, addresses all the risks and tries to find out the solution for mitigating the risks.

Foreign exchange risk management

NRBC Bank is exposed in profit rate risk and settlement risk on account of its foreign exchange business. Foreign Exchange businesses are involved in import, export and remittances including other auxiliary services. Foreign

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

Internal Control and Compliance risk management

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

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

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

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

Money laundering risk management

In order to ensure the best corporate governance practices and aiming at protecting the Bank and its employees, shareholders, Management and Customers, NRBC Bank, as a financial intermediary, is committed to take preventive measures against money laundering and terrorist financing in line with the Money Laundering Prevention Amendment Act, 2015, the Anti-Terrorism Act, 2009 (Amended), Anti-Terrorism Rules 2013, the Guidance Notes on Prevention of Money Laundering of Bangladesh Bank, and the instructions circulated by them from time to time.

NRBC Bank's activities regarding money laundering risk management:

NRBC Bank has its policy guidelines developed in line with the Guidance Notes on Prevention of Money Laundering of Bangladesh Bank and instructions of BFIU on Combating the Financing of Terrorism.

The bank identifies and suggests correct and full documentation in terms of Know Your Customer (KYC), which enables prudential Prevention of Money Laundering.

The bank ensures regular monitoring, compliance and accountability both at Corporate Head Office and at branch level through Chief Anti-Money Laundering Officer (CAMLCO) and the Branch Anti-Money Laundering Officer (BAMLCO)


NRBC Bank has integrated core banking software (CBS) regarding customer information, which helps the branches maintain the updated KYC and TP, monitor and detect suspicious transactions with the support of the bank's integrated CBS

Each branch has at least one official with assigned specific AML compliance responsibilities

NRBC Bank submits CTR to Bangladesh Financial Intelligence Unit through goAML software provided by them

Information and Communication Technology (ICT) risk management

The bank has adequately Information and Communication Technology (ICT) risk Management which ensures ICT security functions and operations in a more effective manner. It is an in-depth exercise and continual process.



Against the backdrop of an increased reliance on complex IT systems and operations in the financial sector is the heightened risk of cyber-attacks and system disruptions. In this regard NRBCB has continued to deepen their technology risk management capabilities and is ready to handle IT security incidents and system failures.

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

As banking business, NRBC Bank amass a great deal of confidential information about their customers, employees, products, services, research and financial status and people makes relation with NRBC Bank based on trust and reliability and believes NRBCB as convergent entity for safe keeping the money, information and other assets. In return NRBCB always pay greater values to customer information and assets and protects those from any type of unauthorized use and/or fraud. In-addition, IT Division is protecting and ensuring the confidentiality, integrity, and availability of information systems and related technology in today's highly cyber threatened environment.

NRBC Bank Risk Management Practice as per Risk Management Report:

As per Bangladesh Bank (BB) requirement, Risk Management Division (RMD) prepares Comprehensive Risk Management Report and Monthly Risk Management Report on half yearly and monthly basis .Risk Management Report along with the minutes is submitted to Bangladesh Bank by Risk Management Division. Risk Management Report is a comprehensive document related to risk issues which is being placed in the Risk Management Division's monthly meeting. It also allows identification and mitigation of risk under necessary guidance of the Senior Management of the Bank. Risk Management Report is also being submitted to the Risk Management Committee of the Board and the decisions are being communicated with relevant divisions of the bank for necessary action.

Being a fourth generation commercial bank, NRBCB is well aware that its business carries certain risk elements. Therefore, it has set its policies, procedures, monitoring and oversights in order to contain the internal and external risks at a minimal level. The Management and Board of the Bank firmly believes that effective risk management practices prerequisite for sustainable growth. The bank focuses on meticulous observance of both internal and regulatory directives including implementation of Basel-III.



Disclosure on Risk Based Capital (Basel-III)

Introduction

Basel III guidelines attempt to plug the gaps identified in Basel II. However, the world economy and financial markets are dynamic and evolving ecosystems with many forces in play. Consequently, financial regulations will keep on evolving. The intensity of regulatory interventions is expected to increase in the future and the importance of risk management is expected to further move up in the priority of board members and top management.

It is therefore imperative that a Basel III implementation is planned and designed with a high degree of scalability to support future changes in regulation. A Basel III implementation should be taken as an opportunity to remove a silo based approach to risk management and move towards a reliable and scalable enterprise wide risk management system.

• Disclosure Policy

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

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

- **Disclosure framework**

1. Scope of application
2. Capital structure
3. Capital adequacy
4. Credit Risk
5. Equities: disclosures for banking book positions
6. Interest rate risk in the banking book (IRRBB)
7. Market Risk
8. Operational Risk
9. Leverage Ratio
10. Liquidity Ratio
11. Remuneration

1. Scope of application:

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

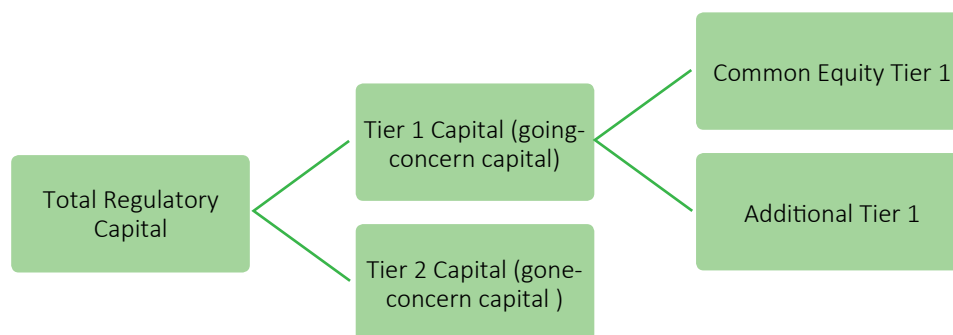
Solo Basis' refers to all position of the NRB Commercial Bank and its local and overseas branches/offices.

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

2. Capital Structure:

a) Qualitative Disclosures:

NRBC Bank's total regulatory Capital will consists of sum of the following categories.

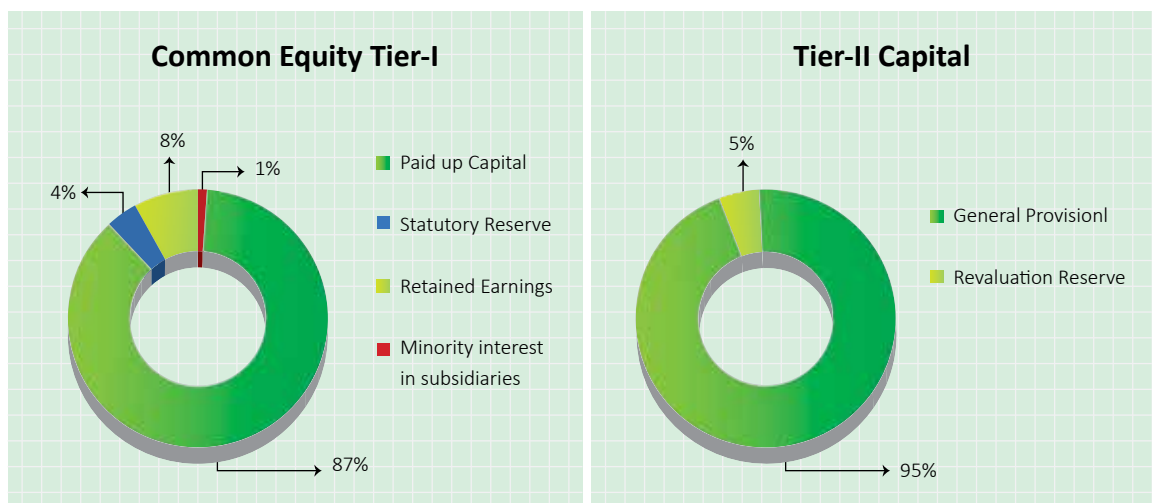


Major Components of Capital

Going- Concern Capital/Common Equity Tier 1 (CET1) capital shall consist of sum of paid up Capital, Statutory reserve, general reserve, retained earnings and Minority interest in subsidiaries after netting regulatory adjustments applicable on CET1 as mentioned in RBCA guideline.

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

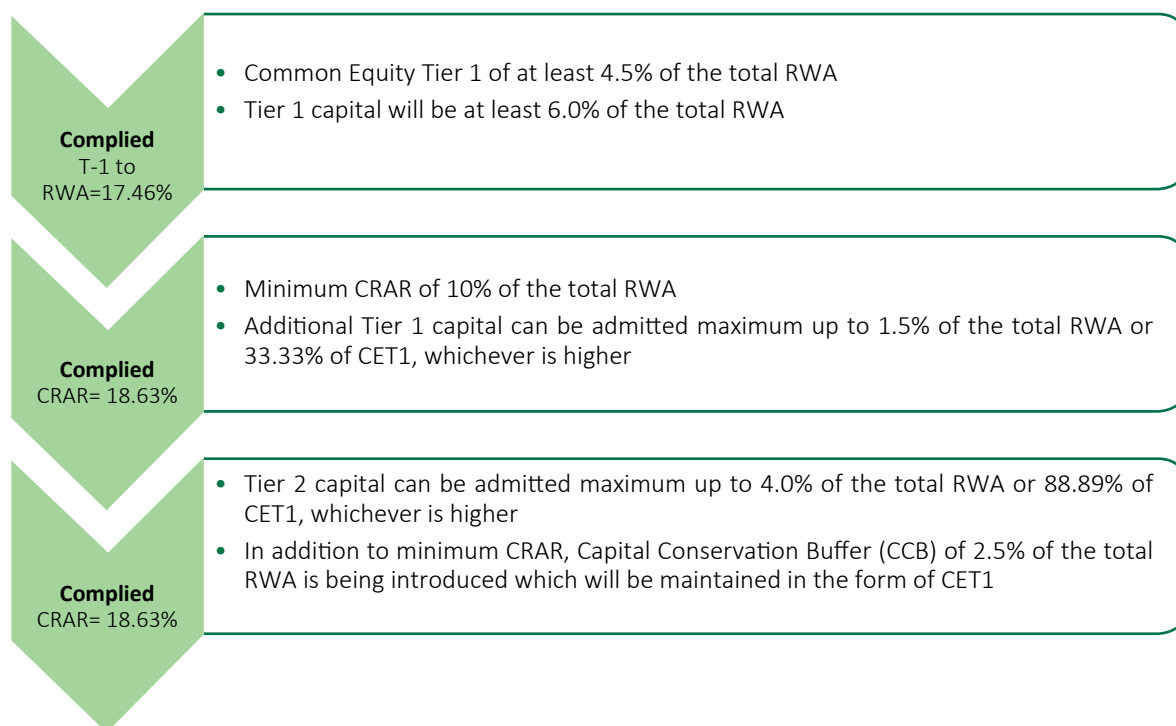
Gone-Concern Capital/ Tier 2 (CET1) capital shall consist of sum of General Provisions, Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital.



Quantitative Disclosures:

Particulars	Solo	Consolidate
Common Equity Tier-1		Fig in Crore Tk.
Paid up Capital	444.61	444.61
Statutory Reserve	20.32	20.32
Retained Earning	42.01	41.93
Minority interest in Subsidiaries	N/A	3.99
Tier-1 Capital	506.94	510.85
Regulatory Adjustments		
Deferred Tax Assets (DTA)	0.18	0.18
Tier-1 Capital after adjustment	506.76	510.67
Tier-2 Capital		
General Provisions	32.41	32.41
Revaluation Reserve	1.75	1.75
Regulatory Adjustments		
Revaluation Reserve 20% washout in 2015	0.35	0.35
Tier-2 Capital after adjustment	33.81	33.81
Total Regulatory Capital	540.57	544.48

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



3. Capital Adequacy:

Qualitative Disclosures:

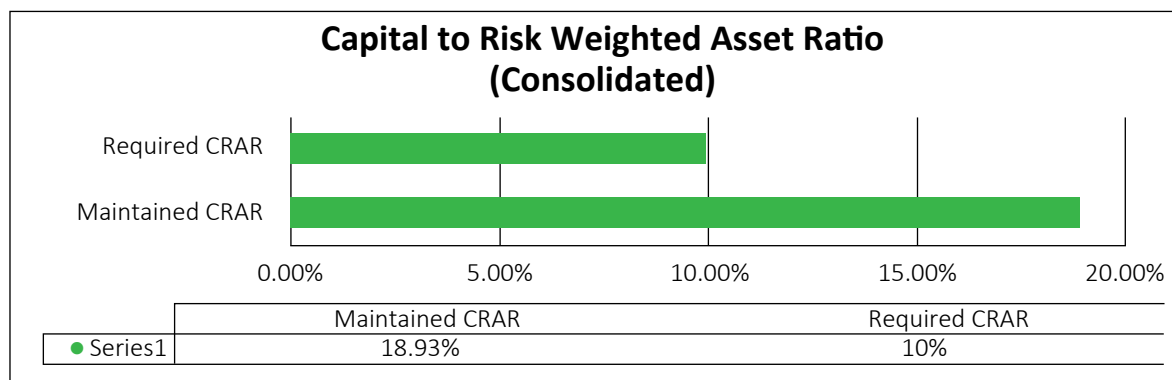
NRB Commercial Bank Limited with its focused strategy on risk management has always been consistent in maintaining capital adequacy ratio above the regulatory requirements. The Bank has been successfully managing the incremental growth of the Risk Weighted Assets by ensuring diversification of the portfolio in SME, Retail and Corporate segments. However, RWA is also managed by taking collaterals against loans. NRBCB also strives to extend its relationship with corporate clients having good credit ratings.

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

Quantitative Disclosures:

Particulars	Solo	Consolidate
Capital requirement for Credit Risk (10% of RWA)	265.99	263.44
Capital requirement for Market Risk	7.49	7.49
Capital requirement for Operational Risk	16.72	16.74
Total Capital Requirement	290.21	287.68
Capital to Risk Weighted Asset Ratio		
On Core Capital (Against a standard of minimum 5%)	17.46%	17.75%
On actual Capital (Against a standard of minimum 10%)	18.63%	18.93%

The Bank maintains a capital of Taka 544.48 crore as against total risk weighted assets of taka 2876.80 crore. The Bank's Capital to Risk weighted Asset Ratio (CRAR) as at 31 December 2015 is 18.93% (Consolidate) as against the minimum requirement of 10%. Tier-I capital was 17.75% (Consolidate) against minimum requirement of 5%. As a result the Bank has a buffer Capital of Taka 144.48 crore to mitigate the additional uncertain risk under Pillar-II of Basel-III.



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

Credit approval: Board of Directors of NRBCB has the sole authority to approve any credit exposure subject to maintaining Single Borrower Exposure limit and to delegate such authority to the Managing Director & CEO with or without authority for further sub delegation.

Credit policies and procedures: The Credit Policy Manual contains the core principles for identifying, measuring, approving, and managing credit risk in the bank. These policies are established by the Board of Directors, and are designed to meet the organizational requirements that exist today, and to provide flexibility for future. These policies represent the minimum standards for credit extension by the bank, and are not a substitute for experience and good judgment.

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

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

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

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

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

Quantitative Disclosures of NRBC Bank's Credit Risk:

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

Urban Area	Fig in crore Tk.
Dhaka	1,568.70
Chittagong	319.18
Rajshahi	85.87
Sylhet	32.74
Barisal	18.14
Rangpur	3.50
Khulna	0.43
Rural Area	
Dhaka	248.35
Chittagong	45.82
Total	2,322.74

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

SL	Industries	Fig in crore Tk.
1	Agricultural Industry	52.59
2	Textile	157.18
3	RMG	185.17
4	NBFI	108.05
5	Food	7.34
6	Beverage	9.78
7	Pharmaceutical	19.46
8	Chemical	1.75
9	Electrical	13.47
10	Construction	74.56

SL	Industries	Fig in crore Tk.
11	House Building Commercial	97.92
12	House Building Residential	67.10
13	Leather	4.85
14	Tobacco	45.07
15	Service Industry	52.30
16	Transport	84.52
17	Basic Metal	36.70
18	Capital Market	0.79
20	Furniture	0.15
21	Insurance	17.62
22	Consumer Finance	81.04
23	Printing	27.80
24	Ship Breaking	30.12
25	SME	212.46
27	Steel	57.22
28	Trade Industry	454.33
30	Other Manufacturing Industry	287.98
31	Others	135.41
Total		2322.74

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

Particulars	Figures in Crore Tk.
Term Loan	378.96
Lease Finance	96.10
Hire Purchase	115.13
Time Loan	299.57
L.T.R	132.05
Packing Credit	9.39
EDF Loan	21.13
Personal Loan	5.96
SME Credit	212.46
Retail Credit	26.16
House Building Loan	164.04
P.A.D.	4.20
Staff Loan	18.57
Loans And Advances-Offshore Banking Unit	0.00
Loans To Subsidiaries	0.00
Credit Card	7.64
Cash Credit	256.57
Secured Over Draft	542.58
Loans And Advances-not specified above	12.95
Bills Purchased And Discounted	19.28
Total	2322.74

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

Remaining Maturity	Fig in crore Tk.
Payable on demand	169.53
Not more than 3 months	447.03
More than 3 months but not more than 1 year	877.29
More than 1 year but not more than 5 years	528.49
More than 5 years	300.40
Total	2,322.74

Gross Non-performing Asset:

Unclassified	Fig in crore Tk.
Standard Including Staff Loan	2300.97
Special Mention account	15.48
Sub-Total (a)	2316.45
Classified	
Substandard Loan	5.06
Doubtful	1.22
Bad/loss	0.00
Sub-Total (b)	6.28
Total (a+b):	2322.74

Rate of General and Specific provision:

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

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

Movement of Nonperforming Asset (NPAs)	Fig in crore Tk.
Opening balance	0.00
Addition	28.26
Reduction	21.98
Closing balance	6.28
Movement of specific provisions for NPAs	
Opening balance	0.00
Provisions made during the period	0.48
Write-off	0.00
Write-back of excess provisions	0.00
Closing balance	0.48

5. Equities: Disclosures for banking book positions:

Investment in equity securities are broadly categorized into two parts:

- Quoted Securities:** Quoted Securities are traded in the secondary market and categorized as trading Book Assets. These securities include Common shares, Preference shares and Mutual funds.
- Unquoted Securities:** As there is no secondary market for unquoted securities, these instruments are categorized as banking book assets.

Quoted shares are reported in market price while the unquoted shares are reported in cost price or Net Asset Value (NAV) per share whichever is lower.

Quoted Share		Fig in crore Tk.
Cost Price	Market Price	Unrealized Gain/Loss
6.97	20.07	13.10
Un-Quoted Share		
10.00		

Capital Charge on Equities:

Particulars	Amount	Capital Charge
Specific Risk	7.04	0.70
General Market Risk	7.04	0.70
Total	14.08	1.41

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

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

Methods of Addressing IRRB:

In NRBC Bank Limited, the Asset & Liability Management (ALM) unit under the supervision of Asset and Liability Committee (ALCO) is responsible for managing market risk arising from Bank's banking book activities.

Re-pricing Schedules:

It is the simplest techniques for measuring a bank's interest rate risk exposure and that is generating a maturity/re-pricing schedule that distributes interest-sensitive assets, liabilities, and OBS positions into a certain number of predefined time bands according to their maturity (if fixed-rate) or time remaining to their next re-pricing (if floating-rate). Those assets and liabilities lacking definitive re-pricing intervals (e.g. sight deposits or savings accounts) or actual maturities that could vary from contractual maturities are assigned to re-pricing time bands according to the judgment and past experience of the bank.

Gap Analysis:

It helps to assess the interest rate risk of current earnings. To evaluate earnings exposure, interest rate-sensitive liabilities in each time band are subtracted from the corresponding interest rate-sensitive assets to produce a re-pricing "gap" for that time band. This gap is then multiplied by an assumed change in interest rates to yield an approximation of the change in net interest income that would result from such an interest rate movement.

Duration:

A maturity/re-pricing schedule is also used to evaluate the effects of changing interest rates on a bank's economic value by applying sensitivity weights to each time band. Typically, such weights are based on estimates of the duration of assets and liabilities that fall into each time band.

Quantitative Disclosure:

Particulars	Fig in crore Tk.
Duration in Asset	1.70
Duration in Liabilities	1.14
Duration Gap (in Years)	0.72

Interest rate risk in banking book as of Dec 30, 2014 is calculated as change in Market Value (MV) of equity as below:

Interest rate change	1%	2%	3%
Change in market value of equity	-23.24	-46.69	-70.04

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

Stress Test: Interest rate risk in the Banking Book

	Fig in crore Tk.		
Total Risk Sensitive Asset	2252.27		
Total Risk Sensitive Liabilities	1801.56		
Cumulative Gap			
< 3 months	607.19		
3-6 months	491.30		
6-12 months	450.70		
CRAR before shock (Solo)	18.63%		
Assumed Change in Interest Rate (%)	1%	2%	3%
Capital after shock	506.31	471.89	437.47
CRAR after shock	17.45%	16.26%	15.07%

7. Market Risk:

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

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

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

Views of BOD on trading/investment activities:

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

Methods used to measure Market Risk:

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

Market Risk Management System:

Interest rate risk:

To manage the interest rate risk, ALCO regularly monitors various ratios and parameters. Among the ratios, the key ratios that ALCO regularly monitors are Liquid asset to total assets, Volatile liability dependency ratio, and medium term funding ratio, Net stable funding ratio, liquidity ratio and Short term borrowing to Liquid assets ratio. ALCO also regularly monitors the interest rate sensitive gap and duration gap of total portfolio.

Foreign exchange risk:

To manage foreign exchange risk of the bank, the Bank has adopted the limit by central bank to monitor foreign exchange open positions. Foreign exchange risk is computed on the sum of net short positions or net long positions, whichever is higher of the foreign currency positions held by the Bank.

Qualitative Disclosure: Both Solo and Consolidated basis

The capital requirements for :	Fig in crore Tk.
i) Interest Rate Risk	2.37
ii) Equity Position Risk	1.41
iii) Foreign Exchange Risk	3.71
iv) Commodity Risk	0.00

8. Operational Risk:

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

Views of BOD on system to reduce operational risk:

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



Performance gap of executives and staffs:

NRBC Bank is an equal opportunity employer. At NRBC Bank we recognize the importance of having the right people at right positions to achieve organizational goals. Our recruitment and selection is governed by the philosophies of fairness, transparency and diversity. Understanding what is working well and what requires further support is essential to our performance management system. The performance management process aims to clarify what is expected from employees as well as how it is to be achieved.

Policies and processes for mitigating operational risk:

As there is no upside of this risk, the objective of the management of operational risk is to minimize the risk in cost effective manner. Currently bank is not using any model or tool to capture operational loss data for historical analysis rather it is a self assessment process. Bank's ICC Division is responsible for risk identification, measurement, monitoring, control, and reporting of operational risk. Operational risks are analyzed through review of Departmental Control Function Check List (DCFCL). This is a self assessment process for detecting HIGH risk areas and finding mitigation of those risks. These DCFCLs are then discussed in monthly meeting of Bank's Risk Management Committee. The committee analyzes HIGH and MODERATE risk indicators and set responsibility for suitable personnel to resolve the issue. If anything remains unresolved or marked HIGH, it is referred to MANCOM.

Approach for calculating capital charge for operational risk:

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

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

Particulars	Fig in crore Tk.	
	Solo	Consolidated
The capital requirement for operational risk	16.72	16.74

9. Liquidity Ratio and Risk:

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

Views of BOD on system to reduce operational risk:

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

Methods used to measure Liquidity risk:

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

Liquidity risk Management System:

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

- a.) Cash Reserve Requirement (CRR)
- b.) Statutory Liquidity Ratio (SLR)
- c.) Medium Term Funding Ratio (MTFR)
- d.) Maximum Cumulative Outflow (MCO)
- e.) Advance Deposit Ratio (ADR)
- f.) Liquidity Coverage Ratio (LCR)
- g.) Net Stable Funding Ratio (NSFR)

Policies and process for mitigating liquidity risk:

Bank use its own liquidity monitoring tools. i.e. Wholesale Borrowing and Funding Guidelines, Liquidity Contingency Plan and Management action Trigger (MAT) to monitor and mitigate liquidity risk.

Quantitative Disclosure:

	Fig in crore Tk.	
Net Stable Funding Ratio (NSFR)	118.30%	
Liquidity Coverage Ratio (LCR)	95.95%	
Medium Term Funding Ratio (MTFR)	77.60%	
Maximum Cumulative Outflow (MCO)	19.84%	
	Required	Maintained
Cash Reserve Requirement (CRR)	181.70	183.00
Statutory Liquidity Ratio (SLR)	363.39	433.75

10. Leverage Ratio:

Views of BOD on system to reduce excessive leverage:

NRB Commercial Bank's Board avoids building-up excessive on- and off-balance sheet leverage. The philosophy of the Board is to maintain a minimum Tier 1 leverage ratio of 3% which is being prescribed both at solo and consolidated level by Bangladesh Bank.

Approach for calculating exposure:

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

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

Qualitative Disclosure:

	Solo	Consolidated
Leverage Ratio	12.53%	12.65%

11. Remuneration:

The bank has a Board approved payroll/remuneration policy which is incorporated in HR policy. The bank doesn't have any individual Committee that overseeing the remuneration. MANCOM with the concern of Board will monitors the issue on required basis. The bank has approved rewarding policy for the performing employees. Financial benefits may be granted to an employee by the Board or any other authority empowered by the Board for meritorious service. An award in cash or in kind may be granted to an employee by the Board or any other authority empowered by the Board for the outstanding academic and professional achievements.

Qualitative Disclosure	Fig in crore Tk
Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	Nil
Number of employees having received a variable remuneration award during the financial year.	Nil
Number and total amount of guaranteed bonuses awarded during the financial year.	No. 5.00 Tk. 6.26
Number and total amount of sign-on awards made during the financial year.	Nil
Number and total amount of severance payments made during the financial year	Nil
Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil
Total amount of deferred remuneration paid out in the financial year.	Nil
Breakdown of amount of remuneration awards for the financial year to show: fixed and variable, deferred and non-deferred, different forms used (cash, shares and share linked instruments, other forms).	Nil



Corporate Social Responsibility

Corporate Social Responsibility (CSR) has become a standard of sustainable business practices. In this regard the contribution of financial institutions, including banks, is of paramount importance considering their vital role in financing the economic and developmental activities. CSR ensures trade off between economic and social goals to encourage the efficient use of resources. NRB Commercial Bank has taken an integrated approach by combining sustainable development with community involvement to expedite economic growth of the nation. NRBC Bank considers CSR as core responsibility instead of considering it as philanthropic activity. Along with financial inclusion, our bank is playing vital role on strengthening social base by performing multifarious CSR activities like distributing educational materials to the students of former enclaves of Bangladesh, donating blankets to poor and cold stricken people, donating to burn unit DMCH and so on.

CSR of NRB Commercial Bank during-2015

NRBC Bank donated to the Burn Unit of Dhaka Medical College and Hospital to help burnt victims of the malicious petrol bomb attacks in the country. On behalf of Managing Director, Mr. Shoab Ahmed (DMD) handed over the cheque to Dr. Atiur Rahman, Governor of Bangladesh Bank. Dr. Samanto Lal Sen, Advisor of the Burn Unit of Dhaka Medical College and Hospital, Director Prof. Md. Abul Kalam and BB Deputy Governor Mr. S K Sur Chowdhury were also present on the occasion.

Recently our Bank distributed School bags, water pots, and exercise books to the school going children of Doholabalapara, one of the former enclaves of Debiganj Upazilla of Panchagarh district that merged with the main land of the country. Dr. Atiur Rahman, Governor of BB, marked the program as chief guest. Among others, General Manager



Engr. Farasath Ali, Chairman, BoD and Mr. Mohammed Adnan Imam, Chairman-Executive Committee of NRBC Bank donated 5000 pieces of blankets to the Prime Minister Relief Fund to help the winter stricken people of the country

of Bangladesh Bank Mr. A F M Asaduzzaman, Vice President of NRBC Bank Ltd. Mr. Mohammed Mostahaque along with local elites attended the program.

Bank donated 5000 (Five thousand) pieces of blankets to the Prime Minister Relief Fund to help the winter stricken people of the country. Engr. Farasath Ali, Chairman of the Bank handed over the blankets to the Honorable Prime Minister Sheikh Hasina at Gonobhaban. Director and Chairman, Executive Committee of the Bank Mr. Mohammed Adnan Imam, FCCA and Chairman of the Association of Banks Mr. Md. Nazrul Islam Majumder were also present on the occasion.



Engr. Farasath Ali, Chairman along with other Directors of the Bank handed over a cheque to UCEP for trained up the un-employed younger people of Bangladesh

Engr. Farasath Ali, Chairman of the Bank, handed over a cheque to Mr. Zaki Hasan, Executive Director of the Underprivileged Children's Education Program (UCEP). Among others the program was attended by the Vice Chairman of the Bank Dr. Toufique Rahman Chowdhury, Director and EC Chairman Mr. Mohammed Adnan Imam , FCCA, Director and RMC Chairman Mr. Mohammad Shahid Islam, Director Engr. Syed Munsif Ali, Mr. Loquit Ullah, Dr. Nuran Nabi and Managing Director and CEO of the Bank Mr. Dewan Mujibur Rahman.



Dr. Atiur Rahman, former Governor of Bangladesh Bank on behalf of NRBC Bank distributed School bags, water pots, and exercise books to the school going children of the former enclaves

Apart from these CSR activities the Bank is contributing to the nation by performing social, financial and community involvements which includes, donating to BIBM to honor the Chair of professor Dr. Mozaffar Ahmad and Mr. A.K Gangapaddhay, contributing 2500 (Two thousand and five hundred) pieces of blankets to the earthquake stricken people of Nepal, handing over 200 pieces of Laptops to the Posts, Telecommunication & Technology Ministry, patronizing social voluntary organization SWAJON (Voluntary Blood donor at Rajshahi University), funding to National hasan Raza Festival-2015, financial assistance

for observing durga puja, funding to the IBB for expansion of educational facilities, donating to Bangladesh Cancer Society for treatment of cancer patients, patronizing Bangladesh Manipuri Adivashi Forum, financial assistance to a poor villager.



Human Capital- the Key to Exceptional Performance

HR Vision

Human Resources Division of NRBC Bank is working relentlessly to help unlock and maximize the true potential of our human capital and giving relentless effort to align our people towards the Bank's vision of success, connect people's daily performance to the Bank's strategy and build a culture of empowerment. In this regard, NRBC Bank wants to be exceptional to thrive and achieve long-term success and it is only possible when each employees of the Bank knows what they are doing and are aligned with the Bank's mission & vision and are enthusiastic partners in achieving Bank's goals.

Recruitment, Selection & Hiring

2015 has been a year of multifarious actions for NRBC Human Resources team. Of many, recruitment had been a crucial delivery throughout the year. This is being materialized through an efficient Human Resource Management and development program. Since inception of the Bank, fresh candidates with good academic background and experienced candidates with a good track record has been recruited in all levels of the Bank every year for rendering best possible services to its customers. The increasing business portfolio, expanding network of the branches to 40(Forty) at the end of 2015 and accordingly strengthening manpower in line with organizational requirement is a continuous process.

With all the policy support from the Board and the higher Management of NRBC Bank, the Human Resource Division recruits talented fresh graduates and conversant & experienced bankers. The total Manpower of the Bank as of 31st December 2015 is shown below:

Year	Executive	Non-Executive	Marketing Executive(Contractual)	Support Staff	Female	Male
2015	54	402	21	2	80	399
Total Employee as of 31 st December 2015 is 479						

Work environment & Staff welfare

As the Banking industry is growing up with the new challenges everyday, NRBC Bank is moving towards the new dimensions with its competitive human resources. To achieve the annual objective of the Bank, Human Resource Division has been working as one of the strategic partners of the Bank to retain its talented Resources. A good number of welfare programs aiming to employee wellbeing, safety standards, working environment covering the followings are there in NRBC Bank:

- Attractive compensation package
- Excellent career growth opportunities
- Fair promotion
- Annual Increment
- Various kinds of Allowances e.g. house maintenance, Medical, Utilities etc.
- Festival & Incentive Bonus
- Leave Fair Assistance
- A wide range of Loan facilities at a lower interest rate
- Disability Benefit
- Retirement Benefit
- Provident Fund
- Gratuity Fund
- To facilitate Female employees of the Bank to work peacefully keeping their kids in a safe & healthy atmosphere, NRBC Bank becomes an active member of “Child Day Care of Private Banks” located at motijheel, Dhaka.
- To comply with the central Bank’s direction, Female employees of the Bank can leave office at 6.00 pm

Training and Development:

The development of Human Capital essentially demands training throughout the year. Human Capital Development includes any activity that leads to the improvements in the quality of the workforce, thus training is an important component of human capital development. It refers to the trainings given to a person that increase his or her capabilities in performing activities which are of economic values. To nourish the quality of the talent pool recruited in the different segments, NRBC Bank arranges a wide range of in-house, local and international trainings provided by prominent national & international Experts in Banking & Finance as well as our experienced & skilled in-house resources.



Foundation Course Concluding Ceremony of 1st batch Probationary officer

In this regard, our NRBC Bank Training Institute is playing a vital role to switching every employee of the bank, specially the fresh graduates to an asset for the Bank through proper grooming, guidelines and gaining theoretical knowledge in Banking & Finance.

At NRBC Bank, we believe that our primary competitive advantage comes from our employees and accordingly, we have set a strategic objective for training.

Our Strategic Objective for Training:

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

In the year 2015, different types of 55 trainings held which covers the Regulatory obliged areas like Anti-Money Laundering, BASEL-III, Integrated Supervision System, SME etc as well as other mandatory banking operational trainings including 5 Foundation courses over the year.

Training -2015 At a Glance	
Number of Trainings (Internal)	27
Number of Trainings (External)	28
Total Trainings Held	55
Number of Participants (Internal)	657
Number of Participants (External)	50
Total Participants	707

NRBC Bank-A FAMILY:

Our Bank fosters and nurtures the concept of "A Bank-A Family" since its inception and endeavor continues to create a professional work culture that amplifies Staff motivation and influence the quality of work-Life. Since the Bank's mission is to make it "The Best Place to Work", the inter-personal integration among the employees is very much important by creating a congenial, healthy, caring and productive environment for all levels of employees. Two-way communication is always appreciated here and this



Anti-Money Laundering Training Session

positive interaction between higher Management and all the employees is evident in NRBC Bank's remarkable growth and success stepping towards every year.



NRBC Agent Banking : A new way of Alternative Delivery Channel

NRBC Bank since its inception in April 2013, constantly focuses on the changing need and desire of its customers, development of new and re-engineered process of service delivery. It has a focus to create effective delivery channels to offer basic banking services all over the country.

At request of the Bank, Bangladesh Bank has given scope to the banks to develop another alternate delivery channel in the name and style 'Agent Banking'. This channel will bring opportunity for the banks to serve the mass people at cutting edge price complying with regulatory requirements.

NRBC Bank as one of the pioneers, has already launched Agent Banking operation on 17th December 2015 and is currently operating with through 20 new outlets. Gradually, we will spread our Agent / Sub-Agent Point all over the country.

The operation of our Agent Banking is real time basis having effect at Core Banking Software. We have had our Agent Banking journey as pilot project in July 2015 and we officially launched Agent Banking operation on 17th December 2015. NRBC Bank agents can open SB, CD, SND, Scheme Deposit Accounts and provide services of Cash Deposit, Cash Withdrawal, Balance Transfer, Balance Enquiry and Mini- Statement etc. NRBC Agents can receive utility bills of Rural Electrification Board of Bangladesh (REB) at the moment. We are hopeful to enhance scope of utility bill collection in nearest future.

Our Start

It was truly a pleasure to have delegations like Governor of Bangladesh Bank and Director General of A2i program P.M. Office as Chief Guest and Special Guest respectively who inaugurated the official launching of 'Agent Banking' operation of NRBC Bank on 17th December 2015.

Progress of Agent Point

Currently, we are executing agreements with Corporate Institutions for steady expansion of Agent Banking Operation all



over the country. We have signed MoU with A2i (Access to information program, a project of the Government of Bangladesh, looked after by Prime Minister's Office) to work as our Agent under Agent Banking Operation. A2i have around 4800 Digital Information Centers at Union Parishad offices all over Bangladesh. These digital centers will act as Sub-Agents to connect unbanked people all over the country. We have also signed MoU with SYMANTEC a renowned corporate body who are engaged with collection of Bridge Tolls at some important



Depositors opening their Bank Account at NRBC Bank Agent Point

bridges like Mukterpur Bridge, Meghna-Gomoti Bridge. Currently we are collecting Mukterpur Bridge Tolls through their sub-agent point. We have signed MoU with another corporate body Agriculture Business Centre (ABC), they will spread their rural agro based network with 400 outlets all over Bangladesh through their sub-agent points.

Financial Inclusion : Unbanked People in the Financial System

Among various channels of financial inclusion, 'Agent Banking' has been introduced recently, a cost effective & pragmatic method to flourish financial inclusion of unbanked people. Agent banking is an innovative delivery model that has brought trained financial services providers and access points within closer reach for millions of people around the world. Agent networks have succeeded in taking person-to-person (P2P) payments and bill pay to scale.

It is expected that Agent Banking program will change the banking scenario of Bangladesh in near future and will unfold new era in banking operations. Low income & unbanked people will get banking services throughout the country. Families of Bangladeshis who are working at different countries of the world are settled mostly in rural areas all over the country. We would like to provide door to door step services to facilitate our wage earners reaching their hard earned remittance to their beloved family members and different types of Govt. safety net program funds through our agents. Our agents will also collect electricity bill & other bills from door to door of rural areas. In this way we plan to develop our remittance distribution connection and build a low cost deposit base.

Bank's Agents will provide the following services to the public:

- Opening of Bank's Savings, Current, SND, FDR & Scheme account.
- Collection of small value cash deposit and cash withdrawal, facilitating utility bill payments
- Inward foreign Remittance distribution, inland Remittance, facilitating fund transfer
- Facilitating small value loan disbursement and recovery of loan & installments.
- Cash payment under different programs of the Government
- Balance enquiry, generation and issuance of mini bank statement
- Collection and processing of documents in relation to account opening, loan application, credit and debit card application from public
- Other functions like payment of insurance premium, sale of crop etc.
- Receive clearing cheque for collection.
- Collection of Utility Bills like, DPDC, WASA, REB & collection of BRTA fees/charges.

Agents are not allowed to provide the following services:

- Conducting money changing activities
- Dealing loan/ financial appraisal
- Encashment of cheques.
- Guarantee issue

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



Agent point at Moheshpur Union Digital Centre, Narsingdi

through our Agent Banking operations. We believe, inclusion of these unbanked people to banking services will benefit them in numerous ways as well as enhance financial activities of macro economy of the country and its accumulated outcome will expedite a sustainable growth of Bangladesh economy. Thus, we can serve our beloved motherland and our long cherished dream of glorifying the name of Bangladesh in global economy by putting it on a firm position will come true.

The journey of NRBC Bank began three years ago as outcome of dreams of few non-resident Bangladeshis. In the quest for developing a dynamic, modern, technology based and customer oriented banking service; NRBC Bank has been constantly putting effort and its endeavor. We would like to bring people within banking services who are still out of the banking network. Specially, farmers, fishermen and other low income people of Bangladesh from rural / remote areas are still remaining unbanked. We are hopeful that by year 2020, we can reach numerous farmers and other professionals of rural area




NRBC Bank toward Green Banking

Environment is the vital and fundamental issue for everyone. As climate change and global warming of the world is continuing, society demands that business take responsibility to save planet from tough heating, extra greenhouse gas, fume air, excessive rain etc. Our policy makers gave concentration on the climate change recently.

Economics is the key and focusing object for any place of the world, as it is straightly related to the people and politics. World politics also centered to economics. So economy cannot be denied. We should move forward to protect our environment as the same pace we should continue dimensional growth process. In this context Green economy concept comes into attention. Green economy is the way of promoting sustainable economic growth and reducing contamination of environment simultaneously.

Bangladesh falls into the group of most climate change vulnerable countries despite her insignificant share of global greenhouse gas (GHG) emission compared to other developing and developed countries. For developing economies like Bangladesh, roadmap for green investment will need charting of both the buildup phase by awareness creation, motivation and support measures, and its scaling up by putting in place policy reforms creating enabling conditions and incentives fostering larger investment partnerships for transition to energy efficient green infrastructure. The recent Paris pact on climate change also manifests our firm accord to stop global warming, where 195 countries commit to fight climate change by adopting a global climate treaty for the first time. It offers the hope that humanity can avert catastrophic climate change and ushers an energy revolution, which will reduce carbon emission and make this Earth better livable.



NRBC Bank is committed to the society and environment. As part of loyalty toward to conservation of environment & betterment of mankind, right through beginning of its journey, NRBCB Bank has been promoting green financing. In the year 2015, we financed 15 numbers of customers under green finance category. In four quarters of the year, total Tk.184.08 crore was disbursed under direct & indirect green finance. Certainly, in upcoming years, NRBC Bank will enhance its scope of green finance more. Apart from green finance, NRBC Bank also promotes different environmental friendly initiatives like paperless banking, promoting internal communication through email, utilization of FTP server, digital archiving, sourcing electricity power of different branches partially from solar power etc.

We believe in low carbon, greener environment. Certainly, greener environment will ensure sustainable economy and growth. NRBC Bank always concentrates on sustainable growth keeping mankind & environment inhabitable & green.

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

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

Sub: CEO and CFO's declaration on integrity of financial statements as at 31 December 2015

In compliance with the notification of Bangladesh Securities and Exchange Commission No.SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012, We hereby certify that the Financial Statements (FS) of NRB Commercial Bank Limited (the Bank) as at and for the year ended 31 December 2015 have been prepared in accordance with Bangladesh Financial Reporting Standards BFRSs, the "First Schedule" (section 38) of the Bank Company Act 1991, as amended by the BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh. The Accounting Policies used in the preparation of the FS are appropriate and are consistently applied by the Bank. In case the requirement of provisions and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail with adequate disclosures of deviations made (please refer to note 2.1 of the FS). Comparative information has been reclassified wherever necessary to conform to the current year presentation.

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


We certify to the Board that:

- i. We have reviewed Financial Statements of the Bank for the year 2015 and to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violation of the Bank's code of conduct.



Harunur Rashid
Chief Financial Officer

Place : Dhaka
Dated 07 March 2016



Dewan Mujibur Rahman
Managing Director & CEO



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



Auditors' Report

TO THE SHAREHOLDERS
OF

NRB Commercial Bank Limited

We have audited the accompanying consolidated financial statements of NRB Commercial Bank Limited and its subsidiary (the “Group”) as well as the separate Financial Statements of NRB Commercial Bank Limited (the “Bank”), which comprise the Consolidated Balance Sheet and the Separate Balance Sheet as at 31 December 2015, and the consolidated and separate Profit and Loss Accounts, consolidated and separate Statements of Changes in Equity and consolidated and separate Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and the separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements of the Group and the separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also the separate financial statements of the Bank.


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

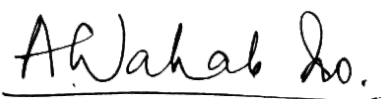
Opinion

In our opinion, the consolidated financial statements of the Group and also the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2015, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.

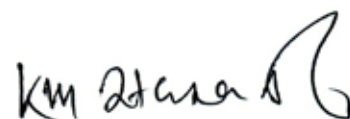
Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Companies Act 1991 (As amended in 2013) and the rules and regulations issued by Bangladesh Bank, we also report the following:

- 
- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
- i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;
- ii) Nothing has come to our attention regarding material instances of forgeries or irregularities or administrative error and exception or anything detrimental committed by employee of the Bank and its related entities;
- (c) The financial statements of subsidiary company of the Bank namely NRBC Bank Securities Limited for the year ended 2015 has been audited by Hoque Bhattacharjee Das & Co., Chartered Accountants;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (g) adequate provisions have been made for loans & advances and other assets which are in our opinion, doubtful of recovery;
- (h) Capital to Risk Weighted Assets Ratio (CRAR) as required by the Bangladesh Bank has been maintained adequately during the year;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory;
- (k) in our opinion, proper books of account as required by law have been kept by NRB Commercial Bank Limited so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from 31 branches not visited by us; and
- (l) we have reviewed over 80% of the risk weighted assets of the Bank covering 09 branches as well as head office and spent approximately 3,450 man hours for the audit of the books and accounts of the bank.



A. WAHAB & CO.
Chartered Accountants



K. M. HASAN & CO.
Chartered Accountants

Place: Dhaka, Bangladesh

Dated: 07 March 2016

Consolidated Balance Sheet

As at 31 December 2015

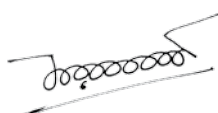
Particulars	Notes	2015 Taka	2014 Taka
PROPERTY AND ASSETS			
Cash:	3a	2,236,775,615	1,366,111,665
In Hand (Including Foreign Currencies)	3.1a	377,681,442	226,188,773
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.2a	1,859,094,173	1,139,922,892
Balance with other banks and financial institutions Including Foreign Currency	4a	3,077,157,127	2,349,012,862
In Bangladesh	4.1a	2,566,879,652	2,207,057,181
Outside Bangladesh	4.2a	510,277,475	141,955,681
Money at call and short notice	5a	-	-
Investments	6a	6,200,866,921	5,669,758,212
Government	6.1a	4,138,468,762	4,196,290,738
Others	6.2a	2,062,398,159	1,473,467,474
Loans and advances	7	23,227,386,522	14,412,251,270
Loans, cash credits, overdrafts etc.	7.2a	22,394,358,589	13,752,930,739
Bills purchased and discounted	8a	833,027,933	659,320,531
Fixed assets including premises, furniture and fixtures	9a	464,896,458	342,892,142
Other assets	10a	1,051,924,890	708,086,645
Non - banking assets		-	-
Total assets		36,259,007,533	24,848,112,795
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11a	426,901,731	1,509,084,936
Deposits and other accounts	12a	28,880,683,698	17,270,880,701
Current accounts and other accounts, etc.		1,668,922,740	1,022,531,737
Bills payable		246,712,400	209,141,940
Savings bank deposits		1,331,655,120	510,953,294
Special notice deposits		1,026,597,908	383,759,108
Fixed deposits		18,043,267,534	11,691,907,556
Other deposits		6,563,527,996	3,452,587,066
Other liabilities (2014 restated)	13a	1,798,493,887	1,480,298,844
Total liabilities :		31,106,079,317	20,260,264,481
Equity attributable to Shareholders' of the Parent Company		5,113,021,571	4,587,848,315
Paid-up capital	14	4,446,059,000	4,446,059,000
Statutory reserve	15	203,221,865	44,388,286
Other reserve	16a	44,448,919	34,983,992
Retained earnings (2014 restated)	17a	419,291,788	62,417,037
Minority Interest	17b	39,906,645	-
Total Equity		5,152,928,217	4,587,848,315
Total Liabilities and Shareholders' Equity		36,259,007,533	24,848,112,795

Consolidated Balance Sheet

As at 31 December 2015

Particulars	Notes	2015 Taka	2014 Taka
OFF - BALANCE SHEET EXPOSURES			
Contingent liabilities	18	8,651,754,433	4,492,661,041
Acceptances and endorsements		3,040,654,880	1,243,538,325
Letters of guarantee		2,148,498,257	939,681,706
Irrevocable letters of credit		1,860,041,032	1,650,503,701
Bills accepted for collection		1,602,560,264	658,937,308
Other contingent liabilities		-	-
Other commitments			
Documentary credits and transaction regarding short term trade-related business		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-
Liabilities against forward purchase and sale		-	-
Total Off-Balance Sheet exposures including contingent liabilities		8,651,754,433	4,492,661,041
Other memorandum items			
Value of travellers cheques		-	-
Value of savings certificates (sanchaya patra) & Wage Earners Bonds		1,041,412,500	228,500,000

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



Dewan Mujibur Rahman
Managing Director & CEO



Mohammed Adnan Imam, FCCA
Director

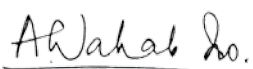


Dr. Toufique Rahman Chowdhury
Director

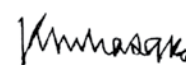


Engr. Farasath Ali
Chairman

Auditors' Report to the shareholders to see annexed report of even date.



A. Wahab & Co.
Chartered Accountants



K. M. Hasan & Co.
Chartered Accountants

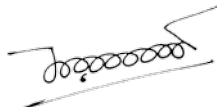
Place: Dhaka
Dated: 07 March 2016

Consolidated Profit and Loss Account

For the year ended 31 December 2015

Particulars	Notes	2015	2014
		Taka	Taka
OPERATING INCOME			
Interest income	19a	2,920,417,585	1,656,897,688
Less: Interest paid on deposits and borrowings, etc.	20a	2,697,408,067	1,433,079,775
Net interest income		223,009,518	223,817,912
Investment income	21a	1,468,891,794	609,350,215
Commission, exchange and brokerage	22a	232,443,473	126,635,570
Other operating income	23a	77,869,336	31,174,500
Total operating income (A)		2,002,214,122	990,978,198
OPERATING EXPENSES			
Salary and allowances	24a	363,159,290	255,916,051
Rent, taxes, insurance, electricity, etc.	25a	185,394,219	129,487,081
Legal expenses	26a	3,247,823	199,426
Postage, stamps, telecommunication, etc.	27a	17,617,941	10,920,646
Stationery, printing, advertisement, etc.	28a	21,162,674	27,419,532
Chief Executive's salary and fees	29	11,682,258	9,500,000
Directors' fees & meeting expenses	30a	11,367,416	2,780,508
Auditors' fees	31a	311,500	250,000
Charges on loan losses	32	-	-
Depreciation and repairs of Bank's assets	33a	92,897,775	97,158,892
Other expenses	34a	372,957,422	126,165,536
Total operating expenses (B)		1,079,798,319	659,797,672
Profit before provision (C = A-B)		922,415,803	331,180,527
Provision against loans and advances	35a	84,344,910	114,606,820
Provision for diminution in value of investments	36a	(2,679,571)	5,274,846
Other provisions	37a	48,018,797	27,667,689
Total provision (D)		129,684,136	147,549,355
Profit before taxation (C-D)		792,731,667	183,631,171
Provision for taxation (2014 restated)	38a	232,656,102	98,854,246
Current tax	38b	235,870,164	83,340,814
Deferred tax	39a	(3,214,062)	15,513,433
Net profit after taxation (2014 restated)		560,075,565	84,776,925
Appropriations:			
Statutory reserve		158,833,579	36,726,234
General reserve		-	-
Retained earnings carried forward		401,241,986	48,050,691
Minority Interest		(93,355)	-
Net Profit attributable to the Share Holder of Parent Company		401,335,341	48,050,691
Earnings Per Share (EPS) (2014 restated)	40a	1.26	0.19

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



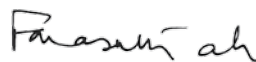
Dewan Mujibur Rahman
Managing Director & CEO



Mohammed Adnan Imam, FCCA
Director



Dr. Toufique Rahman Chowdhury
Director

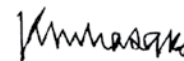


Engr. Farasath Ali
Chairman

Auditors' Report to the shareholders to see annexed report of even date.



A. Wahab & Co.
Chartered Accountants



K. M. Hasan & Co.
Chartered Accountants

Place: Dhaka

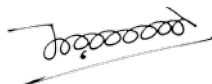
Dated: 07 March 2016

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

Particulars	Notes	2015 Taka	2014 Taka
A. Cash flows from operating activities			
Interest receipts in cash		2,947,100,630	1,666,502,012
Interest paid in cash		(2,536,576,092)	(1,212,580,581)
Dividend receipts		15,348,819	313,700
Fee and commission receipts in cash		232,443,473	126,635,570
Recoveries on loans previously written off		-	-
Payments to employees		(421,699,647)	(298,413,062)
Payments to suppliers		(25,337,688)	(28,638,555)
Income taxes paid		-	-
Receipts from other operating activities	41a	1,509,742,091	515,984,924
Payments for other operating activities	42a	(437,921,957)	(249,263,665)
Operating profit before changes in operating assets & liabilities		1,283,099,629	520,540,342
Increase/decrease in operating assets and liabilities			
Sale/(Purchase) of Trading Security		-	-
Loans and advances to Other Bank(s)		-	-
Loans and advances to customers		(8,813,046,248)	(10,695,105,825)
Other assets	43a	(348,419,954)	(120,568,447)
Deposits from other bank(s)		100,000,000	550,000,000
Deposits from customers		11,509,802,998	11,810,925,198
Trading liabilities (short-term borrowings)		-	-
Other liabilities	44	(317,303,805)	788,322,427
Net increase/(decrease) in operating liabilities		2,131,032,991	2,333,573,353
Net cash from operating activities (A)		3,414,132,620	2,854,113,695
B. Cash flows from investing activities			
(Purchase)/ sale of government securities	45	67,970,103	(3,520,975,693)
(Purchase)/sale of Non-trading Security		(546,000,000)	(1,446,000,000)
(Purchase)/Sale of Share/Securities		(42,930,684)	(27,467,747)
(Purchase)/ sale of property, plant and equipment		(207,036,828)	(247,991,430)
Net cash from/(used) in investing activities(B)		(727,997,409)	(5,242,434,597)
C. Cash flows from financing activities			
Borrowing from other Bank(s)/ Bangladesh Bank		(1,082,183,205)	1,509,084,936
Increase/(decrease) in long-term borrowings/ Loan Capital & Debt Capital		-	-
Receipt from issue of Ordinary Shares		-	72,209,188
Receipt from issue of Ordinary Shares of Subsidiary's Minority Group		40,000,000	-
Dividend paid		(44,460,590)	-
Net cash from/(used) in financing activities (C)		(1,086,643,795)	1,581,294,124
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		1,599,491,415	(807,026,778)
E. Effects of exchange rate changes on cash and cash equivalents		-	-
F. Cash and cash equivalents at the beginning of the year		3,715,620,227	4,522,647,005
Cash and cash equivalents at the end of the year [D+E+F]*		5,315,111,642	3,715,620,227
* Cash and cash equivalents at the end of the year:			
Cash	3.1a	377,681,442	226,188,773
Prize bonds	6.1	1,178,900	495,700
Money at call and on short notice	5a	-	-
Reverse Repo		-	-
Balance with Bangladesh Bank and its agent bank(s)	3.2a	1,859,094,173	1,139,922,892
Balance with other banks and financial institutions	4a	3,077,157,127	2,349,012,862
Net Operating Cash Flow Per Share (NOCFPS)		7.68	6.42

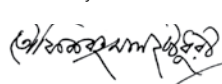
These Consolidated Financial Statements should be read in conjunction with annexed notes (1 to 48)



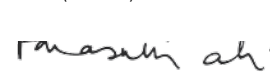
Dewan Mujibur Rahman
Managing Director & CEO



Mohammed Adnan Imam, FCCA
Director

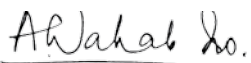


Dr. Toufique Rahman Chowdhury
Director

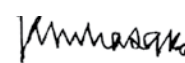


Engr. Farasath Ali
Chairman

Auditors' Report to the shareholders to see annexed report of even date.



A. Wahab & Co.
Chartered Accountants



K. M. Hasan & Co.
Chartered Accountants

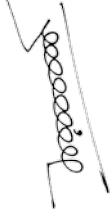
Place: Dhaka
Dated: 07 March 2016

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign Currency translation Gain/(loss)	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Minority Interest	Retained earnings	Total
Balance at 01 January 2015	4,446,059,000	44,388,286	-	-	-	1,773	34,982,219	-	56,136,112	4,581,567,389
Adjustment:	-	-	-	-	-	-	-	-	-	-
i. 1 % Cash Dividend for 2014	-	-	-	-	-	-	-	-	(44,460,590)	(44,460,590)
ii. Effects of Change in Tax Rate by 2.5%	-	-	-	-	-	-	-	-	6,280,925	6,280,925
Restated Opening Balance	4,446,059,000	44,388,286	-	-	-	1,773	34,982,219	-	17,956,447	4,543,387,724
Effects of changes in accounting policy	-	-	-	-	-	-	-	-	-	-
Changing Minority Interest	-	-	-	-	-	-	-	39,906,645	-	39,906,645
Net profit after taxation for the year	-	-	-	-	-	-	-	-	560,168,920	560,168,920
Transfer to statutory reserve	-	158,833,579	-	-	-	-	-	-	(158,833,579)	-
Transfer General Reserve to Retained Earnings	-	-	-	-	-	-	-	-	-	-
Reserve for HFT treasury securities	-	-	-	-	-	-	9,442,081	-	-	9,442,081
Reserve for HTM securities	-	-	-	-	-	22,846	-	-	-	22,846
Currency translation difference	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2015	4,446,059,000	203,221,865	-	-	-	24,619	44,424,299	39,906,645	419,291,787	5,152,928,216
Balance at 31 December 2014	4,446,059,000	44,388,286	-	-	-	1,773	34,982,219	-	56,136,112	4,581,567,389

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


Dewan Mujibur Rahman
 Managing Director & CEO

Mohammed Adnan Imam, FCCA
 Director


Dr. Toufique Rahman Chowdhury
 Director



Engr. Farasath Ali
 Chairman



A. Wahab & Co.
 Chartered Accountants

Place: Dhaka

Dated: 07 March 2016


K. M. Hasan & Co.
 Chartered Accountants

Balance Sheet

As at 31 December 2015

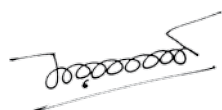
Particulars	Notes	2015	2014
		Taka	Taka
PROPERTY AND ASSETS			
Cash:	3	2,236,775,615	1,366,111,665
In Hand (Including Foreign Currencies)	3.1	377,681,442	226,188,773
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.2	1,859,094,173	1,139,922,892
Balance with other banks and financial institutions Including Foreign Currency	4	3,077,157,127	2,349,012,862
In Bangladesh		2,566,879,652	2,207,057,181
Outside Bangladesh		510,277,475	141,955,681
Money at call and short notice	5	-	-
Investments	6	6,560,866,921	5,669,758,212
Government		4,138,468,762	4,196,290,738
Others		2,422,398,159	1,473,467,474
Loans and advances	7	23,227,386,522	14,412,251,270
Loans, cash credits, overdrafts etc.	7.2	22,394,358,589	13,752,930,739
Bills purchased and discounted	8	833,027,933	659,320,531
Fixed assets including premises, furniture and fixtures	9	464,896,458	342,892,142
Other assets	10	767,017,311	708,086,645
Non - banking assets		-	-
Total assets		36,334,099,954	24,848,112,795
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	426,901,731	1,509,084,936
Deposits and other accounts	12	28,994,554,103	17,270,880,701
Current accounts and other accounts, etc.		1,668,922,740	1,022,531,737
Bills payable		246,712,400	209,141,940
Savings bank deposits		1,331,655,120	510,953,294
Special notice deposits		1,140,468,313	383,759,108
Fixed deposits		18,043,267,534	11,691,907,556
Other deposits		6,563,527,996	3,452,587,066
Other liabilities (2014 restated)	13	1,798,782,355	1,480,298,844
Total liabilities :		31,220,238,189	20,260,264,481
Total Shareholders' Equity/Capital		5,113,861,765	4,587,848,315
Paid-up capital	14	4,446,059,000	4,446,059,000
Statutory reserve	15	203,221,865	44,388,286
Other reserve	16	44,448,919	34,983,992
Retained earnings (2014 restated)	17	420,131,981	62,417,037
Total Liabilities and Shareholders' Equity		36,334,099,954	24,848,112,795

Balance Sheet

As at 31 December 2015

Particulars	Notes	2015	2014
		Taka	Taka
OFF - BALANCE SHEET EXPOSURES			
Contingent liabilities	18	8,651,754,433	4,492,661,041
Acceptances and endorsements		3,040,654,880	1,243,538,325
Letters of guarantee		2,148,498,257	939,681,706
Irrevocable letters of credit		1,860,041,032	1,650,503,701
Bills accepted for collection		1,602,560,264	658,937,308
Other contingent liabilities		-	-
Other commitments			
Documentary credits and transaction regarding short term trade-related business		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-
Liabilities against forward purchase and sale		-	-
Total Off-Balance Sheet exposures including contingent liabilities		8,651,754,433	4,492,661,041
Other memorandum items			
Value of travellers cheques		-	-
Value of savings certificates (sanchaya patra) & Wage Earners Bonds		1,041,412,500	228,500,000

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



Dewan Mujibur Rahman
Managing Director & CEO



Mohammed Adnan Imam, FCCA
Director



Dr. Toufique Rahman Chowdhury
Director

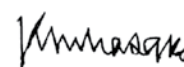


Engr. Farasath Ali
Chairman

Auditors' Report to the shareholders to see annexed report of even date.



A. Wahab & Co.
Chartered Accountants



K. M. Hasan & Co.
Chartered Accountants

Place: Dhaka

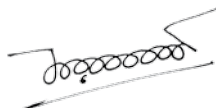
Dated: 07 Mach 2016

Profit and Loss Account

For the year ended 31 December 2015

Particulars	Notes	2015 Taka	2014 Taka
OPERATING INCOME			
Interest income	19	2,920,417,585	1,656,897,688
Less: Interest paid on deposits and borrowings, etc.	20	2,699,407,850	1,433,079,775
Net interest income		221,009,736	223,817,912
Investment income	21	1,468,891,794	609,350,215
Commission, exchange and brokerage	22	232,443,473	126,635,570
Other operating income	23	77,869,336	31,174,500
Total operating income (A)		2,000,214,339	990,978,198
OPERATING EXPENSES			
Salary and allowances	24	363,159,290	255,916,051
Rent, taxes, insurance, electricity, etc.	25	185,354,219	129,487,081
Legal expenses	26	205,646	199,426
Postage, stamps, telecommunication, etc.	27	17,617,941	10,920,646
Stationery, printing, advertisement, etc.	28	20,926,694	27,419,532
Chief Executive's salary and fees	29	11,682,258	9,500,000
Directors' fees & meeting expenses	30	11,261,063	2,780,508
Auditors' fees	31	300,000	250,000
Charges on loan losses	32	-	-
Depreciation and repairs of Bank's assets	33	92,897,775	97,158,892
Other expenses	34	372,957,422	126,165,536
Total operating expenses (B)		1,076,362,309	659,797,672
Profit before provision (C = A-B)		923,852,031	331,180,527
Provision against loans and advances	35	84,344,910	114,606,820
Provision for diminution in value of investments	36	(2,679,571)	5,274,846
Other provisions	37	48,018,797	27,667,689
Total provision (D)		129,684,136	147,549,355
Profit before taxation (C-D)		794,167,895	183,631,171
Provision for taxation (2014 restated)		233,158,782	98,854,246
Current tax	38	235,870,164	83,340,814
Deferred tax	39	(2,711,382)	15,513,433
Net profit after taxation (2014 restated)		561,009,113	84,776,925
Appropriations:			
Statutory reserve		158,833,579	36,726,234
General reserve		-	-
Retained earnings carried forward		402,175,534	48,050,691
Earnings Per Share (EPS) (2014 restated)	40	1.26	0.19


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



Dewan Mujibur Rahman
Managing Director & CEO



Mohammed Adnan Imam, FCCA
Director




Dr. Toufique Rahman Chowdhury
Director

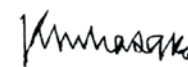


Engr. Farasath Ali
Chairman

Auditors' Report to the shareholders to see annexed report of even date.



A. Wahab & Co.
Chartered Accountants



K. M. Hasan & Co.
Chartered Accountants

Place: Dhaka
Dated: 07 March 2016

Statement of Cash Flows

For the year ended 31 December 2015


Particulars	Notes	2015 Taka	2014 Taka
A. Cash flows from operating activities			
Interest receipts in cash		2,947,100,630	1,666,502,012
Interest paid in cash		(2,538,575,874)	(1,212,580,581)
Dividend receipts		15,348,819	313,700
Fee and commission receipts in cash		232,443,473	126,635,570
Recoveries on loans previously written off		-	-
Payments to employees		(421,699,647)	(298,413,062)
Payments to suppliers		(25,337,688)	(28,638,555)
Income taxes paid		-	-
Receipts from other operating activities	41	1,509,742,091	515,984,924
Payments for other operating activities	42	(434,792,579)	(249,263,665)
Operating profit before changes in operating assets & liabilities		1,284,229,224	520,540,342
Increase/(decrease) in operating assets and liabilities			
Sale/(Purchased) of Trading Security		-	-
Loans and advances to Other Bank(s)		-	-
Loans and advances to customers		(8,813,046,248)	(10,695,105,825)
Other assets	43	(63,419,954)	(120,568,447)
Deposits from other bank(s)		100,000,000	550,000,000
Deposits from customers		11,623,673,402	11,810,925,198
Trading liabilities (short-term borrowings)		-	-
Other liabilities	44	(317,303,805)	788,322,427
Net increase/(decrease) in operating liabilities		2,529,903,396	2,333,573,353
Net cash from operating activities (A)		3,814,132,620	2,854,113,695
B. Cash flows from investing activities			
(Purchase)/ sale of government securities	45	67,970,103	(3,520,975,693)
(Purchase)/sale of Non-trading Security		(906,000,000)	(1,446,000,000)
(Purchase)/Sale of Share/Securities		(42,930,684)	(27,467,747)
(Purchase)/ sale of property, plant and equipment		(207,036,828)	(247,991,430)
Net cash from/(used) in investing activities(B)		(1,087,997,409)	(5,242,434,597)
C. Cash flows from financing activities			
Borrowing from other Bank(s)/ Bangladesh Bank		(1,082,183,205)	1,509,084,936
Increase/(decrease) in long-term borrowings/ Loan Capital & Debt Capital		-	-
Receipt from issue of Ordinary Shares		-	72,209,188
Dividend paid		(44,460,590)	-
Net cash from/(used) in financing activities (C)		(1,126,643,795)	1,581,294,124
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		1,599,491,415	(807,026,778)
E. Effects of exchange rate changes on cash and cash equivalents		-	-
F. Cash and cash equivalents at the beginning of the year		3,715,620,227	4,522,647,005
Cash and cash equivalents at the end of the year [D+E+F]*		5,315,111,642	3,715,620,227
* Cash and cash equivalents at the end of the year:			
Cash	3.1	377,681,442	226,188,773
Prize bonds	6.1	1,178,900	495,700
Money at call and on short notice	5	-	-
Reverse Repo		-	-
Balance with Bangladesh Bank and its agent bank(s)	3.2	1,859,094,173	1,139,922,892
Balance with other banks and financial institutions	4	3,077,157,127	2,349,012,862
		5,315,111,642	3,715,620,227
Net Operating Cash Flow Per Share (NOCFPS)		8.58	6.42

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


Dewan Mujibur Rahman
Managing Director & CEO

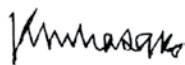

Mohammed Adnan Imam, FCCA
Director


Dr. Toufique Rahman Chowdhury
Director


Engr. Farasath Ali
Chairman

Auditors' Report to the shareholders to see annexed report of even date.


A. Wahab & Co.
Chartered Accountants


K. M. Hasan & Co.
Chartered Accountants

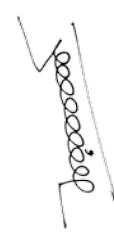
Place: Dhaka
Dated: 07 March 2016

Statement of Changes in Equity

For the year ended 31 December 2015


Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign Currency translation Gain/(loss)	Reserve for amortization of treasury securities (HTM)	Reserve for revaluation of treasury securities (HFT)	Retained earnings	Total
Balance at 01 January 2015	4,446,059,000	44,388,286	-	-	-	1,773	34,982,219	56,136,112	4,581,567,389
Adjustment:	-	-	-	-	-	-	-	-	-
i. 1 % Cash Dividend for 2014	-	-	-	-	-	-	-	(44,460,590)	(44,460,590)
ii. Effects of Change in Tax Rate by 2.5%	-	-	-	-	-	-	-	6,280,925	6,280,925
Restated Opening Balance	4,446,059,000	44,388,286	-	-	-	1,773	34,982,219	17,956,447	4,543,387,724
Effects of changes in accounting policy	-	-	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	-	-	-	561,009,113	561,009,113
Transfer to statutory reserve	-	158,833,579	-	-	-	-	-	(158,833,579)	-
Transfer General Reserve to Retained Earnings	-	-	-	-	-	-	-	-	-
Reserve for HFT treasury securities	-	-	-	-	-	-	9,442,081	-	9,442,081
Reserve for HTM securities	-	-	-	-	-	22,846	-	-	22,846
Currency translation difference	-	-	-	-	-	-	-	-	-
Balance at 31 December 2015	4,446,059,000	203,221,865	-	-	-	24,619	44,424,299	420,131,981	5,113,861,764
Balance at 31 December 2014	4,446,059,000	44,388,286	-	-	-	1,773	34,982,219	56,136,112	4,581,567,389

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



Dewan Mujibur Rahman
 Managing Director & CEO


Mohammed Adnan Imam, FCCA
 Director


Dr. Toufique Rahman Chowdhury
 Director


Engr. Farasath Ali
 Chairman


A. Wahab & Co.
 Chartered Accountants
 Place: Dhaka
 Dated: 07 March 2016

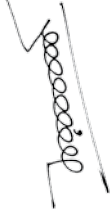

K. M. Hasan & Co.
 Chartered Accountants

Liquidity Statement Assets and Liability Maturity Analysis

As of 31 December 2015

Particulars	Maturity Analysis					Total
	Up to 1 month's Maturity	1-3 months' Maturity	3-12 months' Maturity	1-5 years' Maturity	Above 5 years' Maturity	
Assets						
Cash in hand	377,681,442	-	-	-	-	377,681,442
Balance with Bangladesh Bank and its agent bank (Lcy+Fcy)	-	-	48,802,224	-	1,810,291,948	1,859,094,173
Balance with other banks and financial institutions	948,684,782	1,269,039,319	854,488,095	4,944,931	-	3,077,157,127
Money at call and on short notice	-	-	-	-	-	-
Investments	66,536,863	9,451,760	18,905,614	3,608,997,987	2,496,974,697	6,200,866,921
Loans and advances	2,385,408,886	3,942,314,685	8,795,632,764	5,179,319,293	2,924,710,895	23,227,386,522
Fixed assets including premises, furniture and fixtures	-	-	-	-	464,896,458	464,896,458
Other assets	29,385,446	46,189,624	302,279,124	173,658,672	500,412,024	1,051,924,890
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	3,807,697,419	5,266,995,388	10,020,107,821	8,966,920,883	8,197,286,022	36,259,007,533
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	(220,000,000)	-	(206,901,731)	-	-	(426,901,731)
Deposits and other accounts	(4,883,274,147)	(9,300,355,860)	(7,382,370,144)	(5,878,348,312)	(1,436,335,236)	(28,880,683,698)
Provisions and other liabilities	(80,693,805)	(278,616,800)	(696,879,649)	(710,522,961)	(31,780,672)	(1,798,493,887)
Total Liabilities (B)	(5,183,967,952)	(9,578,972,660)	(8,286,151,524)	(6,588,871,273)	(1,468,115,907)	(31,106,079,317)
Net Liquidity Gap-Excess/(Shortage) (A-B)	(1,376,270,533)	(4,311,977,271)	1,733,956,297	2,378,049,610	6,729,170,114	5,152,928,217

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


Dewan Mujibur Rahman
 Managing Director & CEO



Mohammed Adnan Imam, FCCA
 Director


Dr. Toufique Rahman Chowdhury
 Director


Engr. Farasath Ali
 Chairman



A. Wahab & Co.
 Chartered Accountants
 Place: Dhaka
 Dated: 07 March 2016


K. M. Hasan & Co.
 Chartered Accountants

Explanatory Notes to the Financial Statements

For the year ended December 31, 2015

1 Legal Status of the Bank and its principal activities

NRB Commercial Bank Limited (NRBC Baank) having its Registered Office at 114 Motijheel Commercial Area, Dhaka-1000, Bangladesh, was incorporated on February 20, 2013 as a Public Limited Company under the Companies Act, 1994 (Act No.18 of 1994) and also is governed by the Bank Company Act 1991 (Amendment upto 2013) with Authorized Capital of Tk.10000 million and having strong capital base of Tk.444.60 crore (Paid up Capital) by converting the hard earned foreign currency of 53 (Fifty three) qualified NRBs from business persons, community leaders, scientists, educationists, living in across the globe which includes USA, Canada, UK, Russia, Italy, Germany, UAE and Kuwait.

NRBC Bank started its journey from 2 April 2013 after getting permission vide memo No. BRPD (P-3)/745(60)/2013-1189 dated 10 March 2013 as a scheduled Bank. Presently NRBC Bank has 40 Branches in rural and urban area of Bangladesh and, recently, formed a subsidiary company NRBC Bank Securities Limited.

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

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

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

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

The Consolidated Financial statements of the Bank as at 31 December 2015 have been prepared under the historical cost convention except investments categorized under held for trading, and in accordance with Bangladesh Financial Reporting Standards (BFRS), the “First Schedule” (section-38) of the Banking Companies Act 1991, as amended by BRPD circular no. 14 dated 25 June 2003, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987 and other laws and rules applicable for the Bank.

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

2.1 Basis of consolidation

Separate set of records for consolidating the financial statements of the Branches including NRBC Bank Securities Limited are maintained at the Head Office of the Bank, based on which these financial statements have been prepared. The consolidated financial statements have been prepared in accordance with the BFRS 10 “Consolidated Financial Statements”. The Consolidated Financial Statements have been prepared to a common reporting period ended on 31 December 2015.

2.2 Statement of compliance:

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

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

i. Investment in shares and securities

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

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

ii. Revaluation gains/losses on Government securities

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

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

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

iii. Provision on loans and advances/investments

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

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

iv. Other comprehensive income

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

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

v. Financial instruments – presentation and disclosure

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

vi. Financial guarantees

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

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

vii. Cash and cash equivalents

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

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

viii. Non-banking asset

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

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

ix. Cash flow statement

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

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

x. **Balance with Bangladesh Bank: (Cash Reserve Requirement)**

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

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

xi. **Presentation of intangible asset**

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

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

xii. **Off-balance sheet items**

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

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

xiii. **Disclosure of appropriation of profit**

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

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

xiv. **Loans and Advances/Investments net of provision**

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

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

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

2.3 **Functional and Presentational Currency**

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

2.4 **Materiality, Aggregation and Offsetting**

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

2.5 Basis of measurement

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

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

2.6 Use of Estimates and Judgments

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

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

Key estimates includes the following:

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

2.7 Foreign Currency Transactions

Foreign Currency Translation

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

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

Translation Gain and Losses

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

2.8 Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with BAS 7 "Cash Flow Statement" under direct method as per the guidelines of BRPD circular no.14 dated 25 June 2003. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the year. Cash flows during the period have been classified as operating activities, investing activities and financing activities.

2.9 Statement of Changes in Equity

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

2.10 Liquidity Statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as at the close of the year as per following bases:

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

2.11 Significant Accounting Policies

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

A Assets and basis of their valuation

i. Cash and cash equivalents

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

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

ii. Investments

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

The valuation methods of investment used are:

Held to Maturity (HTM)

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

Held for Trading (HFT)

These are investments primarily held for selling or trading. After initial recognition, investments are marked to market weekly and any decrease in the present value is recognized in the Profit and Loss Account and any increase is booked to Revaluation Reserve Account through Profit and Loss Account as per Bangladesh Bank DOS Circular no. 05 dated 28 January 2009.

REPO and Reverse REPO

REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank. In case of REPO of both coupon and non-coupon bearing (Treasury bill) securities, the Bank adjusts the Revaluation Reserve Account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.

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

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

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

iii. Loans, advances and provision

- Loans and advances are stated at gross amounts at 31 December 2015
- Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest on classified loans and advances will be kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers. Interest is not charged on bad and loss loans/ investments as per guideline of Bangladesh Bank.
- Provision for loans and advances is made on the basis of quarter-end review by the management and as per instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013 and BRPD Circular No. 16 dated November 18, 2014 . The rates for provisions are stated below:

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

iv. Property, Plant and Equipment:

Recognition and measurement

All fixed assets are stated at cost less accumulated depreciation as per BAS 16 "Property, Plant and Equipment". The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of the BFRS.

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

The cost of an item of Fixed Assets comprises:

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

Subsequent costs


Subsequent costs are capitalized only when it is probable that the future economic benefits associated with the costs will flow to the entity and cost can be measured reliably. The carrying amount of the replaced portion is derecognized. The costs of day to day servicing of fixed assets i.e. repairs and maintenance is charged to profit and loss account as expense when incurred.

Depreciation

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

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

- Depreciation on fixed assets acquired during the year is charged from the month of their acquisition. Full month's depreciation is charged in the month of addition irrespective of the date of acquisition and no depreciation is charged in the month of their disposal.
- The cost and accumulated depreciation of disposed assets are eliminated from the fixed assets schedule.
- Useful life and method of depreciation of fixed assets will be reviewed periodically. If useful life of assets do not differ significantly as these were previously estimated, revaluation of assets does not consider to be done.

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- Bank also follows a policy for amortization of expenditure considering the durability and useful life of items. These are treated as intangible assets and are booked under the head “Fixed Assets” and amortized over their estimated useful life by charging under the broad head “Depreciation”.

Derecognition of fixed asset

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

v. Leased Assets

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

The Bank as Lessor

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

The Bank as Lessee

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

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

vi. Intangible Assets

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

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

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

vii. Impairment of Assets

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

No such impairment has been occurred/identified in the financial year 2015

viii. Other Assets

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

ix. Non-banking Assets:

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

B Liabilities and Provisions:

i. Borrowings

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

ii. Deposits and Other Accounts

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

iii. Other liabilities

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

iv. Dividend payments

Dividend payable is recognized when it is declared by Board of Directors. Final dividend is recognized when it is approved by the shareholders in AGM. Any dividend yet to be proposed for the year 2015, therefore, it has not been recognized as a liability in the balance sheet in accordance with BAS 10: "Events after the Reporting Period". Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the payment is established.

v. Provision for loans and advances

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

vi. Provision for investment in capital market

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

vii. Provision for off-balance sheet exposures

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

viii. Provision for other assets

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

ix. Provision for nostro account balance.

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

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

x. Provision for liabilities and accrued expenses

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

No provision is recognised for any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or any present obligation that arises from past events and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimates of the amount of obligation cannot be made.

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

xi. Contingent liabilities

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



C Share capital and reserves

i. Authorized and issued capital

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

Herewith ordinary shares are classified as equity where there is a restriction to transfer the share to another person/institution within 03 (three) years from the date of company's formation.

ii. Paid-up capital

The paid-up capital represents the amount of bank's capital that has been contributed by ordinary shareholders. The holders of ordinary shares are entitled to receive dividend as recommended by the Board and subsequently approved by the shareholders from time to time in the Annual General Meeting (AGM).

iii. Statutory reserve

In compliance with the provision of Section 24 of Bank Companies Act 1991, the bank transfers at least 20% of its profit before tax to "Statutory Reserve Fund" each year until the sum of statutory reserve and share premium equals to the paid up capital of the bank.

iv. Asset revaluation reserve

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

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

v. Reserve for Amortization/ revaluation of securities

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

D Revenue Recognition

i. Interest Income

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

ii. Interest income from investments

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

iii. Fees and Commission Income

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

iv. Income from Exchange

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

v. Dividend income

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

vi. Interest paid on Deposits and Borrowings

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

vii. Management and other expense

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

viii. Taxation

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

a. Current Tax

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

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



b. Deferred Tax

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

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

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

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

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

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

ix. Retirement/post-employment benefits

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

a) Defined contribution plans

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

Provident Fund

The Bank operates a contributory provident fund for its permanent employees funded by both the employees and the Bank equally; employees contribute 10% of basic salary and the Bank contributes an equal amount. The Bank's contribution is made each month and recorded under salary and allowances. This fund is managed by a separate trustee board i.e. "NRB Commercial Bank Limited Employees' Provident Fund" and any investment decision out of this fund is made separately from that of the Bank's funds. This fund has received approval from the National Board of Revenue on 02 September 2014.

b) Defined benefit

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

Staff Gratuity

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

2.12 Reconciliation of Books of Account

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

2.13 Earnings Per Share (EPS)

Basic Earnings Per Share

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

Diluted Earnings Per Share

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

2.14 Directors' Responsibility on Statements

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

2.15 Memorandum items

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

2.16 Off-Balance Sheet Items

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

In accordance with BRPD circular no.14 dated 23 September 2012, general provision @ 1% has been made on the outstanding balances of Off-Balance Sheet exposure of the Bank as at 31 December 2015. Provision is made on the total exposure and amount of cash margin or value of eligible collateral is not deducted while computing Off-Balance sheet exposure.

2.17 Reporting Period

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

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

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

SL No.	Name of BAS	No. of BAS	Status
1	Presentation of Financial Statements	1	Complied *
2	Inventories	2	Complied
3	Statement of Cash Flows	7	Complied
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Complied
5	Events after the Reporting Period	10	Complied
6	Construction Contracts	11	N/A
7	Income Taxes	12	Complied
8	Property, Plant and Equipment	16	Complied
9	Leases	17	Complied
10	Revenue	18	Complied
11	Employee Benefits	19	Complied
12	Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
13	The Effects of Changes in Foreign Exchanges Rates	21	Complied
14	Borrowing Costs	23	Complied
15	Related Party Disclosures	24	Complied
16	Accounting and Reporting by Retirement Benefit Plans	26	N/A **
17	Separate Financial Statements	27	Complied
18	Investments in Associates	28	N/A
19	Interests in Joint Ventures	31	N/A
20	Financial Instruments: Presentation	32	Complied *
21	Earnings Per Share	33	Complied
22	Interim Financial Reporting	34	Complied
23	Impairment of Assets	36	Complied
24	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
25	Intangible Assets	38	Complied
26	Financial Instruments: Recognition and Measurement	39	Complied *
27	Investment Property	40	Complied
28	Agriculture	41	N/A

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

N/A means Not Applicable

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

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

2.18.1 New Accounting Standards not yet Adopted

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

2.19 Regulatory and Legal Compliance

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

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

2.20 Risk Management

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



2.20.1 Credit Risk

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

The Bank has segregated duties of the officers / executives involved in credit related activities. A separate Corporate Division has been formed at Head Office which is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate divisions have been formed within the Credit Division. These are (a) Credit Risk Management Division and (b) Credit Administration Division. Credit Risk Management Division is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy / strategy for lending operation, etc.

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

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

2.20.2 Operational Risk


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

2.20.3 Market Risk

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

Foreign Exchange Risk

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



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

Interest Rate Risk

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

Equity Position Risk

Equity risk arises from movement in market value of equities held. However, Bank had no exposure in the capital market for the year 2015.

2.20.4 Liquidity Risk comprising Asset Liability Management Risk

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

2.20.5 Money Laundering Risk

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

2.20.6 Information & Communication Technology (ICT) Security Risk

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

2.20.7 Internal Audit

The Bank has established an independent internal audit function with the head of internal control & compliance (ICC) reporting directly to the chairman of audit committee. The internal audit team performs risk based audit on various business and operational areas of the Bank on continuous basis. The audit committee and the Board regularly reviews the internal audit reports as well as monitor progress of previous findings.

2.20.8 Prevention of Fraud and Forgeries

As per the requirement of Bangladesh Bank regular reportings are made on self assessment of various anti fraud controls as well as any incident of fraud and forgeries that have been identified by the Bank. Regular staff training and awareness programmes are taken to ensure that all officers and staff of the Bank are fully aware of various fraud risks in their work area and prepare them to deal efficiently.

However, no such incident of fraud and forgeries has not been identified in the year 2015.

2.21 Credit rating of the Bank

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

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

2.22 Events after Reporting Period

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

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

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

2.23 Related party disclosures

A party is related to the company if:

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

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

2.24 Audit Committee of the Board of Directors

i) Particulars of Audit Committee

The Audit Committee of the Board was reconstituted in the 28th meeting of Board of Directors of the Bank after the 02nd AGM of the Bank held on 28 February 2015 in accordance with the BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank. The Committee was formed comprising 5 (five) members of the Board:

Sl no.	Name	Status with Bank	Status with Committee	Duration*	Date of First Appointment/ Reappointment	Educational/ Professional Qualification
1	Mr. Rafikul Islam Mia Arzoo	Director	Chairman	2 years and 7 months	As Member 08.05.2013 As Chairman 28.02.2015	Post Graduate and Microsoft Sales Professional
2	Mr. Mohammed Oliur Rahman	Director	Member	2 years and 7 months	08.05.2013 and 28.02.2015	Undergraduate
	Mr. Mohammed Enayet Hossain	Director	Member	10 Months	28.02.2015	Undergraduate
3	Mr. Abu Mohammad Tushar Iqbal Rahman	Director	Member	2 years and 7 months	08.05.2013 and 28.02.2015	B. Sc Engr. from BUET and Post Graduate from University Of ULM, Germany
5	Mr. Loquit Ullah	Director	Member	10 months	28.02.2015	SSC

* Duration means hold the position as of 31 December 2015 from first appointment.

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

ii) Meeting held with Audit Committee

During the year 2015, the Audit Committee conducted 4 (Four) meetings in which, among others, the following issues were reviewed and discussed:

- Review and recommendation of the Audited Financials of the Bank for the year ended on 31st December 2014
- Summary of Comprehensive Core Risk Inspection Reports on the Branches and the Head Office of the Bank including status of compliance thereof;
- Review and approval of Risk-based Audit Plan-2015;
- Review and recommendation of the Un-Audited Financials of the Bank for 01st, 02nd and 03rd Quarters of 2015 for approval of the Board of Directors
- Implementation status and Compliance on the Inspection Report conducted by Bangladesh Bank
- Review the Summary Report of 2nd Core Risk Inspection viz. Credit Risk Management (CRM), Internal Control & Compliance (ICC), Asset-Liability Management (ALM) and Information Communication & Technology (ICT) of Head Office Divisions and Rajshahi Branch as on 30.06.2014 conducted by Bangladesh Bank.
- The committee has reviewed branches performances comprehensively.



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

The Committee placed its report regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system, compliance of rules and regulations and establishment of good governance within the organization.

2.25 Approval of financial statements

These financial statements were reviewed by the Audit Committee of the Board of NRBC Bank Limited in its 13th meeting held on 06 March 2016 and was subsequently approved by the Board in its 41th meeting held on 07 March 2016.

2.26 General

- i. Consolidated Financial Statements has been restated due to change in Corporate Tax Rate as per Finance Act, 2015
- ii. Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact, except mentioned above, on the operating result and value of assets and liabilities as reported in the financial statements for the current year.
- iii. Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- iv. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

		2015	2014
		Taka	Taka
3	Cash:		
	Cash In Hand (Including Foreign Currency) (Note: 3.1)	377,681,442	226,188,773
	Balance with Bangladesh Bank and its agent bank(s) (Note: 3.2)	1,859,094,173	1,139,922,892
		2,236,775,615	1,366,111,665
3a	Consolidated Cash:		
	NRBC Bank Limited	2,236,775,615	1,366,111,665
	NRBC Bank Securities Limited	-	-
		2,236,775,615	1,366,111,665
3.1	Cash In Hand (Including Foreign Currency)		
	In local currency (Note: 3.1.1)	372,742,742	215,409,980
	In foreign currency	4,938,700	10,778,793
		377,681,442	226,188,773
3.1.1	In local currency		
	Cash in Hand-Vault	356,200,742	209,210,980
	Cash in ATM	16,542,000	6,199,000
		372,742,742	215,409,980
3.1a	Consolidated Cash In Hand (Including Foreign Currency)		
	NRBC Bank Limited	377,681,442	226,188,773
	NRBC Bank Securities Limited	-	-
		377,681,442	226,188,773
3.2	Balance with Bangladesh Bank and its agent bank(s)		
	In local currencies (LCY) (Note: 3.2.1)	1,806,468,246	990,144,335
	In foreign currencies (FCY)	48,690,265	149,778,557
		1,855,158,511	1,139,922,892
	Details of Balance with BB (FCY Wise) Account is given with conversion in Annx-A Sonal Bank Ltd. (as an agent bank of Bangladesh Bank)- local currency	3,935,661	-
		1,859,094,173	1,139,922,892
3.2a	Consolidated Balance with Bangladesh Bank and its agent bank(s)		
	NRBC Bank Limited	1,859,094,173	1,139,922,892
	NRBC Bank Securities Limited	-	-
		1,859,094,173	1,139,922,892
3.2.1	Balance with Bangladesh Bank and its agent bank(s)-LCY		
	Bangladesh Bank, Dhaka Office	1,804,261,149	989,354,879
	Bangladesh Bank, Chittagong Office	1,483,056	299,500
	Bangladesh Bank, Barisal Office	208,706	315,776
	Bangladesh Bank, Sylhet Office	118,577	74,180
	Bangladesh Bank, Rangpur Office	10,000	-
	Bangladesh Bank, Rajshahi Office	386,758	100,000
		1,806,468,246	990,144,335



2015	2014
Taka	Taka

3.3 Statutory deposits:

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

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

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

A. Cash Reserve Requirement (CRR) :

As per Bangladesh Bank MPD Circular No. 01 dated 23 June 2014 Bank maintained CRR of minimum 6.0% on daily basis and 6.5% on bi-weekly basis on weekly average demand and time liabilities of the base month which is two months back of reporting month (i.e. CRR of December 2015 is based on weekly average balance of October 2015):

i. Daily Position as on the reporting date:

Average time and demand liabilities of October 2015 (excluding inter-bank deposit)	27,953,386,000	15,201,435,231
Required Reserve (6% on daily basis of Average Time and Demand Liabilities)	1,677,203,160	912,086,114
Ave. Actual reserve maintained	1,829,969,698	989,732,579
Surplus	152,766,538	77,646,465

ii. Bi-weekly cumulative Position

Average time and demand liabilities of October 2015 (excluding inter-bank deposit)	27,953,386,000	15,201,435,231
Required Reserve (6.5% on bi-weekly basis of Average Time and Demand Liabilities)	1,816,970,090	988,093,290
Ave. actual reserve maintained	1,831,710,540	990,816,129
Surplus	14,740,450	2,722,839

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

As per clause 1 of section 33 of Bank Company Act-1991 (Amended upto 2013) & DOS circular No- 01 dated 19 January 2014 of Bangladesh bank (effective from 01 February 2014) all scheduled banks have to maintain SLR of minimum 13% based on weekly average demand and time liabilities of the base month which is two months back of the reporting month (i.e. SLR of December 2015 was done based on weekly average balance of October 2015). It is maintained bi-weekly basis minimum @ 13% as per above mentioned circular:

Average time and demand liabilities of October 2015 (excluding inter-bank deposit)	27,953,386,000	15,201,435,231
Required reserve of SLR (13% on basis of Average Time & Demand Liabilities)	3,633,940,180	1,976,186,580
Actual reserve maintained	4,321,764,962	2,886,022,122
Surplus / (deficit)	687,824,782	909,835,542

C. Components of Statutory Liquidity Ratio (SLR)

	2015 Taka	2014 Taka
Ave. Cash in hand including Foreign Currency	401,084,590	227,072,520
Ave. Balance with Bangladesh Bank (Foreign Currency)	-	-
Ave. Unencumbered approved securities (HTM)	3,013,190,679	964,613,970
Ave. Unencumbered approved securities (HFT)	906,708,468	1,693,947,052
Ave. Other Eligible Security i.e. Prize Bond	781,226	388,580
	4,321,764,962	2,886,022,122
4 Balance with other banks and financial institutions		
In Bangladesh (Note: 4.1)	2,566,879,652	2,207,057,181
Outside Bangladesh (Note: 4.2)	510,277,475	141,955,681
	3,077,157,127	2,349,012,862
4a Consolidated Balance with other banks and financial institutions		
In Bangladesh (Note: 4.1a)	2,566,879,652	2,207,057,181
Outside Bangladesh (Note: 4.2a)	510,277,475	141,955,681
	3,077,157,127	2,349,012,862
4.1 In Bangladesh		
Current Deposits:		
Bank Asia Ltd, Ruhitpur Br.	678	501
NCC Bank Ltd, Bhabn Br. VISA settlement A/C	2,632,955	-
Sonali Bank Ltd, Rangpur Corporate Br.	4,310	-
Standard Bank Ltd, Principal Br.	86,649	88,149
	2,724,591	88,650
Special Notice Deposits		
Mercantile Bank Ltd, Main Br.	19,957,685	27,638,968
Mercantile Bank Ltd., Agrabad Br.	-	-
Mercantile Bank Ltd., Sylhet Br.	10,139	208,140
Mercantile Bank Ltd., Barisal Br.	3,391	3,425
Mercantile Bank Ltd., Rajshahi Br.	6,034	4,770
Southeast Bank Ltd., Principal Br.	710,016	12,253,134
NCC Bank Ltd., Motihjeel Br.	110,679	3,287,463
Eastern Bank Ltd., Principal Br.	4,711,217	503,732
Jamuna Bank Ltd., FEX Br.	560,381	661,297
Agrani Bank Ltd., Principal Br.	6,206,268	1,694,566
Trust Bank Ltd for Q-cash Settlement	1,875,229	62,734
	34,151,040	46,318,231
Fixed Deposits Receipt (FDRs)		
FDR lending with Banks	-	10,584,000
FDR lending with NBFIs	2,530,000,000	2,150,000,000
	2,530,000,000	2,160,584,000
Details of FDRs with Bank & NFBI in Annx-B		
Balance with Brokerage Houses Trading A/C.		
MBL Securities Ltd	1,649	1,649
IIDFC Securities Ltd	2,372	64,651
	4,021	66,300
	2,566,879,652	2,207,057,181



4.1a Consolidated In Bangladesh

	2015	2014
	Taka	Taka
NRBC Bank Limited	2,566,879,652	2,207,057,181
NRBC Bank Securities Limited	113,870,405	-
	2,680,750,057	2,207,057,181
Less: Inter company transaction	113,870,405	-
	2,566,879,652	2,207,057,181

4.2 Outside Bangladesh

Current Deposits:

Habib American Bank NY, USD	95,229,805	7,465,043
Mashreq Bank PSC NY, USD	403,177,021	130,693,181
AB Bank Ltd Mumbai, Acu Dollar	3,429,300	246,596
Mashreq Bank PSC London GBP	2,518,928	1,015,094
United Bank Of India, Kolkata, Acu Dollar	2,074,819	464,656
Mashreq Bank PSC London EURO	1,097,640	772,615
Mashreq Bank Mumbai Acu Dollar	342,235	164,565
National Bank Of Pakistan, Tokyo, Jpy	1,619,515	855,765
Kookmin Bank, Seoul, Korea	447,701	-
Habib Metro Bank Limited, Karachi Acu Dollar	340,509	278,167
	510,277,475	141,955,681

Details of Nostro Account with conversion in Annx-C

4.2a Consolidated Outside Bangladesh (Nostro Accounts)

NRBC Bank Limited	510,277,475	141,955,681
NRBC Bank Securities Limited	-	-
	510,277,475	141,955,681
Less: Inter company transaction	-	-
	510,277,475	141,955,681

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

Current Deposits	513,006,087	142,110,631
Saving Deposit	-	-
Special Notice Deposits	34,151,040	46,318,231
Fixed Deposits	2,530,000,000	2,160,584,000
	3,077,157,127	2,349,012,862

4.4 Maturity grouping of balance with other banks

Repayable		
- on demand	516,421,191	146,742,454
- up to 3 months	1,110,735,936	391,686,408
- over 3 months but below 1 year	1,450,000,000	1,810,584,000
- over 1 year but below 5 years	-	-
- over 5 years	-	-
	3,077,157,127	2,349,012,862

	2015	2014
	Taka	Taka
5 Money at call and short notice		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
5a Consolidated money at call and on short notice		
NRBC Bank Limited	-	-
NRBC Bank Securities Limited	-	-
	-	-
6 Investments		
Nature wise:		
Held for Trading	896,773,470	2,796,607,768
Held to Maturity	3,240,516,392	1,399,187,270
Others	2,423,577,059	1,473,963,174
	6,560,866,921	5,669,758,212
Claim wise:		
Government securities (Note: 6.1)	4,138,468,762	4,196,290,738
Other investments (Note: 6.2)	2,422,398,159	1,473,467,474
	6,560,866,921	5,669,758,212
6a Consolidated investments		
NRBC Bank Limited	6,560,866,921	5,669,758,212
NRBC Bank Securities Limited	-	-
	6,560,866,921	5,669,758,212
Less: Inter company transaction	360,000,000	-
	6,200,866,921	5,669,758,212
6.1 Government securities		
Treasury bills (Note: 6.1.1)	4,137,289,862	4,195,795,038
Prize Bond	1,178,900	495,700
	4,138,468,762	4,196,290,738
6.1.1 Treasury bills/Bonds:		
a. Unencumbered		
i. Held for Trading		
91 Days Treasury Bills	-	21,719,788
182 Days Treasury Bills	-	78,095,545
364 Days Treasury Bills	-	149,184,395
5 Year Treasury Bonds	620,814,150	210,585,872
10 Year Treasury Bonds	262,995,240	958,631,100
15 Year Treasury Bonds	-	424,661,720
20 Year Treasury Bonds	12,964,080	-
	896,773,470	1,842,878,420



	2015	2014
	Taka	Taka
ii. Held to Maturity		
364 Days Treasury Bills	-	-
2 Year T-Bonds	59,990,576	10,026,592
5 Year T-Bonds	1,022,739,654	490,594,730
10 Year T-Bonds	647,000,862	278,515,747
15 Year T-Bonds	799,195,299	375,220,441
20 Year T-Bonds	711,590,000	106,036,380
	<u>3,240,516,392</u>	<u>1,260,393,890</u>
b. Encumbered		
i. Held for Trading		
91 Days Treasury Bills	-	58,915,520
182 Days Treasury Bills	-	674,057,500
5 Year Treasury Bonds	-	200,686,200
10 Year Treasury Bonds	-	20,070,128
	<u>-</u>	<u>953,729,348</u>
ii. Held to Maturity		
182 Days Treasury Bills	-	19,255,880
2 Year T-Bonds	-	20,007,220
5 Year T-Bonds	-	19,976,660
15 Year T-Bonds	-	39,812,800
20 Year T-Bonds	-	39,740,820
	<u>-</u>	<u>138,793,380</u>
6.1a Consolidated Government Securities		
NRBC Bank Limited	4,138,468,762	4,196,290,738
NRBC Bank Securities Limited	-	-
	<u>4,138,468,762</u>	<u>4,196,290,738</u>
Less: Inter company transaction	-	-
	<u>4,138,468,762</u>	<u>4,196,290,738</u>
6.2 Other investments		
a. Quoted shares & MFs		
Share	69,706,484	23,457,512
Mutual Fund	691,675	4,009,962
	70,398,159	27,467,474
b. Investment in Preference Share:		
Preference Share- Regent Energy and Power Ltd.	100,000,000	100,000,000
	100,000,000	100,000,000
c. Investment in Bond:		
BSRM Convertible Bond	396,000,000	450,000,000
Mercantile Bank Subordinated Bond	450,000,000	450,000,000
Trust Bank Subordinated Bond	150,000,000	150,000,000
AB Bank Subordinated Bond	100,000,000	100,000,000
UCBL Subordinated Bond	100,000,000	-
MTB Subordinated Bond	200,000,000	-
2nd AB Bank Subordinated Bond	300,000,000	-
The City Bank Subordinated Bond	196,000,000	196,000,000
	1,892,000,000	1,346,000,000
Details in the Annex-D		

	2015	2014
	Taka	Taka
d. Investment in Subsidiaries:		
NRBC Bank Securities Limited	360,000,000	-
	360,000,000	-
Total (a+b+c+d)	2,422,398,159	1,473,467,474
6.2a Consolidated other investments		
NRBC Bank Limited	2,422,398,159	1,473,467,474
NRBC Bank Securities Limited	-	-
	2,422,398,159	1,473,467,474
Less: Inter company transaction	360,000,000	-
	2,062,398,159	1,473,467,474
7 Loans and advances	23,227,386,522	14,412,251,270
7.1 Maturity grouping		
Payable on demand	1,695,260,367	690,877,512
Not more than 3 months	4,470,278,322	2,952,743,999
More than 3 months but not more than 1 year	8,772,923,281	5,140,961,472
More than 1 year but not more than 5 years	5,284,893,292	3,660,858,637
More than 5 years	3,004,031,260	1,966,809,650
	23,227,386,522	14,412,251,270
7.2 Broad category-wise breakup		
In Bangladesh		
Loans	13,574,543,474	8,889,077,803
Overdrafts	5,109,795,978	3,083,268,491
Cash Credit	3,710,019,137	1,780,584,444
	22,394,358,589	13,752,930,739
Outside Bangladesh		
Loans	-	-
Overdrafts	-	-
Cash Credit	-	-
Total loans and Advances	22,394,358,589	13,752,930,739
7.3 Product wise Loans and Advances:		
Overdraft	5,749,977,628	1,765,550,424
Cash Credit	3,710,019,137	1,111,332,198
Time loan	2,995,689,538	1,865,709,664
Term loan	3,165,505,932	2,507,836,808
Payment Against Document	42,010,845.88	10,893,237.99
Loans against Trust Receipt	1,320,533,646	286,837,920
Packing Credit	93,894,481	65,279,831
EDF Loan	211,300,495	517,568,032
Lease Fiance & Hire Purchase	2,112,288,116	854,592,481
Consumer Loan	397,648,094	164,247,088
Staff Loan	245,249,133	130,250,777
Other Loans and Advances	3,183,269,476	5,132,152,809
	23,227,386,522	14,412,251,270



2015	2014
Taka	Taka

7.4 Sectorwise Loans and Advances excluding bill purchased and discounted:

Govt. Sector	-	-
Public Sector	-	-
Private Sector	22,394,358,589	13,752,930,739
	22,394,358,589	13,752,930,739

7.5 Loans and Advances on the basis of significant concentration including Bills Purchased and Discounted.

a) Loans and advances given in favor of sister concern of the Directors;	-	-
b) Loans and advances given to Chief Executive and other senior executives of the Banks	86,521,453	10,915,873

c) Loans and advances allowed to customer exceeding 10% of Bank's Total Equity for the year 2015:

Total capital of the Bank (Lac Taka)	54,447.63	47,668.61
No. of Customer	17	6
Amount of Outstanding Facilities:	Amount in lac	
Funded Facilities	59,942.12	46,626.36
Non-Funded Facilities	25,387.02	18,880.31
Classified loan thereon	587.14	Nil
Measures taken for recovery	Nil	Nil

Figure in Lac

SL	Name of Client	Facilities approved by Bank		Balance/Business as on 31.12.2015	
		Funded	Non-Funded	Funded	Non-Funded
1	Bengal Group	1,200.00	4,346.00	2,460.00	2,408.62
2	Nassa Group	4,910.00	4,100.00	5,027.00	1,169.20
3	Goldstar Group	3,000.00	10,150.00	400.00	2,135.48
4	Labib Group	7,600.00	14,470.00	4,739.00	5,340.92
5	IFAD Autos Ltd.	6,850.00	1,000.00	4,139.00	0.00
6	A G Agro Limited	4,200.00	9,500.00	5,832.00	150.66
7	Mir Akhter Hossain	5000	4,500.00	0.00	2,250.00
8	Anwar Group	6,000.00	5,000.00	6,153.00	0.00
9	Navana Group	7,448.00	6,200.00	5,793.00	1,226.91
10	M M Spining Mills Ltd.	6,700.00	4,100.00	4,850.12	2,089.34
11	Abul Khair Group	0.00	16,500.00	5,225.00	1,899.35
12	Habib Group	5,500.00	5,000.00	5,632.00	3,404.16
13	Jamuna Ship Breaking	0.00	10,000.00	0.00	0.00
14	B.H Hitech Food Industries Pvt.Ltd	5,200.00	2,000.00	0.00	0.61
15	MM Ship Breaking	2,100.00	7,326.00	5,536.00	0.00
16	Lantabur Group	5,351.00	4,000.00	4,156.00	3,311.77
17	Kushiara Power Co. Ltd.	29,100.00	5,000.00	0.00	0.00
	Total	100,159.00	113,192.00	59,942.12	25,387.02

2015	2014
Taka	Taka

d) Industry wise loans including Bills purchased & discounted:

SL	Industries	Taka	Taka
1	Agri cultural Industry	525,903,530	478,808,318
2	Textile	1,571,815,790	530,682,543
3	RMG	1,851,677,115	2,120,401,002
4	NBFI	1,080,477,806	1,039,990,126
5	Food	73,357,212	158,383,063
6	Bevarage	97,823,970	68,752,778
7	Pharmaceutical	194,566,050	79,565,558
8	Chemical	17,506,779	-
9	Electrical	134,720,520	180,304,425
10	Construction	745,602,190	596,853,304
11	House Building Commercial	979,242,169	648,579,760
12	House Building Residential	670,953,660	368,486,554
13	Leather	48,493,279	38,567,434
14	Tobbaco	450,721,227	496,125,554
15	Service Industry	522,987,844	503,071,087
16	Transport	845,245,146	762,155,983
17	Basic Metal	366,969,764	678,036,530
18	Capital Market	7,907,038	145,534,427
19	Car loan	19,437,552	8,471,461
20	Furniture	1,481,688	3,379,863
21	Insurance	176,238,458	18,476,476
22	Consumer Finance	810,440,320	670,896,202
23	Printing	277,991,304	837,807,389
24	Ship Breaking	301,227,117	203,812,221
25	SME	2,124,607,933	341,432,573
26	Staff Loan	245,249,133	188,234,156
27	Steel	572,186,594	-
28	Trade Industry	4,543,277,780	1,414,313,886
29	Card	76,427,978	30,079,814
30	Other Manufacturing Industry	2,879,839,892	1,659,343,471
31	Others	1,013,009,682	141,705,313
Total		23,227,386,522	14,412,251,270

7.6 Geographical location-wise Loans and Advances

Urban Branch

Dhaka	15,687,030,274	11,031,836,513
Chittagong	3,191,787,973	1,825,415,210
Rajshahi	858,744,634	152,261,225
Sylhet	327,392,120	185,394,008
Barisal	181,362,966	265,856,923
Rangpur	35,026,134	-
Khulna	4,328,318	-
Sub-total	20,285,672,418	13,460,763,880

Rural Branch

Dhaka	2,483,501,974	951,487,390
Chittagong	458,212,130	-
Rajshahi	-	-
Sylhet	-	-
Barisal	-	-
Rangpur	-	-
Khulna	-	-
Sub-total	2,941,714,104	951,487,390
Total	23,227,386,522	14,412,251,270



2015	2014
Taka	Taka

7.7 Classification of Loan & Advances

Unclassified

Standard Including Staff Loan	23,009,681,381	14,412,251,270
Special Mention account	154,845,882	-

Sub-Total (a)	23,164,527,263	14,412,251,270
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Classified

Substandard Loan	50,634,919	-
Doubtful	12,224,340	-
Bad/loss	-	-

Sub-Total (b)	62,859,258.74	-
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Total (a+b):	23,227,386,522	14,412,251,270
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7.8 Particulars of required provision for loans and advances (for Funded facility):

<u>For Unclassified Loans</u>	<u>Base for Provision</u>	<u>Rate (%)</u>		
Standard Including Staff Loan	23,009,681,381	Various (*)	235,958,113	158,005,580
Special Mention account	154,845,882	Various (*)	1,625,594	-
Sub-Total (a)			237,583,707	158,005,580

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

<u>For Classified Loans</u>	<u>Base for Provision</u>	<u>Rate (%)</u>		
Substandard Loan (SS)	50,634,919	20	3,849,958	-
Doubtful (DF)	12,224,340	50	916,825	-
Bad/loss (BL)	-	100	-	-
Sub-Total (b)			4,766,783	-
Required Provision for Loan and advance (c=a+b)			242,350,490	158,005,580
Total Provision maintained (Note:13.1)			242,350,490	158,005,580
Excess/(Shortfall) of provision as of 31 December 2015			-	-

7.9 Particulars of Loans and Advances:

(i) Loans and advances considered good in respect of which the Bank is fully secured	899,486,615	9,133,397,700
(ii) Loans and advances considered good against which, the Bank holds no security other than, the debtors' personal guarantee	5,790,682,047	5,083,708,481

	2015 Taka	2014 Taka
(iii) Loans and advances considered as good which is secured owing to personal liability of one or more parties in addition to debtors' personal guarantee	299,184,601	195,145,088
(iv) Loans and advances adversely classified; provision not maintained there against	-	-
	6,989,353,262	14,412,251,270
(v) Loans and advances due by directors or officers of the banking company or any of them either separately or jointly with any other persons	245,249,133	188,234,156
(vi) Loans and advances due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or in case of private companies, as members	-	-
(vii) Maximum total amount of loans and advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	245,249,133	200,743,044
(viii) Maximum total amount of loans and advance, including temporary Loans and advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies, as members	-	-
(ix) Money Receivable/Due from different banking companies	-	-
(x) The amount of classified loan on which interest has not been charged:		
a. Decrease/ increase of provision (Specific)	4,766,783	-
b. Amount of loan write off	-	-
c. Amount realized against loan previously written off	-	-
d. Provision kept against classified loan as bad/loss account on the date of preparation of balance sheet;	-	-
e. Interest imposed in suspense account	2,089,004	-
(xi) Movement of write off loan :		
Opening balance	-	-
Add: During the period/year	-	-
Less: Amount realised against loans & advances previously written off	-	-
Closing Balance		



	2015	2014
	Taka	Taka
7.10 Securities against Loans including Bill purchased and discounted		
	Particulars	Taka
	Collateral of movable/immovable assets	12,218,262,030
	Local Banks & Financial Institutions Guarantee	640,181,650
	Government Guarantee	-
	Foreign Bank Guarantee	-
	Export Documents	610,164,669
	Fixed Deposit Receipt	2,887,618,320
	Personal Guarantee	5,790,682,047
	Other Securities	1,080,477,806
	23,227,386,522	14,412,251,270
7.2a Consolidated Loans and advances		
	NRBC Bank Limited	22,394,358,589
	NRBC Bank Securities Limited	-
	22,394,358,589	13,752,930,739
	Less: Inter company transaction	-
	22,394,358,589	13,752,930,739
8.0 Bills purchased and discounted:		
	Receivable in Bangladesh	640,181,650
	Receivable outside Bangladesh	192,846,283
	833,027,933	659,320,531
8.1 Maturity grouping of Bills purchased and discounted		
	Receivable within a period not exceeding 01 month	298,387,661
	Receivable within a period exceeding 01 months but less than 03 months	260,514,321
	Receivable within a period exceeding 03 months but less than 06 months	274,125,950
	Receivable within a period equal to 06 months or exceeding that time	-
	833,027,933	659,320,531
8a Consolidated Bills purchased and discounted:		
	NRBC Bank Limited	833,027,933
	NRBC Bank Securities Limited	-
	833,027,933	659,320,531
9 Fixed assets including premises, furniture and fixtures of the Bank		
	Land, Building and Construction	-
	Furniture and fixtures	197,726,446
	Equipment and Machinery	364,354,523
	Motor Vehicles	27,250,000
	Professionals and Reference Books	23,370
	Leased Assets: Motor Vehicle	27,106,624
	616,460,963	409,424,136
	Less: Accumulated Depreciation	151,564,505
	464,896,458	342,892,142

A schedule of fixed assets is given in Annexure- E and Tax Purpose Annexure-F.

	2015 Taka	2014 Taka
9a Consolidated Fixed assets including premises, furniture and fixtures		
At cost:		
NRBC Bank Limited	616,460,963	409,424,136
NRBC Bank Securities Limited	-	-
	616,460,963	409,424,136
Accumulated depreciation:		
NRBC Bank Limited	151,564,505	66,531,994
NRBC Bank Securities Limited	-	-
	151,564,505	66,531,994
Net Book Value	464,896,458	342,892,142
10 Other assets		
i. Income generating-Equity Investment	-	-
ii. Non-income generating		
Advance Security Deposit	2,127,159	751,171
Stock of Stationery and printing items [Note-10.3]	7,468,969	3,057,975
Suspense Account [Note-10.4]	67,304,799	39,215,096
Stamps in Hand	870,660	451,011
Advance Office Rent	338,636,233	354,756,402
Interest Receivable on Balance with Other Banks & FIs	37,948,055	64,631,100
Interest Receivable on Call Loan	-	0
Interest Receivable on Treasury Bonds	107,848,605	102,207,809
Interest Receivable on Treasury Bills	-	-
Interest Receivable on Coupon Bond	42,450,333	25,521,269
Prepaid Insurance Premium	642,569	1,248,478
Advance Income Tax [Note-10.5]	141,359,812	91,288,052
Membership with Visa Worldwide PLC Ltd	2,311,500	2,311,500
Pre-paid Expense House Furnishing and LFA	10,679,278	14,380,476
Dividend Receivable on Preference Share	7,366,667	8,266,304
Preliminary Expenses	-	-
Inter Branch General Account Balance [Note- 10.6]	2,672	-
Pre Operating Expenses/Formation Expenses	-	-
Total (i+ii)	767,017,311	708,086,645
10.1 Aging of Others Assets		
Up to 6 months	310,910,861	272,666,162
Over 6 Months to 1 Year	63,289,343	71,034,708
Over 1 Years to 4 Years	345,970,504	333,936,687
Above 4 Years	46,846,603	30,449,087
	767,017,310	708,086,645
10.2 Classification Status of Others Assets		
Unclassified	767,017,310	708,086,645
Doutful	-	-
Bad/Loss	-	-
	767,017,310	708,086,645

** No protested bill and legal expenses included in the Other Assets



	2015	2014
	Taka	Taka
10a Consolidated Other assets		
NRBC Bank Limited	767,017,311	708,086,645
NRBC Bank Securities Limited	285,802,647	-
	1,052,819,958	708,086,645
Less: Inter company transaction	895,067	-
	1,051,924,890	708,086,645
10.3 Stock of Stationery and printing items		
Printing Stationery	2,088,943	2,066,310
Security Papers	1,023,471	660,115
Security Stationery- CARD	4,356,555	331,550
	7,468,969	3,057,975
10.4 Suspense Account:		
Advance against New Branches	59,979,444	6,470,389
Advance against TA/DA	50,000	-
Advance against Interior Decorations	-	20,800,000
Encashment of Savings Certificate	-	200,000
Cash Remitted	1,500,000	-
Suspense A/C Bank POS	7,050	-
Petty Cash	-	-
Interest Paid on Savings Certificate	1,172,265	171,300
Suspense Others	4,524,000	11,573,027
Stamp for Utility Bill Collection	72,040	380
	67,304,799	39,215,096

Aging of Suspense Account (2015):

Head of Account	Up to 6 Months	Over 6 Months to 1 Year	Above 4 Years
Advance against New Branches	53,912,944	6,000,000	-
Advance against TA/DA	50,000	-	-
Cash Remitted	1,500,000	-	-
Suspense A/C Bank POS	7,050	-	-
Interest Paid on Savings Certificate	1,172,265	-	-
Suspense Others	4,524,000	-	-
Stamp for Utility Bill Collection	71,240.00	800.00	-

**This includes the amounts that are kept in temporary parking accounts shown under other assets. These balances are in the process of regular monitoring so that it remains within a non material level.

10.5 Advance Income Tax

Opening Balance	91,288,052	32,925,394
Add: Tax deposited @ 5% on commission on L/C	570,259	-
Add: Withholding Tax during the year [Tax on interest and vehicle] (10.3a)	49,501,501	58,362,658
	141,359,812	91,288,052
Less: Settlement during the year	-	-
	141,359,812	91,288,052

10.5a Withholding Tax at source

	2015 Taka	2014 Taka
TDS @10% & 15% on Interest Income from Balance with Banks	41,963,306	33,251,523
TDS@10% on FDR Interest Income with FIs	63,701,564	36,560,209
TDS @ 20% on Cash Dividend received from Quoted Share	3,122,902	62,740.00
Tax deposited @ 5% on commission on L/C	570,259	-
Upfront @ 5% on Interest of T-Bills/Reverse REPO deducted by Bangladesh Bank	31,453,781	21,032,080
Advance Tax to Dhaka South City Corporation	3,000	1,500
Advance Tax for Bank's Pool Vehicles	545,000	380,000
	141,359,812	91,288,052

10.6 Inter Branch General Account (IBGA) Balance

	No. of Entry		
Inter Branch General Account Debit Balance	5	24,805	-
Inter Branch General Account Credit Balance	10	22,133	-
		2,672	-

Aging of IBTA are given Below:

Aging	Debit		Credit	
	No. of Entry	Amount	No. of Entry	Amount
Up to 6 months*	5	24,805	10	22,133
Over 6 Months to 1 Year				
Over 1 Years to 5 Years				
Above 5 Years				

*Aging of Outstanding amount of Inter Branch General account Balance is less than 01 month

11 Borrowings from Bangladesh Bank, other Banks, Financial Institutions and Agents

In Bangladesh (Note 11.1)	426,901,731	1,509,084,936
Outside Bangladesh	-	-
	426,901,731	1,509,084,936

11.1 In Bangladesh

Bangladesh Bank (Refinance under SPD/SME/WE)	206,901,731	163,084,936
Bangladesh Bank (LS/REPO)	-	986,000,000
Other Banks (Borrowings from Call)	220,000,000	360,000,000
	426,901,731	1,509,084,936

11.2 Analysis by Security

Secured	206,901,731	1,149,084,936
Unsecured	220,000,000	360,000,000
	426,901,731	1,509,084,936

11.3 Repayment pattern

Repayable on demand	-	-
Repayable on maturity/terms	426,901,731	1,509,084,936
	426,901,731	1,509,084,936



	2015	2014
	Taka	Taka
11a Borrowings from Bangladesh Bank, other Banks, Financial Institutions and Agents		
NRBC Bank Limited	426,901,731	1,509,084,936
NRBC Bank Securities Limited	-	-
	426,901,731	1,509,084,936
12 Deposits and other accounts		
Deposit from Inter Bank (note-12.1)	650,000,000	550,000,000
Deposit from Customers (Note-12.2)	28,344,554,103	16,720,880,701
	28,994,554,103	17,270,880,701
12a Consolidated deposits and other accounts		
NRBC Bank Limited	28,994,554,103	17,270,880,701
NRBC Bank Securities Limited	-	-
	28,994,554,103	17,270,880,701
Less: Inter company transaction	113,870,405	-
	28,880,683,698	17,270,880,701
12.1 Deposits from Inter Bank		
Fixed Deposit:		
Rajshahi Krishi Unnyan Bank	-	50,000,000
Agrani Bank Limited	250,000,000	-
Janata Bank Limited	400,000,000	-
Rupali Bank Ltd.	-	500,000,000
	650,000,000	550,000,000
12.2 Deposits and other accounts		
<u>i. Current accounts and other accounts</u>		
Current Deposit	1,084,332,865	650,823,345
Foreign Currency Deposit	57,266,544	38,987,524
Deposit Under Q-Cash	327,165	116,257
Sundry Deposit (Note: 12.3)	526,996,166	332,604,611
	1,668,922,740	1,022,531,737
<u>ii. Bills Payable</u>		
Pay Order	246,712,400	209,141,940
<u>iii. Savings Bank Deposit</u>	1,331,655,120	510,953,294
<u>iv. Term Deposit/Fixed Deposit</u>		
Fixed Deposit	17,393,267,534	11,141,907,556
Short Term Deposit	1,140,468,313	383,759,108
Deposit Under Schemes	6,563,527,996	3,452,587,066
	25,097,263,843	14,978,253,730
	28,344,554,103	16,720,880,701



	2015	2014
	Taka	Taka
12.3 Sundry Depsoit		
Margin on Letter of Guarantee	74,811,157	32,111,179
Margin on Letter of Credit	325,423,650	253,524,095
Margin on Bills	15,587,136	2,192,330
Margin on Others	1,713,046	-
Sale Proceeds of Govt. Savings Certificates	7,100,000	-
Security Deposits	3,549,459	14,121,119
Risk Fund on Loans and Advances	3,051,970	1,867,872
Provident Fund	2,554,192	-
Employees Welfare Fund	2,977,471	1,723,875
VAT, Excise Duty and Withholding Tax	77,325,395	19,670,261
Value Added Tax- VAT on Utility Bills Collection	4,036,226	2,284,447
Sundry Creditors	332,663	174,945
Sundry NPSB Txn_ Dispute A/C	53,210	-
Sundry VISA Txn_ Dispute A/C	8,495	-
Proceed From Lottery Sale	100,300	300
Other Sundry Deposits	8,371,796	4,934,188
	526,996,166	332,604,611
12.4 Maturity Analysis of Interbank Deposit		
Repayable on demand	-	-
Paybale within 1 month	650,000,000	500,000,000
Over 1 month but within 3 months	-	50,000,000
Over 3 months but within 6 months	-	-
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
Over 10 years	-	-
	650,000,000	550,000,000
12.5 Maturity Analysis of Other Deposit		
Repayable on demand	1,076,215,455	859,294,245
Paybale within 1 month	1,078,824,198	1,579,556,142
Over 1 month but within 3 months	7,338,647,808	6,326,370,018
Over 3 months but within 6 months	4,521,358,625	3,000,524,014
Over 6 months but within 1 year	5,297,434,663	2,745,587,496
Over 1 year but within 5 years	6,044,972,285	1,580,071,919
Over 5 years but within 10 years	2,987,101,068	629,476,868
Over 10 years	-	-
	28,344,554,103	16,720,880,701

Bank did not retain any unclaimed deposit above 10 years as of 31 December 2015



12.6 Demand and Time Deposits

A. Demand Deposits

Current Accounts and Other Accounts		
Savings Deposits (9%)		
Sundry Deposit		
Foreign Currency Deposit		
Deposit Under Q-Cash		
Bills Payable		

2015	2014
Taka	Taka

1,084,332,865	650,823,345
119,848,961	45,985,796
526,996,166	332,604,611
57,266,544	38,987,524
327,165	116,257
246,712,400	209,141,940
2,035,484,101	1,277,659,473

B. Time Deposits

Savings Deposits (91%)		
Short Notice Deposits		
Fixed Deposits		
Deposit Under Schemes		

1,211,806,159	464,967,498
1,140,468,313	383,759,108
18,043,267,534	11,691,907,556
6,563,527,996	3,452,587,066
26,959,070,002	15,993,221,228
28,994,554,103	17,270,880,701

13 Other Liabilities

Accumulated Provision against Loans and Advances (Note 13.1)		
Provision for Off Balance Sheet items (Note 13.2)		
Provision for Gratuity (Note 13.3)		
Accrued Interest (Note 13.4)		
Current Income Tax Payable (Note 13.5)		
Deferred Tax Liabilities (Note 13.6)		
Interest Suspense A/C (Note 13.7)		
Provision for Office Rent		
Provision for Incentive Bonus		
Provision for Telephone Bill-Office		
Provision for Telephone Bill-Residence		
Provision for Power and Electricity Expense		
Provision for Wasa, Gas and Sewerage Bill		
Provision for Plant Maintenance		
Provision for Value Adjustment of Shares and Others		
FC Held Against BTB Bills, EDF Loan and Others		
Provision for Depreciation		
Provision for Other Expenses		
Provision for Audit Fees		
Provision for Corporate Social Responsibility (CSR)		
Lease Payable for Lease Hold Property		

242,350,490	158,005,580
86,517,544	38,498,747
15,000,000	6,300,000
473,248,239	312,416,263
332,251,584	96,381,421
16,043,302	18,754,684
2,089,004	-
10,003,618	4,013,600
71,168,800	17,290,550
68,704	118,406
2,211	9,715
397,904	884,640
-	63,134
-	3,250
2,595,275	5,274,846
479,846,020	791,995,143
-	39,583
-	4,984
300,000	250,000
49,365,502	7,305,459
17,534,156	22,688,839
1,798,782,355	1,480,298,844

13.1 Provision against Loans and Advances

i. The movement in specific provision for Bad and Doubtful Debts

	2015 Taka	2014 Taka
Provision held at the beginning of the period	-	-
Fully provided debts written off during the period (-)	-	-
Recovery of amounts previously written off (+)	-	-
Specific provision made for the period (+)	4,766,783	-
Transfer from general provision [SMA+Unclassified laon] (+)	-	-
Recoveries and provision no longer required (-)	-	-
Net charge to Profit and Loss Statement (+)	-	-
Provision held as on 31 December	4,766,783	-

ii. The movement in General provision for Special Mentioned Account (SMA)

Provision held at the beginning of the period	-	-
Provision during the period (+)	-	-
Transfer from General Provision of Unclassified Loans (+)	1,625,594	-
Transferred to Provision for Bad and Doubtful Debts (-)	-	-
Provision held as on 31 December	1,625,594	-

iii. The movement in General Provision for Unclassified Loans

Provision held at the beginning of the period	158,005,580	43,398,760
Provision During the period (+)	77,952,533	114,606,820
Transferred to Provision for Special Mentioned Account (SMA) (-)	-	-
Transferred to Provision for Bad and Doubtful Debts (-)	-	-
Provision held at the end of the Period	235,958,113	158,005,580
Provision held as on 31 December	242,350,490	158,005,580

13.2 Provision for Off Balance Sheet Items

Provision held at the beginning of the period	38,498,747	10,831,057.99
Add: Amount Transferred from classified provision	-	-
Add: Provision made during the period	48,018,797	27,667,689
Less: Adjustment during the period	-	-
Provision held as on 31 December	86,517,544	38,498,747

13.3 Provision for Gratuity

Opening Balance	6,300,000	3,900,000
Add: Contribution made by Bank for the year 2015	36,000,000	2,400,000
Less: Release from Bank to the Fund	27,300,000	-
Closing Balance	15,000,000	6,300,000

National Board of Revenue approved "NRB Commercial Bank Limited Employees' Gratuity Fund" on 21 September 2014 , (Ref:08.01.0000.03502.0021.2014/322) as per clause 2, 3, 4 of Part-C of First Schedule, Income Tax Ordinance 1984. "The Trusty" will manage the fund and settle the liabilities of employees.



13.4 Accrued Interest

	2015	2014
	Taka	Taka
Interest Payable of FDR-Day basis	11,030,865	4,349,211
Interest Payable of FDR-1 month	463,469	554,923
Interest Payable of FDR-3 months	82,925,595	59,484,983
Interest Payable of FDR-6 months	94,815,971	59,147,146
Interest Payable of FDR-12 months & above	189,866,721	181,319,211
Interest Payable on Priority Deposit Scheme	65,392,149	-
Interest Payable on borrowing from Bangladesh Bank	3,347,997	7,384,124
Interest Payable on borrowing from Other Banks & Fis	25,389,583	-
Interest Payable on borrowing from Call	15,889	176,667
	473,248,239	312,416,263

13.5 Current Income Tax Payable

Adjusted Opening Balance	(Note 13.5.1)	96,381,421	13,040,607
Add: Provision made during the Year (Note: 38)		235,870,164	83,340,814
Less: Payment		-	-
		332,251,584	96,381,421

According to Finance Act-2015, National Board of Revenue reduced the corporate tax on Bank, Insurance and Financial Institutions from 42.5% to 40.00% and, therefore, restated the Current Tax Payable for the Financial Year 2014.

13.6 Deferred Tax Payable

Opening Balance	(Note 13.6.1)	18,754,684	3,241,252
Additional Expenses during the Year		-	15,513,433
Less: Adjustment		(2,711,382)	-
		16,043,302	18,754,684

According to Finance Act-2015, National Board of Revenue reduced the corporate tax on Bank, Insurance and Financial Institutions from 42.5% to 40.00% and, therefore, restated the Deferred Tax Payable for the Financial Year 2014.

Based on detailed analysis Management are satisfied that there would be adequate taxable profit available in future against which such temporary differences can be settled which is created on account of application of different depreciation method.

13.7 Movement of Interest Suspense Account:

Opening Balance		-	-
Amount of Interest Transferred/credited as suspended in the Year	(+)	31,714,021	-
Amount of suspended interest Recovered during the year	(-)	29,625,017	-
Amount of suspended interest write off during the year	(-)	-	-
Balance		2,089,004	

13a Consolidated Other liabilities

NRBC Bank Limited		1,798,782,355	1,480,298,844
NRBC Bank Securities Limited		606,600	-
		1,799,388,955	1,480,298,844
Less: Inter company transaction		895,067	-
		1,798,493,887	1,480,298,844

2015	2014
Taka	Taka

14 Share Capital

14.1 Authorized Capital

100,00,00,000 ordinary shares of Taka 10 each

10,000,000,000	10,000,000,000
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14.2 Issued, Subscribed and Paid-up-Capital

44,46,05,900 ordinary shares of Taka 10 each issued for cash

4,446,059,000	4,446,059,000
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14.3 Particulars of Share Capital

Particulars	Shareholding	
	In Number	In Percentage
Sponsors/Promoters	444,605,900	100%
Financial Institutions	-	-
Others	-	-
Total	444,605,900	100%

14.4 Name of the Directors and their shareholdings

SL	Name of the Directors	Status	No of Shareholding
1	Engr. Farasath Ali	Director & Chairman of the Board	20,000,100
2	Dr. Toufique Rahman Chowdhury	Director & Vice Chairman	10,000,000
3	Mr. Abu Bakr Chowdhury	Director	20,000,000
4	Mr. ABM Abdul Mannan	Director	30,413,600
5	Mr. Mohammed Oliur Rahman	Director	36,562,500
6	Mr. Mohammed Enayet Hossain	Director	25,085,000
7	Mr. Md. Amir Hossain	Director	20,028,100
8	Mr. Abu Mohammad Tushar Iqbal Rahman	Director	20,027,800
9	Mr. Firoz Haider Khan	Director	20,004,100
10	Mrs. Kamrun Nahar Sakhi	Director	13,304,800
11	Mr. Mohammad Shahid Islam	Director	20,000,000
12	Mr. Loquit Ullah	Director	17,067,900
13	Mr. Tamal S.M.Parvez	Director	20,007,000
14	Mr. Rafikul Islam Mia Arzoo	Director	20,410,000
15	Mr. Mohammed Nazim	Director	20,009,300
16	Mr. Syed Munsif Ali	Director	17,930,000
17	Mr. Mohammed Adnan Imam	Director	10,011,800
18	Dr. Nuran Nabi	Director	2,000,000
19	Mrs. Kaniz Farzana Rashed	Director	10,066,800
20	Mr. Mohammed Manzurul Islam	Director	1,014,400

14.5 Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III

In terms of section 13(2) of Banking Companies Act, 1991 and Bangladesh Bank BRPD Circular No. 07 & 18 dated March 31, 2014 and December 21, 2014 respectively, required capital based on consolidated RWA of the Bank at the close of business on 31 December 2015 is Taka 2,876.80 crore as against available Tier-1 Capital of Taka 510.67 crore and Tier-2 of Taka 33.81 crore that is, a total of Taka 544.48 crore thereby showing surplus capital/equity of Taka 256.80 crore at that date. Details are shown below:

14.6 Core Capital/Common Equity (Tier I) (Going Concern Capital)

	Amt in Crore	Amt in Crore
Fully Paid-up-Capital	444.61	444.61
Non-Repayable Share Premium Account		
Statutory Reserve	20.32	4.44
General Reserve	-	-
Retained Earnings	41.93	6.24
Dividend Equalization Account	-	-
Minority Interest in Subsidiaries	3.99	-
Actuarial Gain/Loss (Actuarial Gain/Loss in Books in Bangladesh for Foreign Bank	-	-
Others (If any Items approved by Bangladesh Bank)	-	-
Regulatory Adjustment from Tier-1 (Core Capital)		
Shortfall in provisions required against Non Performing Loan (NPLs)	-	-
Shortfall in provisions required against Investment in Shares	-	-
Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
Goodwill and all other Intangible Assets	-	-
Deferred Tax Assets (DTA)	0.18	-
Defined benefit pension fund assets	-	-
Gain on sale related to securitization transaction	-	-
Investment in own CET-1 Instruments/Shares (As per BASEL III Guideline)	-	-
Reciprocal Crossholding in the CET-1 Capital of Banking Financial and Insurance Entities	-	-
Any investment exceeding the approved limit under section 26 ka(1) of Banking Companies Act, 1991, Others if any	-	-
Investment in Subsidiaries which are not consolidated	-	-
Others, if any	-	-
Total Admissible Tier-I Capital	510.67	455.29
Additional Tier-1 Capital		
Non-Cumulative irredeemable Preference Share	-	-
Instruments issued by the Bank that meet the Qualifying criteria of addl Tier-1 (AT-1) as per BASEL III	-	-
Any Other item specifically allowed by BB from time to time for inclusion in AT-1	-	-
Others (if any items approved by BB)	-	-
Regulatory Adjustment from Tier-1		
Investment in own AT-1 Instrument/Share as per BASEL III	-	-
Reciprocal Crossholding in the AT-1 Capital of Banking Financial and Insurance Entities	-	-
Others, if any	-	-
Total Additional Tier-1 Capital Available	510.67	455.29

Maximum Limit of AT-1 (AT-1 Capital can be maximum upto 1.5% of the total RWA or 33.33% of CET1, which ever is higher)

Excess amount over Maximum limit of AT-1

Total Admissible Additional Tier-1 Capital

Tier -2 Capital

General Provision (Inclusion in Tier -2 will be limited Maximum 1.25 Percentage Point of Credit RWA under standardised Approach)

All other Preference share

Subordinate Debt/Instruments issued by Bank that meet the qualifying criteria for Tier-2 as Basel III Guideline

Minority Interest i.e. Tier 2 issued by consolidated subsidiary to the third Parties

Revaluation Reserves as on 31 December 2014 (50 % of Fixed Assets & Securities and 10% of Equities)

Others (if any items approved by Bangladesh Bank)

Regulatory Adjustment from Tier-2

Revaluation Reserves for Fixed Assets, Securities and Equities Securities (Phase in deductions as per Basel III. i.e. 20% for 2015)

Investment in own T-2 Instrument/Share as per BASEL III

Reciprocal Crossholding in the T-2 Capital of Banking Financial and Insurance Entities

Any investment exceeding the approved limit under section 26 ka(1) of Banking Companies Act, 1991, Others if any (50% of Investment)

Investment in Subsidiaries which are not consolidated (50% of Investment)

Others, if any

Total Tier -2 Capital Available

Maximum Limit of Tier-2 Capital (Maximum up to 4% of the Total RWA or 88.89% of CET1, which ever is higher)

Excess amount over Maximum Limit of T-2

Total Admissible Tier-I Capital

Total Regulatory Capital

A. Total Assets including off-Balance Sheet items

B. Total Risk-Weighted Assets (RWA)

C. Required capital based on Risk Weighted Assets (10% of Total RWA for 2015)

D. Capital Surplus / (Shortfall)

E. Capital to Risk Weighted Assets Ratio (CRAR) (%)

Calculation basis of Risk Weighted Assets in the Annex-F

Capital Requirement (Percentage of Capital on Risk-Weighted Assets)

	170.21	151.75
	-	-
	32.41	19.65
	-	-
	-	-
	-	-
	1.75	1.75
	-	-
	34.16	21.40
	0.35	-
	-	-
	-	-
	-	-
	-	-
	0.35	-
	33.81	21.40
	453.93	-
	-	-
	33.81	21.40
	544.48	476.69
	4,491.08	2,934.08
	2,876.80	1,641.53
	287.68	164.15
	256.80	312.53
	18.93%	29.04%

	2015		2014	
	Required	Held	Required	Held
Core Capital (Tier- I)	5.50%	17.75%	5.00%	27.74%
Supplementary Capital (Tier II)		1.19%		1.30%

Capital to Risk Weighted Assets Ratio has been calculated as per Basel-III, BRPD Circular No- 18 dated December 21, 2014



2015	2014
Taka	Taka

15 Statutory Reserve

Opening Balance at the beginning of the period	44,388,286	7,662,052
Add: Addition during the year	158,833,579	36,726,234
Add./less Adjustment for Foreign Exchange Rate Fluctuation	-	-
Closing Balance at the end of the period	203,221,865	44,388,286

At least 20% of net profit before tax is transferred to statutory reserve account each year until the cumulative balance equal to the amount of paid up capital account as per Section 24 of the Bank Company Act 1991 as amended. During the year 2015, 20% of Pre-tax profit transferred to statutory reserve.

16 Other Reserve

General Reserve (Note 16.1)	-	-
Assets Revaluation Reserve (Note 16.2)	-	-
Investment Revaluation Reserve (Note 16.3)	44,448,919	34,983,992
Foreign Currency Translation Gain/ (Loss) (Note 16.4)	-	-
	44,448,919	34,983,992

16.1 General Reserve

Opening Balance at the beginning of the period	-	-
Add: Addition during the year (+)	-	-
Closing Balance at the end of the period	-	-

As per rule, Bonus Share/ Cash Dividend may be issued out of surplus of the profit of the year. If there is any short fall, that may be covered from General Reserve Account as per approval of Board of Directors of the Bank.

16.2 Assets Revaluation Reserve

Opening Balance at the beginning of the period	-	-
Add: Addition during the year (+)	-	-
Less : Adjustment during the year (-)	-	-
Closing Balance at the end of the period	-	-

16.3 Investment Revaluation Reserve

Revaluation Reserve for HFT Securities		
Opening Balance at the beginning of the period	34,982,219	2,751,202
Add: Addition during the year (+)	9,442,081	32,231,017
Less : Adjustment during the year (-)	-	-
Closing Balance at the end of the period	44,424,299	34,982,219
Revaluation Reserve for HTM Securities		
Opening Balance at the beginning of the period	1,773	556,284
Add: Addition during the year (+)	22,846	-
Less : Adjustment during the year (-)	-	554,511
Closing Balance at the end of the period	24,619	1,773

	2015 Taka	2014 Taka
16.4 Foreign Currency Translation Gain/ (Loss)		
Opening Balance at the beginning of the period	-	-
Add: Addition during the year (+)	-	-
Closing Balance at the end of the period	-	-
16a Consolidated Other Reserve:		
NRBC Bank Limited	44,448,919	34,983,992
NRBC Bank Securities Limited	-	-
	44,448,919	34,983,992
17 Retained Earnings/Movement of Profit and Loss Account		
Restated Opening Balance	62,417,037	14,366,346
Add: Post-Tax Profit during the period (+)	561,009,113	84,776,925
Less: Transfer to Statutory Reserve (-)	158,833,579	36,726,234
Less: Cash Dividend (-)	44,460,590	-
Less: Transfer to General Reserve (-)	-	-
Add/(Less): Foreign Exchange Translation Loss	-	-
	420,131,981	62,417,037
17a Retained Earnings/Movement of Profit and Loss Account		
NRBC Bank Limited	420,131,981	62,417,037
NRBC Bank Securities Limited	(933,548)	-
Less: Minority Interest	419,198,433	62,417,037
	(93,355)	-
	419,291,788	62,417,037
17b Minority Interest of NRBC Bank Securities Limited:		
Equity Capital of Minority Group	40,000,000	-
Less: Retained Earning/(Loss)	(93,355)	-
	39,906,645	-
18 Contingent liabilities	8,651,754,433	4,492,661,041
18.1 Acceptances and Endorsements		
Accepted Bills Against BTB LC- Local	594,030,048	226,276,793
Accepted Bills Against BTB LC- Foreign	263,904,774	118,432,733
Accepted Bills Against BTB LC EPZ	34,716,992	44,760,500
Accepted Bills Against LC Cash	2,148,003,066	854,068,300
	3,040,654,880	1,243,538,325



2015	2014
Taka	Taka

18.2 Letters of Guarantee

Money for which the Bank is in contingently liable in respect of guarantees to the:

Directors	-	-
Government	-	-
Banks and other Financial Institutions	-	-
Others (Note 18.2a)	2,148,498,257	939,681,706
	2,148,498,257	939,681,706

18.2a Letters of Guarantee -Others

Shipping Guarantee Against Cash LC-Sight	81,635,259	44,032,897
Bid Bond Local	387,514,598	370,398,000
Performance Guarantee Local	1,558,057,146	455,816,809
Advance Payment Guarantee Local	110,214,000	66,540,000
Shipping Guarantee agst. BTB LC	11,077,254	-
Performance Guarantee Foreign	-	2,894,000
	2,148,498,257	939,681,706

18.3 Irrevocable Letters of Credit

1,860,041,032 **1,650,503,701**

18.4 Bills For Collection

1,602,560,264 **658,937,308**

19 Interest Income

Interest on Loans and Advances:

Loans and Advances	2,656,928,990	1,288,242,500
Bills Purchased and Discounted	10,161,288	7,868,795.72
	2,667,090,279	1,296,111,296

Interest on:

Balance with Bangladesh Bank	-	-
Balance with foreign banks	-	-
Balance With Banks and Fis	253,327,307	360,786,392
	253,327,307	360,786,392
	2,920,417,585	1,656,897,688

19a Consolidated Interest Income

NRBC Bank Limited	2,920,417,585	1,656,897,688
NRBC Bank Securities Limited	1,999,782	-
	2,922,417,367	1,656,897,688
Less: Inter company transaction	1,999,782	-
	2,920,417,585	1,656,897,688

	2015	2014
	Taka	Taka
20 Interest Paid on Deposits and Borrowings, etc.		
Interest Paid on Deposits (Note 20.1)	2,053,780,553	1,213,460,800
Interest Paid on Refinance (Note 20.2)	7,762,230	7,384,124
Interest Paid on Borrowings (Note 20.3)	637,865,067	212,234,852
	2,699,407,850	1,433,079,775
20a Consolidated Interest Paid on Deposits and Borrowings, etc.		
NRBC Bank Limited	2,699,407,850	1,433,079,775
NRBC Bank Securities Limited	-	-
	2,699,407,850	1,433,079,775
Less: Inter company transaction	1,999,782	-
	2,697,408,067	1,433,079,775
20.1 Interest Paid On Deposits		
Current Account	9,610,684	3,742,400
Savings Account [Customer and Staff]	31,305,845	8,491,413
Special Notice Deposits (SND)	36,979,059	8,053,292
Fixed Deposit Receipts	1,319,553,789	922,612,316
Deposit under Schemes and Others	656,331,176	270,561,379
	2,053,780,553	1,213,460,800
20.2 Interest on Refinance		
Interest on Refinance from Bangladesh Bank (SPL)	7,762,230	7,384,124
	7,762,230	7,384,124
20.3 Interest Paid on Borrowings		
Interest Paid on Borrowing from Bangladesh Bank	4,953,339	5,763,220
Interest Paid on Call Money Borrowing	17,158,250	26,621,979
Interest Paid on REPO Borrowed from Other Banks and Fis	16,690,154	15,908,823
Interest Paid on Other Bank Deposit	63,000,278	631,944
Interest Paid on Secondary Security Purchased (T-Bond)	536,063,046	163,231,485
Interest Paid on SWAP Transactions	-	77,400
	637,865,067	212,234,852
21 Investment Income		
Interest on Treasury Bills	17,978,280	30,745,319
Interest Income Money at Call	15,548,194	21,873,577
Interest on Treasury Bonds	915,674,162	378,505,423
Interest on Coupon Bonds	181,820,486	86,755,858
Interest on Reverse Repo	17,260	-
Dividend Income	14,449,181	8,580,004
Gain on Sale of Shares and Debentures	166,977	6,977,124
Gain on Sale of Approve Securities	323,237,255	75,912,910
Interest on Bangladesh Bank Bill	-	-
	1,468,891,794	609,350,215



	2015	2014
	Taka	Taka
21a Consolidated Investment income		
NRBC Bank Limited	1,468,891,794	609,350,215
NRBC Bank Securities Limited	-	-
	1,468,891,794	609,350,215
Less: Inter company transaction		
	1,468,891,794	609,350,215
22 Commission, Exchange and Brokerage		
Commission on Letter of Credit	44,562,283	25,992,622
Commission on Bank Guarantee	26,703,404	11,452,491
Commission on Export Bills	1,129,700	466,000
Commission on Accepted Bills	31,661,076	10,903,971
Commission on Clean Bill	60,209	19,731
Commission on Remittance	1,284,921	553,538
Commission on Sale of FC Cash	106,651	29,211
Commission from Other Services	14,056	6,736
Underwriting Commission	765,500	552,235
Exchange gain	126,155,672	76,659,035
	232,443,473	126,635,570
<p>Commission income arises on service provided by the bank which is recognized on a cash basis. Commission charged on the Customer on Letter of Credit and letter of Guarantee are credited to income at the time of effecting the transaction.</p>		
22a Consolidated Commission, Exchange and Brokerage		
NRBC Bank Limited	232,443,473	126,635,570
NRBC Bank Securities Limited		
	232,443,473	126,635,570
Less: Inter company transaction		
	232,443,473	126,635,570
23 Other Operating Income		
Service Charges and Fees	14,698,847	14,436,855
Income from Card Services	18,332,608	3,925,787
Charges On Trade Finance	37,529,994	10,106,616
Miscellaneous Earnings	7,307,888	2,705,242
	77,869,336	31,174,500
23a Consolidated Other Operating Income		
NRBC Bank Limited	77,869,336	31,174,500
NRBC Bank Securities Limited	-	-
	77,869,336	31,174,500
Less: Inter company transaction		
	77,869,336	31,174,500

	2015	2014
	Taka	Taka
24 Salaries and Allowances		
Basic Salary	159,840,928	115,673,441
Festival Bonus	25,244,000	17,634,180
Bank Contribution To Provident Fund	13,073,817	8,781,596
Allowances	165,000,545	113,826,834
	363,159,290	255,916,051
24a Consolidated Salaries and Allowances		
NRBC Bank Limited	363,159,290	255,916,051
NRBC Bank Securities Limited	-	-
	363,159,290	255,916,051
25 Rent, Taxes, Insurance, Electricity, etc.		
Rent, Rate and Taxes	149,915,644	108,965,329
Insurance Expenses	13,859,035	7,041,950
Electricity and Other Utility Expenses	21,579,541	13,479,803
	185,354,219	129,487,081
25a Consolidated Rent, Taxes, Insurance, Electricity, etc.		
NRBC Bank Limited	185,354,219	129,487,081
NRBC Bank Securities Limited	40,000	-
	185,394,219	129,487,081
Less: Inter company transaction		
	185,394,219	129,487,081
26 Legal expenses		
Notary Public and Other Charge	38,921	38,926
Legal and Consultancy fees	166,725	160,500
	205,646	199,426
26a Consolidated Legal/Preliminary Expense		
NRBC Bank Limited	205,646	199,426
NRBC Bank Securities Limited	3,042,177	-
	3,247,823	199,426
Less: Inter company transaction		
	3,247,823	199,426
27 Postage, Stamps, Telecommunication, etc		
Stamps and Cartridge Cost	60,769	61,684
Postage & Courier Charges	1,053,593	420,116
Telephone Charges	3,902,380	3,359,861
SWIFT, FAX, Internet, WAN, Radio Link & DDN Charges	12,601,199	7,078,985
	17,617,941	10,920,646



	2015	2014
	Taka	Taka
27a Consolidated Postage, Stamps, Telecommunication, etc		
NRBC Bank Limited	17,617,941	10,920,646
NRBC Bank Securities Limited	-	-
	17,617,941	10,920,646
Less: Inter company transaction	-	-
	17,617,941	10,920,646
28 Stationery, Printing, Advertisement, etc		
Stationery and Printing Expenses	11,513,984	7,172,178
Publicity, Advertisement, etc	6,673,035	18,678,727
Computer Expenses	2,739,675	1,568,627
	20,926,694	27,419,532
28a Consolidated Stationery, Printing, Advertisement, etc		
NRBC Bank Limited	20,926,694	27,419,532
NRBC Bank Securities Limited	235,980	-
	21,162,674	27,419,532
Less: Inter company transaction	-	-
	21,162,674	27,419,532
29 Chief Executive's salary and fees		
Basic Salary	5,882,258	5,300,000
Festival Bonus	1,000,000	900,000
Other Allowance	4,800,000	3,300,000
	11,682,258	9,500,000
30 Directors' Fees & Meeting Expenses		
Directors' Fees	1,920,500	1,702,000
Travelling and Haltage	7,617,729	-
Board Meeting Expenses	1,722,834	1,078,508
	11,261,063	2,780,508
Each Director is entitled to get honorium & travelling expenses for attending meeting of the board of directors as per BRPD Circular Letter #11 dated October 04, 2015. There were no other financial benefits provided to the Directors of the Bank.		
30a Consolidated Directors' Fees & Meeting Expenses		
NRBC Bank Limited	11,261,063	2,780,508
NRBC Bank Securities Limited	106,353	-
	11,367,416	2,780,508
31 Auditors' Fees		
Statutory	300,000	250,000
Others	-	-
	300,000	250,000

	2015	2014
	Taka	Taka
31a Consolidated Auditors' fees		
NRBC Bank Limited	300,000	250,000
NRBC Bank Securities Limited	11,500	-
	311,500	250,000
32 Charges on Loan Losses		
Loan-written off	-	-
Interest waived	-	-
33 Depreciation and Repairs of Bank's Assets		
<u>Depreciation of Bank's Assets-Own Assets (a):</u>		
Land, Building and Construction	-	-
Furniture & Fixtures	14,030,542	3,896,467
Equipment and Machinery	61,276,384	37,710,987
Vehicle	4,339,166	3,216,667
Books	4,674	3,009
	79,650,766	44,827,130
<u>Depreciation of Bank's Assets-Leased Assets (b):</u>		
Land, Building and Construction	-	-
Furniture & Fixtures	-	-
Equipment and Machinery	-	-
Vehicle	5,421,325	5,421,325
	5,421,325	5,421,325
<u>Depreciation has been charged from the month of purchased</u>		
<u>Repair, Renovation & Maintenance of Bank's Assets (c):</u>		
Repair of Land, Building and Construction	11,534	122,262
Repair of Furniture and Fixtures	388,503	44,667
Office Equipment and Machinery	2,126,020	911,902
Repair Rented Property	775,006	218,568
Electronics Repair and Replacement	2,657,460	2,143,906
Repair and servicing of Computer	25,640	33,770
Repair, Replacement and Servicing of Motor Vehicle	1,795,121	899,284
Plant Maintenance	46,400	84,550
	7,825,684	4,458,909
<u>Amortization of Assets (d)</u>		
Amortization of Preliminary Expenses	-	16,172,727
Amortization of Pre-Operating Expenses/Formation Expense of the Bank	-	26,278,801
	-	42,451,528
Total [a+b+c+d]	92,897,775	97,158,892
33a Consolidated Depreciation and Repairs		
NRBC Bank Limited	92,897,775	97,158,892
NRBC Bank Securities Limited	-	-
	92,897,775	97,158,892



34 Other Expenses

	2015	2014
	Taka	Taka
Bank Charges	850,158	478,769
Contractual Staff Expense	8,140,769	4,172,655
Car Expenses	3,113,782	2,512,991
Discount and Commission Paid	507,402	593,462
Training and Internship	4,810,360	1,933,051
Security and Cleaning	46,262,043	26,689,076
Exgratia of Security and Cleaning Services Staff	3,311,760	1,782,960
Entertainment and other Expenses	4,496,502	3,563,436
Travelling Expenses	4,354,133	1,758,656
Conveyance, Carriage and Freight	1,885,896	1,192,103
Development and Publicity	6,373,770	1,706,103
Liveries and Uniforms	243,500	518,280
Medical Expenses	499,411	147,139
Newspaper, Magazine and Periodicals	316,075	218,088
Loss on Sale of Securities	5,595,151	578,700
Interest Expense on Leased Properties	3,070,968	3,469,727
Charges and Expenses on Card Operation	7,291,823	4,573,479
Yearly incentive Bonus	71,000,000	14,649,050
Gratuity	36,000,000	2,400,000
LFA & Furniture Allowance	33,437,547	23,368,988
Others Expenses*	71,866,232	18,622,497
Leave Encashment	31,800	-
Agent Banking Charges and Expenses	1,800	-
Loss on Revaluation of Govt. Securities:Treasury Bills	59,496,540	11,236,326
	372,957,422	126,165,536

*Other Expenses includes Donation, CSR, Subscription, etc.

34a Consolidated Other Expenses

NRBC Bank Limited	372,957,422	126,165,536
NRBC Bank Securities Limited	-	-
	372,957,422	126,165,536

35 Provision against loans and advances

Provision for Sub-Standard, Doubtful and Bad & Loss	4,766,783	-
Provision for SMA Loans and Advances	1,625,594	-
Provision for Unclassified Loans and Advances	77,952,533	114,606,820
	84,344,910	114,606,820

35a Consolidated provision against loans and advances

NRBC Bank Limited	84,344,910	114,606,820
NRBC Bank Securities Limited	-	-
	84,344,910	114,606,820

36 Provision for Diminution in Value of Investments

Adjustment of Quoted Company Share Value	(2,679,571)	5,274,846
Others	-	-
	(2,679,571)	5,274,846

		2015	2014
		Taka	Taka
36a	Consolidated Provision for Diminution in Value of Investments		
	NRBC Bank Limited	(2,679,571)	5,274,846
	NRBC Bank Securities Limited	-	-
		(2,679,571)	5,274,846
37	Other Provisions		
	Provision required on Off-Balance Sheet Exposures	48,018,797	27,667,689
	Others	-	-
		48,018,797	27,667,689
37a	Consolidated Other Provisions		
	NRBC Bank Limited	48,018,797	27,667,689
	NRBC Bank Securities Limited	-	-
		48,018,797	27,667,689
38	Current Tax Expense		
	SL	Particulars	
	1	Taxable Income	582,409,075
	2	Current Tax Payable @40% before considering extra ordinary items	232,963,630
	3	Add: Adjustment of Tax for Capital Gain, Dividend & Rebate	2,906,534
	4	Current Tax Payable after considering extra ordinary items	235,870,164
	5	Deffered Tax Liability for the period	(2,711,382)
	6	Tax Expense for the Period	233,158,782
			204,350,250
			81,740,100
			1,600,714
			83,340,814
			15,513,433
			98,854,246
38a	Consolidated Current Tax Expense		
	NRBC Bank Limited	233,158,782	98,854,246
	NRBC Bank Securities Limited	(502,680)	-
		232,656,102	98,854,246
38b	Consolidated Current Tax Payable		
	NRBC Bank Limited	235,870,164	83,340,814
	NRBC Bank Securities Limited	-	-
		235,870,164	83,340,814
38b.1	Current Tax Payable for NRBC Bank Securities Limited		
	Tax on Taxable loss Tk.1,436,227.88 @ 35%	(502,680)	-
	Deffered Tax Asset for the period	502,680	-
		-	-



			2015	2014
			Taka	Taka
39	Deferred Tax Expense			
		Carrying Amt		
		Tax Base		
			Temporary Difference	
	Fixed Assets	464,896,458	44,875,040	46,886,712
	Total Temporary Difference at Liability side	420,021,418	44,875,040	46,886,712
	Provision for classified loan	4,766,783	4,766,783	-
	Total Taxable Deductible Difference at Asset side	-	4,766,783	-
	Net Taxable deductible Temporary Difference [i.e. Tax will be paid in future period]		40,108,257	46,886,712
	Tax Rate @40% i.e deferred Tax Liability		16,043,303	18,754,685
	Less : Defferred Tax Expense at 2014		18,754,685	3,241,252
	Defferred Tax Income for the year		(2,711,382)	15,513,433
39a	Consolidated Deferred Tax Expense			
	NRBC Bank Limited		(2,711,382)	15,513,433
	NRBC Bank Securities Limited		(502,680)	-
			(3,214,062)	15,513,433
40	Earnings Per Share (EPS)			
	Profit after Taxation		561,009,113	84,776,925
	Number of Ordinary Shares outstanding		444,605,900	444,605,900
	Earnings Per Share		1.26	0.19
40a	Consolidated Earnings Per Share (EPS)			
	Net Profit attributable to the shareholders of parent company		560,168,920	84,776,925
	Number of Ordinary Shares outstanding		444,605,900	444,605,900
	Earnings Per Share		1.26	0.19

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2015 in terms of Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the year ended 31 December 2014 was restated due to reduction of corporate tax from 42.5% to 40.00% as per Finance Act-2015 by NBR.

41 Receipts from Other Operating Activities

Interest on Treasury Bills	17,978,280	33,410,767
Interest on Money at call	15,548,194	21,873,577
Interest on Treasury Bonds	910,033,366	285,401,457
Interest on Coupon Bonds	164,891,422	61,234,589
Gain on Sale of Shares and Debentures	166,977	6,977,124
Gain on Sale of Approve Securities	323,237,255	75,912,910
Interest on Reverse Repo	17,260	-
Service Charges and Fees	14,698,847	14,436,855
Income from Card Services	18,332,608	3,925,787
Charges on Trade Finance	37,529,994	10,106,616
Miscellaneous Earnings	7,307,888	2,705,242
	1,509,742,091	515,984,924

	2015	2014
	Taka	Taka
41a Consolidated Receipts from other operating activities		
NRBC Bank Limited	1,509,742,091	515,984,924
NRBC Bank Securities Limited	-	-
	1,509,742,091	515,984,924
42 Payments for Other Operating Activities		
Rent, Taxes, Insurance, Electricity, etc	179,387,323	149,885,026
Legal expenses	205,646	199,426
Audit Fees	250,000	200,000
Postage, Stamps, Telecommunication, etc	18,094,796	11,164,566
Directors' fees & Meeting Expenses	11,261,063	2,780,508
Repair, Renovation & Maintenance of Bank's Assets	7,828,934	4,414,125
Payment for Donation & CSR	15,657,575	3,000,000
Other Expenses	202,107,241	77,620,014
	434,792,579	249,263,665
42a Consolidated Payments for Other Operating Activities		
NRBC Bank Limited	434,792,579	249,263,665
NRBC Bank Securities Limited	3,724,477	-
	438,517,057	249,263,665
Less: Cash Increase/(Decrease) through Intercompany Transaction	595,100	
	437,921,957	249,263,665
43 Payment/(Settled) for Other Assets		
Advance Security Deposit	1,375,988	466,686
Suspense Account	28,089,703	(37,988,910)
Advance Rent	(16,120,169)	99,728,013
Advance Income Tax	50,071,760	58,362,658
Inter Branch General Account Balance	2,672	
	63,419,954	120,568,447
43a Consolidated Payment/(Settled) for Other Assets		
NRBC Bank Limited	63,419,954	120,568,447
NRBC Bank Securities Limited	285,000,000	
	348,419,954	120,568,447
44 (Payment)/Receive of Other Liabilities		
FC Held Against BTB Bills, EDF Loan and Others	(312,149,122)	791,995,143
Lease Payable for Lease Hold Property	(5,154,682)	(3,672,716)
	(317,303,805)	788,322,427
45 (Purchase)/ Sale of Government Securities		
Treasury Bills-HFT	1,899,834,298	(2,441,843,367)
Treasury Bills-HTM	(1,841,329,122)	(1,110,808,832)
Adjustment of Revaluation (Gain)/Loss on Treasury Bills which is non cash	9,464,927	31,676,506
	67,970,103	(3,520,975,693)

46 Currency Conversion Rates

Assets and Liabilities as at 31 December 2015 denominated in foreign currencies have been converted to local currency Bangladesh Taka (BDT) at the following exchange rates:

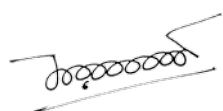
Currency	Abbreviation	Unit	Equivalent BDT
US Dollar	USD	1	78.50
Japanese Yen	JPY	1	0.6518
EURO	EURO	1	85.85
GBP	GBP	1	116.34

47 Highlights of overall activities of the Bank

Sl #	Particulars	2015	2014
		Taka	Taka
1	Paid-up Capital	4,446,059,000	4,446,059,000
2	Total Capital	5,444,762,768	4,766,860,646
3	Capital Surplus	2,596,554,688	3,125,328,167
4	Total Assets	36,259,007,533	24,848,112,795
5	Total Deposits	28,880,683,698	17,270,880,701
6	Total Loans and Advances	23,227,386,522	14,412,251,270
7	Total Contingent Liabilities and Commitments	8,651,754,433	4,492,661,041
8	Credit-Deposit Ratio	79.11%	79.79%
9	Ratio of Classified Loans against Total Loans and Advances	0.27%	-
10	Profit after Tax and Provisions	561,007,565	84,776,925
11	Loans Classified during the Year	62,859,259	-
12	Provision kept against Classified Loans	4,766,783	-
13	Provision Surplus/(deficit)	-	-
14	Cost of Fund	8.40%	9.81%
15	Interest Earning Assets	31,991,229,603	22,289,066,662
16	Non-interest Earning Assets	4,267,777,929	2,559,046,133
17	Return on Investments (ROI)	11.55%	1.75%
18	Return on Assets (ROA)	1.83%	0.46%
19	Income from Investments	1,779,204,604	767,160,286
20	Earnings Per Share	1.26	0.19
21	Net Income Per Share	1.26	0.19
22	Price-Earnings Ratio (Times)	N/A	N/A

48 Events after Reporting Period

The Board of Directors of NRBC Bank Limited in its 41th Board Meeting held on 07 March 2016 recommended Dividend @ 9% (in from of 6% Cash & 3% Stock) on the holding of shares for the year 2015.



Dewan Mujibur Rahman
Managing Director & CEO



Mohammed Adnan Imam, FCCA
Director



Dr. Toufique Rahman Chowdhury
Director



Engr. Farasath Ali
Chairman

Currency wise balance position of FC Clearing Accounts With Bangladesh Bank

SL	Name of the Account	Location	Name of currency	As at 31 December 2015			2014
				Amount in Foreign Currency	Conversion Rate	Equivalent Amount in Taka	Amount in Taka
1	BB FC Clearing	Dhaka	USD	617,606.10	78.50	48,482,079	149,778,557
2	BB FC Clearing	Dhaka	Euro	2,425.00	85.85	208,186	-
Total				620,031		48,690,265	149,778,557

FDR with Banks/NBFIs

SL	Name of the NBFIs	Period	Issue Date	Maturity Date	Principal Amount
1	Phoenix Finance & Investment Limited	181 Days	20-Jul-15	17-Jan-16	100,000,000.00
2	First Lease Finance and Investment Limited	181 Days	20-Jul-15	17-Jan-16	50,000,000.00
3	FAS Finance and Investment Limited	183 Days	23-Aug-15	22-Feb-16	100,000,000.00
4	First Lease Finance and Investment Ltd.	183 Days	6-Sep-15	7-Mar-16	50,000,000.00
5	Peoples Leasing and Financial Services Ltd.	182 Days	6-Sep-15	6-Mar-16	100,000,000.00
6	Union Capital Ltd	183 Days	13-Sep-15	14-Mar-16	100,000,000.00
7	Bangladesh Industrial Finance Company Ltd.	182 Days	30-Sep-15	30-Mar-16	100,000,000.00
8	International Leasing & Financial Services Limited	90 Days	7-Oct-15	5-Jan-16	100,000,000.00
9	Hajj Finance Company Limited	92 Days	13-Oct-15	13-Jan-16	50,000,000.00
10	FAS Finance and Investment Limited	183 Days	19-Oct-15	19-Apr-16	100,000,000.00
11	Bangladesh Industrial Finance Company Ltd.	181 Days	21-Oct-15	19-Apr-16	50,000,000.00
12	First Lease Finance and Investment Ltd.	182 Days	25-Oct-15	24-Apr-16	50,000,000.00
13	Peoples Leasing and Financial Services Limited	183 Days	26-Oct-15	26-Apr-16	100,000,000.00
14	Peoples Leasing and Financial Services Limited	183 Days	24-Nov-15	25-May-16	100,000,000.00
15	GSP Finance Company (Bangladesh) Limited	91 Days	1-Dec-15	1-Mar-16	100,000,000.00
16	Fareast Finance and Investment Ltd.	183 Days	6-Dec-15	6-Jun-16	50,000,000.00
17	Union Capital Ltd	91 Days	6-Dec-15	6-Mar-16	100,000,000.00
18	First Lease Finance and Investment Ltd.	182 Days	6-Dec-15	5-Jun-16	100,000,000.00
19	Bangladesh Finance and Investment Company Ltd.	181 Days	7-Dec-15	5-Jun-16	100,000,000.00
20	International Leasing & Financial Services Limited	90 Days	9-Dec-15	8-Mar-16	100,000,000.00
21	Fareast Finance and Investment Limited	91 Days	10-Dec-15	10-Mar-16	100,000,000.00
22	LankaBangla Finance Ltd.	91 Days	10-Dec-15	10-Mar-16	150,000,000.00
23	Bangladesh Industrial Finance Company Ltd.	182 Days	13-Dec-15	12-Jun-16	50,000,000.00
24	Union Capital Ltd	91 Days	13-Dec-15	13-Mar-16	100,000,000.00
25	GSP Finance Company (Bangladesh) Limited	92 Days	13-Dec-15	14-Mar-16	50,000,000.00
26	Fareast Finance and Investment Limited	183 Days	20-Dec-15	20-Jun-16	100,000,000.00
27	Peoples Leasing and Financial Services Limited	182 Days	20-Dec-15	19-Jun-16	50,000,000.00
28	Industrial & Infrastructure Development Finance Company Ltd.	7 Days	27-Dec-15	3-Jan-16	130,000,000.00
29	International Leasing & Financial Services Limited	91 Days	30-Dec-15	30-Mar-16	100,000,000.00
Total					2,530,000,000

Currency wise balance position of Nostro Accounts

SL	Name of the bank	Location	Name of currency	As at 31 December 2015			2014
				Amount in Foreign Currency	Conversion Rate	Equivalent Amount in Taka	Amount in Taka
1	Habib American Bank	New York	USD	1,213,118.54	78.50	95,229,805	7,465,043
2	Mashreq Bank PSC	New York	USD	5,136,013.01	78.50	403,177,021	130,693,181
3	AB Bank Limited	Mumbai	Acu Dollar	43,685.35	78.50	3,429,300	246,596
4	Mashreq Bank PSC	London	GBP	21,652.33	116.34	2,518,928	1,015,094
5	United Bank of India	Kolkata	Acu Dollar	26,430.82	78.50	2,074,819	464,656
6	Mashreq Bank PSC	London	EURO	12,785.56	85.85	1,097,640	772,615
7	Mashreq Bank PSC	Mumbai	Acu Dollar	4,359.68	78.50	342,235	164,565
8	National Bank of Pakistan	Tokyo	Jap. Yen	2,484,681.00	0.65	1,619,515	855,765
9	Kookmin Bank	Seoul	USD	5,703.20	78.50	447,701	-
10	Habib Metro Bank Limited	Karachi	Acu Dollar	4,337.70	78.50	340,509	278,167
Total				8,952,767		510,277,475	141,955,681

Investment in Share Portfolio, Preference Share and Bonds

a. Quoted shares & MFs:

SL	Company Name	Value (Tk.)
1	Banks	3,556,168
2	NBFIs	1,880,694
3	Engineering	58,781,015
4	Textiles	1,487,139
5	Fuel & Power	4,001,368
6	Mutual Fund	691,775
Total		70,398,158

b. Investment in Preference Share:

SL	Issuer Name	Financial Product	Tenure	Intt. Rate/ Divi.	Maturity Date	Amount (Taka)	Major Feature
1	Regent Power Limited	Regent Power Preference Share	6 Years	13.00%	11-May-20	100,000,000	Preference Share with having Rebate Tax Rate
Total						100,000,000	

c. Investment in Bonds:

SL	Issuer Name	Financial Product	Tenure	Intt. Rate/ Divi.	Maturity Date	Amount (Taka)	Major Feature
1	Mercantile Bank Limited	Mercantile Bank Subordinated Bond	7 Years	Floating rate	29-Jun-21	450,000,000	Subordinated Bond. Floating Rate bond Ranging From 12% to 15% based on 6 month average FDR rate plus 3% markup.
2	Trust Bank Limited	Trust Bank Subordinated Bond	7 Years	12.50%	7-Sep-21	150,000,000	Subordinated Bond at Fixed Rate.
3	AB Bank Limited	AB Bank Subordinated Bond	7 Years	Floating rate	26-Aug-21	100,000,000	Subordinated Bond. Floating Rate bond Ranging From 11% to 13% based on 5 year Govt. Treasury Bond Rate plus 2.5% markup
4	City Bank Limited	City Bank Subordinated Bond	7 Years	Floating rate	21-Oct-20	196,000,000	Subordinated Bond. Floating Rate bond Ranging From 12% to 15% based on 6 month average FDR rate plus 2.5% markup.
5	United Commercial Bank Limited	UCBL Subordinated Bond	7 years	Floating rate	29-Jul-22	100,000,000	Subordinated Bond. Floating Rate bond Ranging From 10% to 13.50% based on 6 month average FDR rate of schedule Bank plus 2.5% markup.
6	Mutual Trust Bank Limited	MTB Subordinated Bond	7 years	Floating rate	20-Oct-22	200,000,000	Subordinated Bond. Floating Rate bond Ranging From 10.50% to 13.50% based on 6 month average FDR rate of schedule Bank plus 2.5% markup.
7	AB Bank Limited	2nd AB Bank Subordinated Bond	7 years	Floating rate	29-Sep-22	300,000,000	Subordinated Bond. Floating Rate bond Ranging From 10.50% to 13.50% based on 6 month average FDR rate of schedule Bank plus 2.5% markup.
8	BSRM Limited	BSRM Convertible Bond	5 Years	13.00%	27-Apr-19	396,000,000	12% Convertible Bond into share
Total						1,892,000,000	

Schedule of Property, Plant & Equipment for Accounting Purpose

As of 31 December 2015

SI NO.	Properties & Assets	Assets				Rate of Depreciation	Depreciation			Book Value
		Opeing Balance	Addition during the year	Disposal during the year	Closing Balance		Addition during the year	Disposal during the year	Closing Balance	
1	Land, Building and Construction	-	-	-	-	2.50%	-	-	-	-
2	Furniture and fixtures	110,682,157	87,044,289	-	197,726,446	10.00%	4,036,312	14,030,542	17,969,926	179,756,520
3	Equipment and Machinery	255,111,985	109,242,539	-	364,354,523	20.00%	51,919,307	61,276,384	113,253,040	251,101,484
4	Motor Vehicles	16,500,000	10,750,000	-	27,250,000	20.00%	3,650,000	4,339,166	7,989,166	19,260,834
5	Professionals and Reference Books	23,370	-	-	23,370	20.00%	3,009	4,674	7,683	15,688
6	Leased Assets: Motor Vehicle	27,106,624	-	-	27,106,624	20.00%	6,923,366	5,421,325	12,344,691	14,761,933
	Total	409,424,136	207,036,828	-	616,460,963		66,531,994	85,072,091	151,564,505	464,896,458

Schedule of Property, Plant & Equipment for Tax Purpose

As of 31 December 2014

SI NO.	Properties & Assets	Assets				Rate of Depreciation	Depreciation			Book Value
		Opeing Balance	Addition during the year	Disposal during the year	Closing Balance		Addition during the year	Disposal during the year	Closing Balance	
1	Land, Building and Construction	-	-	-	-	2.50%	-	-	-	-
2	Furniture and fixtures	110,682,157	87,044,289	-	197,726,446	10.00%	11,194,076	18,653,237	29,847,313	167,879,133
3	Office Equipment and Machinery	82,966,772	86,233,870	-	169,200,642	10.00%	17,010,752	15,218,989	32,229,741	136,970,901
4	Computer and Computer Equipment	132,068,522	15,813,462	-	147,881,984	30.00%	48,971,915	29,673,021	78,644,936	69,237,048
5	Bangladesh Made Computer Software	40,076,690	7,195,207	-	47,271,897	50.00%	25,965,327	10,653,285	36,618,612	10,653,285
6	Motor Vehicles	16,500,000	10,750,000	-	27,250,000	20.00%	3,646,667	4,720,667	8,367,333	18,882,667
7	Professionals and Reference Books	23,370	-	-	23,370	30.00%	7,011	4,908	11,919	11,451
8	Leased Assets: Motor Vehicle	27,106,624	-	-	27,106,624	20.00%	6,622,958	4,096,733	10,719,691	16,386,933
	Total	409,424,135	207,036,828	-	616,460,963		113,418,706	83,020,839	196,439,545	420,021,418

Detailed of Consolidated Risk Weighted Assets under Basel III as at 31 December 2015

	Risk Weighted Assets (RWA) for	2015		2014	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
A. Credit Risk		37,226,506,278	26,344,391,314	20,433,247,926	14,907,827,123
On- Balance Sheet (as shown below)		33,096,559,176	21,663,922,045	19,552,188,225	13,915,216,865
Off-Balance Sheet (as shown below)		4,129,947,102	4,680,469,269	881,059,701	992,610,258
B. Market Risk			749,159,398		499,001,755
C. Operational Risk			1,674,482,169		1,008,495,910
Total: RWA (A+B+C)		37,226,506,278	28,768,032,881	20,433,247,926	16,415,324,787

Credit Risk - On Balance Sheet Items

SL	Exposure Type	2015			
		Exposure	Rating	Risk Weigh	Risk Weighted Asset
a	Cash and Cash Equivalents	377,681,442		0%	-
b	Claims on Bangladesh Government and Bangladesh Bank	5,099,610,565		0%	-
c	Claims on other Sovereigns & Central Banks*	-		50%	-
d	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank	-		0%	-
e	Claims on Multilateral Development Banks (MDBs):	-		0%	-
	i. IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB				
	ii. Others MDBs	-	1	20%	
		-	2,3	50%	
		-	4,5	100%	
		-	6	150%	
		-	Unrated	50%	
f	Claims on Public Sector Entities (other than Government) in Bangladesh	-	1	20%	
		-	2,3	50%	
		-	4,5	100%	
		-	6	150%	
		-	Unrated	50%	
g	Claims on Banks and Non-bank Financial Institution (NBFI):				
	i) Original maturity over 3 months	474,707,598	1	20%	94,941,520
		1,829,735,393	2, 3	50%	914,867,696
		-	4, 5	100%	-
		-	6	150%	-
		219,489,770	Unrated	100%	219,489,770
	ii) Original Maturity Up to 3 months	2,077,153,106		20%	415,430,621
h	Claims on Corporate (excluding equity exposure)	1,115,744,071	1	20%	223,148,814
		2,991,599,174	2	50%	1,495,799,587
		1,264,535,647	3, 4	100%	1,264,535,647
		-	5, 6	150%	-
		7,601,753,490	Unrated	125%	9,502,191,862
i	Claim on SME	-	SME 1	20%	-
		-	SME 2	40%	
		-	SME 3	60%	
		-	SME 4	80%	
		-	SME 5	120%	
		-	SME 6	150%	
		618,233,525	Unrated (Small Enterprise & <BDT 3.00m)	75%	463,675,144

SL	Exposure Type	2015			
		Exposure	Rating	Risk Weigh	Risk Weighted Asset
		1,401,304,898	Unrated (Small enterprise having ≥ BDT 3.00m & medium enterprise)	100%	1,401,304,898
j	Claims under Credit Risk Mitigation	-	PSE		-
		196,726,695	Banks & NBFIs		41,745,434
		1,965,604,456	Corporate		1,244,088,670
		647,433,789	Retail & Small		13,230,389
		75,659,312	SME		56,328,022
		2,194,068	Consumer Finance		1,013,419
		-	Residential property		-
		-	Commercial Real State		-
k	Claim categories as retail portfolio (Excluding SME, Consumer Finance & Staff loan) Upto 1 Crore	1,357,891,934		75%	1,018,418,950
l	Consumer Loan	357,497,182		100%	357,497,182
m	Claims fully secured by residential property	627,957,781		75%	313,978,891
n	Claims fully secured by commercial real estate	979,242,169		100%	979,242,169
o	1. Past Due Claims (Risk weights are to be assigned net of specific provision):				
	Where Specific provisions are less than 20 percent of the outstanding amount of the past due claim	44,825,591		150%	67,238,386
	Where Specific provisions are no less than 20 percent of the outstanding amount of the past due claim	-		100%	-
	Where Specific provisions are more than 50 percent of the outstanding amount of the past due claim	-		50%	-
	2. Claims fully secured against residential property that are past due for more than 60 days and/or impaired specific provision held there-against is less than 20 percent of outstanding amount	-		100%	-
	3. Loans & Claims fully secured against residential property that are past due for more than 60 days and/or impaired and specific provision held there-against is more than 20 percent of outstanding amount	-		75%	-
p	Capital Market Exposure	7,907,038		125%	9,883,797
q	Investment in Equity and Regulatory Capital Instruments issued by other banks and Mercahant Bank/Brokerage Houses/Exchange Houses which are not listed in Stock Exchange (other than those deducted from capital) held in banking book	-		125%	-
r	Investments in Venture Capital	-		150%	-
s	Investments in premises, plant and equipment and all other fixed assets	464,896,458		100%	464,896,458
t	Claims on all fixed assets under operating lease	-		100%	-
u	All other Assets				
	i. Claims on GoB & BB	-		0%	-
	ii. Staff Loan/Investment	245,249,133		20%	49,049,827
	iii. Cash Item in process of Collection	-		20%	-
	iv. Claim on Offshore Banking Unit (OBU)	-		100%	-
	v. Other Assets (Not specified above) (Net of Specific Provision, If any)	1,051,924,890		100%	1,051,924,890
	Total	33,096,559,176			21,663,922,045

Credit Risk - Off Balance Sheet items

SL	Exposure Type	2015			
		Exposure		Risk Weighted Asset	
a	Claims on Bangladesh Government (Other than PSEs) and Bangladesh Bank	-		0%	-
b	Claims on other Sovereigns & Central Banks*	-			-
c	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank	-		0%	-
d	Claims on Multilateral Development Banks (MDBs):				
	i. IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-		-	-
	ii. Other MDBs	-	1	20%	-
		-	2, 3	50%	-
		-	4, 5	100%	-
		-	6	150%	-
		-	Unrated	50%	-
e	Claims on Public Sector Entities (other than Government) in Bangladesh	-	1	20%	-
		-	2, 3	50%	-
		-	4, 5	100%	-
		-	6	150%	-
		-	Unrated	50%	-
f	Claims on Banks:				
	i) Maturity over 3 months	-	1	20%	-
		-	2, 3	50%	-
		-	4, 5	100%	-
		-	6	150%	-
		-	Unrated	100%	-
	ii) Maturity less than 3 months	-		20%	-
g	Claims on Corporate	-	1	20%	-
		528,182,056	2	50%	264,091,028
		6,778,777	3, 4	100%	6,778,777
		-	5, 6	150%	-
		3,426,719,526	Unrated	125%	4,283,399,407
h	Claims against retail portfolio (excluding SME & consumer loan)	24,926,049		75%	18,694,537
i	Claim On SME	-	SME 1	20%	-
		-	SME 2	40%	-
		-	SME 3	60%	-
		-	SME 4	80%	-
		-	SME 5	120%	-
		-	SME 6	150%	-
		143,340,694	Unrated (Small Enterprise & <BDT 3.00m)	75%	107,505,520
		-	Unrated (Small enterprise having ≥ BDT 3.00m & medium enterprise)	100%	-
j	Consumer Finance	-		100%	-
k	Claims fully secured by residential property	-		50%	-
l	Claims fully secured by commercial real estate	-		100%	-
m	Investments in venture capital	-		150%	-
n	All other assets	-		100%	-
	Total	4,129,947,102			4,680,469,269

Related Party Disclosure

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party informations are given below:

i. Directors' interest in different entities

Sl	Name of Director	Status with Bank	Experience	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employee, etc.		Status as in Column E	Percentage of Holding/ Interest in the concern
A	B	C	D	E		F	G
1	Engr. Farasath Ali	Chairman	23 Years	a.	1586 Restaurant Inc (Vivo Restaurant), 1586-2nd Ave, NYC, NY-10028.	a. President	a. 50%
				b.	SNA Knitting Mill Inc., 1 Market Street, Passaic, N-J-07055.	b. Shareholder	b. 90%
2	Dr. Toufique Rahman Chowdhury	Vice Chairman	23 Years	a.	East Anglia Resources Ltd, 1 Kedleston Road, Grantham, NG317FE, UK.	a. Director	a. 50%
				b.	Mercantile Bank Limited, 61, Dilkusha C/A, Dhaka-1000	b. Sponsor	
				c.	National Credit Ratings Ltd., 3 Bijoy Nagar, Dhaka.	c. Vice Chairman	c. 19%
				d.	Sylhet Metropolitan Chamber of Commerce & Industry (SMCCI), Ananda Tower, Jail Road, Sylhet.	d. Founder & President	d. 50%
				e.	Mercantile Bank Securities Ltd., 61, Dilkusha C/A, Dhaka-1000.	e. Sponsor	
				f.	Metropolitan University Trust, Zindabazar, Sylhet-3100.	f. Family Interest	
				g.	Premier Leasing & Finance Ltd., City Centre (17th Floor), 90/1, Motijheel C/A, Dhaka-1000.	g. Family Interest	
				h.	Premier Leasing Capital Management Ltd.	h. Family Interest	
				i.	Syl-Track Associates Ltd.	i. Family Interest	
3	Mr. ABM Abdul Mannan	Director	13 Years	AAA Wash & Clean, 89-04 Elliot Avenue, Rego Park, NY 11374, USA.		Owner	100%
4	Mr. Mohammed Oliur Rahman	Director	23 Years	a.	Al Haramain Trading LLC, PO Box: 13754, Dubai, UAE.	a. Director	a. 24%
				b.	Al Haramain Perfumes MFG & Oudh Processing Industry LLC, PO Box: 1885, Ajman, UAE.	b. Shareholder	b.20%
				c.	Al Haramain Perfumes LLC, Dubai, UAE.	c. Shareholder	c.30%
				d.	Best in Fragrance, Hilton tower, Gate#3, Shops#6-7, PO Box: 18083, Holy Makkah, Kingdom of Saudi Arabia	d. Shareholder	d.30%
				e.	Noor Al Haramain LLC, PO Box: 13754, Dubai, UAE.	e. Shareholder	e. 24%
5	Mr. Mohammed Enayet Hossain	Director	18 Years	a.	Tanjil-Co, Via Marteri Della Liberta-208, Sanremo, (IM) Italy.	a. Director	a. 100%
				b.	Tanjil Co. Cleaning Company, Via Ciotti No-1, Vallebona (IM) Italy.	b. Director	b. 100%

Sl	Name of Director	Status with Bank	Experience	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employee, etc.	Status as in Column E	Percentage of Holding/ Interest in the concern
A	B	C	D	E	F	G
6	Mr. Md. Amir Hossain	Director	20 Years	a. Trimx International, LLC, 5 Concourse PKWY, Suite 3000, Atlanta, GA 30328. b. Trimx Ventures LLC, 2730 Weaver Rd., Macon, GA 31217. c. Trimx Recycling LLC, 2730 Weaver Rd., Macon, GA 31217. d. Trimx Demolition LLC, 2730 Weaver Rd., Macon, GA 31217.	a. CEO b. CEO c. CEO d. CEO	a. 100% b. 100% c. 100% d. 100%
7	Mr. Abu Mohammad Tushar Iqbal Rahman	Director	15 Years	Lantiq Deutschland GMBH, Germany, AM Compeon 3, 85579, Neubiberg, Germany.	Staff Engineer	None.
8	Mr. Firoz Haider Khan	Director	16 Years	Diff Organization in Canada, 505, 5 Massey Square, East York, Toronto, M4C 5L6, ON, Canada.	Vice President	None.
9	Mrs. Kamrun Nahar Sakhi	Director	13 Years	a. 7069367 Canada Inc., 587 Third Line, Oakville, ON, L6L 4A8, Canada. b. Mishmak Developments Ltd., Forum Central (6th Floor), Golpahar Circle, MM Ali Road. Chittagong. c. Mishmak Lands Developments Ltd. Forum Central (6th Floor), Golpahar Circle, MM Ali Road, Chittagong.	a. Director b. Director c. Director	a. 50% b. 10% c. 10%
10	Mr. Abu Bakr Chowdhury	Director	13 Years	a. Baizid Steel Industries Ltd., Rahima Center, 4th Floor, 1618/1839 CDA Avenue, Nasirabad, Chittagong. b. CSS Corporation (BD) Ltd., Rahima Center, 4th Floor, 1618/1839 CDA Avenue, Nasirabad, Chittagong. c. CSS Power Ltd., Rahima Center, 4th Floor, 1618/1839 CDA Avenue, Nasirabad, Chittagong. d. ABC Marks Holdings Ltd., Rahima Center, 4th Floor, 1618/1839 CDA Avenue, Nasirabad, Chittagong. e. ATN News Ltd., Hassan Plaza, 53 Kawran Bazar, Dhaka-1215. f. Bijoy TV Ltd., Press Club Bhaban, 2nd Floor, Jamal Khan Road, Chittagong. g. ABC Associates Ltd., Rahima Center, 4th Floor, 1618/1839 CDA Avenue, Nasirabad, Chittagong.	a. MD b. MD c. MD d. MD e. Shareholder f. Shareholder g. MD	a) 59.50% b. 40% c. 80% d. 50% e. 10% f. 15% g. 2.50%
11	Mr. Mohammad Shahid Islam	Director	16 Years	Marafie Kuwaitia Group, Arab Union Building, 4th Ringroad, 4th FL Hawally, State of Kuwait.	CEO and Partner	49%
12	Mr. Loquit Ullah	Director	33 Years	Store Alamin SNC, Via Principe Amedia, 134-136, Rome, Italy.	Managing Director	100%
13	Mr. Tamal S.M.Parvez	Director	18 Years	a. OY STN Electronics Ltd., Nokkalanniemi 1C, 02230 Espoo, Finland. b. System Invest Trekhprudnaya, 11/13, Off 25, Moscow, Russia.	a. CEO and President b. Director	a. 100% b. 95%

Sl	Name of Director	Status with Bank	Experience	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employee, etc.	Status as in Column E	Percentage of Holding/ Interest in the concern
A	B	C	D	E	F	G
				c. R & M , Kurtskaya, Moscow, Russia	c. Owner	c. 63%
				d. Telexia Oy, Finland	d. Board Member	d. 33%
				e. Makia Fashion Clothing, Finland	e. Share holder	e. 05%
				f. Twic Oy , Finland	f. Board Member	f. 25%
				g. Turuntie 40 Oy, Finland	g. Share holder	g. 15%
14	Mr. Rafikul Islam Mia Arzoo	Director	23 Years	a. Bonanza, 2nd Magietralnaya 14 G, Moscow, Russia.	a. President	a. 90%
				b. Mela, 2nd Magietralnaya 14 G, Moscow, Russia.	b. MD	b. 89.5%
				c. Lisichka, St. Bibirovskaya 2/1, Moscow, Russia.	c. Director	c. 80%
15	Mr. Mohammed Nazim	Director	15 Years	a. Al Majal Car Wash and Maint, Al Maliha Street, Industrial Area,-10, Near Gico, PO: 29037, Sharjah, UAE.	a. MD	a. 100%
				b. Al Badar Car Washing Station, New I/A, PO Box-1267, Ajman, UAE.	b. MD	b. 100%
				c. Dar Al Madina Washing Station, Jouraf I/A-1, Near China Mall, Ajman, UAE.	c. MD	c. 100%
				d. Dar Al Salam Car Washing Station, Ajman, UAE.	d. MD	d. 50%
				e. Al Ardh Al Thahabiah Trucks & Heavy Machines Maint. Center, Sharjah, UAE.	e. MD	e. 50%
16	Engr. Syed Munsif Ali	Director	13 Years	a. Multiplan Limited, 69/1 Panthpath, Dhaka-1205.	a. Chairman and CEO	a. 05%
				b. Multiplan Canada Limited, 69/1 Panthpath, Dhaka-1205.	b. Chairman and CEO	b. 20%
				c. Multiplan Accessories Ltd., 69/1 Panthpath, Dhaka-1205.	c. Chairman and CEO	c. 20%
				d. Golden Life Insurance Ltd., 80 Tejgaon, Dhaka.	d. Founding Chairman & Director	d. 16%
17	Mr. Mohammed Adnan Imam	Director	14 Years	a. IPE Capital Limited, 10 Margaret Street, London, W1W 8RL.	a. MD	a. 25%
				b. AWR Developents Limited, 82 Great Eastern Street, London, EC2A 3JF.	b. MD	b. 45%
				c. AWR Real Estate Limited, 10 Margaret Street, London, W1W 8RL.	c. MD	c.. 50%
				d. IPE Building Products Ltd., House-09, Road-25/A, Block-A, Banani, Dhaka-1213, Bangladesh.	d. MD	d. 50%
				e. Oracle Services Ltd., House-09, Road-25/A, Block-A, Banani, Dhaka-1213, Bangladesh.	e. MD	e. 50%
				f. Genex Infosys Ltd., House-09, Road-25/A, Block-A, Banani, Dhaka-1213, Bangladesh.	f. MD	f. 41%
18	Dr. Nuran Nabi	Director	18 Years	Plainsboro Township, New Jersey, USA	Councilman	None.

Sl	Name of Director	Status with Bank	Experience	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Agent, Guarantor, Employee, etc.		Status as in Column E	Percentage of Holding/ Interest in the concern
A	B	C	D	E		F	G
19	Mrs. Kaniz Farzana Rashed	Director	12 Years	a.	North South Inc., 63 Riverview Heights, Etobicoke, ON M9P 2N3, Canada.	a. Director and Chairperson	a. 100%
				b.	Bay Navigation Ltd., 261 Mazirghat Road, Chittagong.	b. Shareholder	b. 10%
				c.	MRF Essentials Trade Ltd., 261 Mazirghat Road, Chittagong.	b. Shareholder	c. 10%
20	Mr. Mohammed Manzurul Islam	Director	14 Years	a.	Swadesh Life Insurance Company Ltd.	a. Director	a. 4%
				b.	ATN News Ltd., Hasan Plaza, 53, Kawran Bazar, Dhaka.	b. Director	b. 20%

ii. Significant contracts were executed where the Bank is a party and wherein Directors have interest: Nil

iii. Shares to the Directors and Executives without consideration or exercisable at discount: Nil

iv. Related Party relationship and transaction: Please see Annexure-H1

v. Lending policies for granting loan to the Related Party : Related parties are allowed Loans and Advances as per General Loan Policy of the Bank.

vi. Business other than Banking business with any related concern of the Directors as per section-18 (2) of the Banking Companies Act, 1991: Nil

vii. Investments in the Security of Directors and their related concerns: Nil

Annexure-H1

Related Party Transactions

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per BAS 24. The Bank in normal course of business had transactions with other entities that fall within the definition of 'Related Party' as contained in Bangladesh Accounting Standards (BAS)-24 (Related party disclosures) and as defined in the BRPD circular #14, issued by Bangladesh Bank on 25 June 2003.

1. The significant Related party transactions during the year was as follow:

a. Letting out of Premises:

Name of the Organization	Representing Director	Nature of interest of Director of the Organization/Property	Nature of agreement	Premises	Financial Involvement with the agreement
-	Engr. Farasath Ali, Representative Chairman of NRBC Bank Ltd.	Owner	Rental Agreement	Munshi Bazar Br	Monthly Rent Tk.16,000.00 (2000 Sft @ Tk. 8.00)
AWR Real Estate Ltd.	Mr. Mohammed Adnan Imam, Representative Director of NRBC Bank Ltd.	Managing Director	Rental Agreement	Banani Branch	Monthly Rent Tk.11.00 lac (5000 sft @ Tk.220/)
-	Engr. Syed Munsif Ali Representative Director of NRBC Bank Ltd.	Owner	Rental Agreement	Sylhet Uposhahar Br	Monthly Rent Tk.1.50 lac (4000 Sft @ Tk. 37.50)



Auditor's Report

to the shareholders of NRBC Bank Securities Limited

We have audited the accompanying financial statements of NRBC Bank Securities Limited (NRBCSL) which comprise the Financial Position as at 31 December 2015 and the statement of Comprehensive Income, Statement of Changes in equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Notes 1-25 to the Financial Statements.

Management's Responsibility for the Financial Statements

Management of NRBCSL is responsible for the preparation and fair representation of these Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement. An audit involves performing procedures to obtain evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, Financial Statements which have been prepared in accordance with Bangladesh Financial Reporting Standards give a true and fair view of the state of affairs of the company as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

We also report that:

- a). We have obtained all the material information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b). In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c). The Company's Financial Position and Financial Performance dealt with by the report are in agreement with the books of account; and
- d). The expenditure incurred was for the purposes of the Company's business.

-SD-

Place: Dhaka
08 February 2016

Hoque Bhattacharjee Das & Co.
Chartered Accountants

NRBC Bank Securities Limited

Statement of Financial Position (Balance Sheet)

As at 31 December 2015

Particulars	Notes	2015 Taka
Non-Current Assets		
Property, Plant & Equipment	4	-
Cost of Acquisition of DSE TREC & Share	5	285,000,000
		285,000,000
Current Assets		
Advances, deposits and prepayments	6	299,967
Deferred Tax Assets	7	502,680
Cash & Cash Equivalents	8	113,870,405
		114,673,052
Total Assets		399,673,052
Shareholders' equity		
Share Capital	9	400,000,000
Retained Earnings	10	(933,548)
		399,066,452
Non-Current Liabilities		
Current Liabilities		
Audit fees	11	11,500
Payable to Parents Company	12	595,100
		606,600
Total equity and liabilities		399,673,052

These Financial Statements should be read in conjunction with annexed notes (1 to 25)

-SD-
Arif Md. Shahedul Haque
Chief Executive Officer

-SD-
Dewan Mujibur Rahman
Director

-SD-
Tamal S.M. Parvez
Chairman

Signed in term of our separate report of even date annexed

Place: Dhaka
08 February 2016

-SD-
Hoque Bhattacharjee Das & Co.
Chartered Accountants

NRBC Bank Securities Limited
Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Statements)
For the period ended 31 December 2015

Particulars	Notes	2015 Taka
Operating income		
Interest income	13	1,999,782
Interest Expenses	14	-
Net interest income		1,999,782
Brokerage commission	15	-
Other operating income/loss	16	-
Total operating income		1,999,782
Operating expenses		
Salary & Allowances	17	-
Rent, taxes, insurance, electricity, etc.	18	40,000
Legal/Preliminary Expense	19	3,042,177
Postage, stamps, telecommunication, etc.	20	-
Stationery, printing, advertisement, etc.	21	235,980
Directors' Fees & Expenses	22	106,353
Audit Fees	23	11,500
Other Administrative Expenses	24	-
Total Operating expenses		3,436,010
Profit/(Loss) before provision		(1,436,228)
Provision for diminution in value of investments		-
Profit/(Loss) before tax		(1,436,228)
Income tax expense		502,680
Profit after tax		(933,548)
Other comprehensive income		-
Total comprehensive income/(loss)		(933,548)

These Financial Statements should be read in conjunction with annexed notes (1 to 25)

-SD-
Arif Md. Shahedul Haque
Chief Executive Officer

-SD-
Dewan Mujibur Rahman
Director

-SD-
Tamal S.M. Parvez
Chairman

Signed in term of our separate report of even date annexed

Place: Dhaka
08 February 2016

-SD-
Hoque Bhattacharjee Das & Co.
Chartered Accountants

NRBC Bank Securities Limited Statement of Cash Flows

For the period ended 31 December 2015

Particulars	2015 Taka
A. Cash flows from operating activities	
Cash received from :	
Interest income	1,999,782
Brokerage commission	-
	1,999,782
Cash payment to :	
Interest expenses	-
Legal/Preliminary Expense	3,042,177
Payment for advertisement	235,980
Other Payments	446,320
	3,724,477
Net cash from/(used in) operating activities (A)	(1,724,695)
B. Cash flows from investing activities	
Loans and advances to customers	-
Investment in listed securities	-
Acquisition of property, plant and equipment	-
Advance for office premises	-
Cost of Acquisition of DSE TREC & Share	(285,000,000)
Net cash from/(used) in investing activities(B)	(285,000,000)
C. Cash flows from financing activities	
Share Capital	400,000,000
Loans and borrowings	-
Loan/Received from Parents Company	595,100
Customers' deposits	-
Dividend paid	-
Net cash from/(used) in financing activities (C)	400,595,100
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	113,870,405
E. Effects of exchange rate changes on cash and cash equivalents	-
F. Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year [D+E+F]*	113,870,405

These Financial Statements should be read in conjunction with annexed notes (1 to 25)

-SD-

Arif Md. Shahedul Haque
Chief Executive Officer

-SD-

Dewan Mujibur Rahman
Director

-SD-

Tamal S.M. Parvez
Chairman

Signed in term of our separate report of even date annexed

Place: Dhaka
08 February 2016

-SD-

Hoque Bhattacharjee Das & Co.
Chartered Accountants

NRBC Bank Securities Limited Statement of Changes in Equity

For the period ended 31 December 2015

Particulars	Share capital Taka	Retained earnings Taka	Total Taka
Paid-up Capital	400,000,000	(933,548)	399,066,452
Net profit for the year	-	-	-
Dividend paid during the year	-	-	-
	400,000,000	(933,548)	399,066,452

These Financial Statements should be read in conjunction with annexed notes (1 to 25)

-SD-
Arif Md. Shahedul Haque
Chief Executive Officer

-SD-
Dewan Mujibur Rahman
Director

-SD-
Tamal S.M. Parvez
Chairman

Signed in term of our separate report of even date annexed

Place: Dhaka
08 February 2016

-SD-
Haque Bhattacharjee Das & Co.
Chartered Accountants



NRBC Bank Securities Limited

Basis of Preparation and Significant Accounting Policies

For the period ended 31 December 2015

1.1 Nature of Business Activities

NRBC Bank Securities Limited (the Company), a majority owned subsidiary company of NRBC Bank Limited was incorporated as a Public limited company in Bangladesh on 20 September 2015 bearing certificate of incorporation no. C-125904/2015 under the Companies Act 1994 having its registered office at 114 Motijheel Commercial Area, Dhaka- 1000.

1.2 Nature of business

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

2.0 Significant accounting policies and basis of preparation of financial statements

2.1 Statement of compliance:

The Financial Statements of the Company are prepared on a going concern basis under historical cost conversion in accordance with Bangladesh Financial Reporting Standards (BFRS)/Bangladesh Accounting Standards (BAS). The Financial Statements has also been made in accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the listing Rules of Dhaka Stock Exchange, Guidelines from Bangladesh Bank, other applicable laws and regulations.

NRBC Bank Securities Ltd. will be also registered with the Bangladesh Securities and Exchange Commission (BSEC) to act as Stock Dealer for carrying its own investment in the capital market. It will also extends margin loan to its clients against their margin for investment in the listed securities. The required margin level is to be monitored daily and pursuant to established guidelines of BSEC.

2.2 Use of estimates and judgments

The preparation of financial statements are in conformity with BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimate were made and in any future periods affected.

2.3 Going Concern Assessment

The Company has adequate resources to continue in operation for foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the Financial Statements. The Probable credit facilities from parents and Others as well as adequate resources of the Company provide sufficient funds to meet the present requirements of its businesses and operations in the future.

2.4 The financial statements referred to here comprise :

- a. Statement of Financial Position
- b. Statement of Comprehensive Income
- c. Statement of Cash Flows
- d. Statement of Changes in Equity and
- e. Notes to the Financial Statements

2.5 Statements of Cashflow

Statement of Cash Flows is prepared in accordance with the Bangladesh Accounting Standard-7 “Statement of Cash Flows” under direct method.

2.6 Reporting period

These Financial Statements cover one calendar year from 1 January to 31 December.

2.7 Functional and presentational currency

The financial statements are presented in Bangladesh Taka, which is the Company’s functional currency.

3.0 Consistency accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

3.1 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, as per BAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.2 Depreciation policy

Full month's depreciation has been charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. Depreciation is provided at the following rates on straight-line basis in accordance with BAS 16 over the periods appropriate to the estimated useful lives of the different types of assets:

Categories of Assets	Rate of Depreciation (%)
Furniture and fixtures	10
Office Equipments	10
Computer and Accessories	20
Bangladesh Made Computer Software	20
Motor Vehicles	30
Professionals and Reference Books	10

3.3 Investment in TREC (Membership)

Investment in Stock Exchanges for TREC (Membership) are stated at cost. The cost of acquisition of a TREC (Membership) is the purchase price paid to the previous holder. As per the Demutualization Act, 2013, Trading Right Entitlement Certificate (TREC) has been allotted 7,215,106 no. of ordinary shares of Dhaka Stock Exchange Limited (DSE).

3.4 Investment in Securities

Investment in listed securities are to be recognized at cost. Quarterly impairment test will be carried out by comparing cost with market price. In case of diminution of market value compared to cost, provision will be made on portfolio basis but no unrealized gain will be booked when market value exceeds cost.

3.5 Advance, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to income statement.

However, Advance income tax mainly tax deduction at source on interest income arisen from bank deposit.

3.6 Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary Differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the reporting date. The impact on the account of changes in the deferred tax assets and liabilities have also been recognized in the statement of comprehensive income as per BAS-12 "Income Taxes

3.7 Provision for income tax

Provision for current income tax has been made in compliance with relevant provisions of income tax law.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank, which are held and available for use by the company without any restriction and are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value.

3.9 Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

3.10 Payables

Trade and other payables will be stated at their nominal values.

3.11 Other Liabilities for Expenses

Liabilities are to be recognized for the goods and services received, whether paid or not for those goods and services. Payables would not interest bearing and are stated at their nominal values.

3.12 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the company in accordance with the Bangladesh Accounting Standard (BAS) 18 "Revenue Recognition"

3.12.1 Interest income

Income from margin loan/bank deposit are recognised on accrual basis. Such income is calculated considering daily margin loan balance of the respective parties or balances with the banks.

3.12.2 Brokerage commission

Brokerage commission is recognized as income when selling or buying order executed.

3.12.3 Other Income

Other income, comprises of service charges and capital gain, is recognized when service rendered.

3.13 Event after the reporting period

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

- i) those that provide evidence of conditions that existed at the end of the reporting period (Adjusting events after the reporting period) and
- ii) those that are indicative of conditions that arose after the reporting period (Non-adjusting events after the reporting period).

There was no material events which have occurred after the reporting period which could affect the values stated in the financial statements

3.14 Related party transaction

As per BAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. NRBCBSL) that is preparing its financial statements. Related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per BAS 24.

Related Parties include the Company's Directors, key management personnel, associates, companies under common directorship etc. as per BAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted as arm's length transactions.

3.15 Authorization of the financial statements for issue

The financial statements of the company have been authorized for issue by the Board of Directors on 08 February 2016

3.16 General

The figures appearing in these financial statements are expressed in Taka currency and rounded off to the nearest Taka unless otherwise stated.

	2015 Taka
4 Property, Plant & Equipment	
Opening Balance	-
Add: During this period	-
Closing Balance	
5 Cost of Acquisition of DSE TREC & Share	285,000,000
This represents the acquisition cost of DSE memberships paid by NRBC Bank Securities Limited. Acquisition of Trading Right Entitlement Certificate (TREC) bearing No. 082 of DSE along with acquisition of 7,215,106 nos. Ordinary Shares of DSE held in the BO account and blocked account maintained with CDBL under the control of the Board of Directors of DSE.	
6 Advances, deposits and prepayments	
Advance Tax (Tax deducted on interest income)	299,967
	299,967
7 Deferred Tax Assets	
Taxable Loss from business	1,436,228
Corporate Tax @35% Carry forward of unused tax losses	502,680
Deferred Tax has been recognized in compliance of Paragraph # 34-35 of BAS 12 of BFRS and its evidenced that Company can be utilized from taxable profit in the future within 6 years as per section 38 of ITO, 1984.	
8 Cash & Cash Equivalents	
Cash in hand	-
Cash in Bank	113,870,405
	113,870,405
The Company has been maintaining a Short Notice Deposit account with Principal Branch, NRBC Bank Limited.	
9 Share Capital	
Authorised Capital: (100 Million ordinary shares of Taka 10 each)	1,000,000,000
Issued, Subscribed and paid up Capital : (40 Million ordinary shares of Taka 10 each)	400,000,000
The Company's shareholding position as under:	
i. NRBC Bank Limited [Parents hold 90% share of the Company]	360,000,000
ii. Minority Interest (Minority Group hold 10% share of the Company)	40,000,000
	400,000,000

Shareholding position are given below:

SL #	Sponsors	No. of Share	Share Capital
1	NRB Commercial Bank Limited	36000000	360,000,000
2	Dr. Toufique Rahman Chowdhury	200000	2,000,000
3	Mr. Md. Shahidul Ahsan	200000	2,000,000
4	Mr. Mohammed Mahtabur Rahman	200000	2,000,000
5	Mr. Anika Rahman	200000	2,000,000
6	Mr. Marzanur Rahman	200000	2,000,000
7	Mr. A M Saidur Rahman	200000	2,000,000
8	A.K.M Mostafizur Rahman	200000	2,000,000
9	Mr. Abu Bakr Chowdhury	200000	2,000,000
10	Mr. Mohammad Shahid Islam	200000	2,000,000
11	Mr. Anwar Hossain	200000	2,000,000
12	Mr. Tamal S.M Parvez	200000	2,000,000
13	Mr. Rafikul Islam Mia Arzoo	200000	2,000,000
14	Mr. Md. Mohiuddin	200000	2,000,000
15	Mr. Shamimatun Nasim	200000	2,000,000
16	Mr. Mohammed Adnan Imam	200000	2,000,000
17	Mr. Rashed M Ibrahim	200000	2,000,000
18	Dr. Rafiqul Islam Khan	200000	2,000,000
19	Mr. Mohammad Zakaria Khan	200000	2,000,000
20	Mr. Aziz U Ahmad	200000	2,000,000
21	Mr. Mohammed Manzurul Islam	200000	2,000,000
Total			400,000,000

10 Retained Earnings

Opening balance	-
Add: Total comprehensive income/(loss)	(933,548)
Less: Dividend payment during the year	-
Closing Balance	(933,548)

11 Audit Fees

Provision for audit Fees	11,500
	11,500

12 Payable to Parents Company

Payable for mitigating following Activities:	
RJSC Registration Fess	465,350
RJSC Stamp Charge for Registration	21,100
RJSC Consultancy Misc	25,000
Advertisement Bill for legal Notice regarding Purchased of DSE TREC	58,650
Trade License	25,000
	595,100

2015
Taka

13 Interest income

Income from bank deposits	1,999,782
Income from margin loan	-
	1,999,782

14 Interest Expenses

Interest on loan from Banks and Financial Institutions	-
--	---

15 Brokerage commission

Brokerage Commission from Trading of Securities	-
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16 Other operating income/loss

BO account opening fees	-
Margin account opening fees	-
Margin account renewal fees	-
BO account maintenance fees	-
Others	-

17 Salary & Allowances

The Company has not recruited any employee during the period ended December 31, 2015 except Mr. Arif Md shahidul Haque as Chief Executive Officer (CEO) of the company in addition to his present role as Senior Executive Vice President & Head of HR of the Parent Company, NRB Commercial Bank Limited. For the additional role in NRBC Securities Limited, he was not paid any salary nor any allowance.

18 Rent, taxes, insurance, electricity, etc.

Trade license Charges	25,000
Excise Duty	15,000
	40,000

19 Legal/Preliminary Expense

Following preliminary expenses were made for formation of the company:	
Application fees for consent of raising capital from BSEC	5,000
BSEC Fees for consent of raising capital	120,000
RJSC Registration Fess	465,350
RJSC Stamp Charge for Registration	21,100
TREC Application Fees for Transfer of Membership	5,000
Dhaka Stock Exchange Limited (DSE) for Entrance Fees	1,000,000
Dhaka Stock Exchange Limited (DSE) for Brokers Association of Bangladesh Fees	500,000
Dhaka Stock Exchange Limited (DSE) for TREC Issuance fees	100,000
Dhaka Stock Exchange Limited (DSE) for Investor Protection Fund	100,000
RJSC Filling fees for share Transfer	433,107
BSEC Stock Broker Registration fee	20,000
BSEC Stock Dealer Registration fee	20,000
Consultancy Fees	65,000
Legal Expenses for transferring TREC # 82 & Share	187,620
Total	3,042,177

In compliance with Paragraph # 69 of BAS # 38 of BFRS, All start-up costs are recognized as expense for the period when incurred.



		2015 Taka
20	Postage, stamps, telecommunication, etc.	-
21	Stationery, printing, advertisement, etc.	
	Advertisement	235,980
		235,980
22	Directors' Fees & Expenses	
	BOD Meeting Expenses	106,353
		106,353
23	Audit Fees	
	Audit fees	11,500
		11,500
24	Other Administrative Expenses	

25 Nature and type of related party transaction of the company

Nature and type of related party Balance/transaction disclosure of the company

Name of Related Party	Rerationship	Nature of Transaction	2015
NRBC Bank Ltd	Parent-Subsidiary	Deposit to SND A/C	40,000,000
		Withdrawal fm SNA A/C	287,814,410
		Tax at Source	299,967
		Bank Charge	15,000
		Account Paybale	595,100

THE MANAGEMENT & EXECUTIVES

MD & CEO

Mr. Dewan Mujibur Rahman

Deputy Managing Director

Mr. Zabed Amin

Mr. Md. Shafiet Wahed

Mr. Kazi Md. Talha

Senior Executive Vice President

Mr. Arif Md. Shahedul Haque

Executive Vice President

Mr. Md. Rafiquzzaman

Mr. Muhammad Hajjaj-Bin-Mahfooz

Mr. Kabir Ahmed

Mr. Syed Mahbulul Haq

Senior Vice President

Mr. Md. Ikram Rouf

Mr. Tanusree Mitra

Mr. Kazi Md. Safayet Kabir

Mr. Harunur Rashid

Mr. Md. Kabir Hossain

Mr. Md. Mynul Hossain Kabir

Mr. Dipak Kumar Chakraborty

Mr. Md. Delwar Hossain

Vice President

Mr. Md. Azharul Islam

Mr. Mohammad Mostahaque

Mr. Md. Akhtar Hossain

Mr. A. I. M. Mostafa

Mr. Md. Anisur Rahman

Mr. Sayed Md. Moharam Hossain

Mr. Asif Ahmed

Mr. Md. Joynal Abedin

First Vice President

Mr. Ibne Ali Md. Najmul Kibria

Mr. Chowdhury Mohiuddin

Mr. Md. Haider Akhlaque

Mr. Md. Masum Haider

Mr. BM Anwar Hossain

Mr. Habibur Rahman Khan

Mr. Md. Abu Moshahed

Mr. Md. Monirul Islam

Mr. Hasnat Reza Mohibbul Alam

Mr. Golam Mahamood

Mr. Ashim Kumar Das

Assistant Vice President

Mr. M. M. Moshir Rahman

Mr. Md. Arifur Rahman

Mr. Pradyuth Bikash Chodhury

Mr. Md. Shafiul Azam

Mr. Mohammad Shahidul Islam

Mr. Md. Monirul Islam

Mr. Md. Nasimul Kabir

Mr. Abdul Awoal Mia

Mr. Sayed Ahmed

Mr. Syed Sirajul Haque

Mr. Saiful Islam Manik

Mr. G.K.A.M. Maksud Bin Harun

Mr. Mohammad Shamsuzzaman

Mr. Kazi Zunaïd Zaman

Mr. Md. Abdullah Al Mamun

Ms. Nighat Anjum

Mr. Subhashis Roy

Mr. Mohd. Shamim Ahmed Joarder

Mr. Mohammad Saiful Islam

Mr. M. M. Waliar Rahman

Mr. Mohammad Aminul Islam

Mr. Shamol Chandra Barmon

Mr. Md. Sakhawat Hossain

Mr. Md. Abdul Gofur Raana

Mr. Md. Ruhul Amin

Mr. Sk. Ahsanul Haque

MEMORABLE EVENTS-2015



Hon'ble Managing Director & CEO Mr. Dewan Mujibur Rahman inaugurated the 28th Branch (Narayangoj Branch) on 15 June 2015



Hon'ble Chairman Engr. Farasath Ali inaugurated the 31st Branch (Khulna Branch) on 28 July 2015



Hon'ble MP & President, Parliamentary Standing Committee of Railway Ministry, Mr. A B M Fazle Karim Chowdhury, inaugurated the 32nd Branch (Raozan Branch) on Sunday 23rd August, 2015



Hon'ble Chairman Engr. Farasath Ali inaugurated the 36th Branch (Sylhet Uposohor Branch) on 8th October 2015



Hon'ble Deputy Managing Director Mr. Shafiet Wahed along with Mr. Kazi Md. Safayet Kabir, SVP and Head of ADC & FI inaugurated Agent point at Madhabpur, Hobigonj



Signing Ceremony with Dhaka WASA for collection of WASA Bill



Signing Ceremony of MOU with a2i (Access to information)



Signing Ceremony of MOU with Central Procurement Technical Unit (CPTU)

Deposit Products

Savings Account

Customer can open Savings account in his/her own name or in joint name. Customers can deposit and withdraw any amount from this account. There are no hidden charges and half yearly maintenance fee. NRBC Bank Ltd. ensures attractive rate of return on balance amount. Other benefits include cheque book & VISA debit card facility, access to account 24/7 via ATM, opportunity to get interest etc. The rate of interest of this account is 5.50%

Shohoj Shanchay Deposit Account

Shohoj Shanchay Deposit Account is a unique account with an opportunity to earn higher interest and still enjoy the freedom of savings account. Any individual can open this account in his/her own name or jointly by depositing any of the following minimum declared amounts. Customer can deposit and withdraw any amount from this account. There are cheque book and debit card facility against this account. If customer maintains minimum declared amount throughout the month, he/she will get interest as per following table:

SL. No	Minimum Declared Amount	Interest Rate
01	50,000.00	5.50%
02	1,00,000.00	6.00%
03	2,00,000.00	6.50%

Student Savings Account

Student Savings Account is designed for our future generation to encourage them in Banking practice. Any student at the age of below eighteen years can open this account. This account is operated by father/mother or Legal Guardian of the students. Cheque and ATM card (only debit card) can be used to make withdrawal from the account. Drawer of the cheque must be the guardian. Maximum limit for monthly withdrawal through ATM Card and Point of Sales (POS) will be Tk. 2000.00. This limit may be increased up to Tk. 5000.00 on request of the Guardian.

Current Deposit Account

Current Deposit Account has been designed for business transactions without any restriction on withdrawal or deposit either in amount or in frequency. Other key benefits include cheque book facility, VISA debit card facility, access to account 24/7 via ATM. NRBC Bank CD account ensures 2.00% interest p.a. on daily balance

Short Notice Deposit

Short Notice Deposit Account is an interest bearing deposit account specially designed to facilitate the financial need of large corporate bodies or Government bodies. This account allows customers withdraw and deposit any amount and earn a higher rate of return at the end of month. Other key benefits include cheque book facility, VISA debit card facility, access to account 24/7 via ATM, opportunity to get up to 4.00% interest etc. Interest rate on SND accounts varies on the daily balance of the account. Present rate of interest is as under;

Amount	Rate of Interest
Below 1 crore	2.50%
1 crore and above but below 50 crore	3.50%
50 crore and above	4.00%

Fixed Deposit

Under this account customer can deposit any amount from Tk 10,000.00 for a prescribed fixed tenor and enjoy fixed rate of interest. Present rate of interest is given below;

Particulars	Tenor	Rate (%)
Any amount	1 Month	4.00%
	3 Months	6.75%
	6 Months and 1 Year	7.00%

Money Maker Scheme

To encourage small savings Money Maker Scheme allows customers to deposit small amount of money on monthly basis. It's a simple, safe and convenient way to make money grow. Under this scheme customers will deposit a certain amount in every month for a specific tenor of 3 years, 5 years, 7 years or 10 years and get attractive benefit at maturity as mentioned in the following table:

Term/ Monthly Installment	200	500	1,000	2,000	2,500	5,000	10,000	20,000	25,000
03 Years	8,000	20,000	40,000	80,000	1,00,000	2,00,000	4,00,000	8,00,000	10,00,000
05 Years	16,000	40,000	80,000	1,60,000	2,00,000	4,00,000	8,00,000	16,00,000	20,00,000
07 Years	25,300	63,250	1,26,500	2,53,000	3,16,250	6,32,500	12,65,000	25,30,000	31,62,500
10 Years	43,800	1,09,500	2,19,000	4,38,000	5,47,500	10,95,000	21,90,000	43,80,000	54,75,000

Corporate Money Maker Scheme

The Corporate Money Maker is similar to regular Money Maker Scheme and applicable for corporate bodies such as Multinational Company, Corporate House of EPZ, Local Corporate House (sole proprietorship concern, partnership concern, private/public limited company), Educational Institute, Non-banking Financial Institute, Insurance Company, Club and Association, NGO etc. Monthly installment size and corresponding maturity value (Principal + Interest) are as below;

Term/ Monthly Installment	25,000.00	50,000.00	75,000.00	100,000.00	300,000.00	500,000.00
02 Years	645,000.00	1,290,000.00	1,935,000.00	2,580,000.00	7,740,000.00	12,900,000.00
03 Years	1,000,000.00	2,000,000.00	3,000,000.00	4,000,000.00	12,000,000.00	20,000,000.00
04 Years	1,493,000.00	2,986,000.00	4,479,000.00	5,972,000.00	17,916,000.00	29,860,000.00
05 Years	1,979,000.00	3,958,000.00	5,937,000.00	7,916,000.00	23,748,000.00	39,580,000.00

Priority Deposit Scheme

Customer is allowed to open this scheme in his/her own name or jointly or in name of institution/organization by depositing at least Tk. 20.00 lac. Tenor of the scheme: 3 months, 6 months, 1 year, and 2 years. Payable amount at maturity is as proportionate to the amount given below:

Tenor	Principal	Maturity Value*
03 Months	20,00,000.00	2,042,500.000
06 Months		2,087,500.000
01 Year		2,175,000.000
02 Years		2,360,000.000

* Maturity value for other amount in excess of Tk. 20.00 Lac will be calculated in proportion to the table mentioned above.

Deposit Pension Scheme

Deposit pension scheme allows customers to deposit a specific amount every month throughout six year. At the end of the 6 years customer can get either a lump sum amount or a specific monthly benefit throughout next five years. At the end of the pension period customer will get the lump sum amount. Furthermore, at any time of the pension period, customer may stop enjoying pension and withdraw the full lump sum according to the below table.

Monthly installment	Option: A	Option: B	
	Amount payable on maturity (after 6 years)	Monthly benefit payable after maturity (next 5 years)	Fixed amount payable at a time after receiving monthly benefit for 5 years
1,000.00	1,01,200.00	850.00	1,01,200.00
2,000.00	2,02,400.00	1,700.00	2,02,400.00
3,000.00	3,03,600.00	2,550.00	3,03,600.00
4,000.00	4,04,800.00	3,400.00	4,04,800.00
5,000.00	5,06,000.00	4,250.00	5,06,000.00
10,000.00	10,12,000.00	8,500.00	10,12,000.00

Monthly Benefit Scheme

Monthly benefit scheme allows customers to enjoy interest amount on monthly basis against a one-time deposit. Customer is allowed to open this scheme in his/her own name or jointly by depositing any amount of Tk. 50,000 or its multiple. Tenor of the scheme is 3 years. Benefit will be given upon completion of each month upto 36 months. Principal will be given back to the customer upon maturity/encashment of the scheme. At present sample monthly benefit is as under;

Principal	Monthly Benefit
50,000	425.00
1,00,000	850.00

Double Benefit Deposit Scheme

Under this scheme deposited amount will be doubled at 7 years. Customer can open this scheme in his own name or jointly by depositing BDT 10,000.00 or its multiple.

Triple Benefit Deposit Scheme

Under this scheme principal amount will be tripled at 11 years. Customer is allowed to open this scheme in his own name or jointly by depositing any amount of Tk. 10,000.00 or its multiple. Moreover, if customers encash the scheme before maturity, they will get the full interest for the completed year(s). Principal amount and yearly payable amount for sample amount of Tk 10000.00 are as under.

Tenor	Principal and yearly payable amount
00 Year	10,000
01 Year	10,640
02 Years	11,570
03 Years	12,620
04 Years	13,810
05 Years	15,200
06 Years	16,870
07 Years	18,810
08 Years	21,110
09 Years	23,700
10 Years	26,640
11 Years	30,000

Lakhopoti Savings Scheme

Customer can open this scheme in his own name or jointly by depositing an Initial Deposit amount and First Installment amount. Tenor of this scheme is 5 years. After depositing 60 installments along with the initial deposit customer will get attractive benefit as below;

Deposit Amount		Payable on Maturity
Initial Deposit	Monthly Installment	
15,000.00	1,000.00	1,00,000.00
30,000.00	2,000.00	2,00,000.00
45,000.00	3,000.00	3,00,000.00
60,000.00	4,000.00	4,00,000.00
75,000.00	5,000.00	5,00,000.00
150,000.00	10,000.00	10,00,000.00
750,000.00	50,000.0	50,00,000.00
15,00,000.00	1,00,000.00	1,00,00,000.00

Millionaire Savings Scheme

This is an ideal scheme for individuals who want to save their surplus income and attain a savings goal. Customers can deposit a specific amount each month to become a millionaire. Maturity period varies between 3 to 10 years.

Term	Monthly Installments	Amount Payable on Term
03 (Three) Years	23,650.00	BDT 10,00,000 (Taka Ten Lac)
04 (Four) Years	16,750.00	
05 (Five) Years	12,700.00	
06 (Six) Years	10,000.00	
07 (Seven) Years	8,100.00	
08 (Eight) Years	6,650.00	
10 (Ten) Years	4,750.00	

Student Savings Scheme

This product is designed aiming to build saving tendency among students. Any student at the age of below eighteen years can open this scheme in his/her own name by depositing first installment. Parents or legal guardian of the students will operate the scheme on behalf of the students. Monthly installment size and corresponding maturity value (Principal plus Interest) are as below;

Monthly Installment / Term	200.00	300.00	500.00
03 Yrs	8,600.00	12,900.00	21,500.00
5 Yrs	16,160.00	24,240.00	40,400.00
07 Yrs	25,600.00	38,400.00	64,000.00
10 Yrs	44,460.00	66,690.00	111,150.00

Note:

- Depositor may avail credit facility against all scheme accounts according to the credit policy of the bank.
- Tax and other govt. charge will be applicable on the account.

Branch Network

Dhaka Division

Principal Branch

114, Motijheel C/A, Dhaka-1000
PABX: 88 029573422-30
Fax: 88 02 9588 323, Cell : 019 555 02 101
E Mail : principalbr@nrbccommercialbank.com
HOB: Mr. Kazi Md. Talha, DMD

Gulshan Branch

Silver Tower, 52, Gulshan Avenue
Gulshan-1, Dhaka
Phone: 9897531-32, Cell : 019 555 02 10
E Mail : gulshan@nrbccommercialbank.com
HOB: Mr. Muhammad Hajjaj-Bin-Mahfooz, EVP

Ruhitpur Branch

Rahim Noor Skyview Tower
Ruhitpur Bazar
Keraniganj, Dhaka
PABX :02-7766 886-7, Cell : 019 555 02 103
E Mail : ruhithpur@nrbccommercialbank.com
HOB: Mr. Md. Azharul Islam, VP

Mawna Branch

Hazi Abdus Salam Tower
Dhaka- Mymensingh Road
Mawna, Sreepur, Gazipur
Cell : 019 555 02 104, 01711-202051
E Mail : mawna@nrbccommercialbank.com
HOB: Mr. Mohd Shahidul Islam, AVP

Chinishpur Branch

Chinishpur (Jailkhana Morh) Narsingdi
PABX : +88 02 945 2481-82
Fax:+88 02 945 2483, Cell : 019 555 02 106
E Mail : chinishpur@nrbccommercialbank.com
HOB: Mr. Lalor Sarwar, FAVP

Hemayetpur Branch

225 Singair Road, Hemayetpur
Savar, Dhaka
PABX: 7745151, Fax: 7745152
Cell: 01730-300210, Cell : 019 555 02 107
E Mail : hemayetpur@nrbccommercialbank.com
HOB: Mr. Md. Monirul Islam, AVP

Uttara Branch

Masum Plaza
House#13, Road#15, Robindra Sarany
Sector#3, Uttara, Dhaka, PABX 5895 0025, 8950192
FAX-8950126, Cell : 019 555 02 108
E Mail : uttara@nrbccommercialbank.com
HOB: Mr. Md. Delwar Hossain, SVP

Board Bazar Branch

China Town Bangladesh
84 Kalameswar, Ward No.-35, Zone-02
Board Bazar, Joydebpur, Gazipur
PABX: 9291831, 9291834, Cell : 019 555 02 109
E Mail : boardbazar@nrbccommercialbank.com
HOB: Mr. Md. Anisur Rahman, VP

Mograpara Branch

Nurul Islam Plaza Habibpur (Mograpara)
Mograpara, Sonargaon, Narayanganj
Cell: 01715-431015, Cell : 019 555 02 110
E Mail : mograpara@nrbccommercialbank.com
HOB: Mr. Md. Delower Hossain, FAVP

Dhanmondi Branch

Mir Nur Square, House# 43(New)
Road #2-A(New), Satmasjid Road, Dhanmondi R/A,
Dhaka, PABX: 9671713, 9671786, 9671798
Cell : 019 555 02 111
E Mail : dhanmondi@nrbccommercialbank.com
HOB: Mr. Md. Ikram Rouf, SVP

Aganagar Branch

Din Complex, 1st floor Kodomtoli Morh, Shuvadda
Keraniganj, Dhaka
PABX : 7764581-82, Cell : 019 555 02 112
E Mail : aganagar@nrbccommercialbank.com
HOB: Mr. Mohammad Abdus Shobhan, FAVP

Gorai Branch

Mir Milton Complex, Gorai
Mirzapur, Tangail
Cell : 019 555 02 113, 01915-478997
E Mail : gorai@nrbccommercialbank.com
HOB: Mr. Rahat Siddique, SEO

Panchabati Branch

Mamun Super Market (Panchabati)
Harihorpara, Enayetnagar
Fatulla, Narayanganj
PABX: 7670461-2, Cell : 019 555 02 114
E Mail : panchabati@nrbccommercialbank.com
HOB: Mr. Md. Solaiman Hossain, FAVP

Zirabo Branch

Zirabo Bazar, Taibpur
Ashulia, Savar, Dhaka
Cell : 019 555 02 115, 01716-591435
E Mail : zirabo@nrbccommercialbank.com
HOB: Mr. Kazi Mizanur Rahman, FAVP

Nabinagar Branch

Dendabor, Savar Cantonment Ashulia, Savar, Dhaka
Cell : 019 555 02 117, 01715-505057
E Mail : nabinagar@nrbcommercialbank.com
HOB: Mr. Mohammad Sultan Chowdhury, PO

Banani Branch

AWR NIB Tower House# 99, Road# 11
Block # C, Banani, Dhaka
Pabx- 982 2396-7, Fax : 982 2364
Cell : 019 555 02 121
E Mail : banani@nrbcommercialbank.com
HOB: Mr. Md. Kabir Hossain, SVP

Ekuria Branch

Holding#01, Block-A, Ward # 9
Hasnabad Housing Plot, Ekuria
South Keraniganj, Dhaka-1311
Tel: 776 2495 & 776 2390, Cell : 019 555 02 123
E Mail : ekuria@nrbcommercialbank.com
HOB: Mr. Md. Nasimul Kabir, AVP

Zirani Bazar Branch

College Road, Zirani Bazar,
BKSP, PS.Ashulia
Dhaka
Cell : 019 555 02 127
E mail: ziranibazar@nrbcommercialbank.com
HOB: Mr. Md. Faisal Mahmud, PO

Narayanganj Branch

148, Bangabandhu Road, Word#14
Narayanganj Sadar, Narayanganj
Cell : 019 555 02 128
E-mail: abubakor@nrbcommercialbank.com
HOB: Mr. Sayed Ahmed, AVP

Mirpur Branch

Zone Tower, 128, Rokeya Sarani
Mirpur, Dhaka, Cell : 019 555 02 129
E-mail: akhlaque@nrbcommercialbank.com
HOB: Mr. Md. Haider Akhlaque, FVP

Harirampur Branch

Sohel Market (1st Floor)
Sonargaon Janapath Road
Khalpur, Uttara, Dhaka-1230
Cell : 019 555 02 133
Email: manik@nrbcommercialbank.com
HOB: Mr. Saiful Islam Manik, AVP

Nayabazar Branch

Holding # 31, Road : Nawab Yousuf Road,
Ward# 35, Kotawali Dhaka. Cell: 019 555 02 139
Email: asif@nrbcommercialbank.com
HOB: Mr. Asif Ahmed, VP

Bhulta Branch

Salam Mansion, Mir Market, Golakandail Union,
Rupganj, Bhulta, Narayanganj, Cell: 01955502140
Email: tareq@nrbcommercialbank.com
HOB: Mr. Md. Tareq, PO

Chittagong Division

Agrabad Branch

Quaderi Chamber
37, Agrabad C/A, Chittagong
Tel:+88 031-2521702-04
Fax:+88 031-2521706, Cell : 019 555 02 105
E Mail : agrabad@nrbcommercialbank.com
HOB: Mr. Syed Mahbubul Haq, EVP

O R Nizam Road Branch

Atlanta Trade Centre, GEC Morh
O R Nizam Road, Chittagong
PABX 031-612413, 612866,
Cell : 019 555 02 119, 01711 078 776
E Mail : ornizamroad@nrbcommercialbank.com
HOB: Mr. Chowdhury Mohiuddin, FVP

Chatkhil Branch

Jonaki Super Market Chatkhil, Noakhali
Tel : 0322 75357-9, Cell : 019 555 02 124
E Mail : chatkhil@nrbcommercialbank.com
HOB: Kazi Md. Ziaul Karim, PO

Chandraganj Branch

Dada Bhai Plaza, Chandraganj Bazar, Chandraganj,
Lakshmipur, Cell: 01975 651 464, 01755 651 464
Cell : 019 555 02 125
E Mail : chandraganj@nrbcommercialbank.com
HOB: Mr. Md. Shakhawat Hossain, AVP

Borodighirpar Branch

Haji Raza Mia Market Chikon Dondi, Hathazari,
Chittagong
Tel : 031-2580 407-8, Cell : 019 555 02 126
borodighirpar@nrbcommercialbank.com
HOB: Mr. Md. Aminul Islam, AVP

Raozan Branch

Firoj Tower, Ramjan Ali Chowdhury Hat
PS.Raozan, Dist-Chittagong, Cell : 019 555 02 132
E-mail : nawshad@nrbcommercialbank.com
HOB: Mr. Mohammad Nawshad Aziz, SEO

Mainamati Branch

Mainamati Senakalyan Market
Nischintapur, PS.Adarsha Sadar
Union #2 Durgapur (north), Dist.Comilla
E-mail: mainamati@nrbccommercialbank.com
Cell: 01955502134

HOB: Mr. A.K.M. Nazmul Hasan, FAVP

Jublee Road Branch

9/A, Jublee Road, PS.Kotoali
Chittagong.
Cell: 019 555 02 137
Email: joynalabedin@nrbccommercialbank.com

HOB: Mr. Md. Joynal Abedin, VP

Sylhet Division

Sylhet Branch

Waves 1, Sylhet.
PABX: 0821-711476-7
FAX: 0821-711486, Cell : 019 555 02 116
E Mail : sylhet@nrbccommercialbank.com

HOB: Mr. Ibne Ali Md. Najmul Kibria, FVP

Munshibazar Branch

Munshibazar, Rajnagar, Moulovibazar
e-mail:munshibazar@nrbccommercialbank.com
Cell: 01955502135

HOB: Mr. Md. Shafique Miah Majumder, PO

Sylhet Uposhohor Branch

Syed Plaza, Block-D, Shahjalal Housing Estate
Uposahar, Sylhet.
Cell: 01955502136

Email: alamin.d1@nrbccommercialbank.com

HOB: Mr. Dewan Al Amin Al Mutakabbir, FAVP

Barisal Division

Barisal Branch

Lisa Plaza
140/1, Sadar Road, Barisal.
Cell : 01955 502 118, 019 555 02 111
E Mail : barishal@nrbccommercialbank.com

HOB: Mr. G. K. A. M. Maksud Bin Harun, AVP

Inderhat Branch

Hasem Ali Market
Sohagdal (Swarupkati), Nesarabad, Pirojpur
Cell: 01955502138
Email: gopalchandraro@nrbccommercialbank.com

HOB: Gopal Chandra Roy, PO

Rajshahi Division

Rajshahi Branch

F R Plaza, Rani Bazar, Boalia
Rajshahi City Corporation, Rajshahi.
Tel : 0721 775046, 773373, Cell : 019 555 02 120
E Mail : rajshahi@nrbccommercialbank.com

HOB: Mr. Asim Kumar Das, FVP

Naogaon Branch

T K Plaza, Batar Morh
Naogaon Sadar, Naogaon
Tel : 0741 62 006- 8
Cell : 019 555 02 122
E Mail : naogaon@nrbccommercialbank.com

HOB: Mr. Shamol Chandra Barmon, AVP

Rangpur Division

Rangpur Branch

GM Tower, 16, GL Road, Rangpur Sadar, Rangpur
Cell : 019 555 02 130
E-mail: rangpur@nrbccommercialbank.com

HOB: Mr. Syed Sirajul Haque, AVP

Khulna Division

Khulna Branch

34, KDA Avenue, Khulna Sadar, Khulna.
Phone : 01955502131
Cell : 019 555 02 131
Email : bmanowar@nrbccommercialbank.com

HOB: Mr. BM Anowar Hossain, FVP

Proxy Form

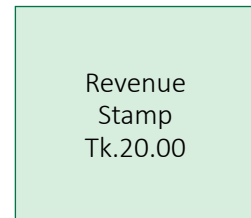
I/We
 of..... being a Member of **NRB Commercial Bank Limited** do hereby appoint Mr./Ms. of

 falling him/her.....
 of
 as Proxy/Attorney in my absence to attend and vote for me/us, and on my/our behalf, at the 03rd Annual General Meeting of the Company to be held on 18th April 2016, Monday, at 11:00 am at the Boardroom of the Bank, Silver Tower (Level-4), 52 Gulshan Avenue, Gulshan-1, Dhaka or at any adjournment thereof.

Signed this day of 2016

Signature of Proxy

Signature of Shareholder



Folio No.:

No. of Shares

N.B.

This Proxy Form, duly completed, must be deposited at least 48 (forty eight) hours before the meeting at the company's Registered Office. Proxy is invalid if not signed and stamped as explained above.

Attendance Slip

I hereby record my attendance at the 03rd Annual General Meeting of the Company to be held on 18th April 2016, Monday, at 11:00 am at the Boardroom of the Bank, Silver Tower (Level-4), 52 Gulshan Avenue, Gulshan-1, Dhaka.

Name of Member/Proxy

Folio No.:

Signature

Date





NRB Commercial Bank Limited

Head Office : 114 Motijheel C/A, Dhaka 1000. Bangladesh

Tel : 02 9573422-30 Fax : 02 9573421

www.nrbcommercialbank.com