



| DIRECTORS' REPORT



প্রবাসীর স্বপ্ন
এনআরবিসি ব্যাংক  **NRBC BANK**



DIRECTORS' REPORT

Bismillahaher Rahmanir Rahim

Dear Fellow Shareholders

I, on behalf of Board, am pleased to welcome you all to the 9th Annual General Meeting of the Bank after listing in the stock exchanges of historic trading on March 22, 2021. The Board of Directors is delighted to present the Directors' Report 2021 along with Audited Financial Statements and Auditors Report for the year ended December 31, 2021 for consideration and adoption.

The Board has reviewed the business and financial performance of the Bank during the year and highlighted all the major drivers behind our performance to give you a genuine insight about the Bank's performance and continuous growth in the competitive industry. The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994, BSEC Notification No. [BSEC/CMRRCD/2006-158/207/Admin/80](#), dated 03 June, 2018 of the Securities and Exchange Commission. Moreover, the Directors are pleased to explain and disclose some issues, which they consider relevant to ensure transparency and practice of corporate governance in the operational activities of the bank. The Directors believe the Report will give real insights of the bank's performance during the year under review.

Global Economy

The world is now experience two years into the COVID-19 pandemic, and the global recovery from the pandemic was expected to continue in 2022 and 2023, helped by continued progress with global vaccination efforts, supportive macro-economic policies in the major economies, and favorable financial conditions. The war in Ukraine will however hinder global growth and aggravate inflationary pressures, creating a new negative supply shock for the world economy, just when some of the supply-chain challenges seen since the beginning of the pandemic appeared to be fading. The effects of the war will operate through many different channels, and are likely to evolve if the conflict deepens further.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022. Following a strong rebound in 2021, the global economy is entering a pronounced slowdown amid fresh threats from COVID-19 variants and a rise in inflation, debt, and income inequality that could endanger the recovery in emerging and developing economies, according to the World Bank's latest Global Economic Prospects report. The slowdown will coincide with a widening divergence in growth rates between advanced economies and emerging and developing economies.

The human, economic and social toll of the pandemic has been devastating. Rising poverty, job losses, shredded safety nets, health-care systems pushed to the brink, and the impacts of a changing climate are placing the Sustainable Development Goals further out of reach. Inequalities are intensifying, setting the stage for an uncertain, uneven and unfair recovery. In some countries, ambitious vaccination roll-outs and bold economic support and stimulus packages are paving the way towards recovery. But progress is not being shared equally. More than a quarter of developing countries have yet to achieve their pre-pandemic levels of output, hampered by severely inadequate access to vaccines and limited financial resources. Job creation has been insufficient to make up for earlier losses, with employment deficits disproportionately affecting women and youth.

At the same time, rapidly rising inflation in many parts of the world will result in higher interest rates, limiting borrowing and constraining fiscal space at exactly the time countries should be investing in jobs, education, health care, and the green economy. For developing countries already drowning in debt, this is a recipe for defaults and prolonged economic distress. In this fragile and uneven period of global recovery, the World Economic Situation and Prospects 2022 calls for better targeted and coordinated policy and financial measures at the national and international levels.

The COVID-19 pandemic has significantly increased poverty and inequality globally, causing a Substantial reversal in progress towards sustainable development. According to estimates by the United Nations Department of Economic and Social Affairs, progress in reducing extreme poverty has been set back by several years in most countries.

The COVID-19 pandemic triggered the largest drop in economic output since the Great Depression from 1929 to 1939. Yet ICT and digitally enabled services have exhibited strong resilience since they allow individuals and businesses to operate remotely. Developing ICT and digitally enabled services has been emerged as an important opportunity to move towards a post-pandemic recovery. Online market place, Digital payment system, Digital health service has emerged as an important factor in this pandemic era.

Global Trade

The positive trend for international trade in 2021 was largely the result of increases in commodity prices, subsiding pandemic restrictions and a strong recovery in demand due to economic stimulus packages. As these trends are likely to abate, international trade trends are expected to normalize during 2022. Overall, the evolution of world trade in 2022 is likely to be affected by the factors like, slower than expected economic growth, continuing challenges for global supply chains, transition towards a greener global economy, rising concerns about debt sustainability.

Global trade growth remained strong during 2021, as its value continued to increase through each quarter of 2021. Trade growth was not only limited to goods. Trade in services also grew substantially through 2021, to finally reach pre-pandemic levels during Q4, 2021. Overall, the value of global trade reached a record level of about US\$ 28.5 trillion in 2021, an increase of about 25 percent relative to 2020 and an increase of about 13 per cent relative to the pre-pandemic level of 2019.

Behind the strong overall trade increase, however, there is significant divergence across countries, with some developing regions falling well short of the global average. Trade has been a critical tool in combating the pandemic, and this strong growth underscores how important trade will be in underpinning the global economic recovery

Bangladesh Economy

Bangladesh economy has been consistently performing well with above 6 percent of GDP growth. Unfortunately, country's economic growth was slowed due to the negative impact of COVID-19 pandemic. According to the provisional estimates of BBS, growth rate achieved in FY 2019-20 is 3.51 percent. In FY 2020-21, the estimated GDP growth target is 5.47 percent. According to provisional estimate of BBS, per capita GDP and per capita national income stood respectively at US\$ 2,097 and US\$ 2,227 in FY 2020-21. The domestic savings stood 24.17



percent of GDP, and national savings stood at 30.39 percent of GDP for the same period. The gross investment stood at 29.92 percent of GDP in FY 2019-20 where public investment and private investment accounted for 8.67 percent and 21.25 percent of GDP, respectively. In FY 2019-20, the inflation rate was 5.65 percent. Of this, the food inflation was 5.56 percent and nonfood inflation stood at 5.85 percent. The inflation rate for FY 2020-21 was 5.4 percent. But the actual inflation rate reached at 5.56 percent which was slightly higher than the estimate. Yet the Government's continuous efforts to keep up the food supply chain uninterrupted during COVID-19 pandemic worked well and helped to keep the inflation under control.

The GOB had to undertake new expenditure and resource allocation plan by setting new priorities in FY 2019-20 to deal COVID-19 pandemic situation. The major objective was to minimize the impairment of the pandemic by providing financial incentives. In the revised budget of FY 2020-21, sectors those are directly involved with minimizing COVID-19 outbreak, such as: health, agriculture, social welfare, food, disaster management, employment creation etc. received increased resource allocation.

Different steps were implemented under an expanded monetary policy from FY 2020-21 for extending credit facilities in the private sector by reducing the repo rate from 5.25 percent to 4.75 and reverse repo rate from 4.75 to 4 percent. The bank rate was also revised and reset by reducing 100 basis point to 4 percent to align with the declared interest rationalization policy. The downwards trend of interest rate for both deposit and credit trend remains static. To attain a sustainable economic structure, the government has kept its constant efforts to creating access opportunities of financial services for all its grass root level citizens, especially those who are yet to financially include. The capital market situation was found positively working in FY 2020-21 though both Dhaka and Chattragram Stock Exchange were volatile for a while. Overall, there was a mentionable growth both in the capital and value index. The growth of broad index for Dhaka Stock exchange was 37.37 percent and for Chattragram Stock exchange was 39.84 percent. The export sector has resumed back to a positive trend after overcoming the COVID-19 shock with the support of all the interventions of the GOB. The export earnings growth was 15.1 percent in FY 2020-21 than FY 2019-20. The amount was US\$ 38,758.31 million, which was US\$ 33,674.21 million in FY 2019-20. The import payment was also recommenced back in FY 2020-21 with 19.73 percent growth than the previous year. A like FY 2019-20, remittance inflow was also high in FY 2020-21. Due to this high inflow, during July-April of FY 2020-21, the current account balance deficit was US\$ 47 million which was US\$ 3,772 million in FY 2019-20. The total amount of remittance in FY 2020-21 was US\$ 24,777.71 million which was 36.10 percent higher (18,205 million) than the previous year. Foreign reserve amount in this period stood at US\$ 46.39 billion. The exchange rate between Taka and US dollar remained static.

During FY 2020-21, domestic savings increased to 24.17 percent of GDP, which was 23.77 percent in the previous year. Likewise, national savings as percent of GDP increased to 30.39 percent in FY 2020-21 percent from 28.67 percent of the previous fiscal year. The investment has increased to 7.95 percent in FY 2020-21 as compared to 3.98 percent in the previous fiscal year due to COVID-19 pandemic. However, public investment as a percentage of GDP has slightly accelerated and private investment as a percentage of GDP has slightly decelerated compared to the previous fiscal year. Gross investment stood at 29.92 percent in FY 2020-21, which was 30.47 percent of the previous fiscal year. Of this, public investment and private investment accounted for 8.67 percent and 21.25 percent of GDP, respectively, which was 8.41 percent of GDP and 22.06 percent of GDP in the previous fiscal year, respectively.

Agriculture Sector

At constant prices growth of agriculture and forestry sector under broad agriculture sector stood at 2.65 percent in FY 2020-21, which was 4.10 percent in previous fiscal year. During this period among the 3 sub-sectors of broad agriculture sector the growth rate of crops & horticulture and Forest and related services sector has decreased compared to previous fiscal year. The growth of agriculture and forestry sector i.e. crops and horticulture; animal farming; forest and related services reached 1.59 percent, 3.80 percent and 6.12 percent respectively in FY 2020-21, which were 3.47 percent, 3.56 percent and 7.36 percent respectively in previous fiscal year. The growth rate of the fisheries sector has slightly decreased compared to previous fiscal year namely 5.74 percent.

Industry Sector

Among the 4 sectors of broad industry sector, the growth rate of manufacturing and Electricity, Gas and Water supply and construction sector has increased comparatively. On the other hand, growth rate of Mining and quarrying sector has slowed down significantly compared to the previous fiscal year. Growth rate of industry sector is 5.6 percent in FY2021 from 4.1 percent in previous fiscal year. Besides, growth of other mining and coal sub-sector declined to 0.29 percent, from 0.97 percent in previous fiscal year. In FY 2020-21, growth of large and medium scale manufacturing sub-sector increased by 5.17 percent from the previous fiscal year to 6.56 percent. Likewise, growth of small scale manufacturing sub-sectors decelerated to 1.73 percent from 3.96 percent of previous fiscal year. Moreover, growth of 2 sub-sectors of Electricity and water supply i.e. Electricity and water stood at 5.45 percent and 5.21 percent respectively, compared to 1.91 percent and 5.00 percent in previous fiscal year. On the other hand, growth in construction sector slightly increased to 8.68 percent in FY 2020-21 from 8.66 percent in the previous fiscal year.

Service Sector

According to the provisional data, In FY 2020-21 growth rate in broad service sector is increased by 1.45 percent to 5.61 percent as compared to 4.18 percent in the previous fiscal year. The output of the 'wholesale and retail trade', 'hotel and restaurants' and 'transport, storage and communication' sector under broad service sector registered growth to 6.54 percent, 6.85 percent and 6.07 percent respectively in FY 2020-21; which were 4.03 percent, 1.75 percent and 3.67 percent respectively in the preceding fiscal year. The growth of 'Financial intermediations' sector increased to 4.31 percent in FY 2020-21 from 3.09 percent in the previous fiscal year. However, the growth of 'public administration and defense', 'education', 'health and social works' and 'community, social and personal services' sectors has largely increased compared to the growth in previous fiscal year. On the other hand the growth rate in the health and social works sector slightly reduced to 9.94 percent compared to previous fiscal year.

Foreign Direct Investment (FDI)

Over the past three decades, the key feature of economic policymaking in many countries particularly in the developing world is attracting foreign direct investment (FDI). FDI performs a multidimensional role in the overall development of the host economies. Most of the studies advocate a positive relationship between foreign direct investment and economic growth. FDI makes a vital contribution to growth and development in Asia and the Pacific. Both domestic investment and foreign investment are equally needful whereas domestic investment may lead to the creation of domestic savings, consumption & employment and foreign investment can decrease the saving gap. Bangladesh is quite successful in attracting FDI inflows since the inception of economic reform in 1995. The inflow of FDI has contributed significantly to the economic development of Bangladesh:



In Million USD

Items	2020-21	2019-20	% age growth 2020-21 over 2019-20
FDI Gross Inflows	3386.86	3232.81	4.8
FDI Net Inflows (Equity capital inflows+ Re-invested earning+ Intra-company Loans)	2507.31	2370.45	5.8
Of which Net Equity Capital inflows	816.17	727.93	12.1
Net FDI Stock as on June	19946.59	18721.69	6.5

Foreign Trade Operation

Bangladesh's economy is such that its GDP is led by the Export, Import, and Remittance. Bangladesh's Economic growth has averaged more than 6.00 percent over the last decade significantly lifting per capita income. After the adverse effect of COVID-19 pandemic, foreign trade of Bangladesh has started to return to a positive trend:

In Million USD

Particulars	2021	2020	% Change
Export	44,222	33,647	31.43%
Import	67,905	46,237	46.86%
Remittance	22,070	21,742	1.51%

Banking Sector in Bangladesh

Banking sector was to maintain its resilience and stability of financial system as well as to support the government initiatives of recovering the economy from the challenging domestic and global market

conditions caused by the COVID-19 pandemic. Due to the lockdown and other restrictive measures, Bangladesh lost the pace of internal production as well as export earnings due to regional lockdown during the first wave of the pandemic. However, while the pandemic subsided and the economy started to recover in response to the various policy measures taken by the government and Bangladesh Bank, second wave of the pandemic hit again in April 2021. Despite being under enormous pressure created by the internal and external situations of the financial market, all scheduled banks of the country remained operational for normal business hours or for specified time in every working day during the lockdown period to provide regular banking services to their customers throughout the pandemic over the last one year and a half. To assist the scheduled banks and non-bank financial institutions (NBFIs) to survive in this critical situation and to continue their contribution in revamping the country's economy.

Deposit and Advance Position of Scheduled Banks (In percent)

Bank Groups	Year-on-Year growth of deposits, % Excluding Interbank		Year-on-Year growth of advances, % Excluding Interbank		Advance Deposit Ratio	
	Dec.21	Sep.21	Dec.21	Sep.21	Dec.21	Sep.21
SCBs	11.2	21.6	14.5	14.7	57.9	54.8
PCBs	9	9.1	10.5	9.9	80.2	80.2
FCBs	6.4	4.3	10.2	7.4	56.4	54
SBs	18.1	22	7.7	10.2	70.2	70.5
All	9.7	12.3	11.1	10.7	73.2	72.1

Key items of Monetary Program

(Y-to-Y growth in %)

Item	Actual			Program	
	Jun.20	Dec.20	Jun.21	Dec.21	Jun.22
Net Foreign Assets	10.2	30.4	27.1	13	10.4
Net Domestic Assets	13.4	9.9	9.8	14.1	16.5
Domestic Credit	13.7	9.7	10.3	14.1	17.8
Credit to the Public Sector	53.4	17.2	21.2	30.6	32.6
Credit to Private Sector	8.6	8.4	8.4	11	14.8
Broad Money	12.7	14.3	13.6	13.8	15
Reserve Money	15.7	21.3	22.4	14	10
Money Multiplier	4.84	4.87	4.49	4.86	4.69

Following the current stance of expansionary fiscal policy of the government specially for combating the COVID-19 fallout, the public and the private sector growth are projected to be annually grown by 32.6 percent and 14.8 percent respectively at the end of June 2022.

Financial Highlight of NRBC Bank in 2021

After the adverse effect of COVID-19 pandemic, economic activities has started to return to a positive trend in the mid of 2021. Indicators of the banking sector exhibited a mixed performance at the end of FY21, as reflected by the rising non-performing loans (NPLs), decreasing interest income, and the improvement of liquidity conditions, stable capital adequacy, and moderate provision maintenance. Despite huge challenges faced by the Banking sector,

NRBC Bank passed another year of consolidation and compliance and, at the time, Bank exceeded the landmark Tk. 400.00 Crore Operating Profit. Apart from above, Expansion program of the bank continued to bring more people under modern banking facilities. Financial highlight of 2021 for considering Audited Financial Statement by the shareholders in the 9th AGM:



B1.0: Management of Liquid Asset

Effective liquidity management helps ensure a bank's ability to meet its obligations as they fall due and reduces the probability of an adverse situation developing. Banks are often evaluated on their liquidity, or their ability to meet short term obligations without incurring substantial losses. In either case, liquidity management describes the effort of investors or managers to reduce liquidity risk exposure. The decisive objective of liquidity management is to ensure maximum utilization of resources. If bank holds liquid assets more than industry

assets and liabilities management, cash management, and financial risk management. NRBC Bank treasury Division usually conform cash reserve requirements, ensure proper management of liquidity, and minimize interest rate risk on the Bank's statement of Financial Position.

The Table below depicts the scenario of steady growing of investment over the years. The table exhibits an upward movement of Investment In the year 2021. Total investment increased by 8.24 percent over the preceding year. Investment Increased to diversify the investment

Figure in million(BDT) unless otherwise specified

Year	2021	2020	2019	2018	2017
Liquidity Coverage Ratio(LCR)	132.83%	164.95%	131.89%	148.83%	109.30%
Net Stable Funding Ration (NSFR)	101.59%	101.13%	107.54%	113.80%	112.95%
Cash in Hand & Cash Equivalent	12,693	9,592.95	7,870.16	6,612.43	5,501.74
Cash Reserve Requirement (CRR)	4.00%	4.00%	5.50%	5.50%	6.61%
Cash to Deposit Ratio	7.09%	6.76%	8.12%	7.56%	8.71%
Balance –Other Banks and Financial Institutions	4,547.85	3,501.04	2,034.56	2,524.68	1,550.03

average then it is under utilizing its asset. If bank holds liquid assets less than industry average then it are taking too much risk. Liquidity management refers to holding liquid assets in such a way that will ensure proper utilization of asset and meeting short term obligation.

NRBC Bank holds of Tk.164.95 liquid assets against Tk.100 Short term obligation that shows the strength of the bank of meeting short term obligation. As per net stable funding ratio Bank hold enough stable funding to cover the duration of their long-term assets

According to MPD Circular No. 01 dated 03 April 2018 of Bangladesh Bank, Cash Reserve Requirement is 3.50% on daily basis and 4.00% on bi-weekly basis of Average Time and Demand Liabilities and, accordingly, NRBC Bank complied with it.

B2.0: Fund Management

Funds management is the overseeing and handling of a financial institution's cash flow. The fund manager ensures that the maturity schedules of the deposits coincide with the demand for loans. To do

Portfolio which will minimize risk and Maximize Profit. Ratio of Investment in Government Securities/ total Investment is 80.81 percent. Net Treasury Income appreciated by 5.48 percent in the year of 2021. Bank invests in Government Securities because of stable return and highly liquid nature of it.

B3.0: Loans and Advances

Loans and advance/Investments are the most substantial earning source of bank. Bank's Success is contingent upon the success of revenue generating ability of its loans & advance/investments. Bank's profitability depends on the asset quality, or on revenue generating ability.

Loans and Advance/Investments of Bank increased and stood at BDT 104,898.31million, which was BDT 74,835.73 million in preceding year. The table depicts and 40.17 percent growth of credit over that of 2020. The graph depicts an increasing trend of number of loan account over the five years period. Number of loan account increased by 44.27 percent in the year 2021 from the preceding year 2020.

Figure in million(BDT) unless otherwise specified

Year	2021	2020	2019	2018	2017
Total Investment	28,541.08	26,367.84	15,298.17	8,276.75	6,495.12
Investment In Govt. Securities	23,063.36	24,141.74	12,715.43	6,151.26	4,903.78
Ratio of Govt. Investment to Total Investment	80.81%	91.56%	83.12%	74.32%	75.50%
Net Treasury Income	3,572.61	3,386.85	1,486.06	877.88	1,236.00

this, the manager looks at both the liabilities and the assets that influence the bank's ability to issue credit. Fund management in Bank is primarily done by Treasury Management division which oversees five core areas: (a) asset liability management (ALM), (b) trading and hedging, (c) portfolio management, (d) funds transfer pricing (FTP), and (e) company-wide integration projects. The Treasury division focuses on its three core responsibilities, such as

Bank also achieved the target of SME, Women Entrepreneur Loan and Agricultural loan set by Bangladesh Bank. The Bank approved loan application on the basis of its merit, credit worthiness, security market reputation etc. This Prudential credit management team helps the bank to build a healthy assets portfolio and to attain quality growth.

Figure in million(BDT) unless otherwise specified

Year	2021	2020	2019	2018	2017
Loans & Advance/Investments	104,898	74,836	62,015	48,118	42,961
AD Ratio	86.82%	78.66%	82.54%	85.91%	93.07%
% of Large loan	34.89%	44.25%	44.70%	45.68%	43.20%
Number of loan Account	28,063	19,452	15,317	13,357	9,820



Figure in million (BDT) unless otherwise specified

Sector	2021	%	2020	%
Agricultural Industry	1,615.82	1.54%	503.58	0.67%
Textile	3,299.37	3.15%	2,396.79	3.20%
RMG	10,899.65	10.39%	9,256.04	12.37%
NBFI	872.82	0.83%	859.41	1.15%
Food	557.69	0.53%	-	0.00%
Beverage	584.17	0.56%	288.80	0.39%
Pharmaceutical	105.08	0.10%	10.27	0.01%
Chemical	-	0.00%	-	0.00%
Electrical	1,499.36	1.43%	929.21	1.24%
Construction	5,450.19	5.20%	3,316.22	4.43%
House Building Residential	4,965.87	4.73%	2,060.31	2.75%
Leather	666.65	0.64%	48.32	0.06%
Service Industry	6,525.09	6.22%	4,910.80	6.56%
Transport	280.44	0.27%	-	0.00%
Basic Metal	-	0.00%	-	0.00%
Capital Market	1,408.75	1.34%	800.84	1.07%
Car loan	0.05	0.00%	2.74	0.00%
Insurance	148.23	0.14%	120.08	0.16%
Consumer Finance	6,613.84	6.31%	3,441.13	4.60%
Printing	1,388.82	1.32%	238.86	0.32%
Ship Breaking	1,670.14	1.59%	1,011.35	1.35%
SME	33,784.97	32.21%	28,632.36	38.26%
Staff Loan	761.83	0.73%	639.65	0.85%
Steel	2,638.70	2.52%	1,497.13	2.00%
Trade Industry	9,337.29	8.90%	6,024.91	8.05%
Card	698.81	0.67%	713.67	0.95%
Other Manufacturing Industry	7,330.94	6.99%	6,335.89	8.47%
Others	699.11	0.67%	43.47	0.06%
Total	104,898	100.00%	74,835.73	100.00%

SME, RMG, Trade Finance and other manufacturing industry are prominent sectors where bank lends most of its loan-able fund. Bank diversified its loan portfolio by lending money in textile, service industry, consumer finance, and steel industry as well. Bank diversified its Asset portfolio and reduced dependency on corporate borrower by focusing on retail, CMSME, and Micro Sector. Corporate or Large Depositors and Borrower pose higher risk on Bank's Asset

B4.0: Deposits Mobilization through our network

Banking sector mobilizes deposit from surplus unit and deploy to deficit unit. Surplus economic unit deposits money in Bank. Deposit is, in fact, a liability item in the Balance Sheet, given that the bank does not own it. It retains the deposit of its customer as custodian. But truly speaking, it is the lifeblood of banking business and as such Bank accepts /procures deposits in two broad categories- Demand Deposit and Time Deposit. Deposit

Figure in Crore (BDT) unless specified otherwise

Division	Year							
	31 December, 2021		31 December, 2020		31 December, 2019		31 December, 2018	
Dhaka	76,884.60	73.29%	56,143.90	75.02%	34,809.80	72.34%	30,933.6	85.36%
Chittagong	11,162.90	10.64%	9,690.6	12.95%	8,038.9	16.71%	6,973.2	16.23%

Liability portfolio. Corporate customers are highly price sensitive and probability of default for corporate customers is higher as well. Bank intends to reduce its concentration risk by avoiding a single counter party of sector that poses higher risk on its Asset Liability Portfolio. Concentration risk primarily applies to the Asset Side of the Balance sheet. Bank emphasized on retail, CMSME, and Micro Sector to lend money through Branches and Sub Branches operating all over the country. Substantial Portion of the loans and advance/Investment Customers of NRBC Bank are from Dhaka and Chittagong division that pose a concentration risk on our total loan portfolio. Sub Branches opened in different area of the country mobilized Asset and reduced risk arising from investment from geographical concentration risk.

growth in the country's banking sector was 13.80 per cent in 2021, while the growth rate was 12.61 per cent in Shariah-based banks. As per Bangladesh Bank data Shariah based Banking is holding 27.00 percent of total Market share of total deposit. View to mobilizes fund from surplus economic unit and deploy those to deficit economic units, NRBC bank opened eight (10) new Branches, One Fifty Four (154) Banking Sub-Branches, One Thirty One (131) Micro Finance Sub Branches. Bank earlier opened Fifty Four (54) Banking Sub Branches, Two Hundred Seventy Six (276) Land Registry collection booths, Twenty Four (24) BRTA Collection Booths, and number of agent points to bring unbanked people in the banking channel in line with the notion of Financial Inclusion. Deposit of Bank and number of Deposit Account Increased by 27.39 percent and 49.75 percent respectively over that of preceding year. Deposit and Number of Deposit Account Increased significantly because of expansion of network, and mobilization deposit from individual savers instead of corporate savers.



Figure in million (BDT) unless otherwise specified

Year	2021	2020	2019	2018	2017
Deposits	120,826.81	90,177.26	71,857.90	54,083.28	45,236.44
Cost of Deposit	4.25%	5.53%	6.98%	7.27%	9.25%
Number of Deposit A/c	789,099	526,943	370,731	257,053	163,990
% of low cost deposit mixing (CASA)	48.61%	41.64%	35.22%	28.96%	29.08%

Cost of Deposit is one of the most dominant cost factors for Bank. It is the amount of Money that the Bank spent in order to acquire money to lend to its customers. Bank extended its network with a view to mobilizing Low/No cost Deposit or CASA deposit to bring the weighted Average Cost of Capital down. Bank made it possible by expanding its coverage in the area where people are not interest rate sensitive. In urban area, people are very much interest rate sensitive, but in rural area people are not behave the same. As the benediction of expansion Bank has been able to mobilized deposit at a relatively lower rate of interest that helped the bank to increase its profitability. A comparative position of Cost of Deposit (CoD) is shown below:

which helps NRBC Bank to overcome the image crisis, faced by the bank in 2017.

The Higher the portion of Low/No Cost Deposit in the Deposit basket, the Lower will be the Cost of Deposit (CoD), the higher will be the spread between Yield on Advance (YoA) and Cost of Fund(CoF). In the year 2019, Portion of Low/No Cost Deposit in the Deposit Mix is 35.22 percent but by grabbing the untouched Market bank mobilized deposit relatively at a lower rate and Bank ended the year 2021 with 48.61 percent No/Low Cost Deposit of its Deposit Portfolio

A comparative scenario of Deposit Mix of the Last three years is given below:

Particular	2021	2020	2019
No Cost Deposit	23,412.91	11,990.42	9,437.35
No Cost as % of Total Deposit	15.20%	13.30%	13.13%
Low Cost Deposit	38,379.73	25,558.33	15,870.96
Low Cost as % of Total Deposit	33.41%	28.34%	22.09%
Total No Cost & Low Cost Deposit	55,840.72	37,548.74	25,308.21
No Cost & Low Cost Deposit as % of Total Deposit	48.61%	41.64%	35.22%
High Cost Deposit	59,034.21	52,627.45	46,549.55
High Cost Deposit as % of Total Deposit	51.39%	58.36%	64.78%
Total Deposit	120,826.81	90,177.26	71,857.90

Growing number of accounts takes banks closer to people. Although there is no clear data on the number of unbanked people in Bangladesh, different research hints that more than 40 percent of the population remains out of the formal financial system. NRBC Bank focused on this untouched market and expanded its network to bring the banking services at the doorstep of the said Segment. Number of accounts has been on the rise in the last few years. Number of Accounts increased by 52.11 percent in the year 2021 over that of preceding year and by 378.18 percent over that of year 2017. More and more people are getting closer to the Banks with the increasing the Number of Accounts

High Cost deposit is 44.97 percent of total Deposit Mix. High Cost Deposit is gradually decreasing and No/Low cost Deposit is increasing. In the year 2020, Time Deposit (FDR & Scheme) was 48.69 percent of total deposit, but in the 2021, Time Deposit (FDR & Scheme) reduced to 44.97 percent. Time Deposit is gradually decreasing and Demand deposit is increasing in the Deposit mix over the years, which reduces the Cost of Deposit, Cost of Fund, and increase profitability.

Particular	2021	%	2020	%
Current Deposit	136,817.74	11.91%	7,936.30	8.80%
Savings Deposit	120,755.96	10.51%	7,362.80	8.16%
Short Notice Deposit	119,413.82	10.40%	9,465.93	10.50%
Fixed Deposit	286,309.10	24.92%	15,096.81	16.74%
Deposit Under Scheme	230,263.81	20.04%	28,812.64	31.95%
Others	261,140.5	22.21%	21,502.78	23.85%
Total	120,826.81	100.00%	90,177.26	100.00%

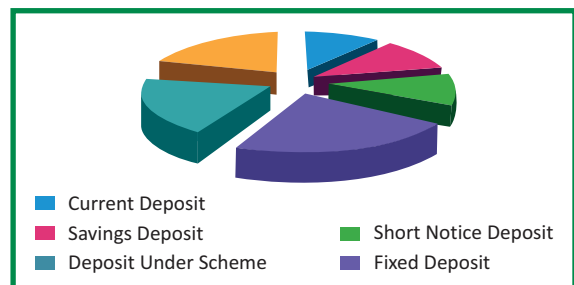


Figure in million (BDT) unless otherwise specified

Particular	2021	2020	2019	2018	2017
Shareholder Equity	11,808.62	9,797.5	8,189.94	7,047.61	6,410.80
Regulatory Capital	16,069.33	10,391.2	8,907.26	7,357.66	6,780.60
NAV (Tk.) per share	16.01	16.82	14.36	13.71	13.00
Capital Surplus/(Deficit)	1,133.97	16.5	514.57	1,130.82	1,164.20
Risk Weighted Assets	119,482.86	82,997.7	66,462.20	52,565.30	49,922.70
Capital Adequacy Ratio	13.45%	12.52%	13.40%	14.03%	13.58%
Capital - Core (Tier I)	11,080.48	8,594.2	7,883.21	6,778.83	6,235.40
Capital - Supplementary (Tier II)	4,988.85	1,797.0	1,024.04	592.83	545.1



B5.0: Net Assets Value to the shareholders

Shareholders' equity represents the net worth of a company, which is the amount that would be returned to shareholders if a company's total assets were liquidated and all of its debts repaid. This financial metric is frequently used by analysts to determine a company's general financial health. Equity and capital are growing consistently over the years. In the 9th AGM, the shareholder approved 7.50 percent stock dividend and 7.50 percent cash Dividend recommended by the Board of Directors. Consistent Increasing Trend of equity, capital and Net Asset Value (NAV) of the bank reflect its financial Strength of the bank.

Bank has maintained Capital Adequacy Ratio of 13.45 percent which is higher than minimum capital requirement for the year 2021 which is above of BASEL Minimum Capital requirement 12.50 percent of Risk weighted Assets (RWA). This Minimum Capital Requirement (MCR) is the protect depositor Interest and to ensure stability and efficiency of Financial System.

B6.0: Economic Value Added (EVA)

EVA measures the company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit, adjusted for taxes on a cash basis. EVA is used to measure the value a company generates from funds invested in it. If a company's EVA is negative, it means the company is not generating value from the funds invested into the business. Conversely, a positive EVA shows a company is producing value from the funds invested in it.

The table depicts that EVA is gradually increasing over the years. NRBC Bank is producing value for the fund invested in it. If the fund invested in Bank, invested in Government Securities (Savings Certificate) at the 11.0 percent with 2.0 percent risk premium, return generated at the rate 13.0 percent is lower that return generated by the bank, eventually Bank generates positive and gradually increasing Economic Value Added (EVA).

Figure in million (BDT) unless otherwise specified

Economic Value Added (EVA)				
Particular	2021	2020	2019	2018
Invested Fund by the shareholders				
Shareholders' Equity	11,808.62	9,797.54	8,189.94	7,047.61
Add: Cumulative Provision for Loans/ Investment/ Off Balance Sheet Exposures/ Offshore Banking Units & Others	3,951.27	2,899.23	1,207.67	1,326.32
Total Invested fund by the Shareholders	15,759.89	12,696.77	9,397.61	8,373.93
Average Invested fund by the shareholders (A)	14,228.33	11,047.19	8,885.77	7,860.39
Earnings for the year				
Profit after Taxation	2,083.94	1,342.83	1,148.26	934.34
Add: Provision for Loans/Investment, off balance sheet items and offshore banking units	3,002.42	1,028.27	544.64	326.88
Less: Written off during the year	-	-	-	-
Earnings for the Year (B)	5,086.36	2,371.10	1,692.90	1,261.22
Cost of equity (On the basis of the weighted average annual rate for Savings Certificate (SC) plus 2% risk premium)[C]	13%	13%	13%	13%
Cost of Average Equity (D= A X C)	1,849.68	1,436.13	1,155.15	1,021.85
Economic Value added (B-D)	3,236.68	934.96	537.75	239.37

Net Assets Value (NAV) per share reaches at Tk.16.01 per share. Consistent Increase of equity and Capital augment Net Asset Value (NAV)/Share and Investors consider the Bank Worthwhile for Investment.

The table shows a climb in Equity, Capital and Risk Weighted Assets by 20.53 percent, 54.64 percent and 43.96 percent respectively. The Bank also maintained the incremental growth of the Risk Weighted Assets by ensuring diversification of the portfolio in SME, Micro Credit, Retail and Corporate segments.

B7.0: Comparative Financial Metrics

Banks perform various types of transactions and activities to support their banking business. These transactions may include making or accepting payments, trading, clearing and settlement of accounts, and custody. The key operational activities include Acceptance of Deposits, Lending of Funds, Clearing of Cheques, Remittance of Funds, Lockers & Safe Deposits, Bill Payment Services, Online Banking, Credit & Debit Cards, Overseas Banking Services, Wealth Management, Investment Banking, and Social Objectives. Banking

Figure in million (BDT) unless otherwise specified

Particulars	2021	2020	% Change	2020	2019	% Change
Total operating income	8,097.16	6,300.05	28.53%	6,300.05	4,810.69	30.96%
Total operating expense	4,042.70	3,232.06	25.08%	3,232.06	2,223.55	45.36%
Operating profit (Profit before provision and tax)	4,054.46	3,068.00	32.15%	3,068.00	2,587.14	18.59%
Profit before tax for the year (PBT)	3,002.42	2,039.73	47.20%	2,039.73	2,042.51	-0.14%
Tax provision	918.48	696.90	31.79%	696.9	894.24	-22.07%
Profit after tax (PAT)	2,083.94	1,342.83	55.19%	1,342.83	1,148.26	16.94%
Earnings per share (EPS)	2.83	1.82 (Restated*)	55.49%	1.82 (Restated*)	1.55 (Restated*)	17.41%
Cost income ratio	49.93%	48.70%	1.23%	51.30%	46.22%	5.08%
Return on investment (ROI)	20.83%	15.28%	5.55%	16.11%	15.04%	1.07%
Return on assets (ROA)	1.68%	1.34%	0.34%	1.42%	1.47%	-0.04%

*Restated by no. share 737,642,848 outstanding as of December 31, 2021 for comparative analysis



operation involves, the legal transactions executed by bank in daily business such as mobilizing fund, providing loan, mortgage and investment, depending on the focus and size of the bank. In other word practice and procedure that bank use to ensure customers transaction are completed accurately and appropriately. Income of bank is generated from four (04) main sources, which Income from loans and advances, Investment Income, Commission and fee based Income, and other operating income. Expenditure can be categorized into two (02) categories, which are interest paid on deposit and borrowings and operating expenses. The table shows some indicators to compare the performance of the bank between two periods

The table depicts that operating income of the bank increased by 25.08 percent and Operating Profit increased by 32.15 percent. Though operating expenses increased by 25.08 percent but proportionate increase in operating income is higher than proportionate increase in operating expenses. Profit before tax for the year (PBT) increased by 55.19 percent due lower amount of provision maintained for degradation of Asset Quality, eventually Bank ended the year with higher Earnings per share (EPS), Return on investment (ROI), and Return on assets (ROA).

B8.0: NRBC Group's Performance Versus NRBC Bank's Performance

NRBC Group Consists of NRBC Bank Limited and NRBC Bank Securities Limited is a subsidiary of NRB Commercial Bank Limited. NRBC Bank is operating all over the country through its 83 branches, 202 Banking Sub Branches, 131 Micro Finance Sub Branches, 24 BRTA Collection Booth, & Sub-registry booth and three (03) strategic agent banking partners who have 567 sub-agent points all over the country. Expansion of Network positively contributes to the mobilization of deposit, resulting in the creation of credits by the banking system. Branch expansion means creation of future market for banks, tapping the untouched market where opportunities exist to grow or prosper. NRBC Bank has taken an all-out effort to position the bank as mid-sized player in the industry in line with its slogan "Building Market Share". Bank expanded its area of operation from Conventional Branch Banking to Sub Branch Banking. Bank started Micro Finance Banking together with SKS Foundation to bring unbanked people under the umbrella of NRBC Bank, moreover to

ensure its existence in every corner across the country. It is working to create employment opportunities and promote economic Growth of the country.

NRBCBSL offers stock brokerage services to local and international institutions and retail clients. It especially provides one-stop services to Non-resident Bangladeshis (NRB). To ensure client's satisfaction; NRBCBSL is always one step ahead and ready with state of the art technology and innovative services. Prioritizing information infrastructure NRBCBSL wants to lead from the front when it comes to value investing, algorithmic trading and predictive analysis in Bangladesh Capital Market.

Interest Income and investment income of the group increased significantly and Interest Expenses decreased pointedly. As a result operating profit of NRBC Group is increased by 40.58 percent over the preceding year and profit after tax increased by 64.93 percent. Operating profit of NRBC Bank Increased by 32.15 percent and Profit after tax increased by 55.19 percent over that of preceding year. Cost Income Ratio decreased and reached at 48.61 percent because operating expenses of the bank increases due to expansion of network all around the country.

Net Asset Value of the NRBC Group is 16.25 per share, whereas Net Asset Value of NRBC Bank is 16.01 per share. NRBC Bank holds 98.26 percent of the group consolidated Balance Sheet.

Return on Equity (ROE) increased and stood at 20.83 percent and Return on investment (ROI) decreases and reaches at 1.68 percent. Upward trend in Return on Asset (ROE) and Return on equity (ROE) reflects proper utilization of bank's asset and Equity. Increasing Net Assets Value (NAV)/Share reflects increased net worth of the bank. The higher Earnings per Share (EPS) exhibit the higher profitability/ share of the bank.

B9.0: NRBC Group's Performance versus NRBC Subsidiary's Performance

The Contribution NRBC Bank Securities is performing better gradually. Group performance of NRBC and its Subsidiary Company NRBC Bank Securities limited is tremendous, according to consolidated financials of NRBC Bank Limited on 31 December 2021. NRBC Bank and NRBC Bank

Figure in million (BDT) unless otherwise specified

Particular	Group			NRBC Bank Ltd		
	2021	2020	Change (%)	2021	2020	Change (%)
Interest Income	7,983.72	6,639.51	20.25%	7,902.90	6,620.95	19.36%
Interest Expenses	4,569.46	4,923.93	-7.20%	4,569.46	4,923.93	-7.20%
Investment Income	3,602.14	3,595.20	0.19%	3,521.19	3,586.65	-1.83%
Non-Interest Income	1,465.41	1,059.29	38.34%	1,242.53	1,016.38	22.25%
Non-Interest Expenses	4,123.11	3,269.63	26.10%	4,042.70	3,232.06	25.08%
Total Income	13,051.27	11,294.00	15.56%	12,666.62	11,223.98	12.85%
Total Expenses	8,692.57	8,193.56	6.09%	8,612.16	8,155.99	5.59%
Operating Profit	4,358.70	3,100.44	40.58%	4,054.46	3,068.00	32.15%
Provision for Loans and Others	1,077.12	1,008.38	6.82%	1,052.04	1,028.27	2.31%
Profit Before Tax	3,281.58	2,092.06	56.86%	3,002.42	2,039.73	47.20%
Provision for Tax	998.08	707.53	41.07%	918.48	696.90	31.79%
Profit After Tax	2,283.49	1,384.53	64.93%	2,083.94	1,342.83	55.19%
Cost income ratio	48.61%	51.33%	-2.72%	49.93%	51.30%	-1.37%
Return on Equity (ROE)	20.83%	15.28%	5.55%	20.83%	15.28%	5.55%
Return on assets (ROA)	1.68%	1.34%	0.34%	1.68%	1.34%	0.34%
Cost of Deposit	4.25%	4.95%	-0.70%	4.25%	4.95%	-0.70%
Net Assets Per Value	16.25	16.88	-3.73%	16.01	16.82	-4.82%
Earnings Per Share	3.07	2.37	29.50%	2.83	2.31	22.55%



Securities limited contributed in group profit by 93.02 percent and 6.98 percent respectively. Operating Profit and Net Profit after tax increased by 838.30 and 378.73 percent respectively. Balance sheet size of NRBC Securities increases by 79.65 percent which comprises 1.74 percent of group Balance sheet

Operating Profit Margin and Net Profit Margin increased by 4.49 percent and 4.67 percent respectively over those of preceding year. The table exhibits a declining trend in asset turnover ratio and upward trend in case of financial leverage/Equity multiplier.

Figure in Million (BDT) unless otherwise Specified

Particulars	2021			2020		
	NRBC	Subsidiary	Consolidated		NRBC	Subsidiary
Consolidated Cash in Hand & at Bank	12,735.02	10.02	12,745.04	9,592.95	196.48	9,473.47
Investment	28,541.08	340.43	28,881.51	26,367.84	359.36	26,727.20
Loan & Advances	104,898.31	2,000.29	105,490.58	74,835.73	848.30	74,887.43
Fixed Assets	1,828.38	9.42	1,837.80	835.06	5.85	840.91
Others Assets	5,443.98	252.36	5,335.02	4,854.04	86.71	4,579.46
Borrowing	7,287.22	1,662.97	7,542.17	4,133.97	-	4,133.97
Deposits	120,826.81	106.86	114,947.26	90,177.26	213.00	90,074.31
Other Liabilities	16,581.67	317.76	-	12,511.64	45.40	12,555.75
Shareholder Equity	11,808.62	3.15	11,989.74	9,797.54	44.17	9,879.24
Balance Sheet Size	153,552.38	2,688.84	154,437.41	116,620.41	1,496.70	116,643.27
Operating Profit	4,054.46	304.24	4,358.70	3,068.00	32.42	3,100.44
Profit after Tax	2,083.94	199.55	2,283.49	1,342.83	41.68	1,384.53

The table exhibits the nominal contribution of subsidiary's contribution to the group. Components of statement of financial position and statement of profit and loss indicates nominal role to the consolidated financial statements. Size of balance sheet is only 1.74 percent of NRBC Bank limited. Loans & Advance, Equity, and operating profit are 1.90, 0.03 and 6.98 percent respectively of group Consolidated Financial Statements.

Efficiency of utilization of total assets turnover decreased compared to 2020 due to lower yield of Loans & Advance/Investment and deterioration of quality of loans & Advance. Bank is highly levered firm and financial leverage/equity multiplier increased by 10.09 percent but Bank is capable of paying its interest payment against the deposit mobilized by the Bank.

Figure in million (BDT) unless otherwise specified

Particulars	2021	2020	2019	2018	2017
DuPont	18.52%	14.16%	14.62%	12.38%	15.31%
ROE (Shareholder Return)	20.83%	15.28%	15.04%	13.88%	15.30%
Net Profit margin	16.45%	11.96%	12.30%	12.68%	13.92%
Total Asset turnover	0.0938	0.1086	0.1188	0.1186	0.1201
Financial Leverage/Equity multiplier	12.0034	10.9030	10.0035	8.2316	9.156
Tax effect	69.41%	65.83%	56.22%	59.73%	66.46%
Operating Profit Margin	32.01%	27.33%	27.70%	25.79%	27.60%

B10.0: Multiplier Analysis

DuPont analysis is a useful technique used to decompose the drivers of return on equity (RoE). Investor can use DuPont analysis to compare the operational efficiency of Banks. It is important to determine the factors have an effect on the profitability.

B11.0: Trend Analysis of Financial Performance of five Year (05) years

Almost all the financial indicators show an increasing trend over the previous period. Operating profit, profit before tax, and profit after tax show increasing movement over five (05) year period.

Figure in Million(BDT) Unless otherwise Specified

key operating and financial data	2021	2020	2019	2018	2017
Loans & Advances	104,898.31	74,835.73	62,015.02	48,117.78	43,000.28
Deposits	120,826.81	90,177.26	71,857.90	54,083.28	45,236.44
Equity	11,808.62	9,797.54	8,189.94	7,094.31	6,410.80
Balance Sheet Size	153,552.38	116,620.41	90,118.08	67,142.86	57,529.35
Total Contingent Liabilities & Commitments	53,600.42	35,483.89	27,408.20	19,455.25	16,591.43
Import	42,370.77	30,579.76	332,206.16	26,229.88	24,786.54
Export	30,652.26	28,070.50	292,160.01	25,091.91	22,459.69



Figure in Million(BDT) Unless otherwise Specified

key operating and financial data	2021	2020	2019	2018	2017
Remittance	10,820.93	4,089.41	20,938.62	996.19	399.3
Operating Profit	4,054.46	3,068.00	2,587.14	1,889.26	1,841.92
Profit Before Tax	3,002.42	2,039.73	2,042.51	1,562.38	1,397.82
Profit After Tax	2,083.94	1,342.83	1,148.26	934.34	928.94
Earnings Per Share	2.83	2.31	2.01	1.82	1.89
Diluted Earnings Per Share	2.83	1.96	-	-	-
Capital - Core (Tier I)	11,080.48	8,594.24	7,883.21	6,778.83	6,235.42
Capital - Supplementary (Tier II)	4,988.85	1,796.99	1,041.54	592.83	545.13
Total Capital	16,069.33	10,391.24	8,979.65	7,371.66	6,780.55
Capital Surplus/(Deficit)	1,133.97	16.53	514.57	1,130.82	1,137.39
Statutory Reserve	2,467.27	1,866.79	1,458.84	1,050.34	737.87
Retained Earnings	1,879.43	1,294.95	1,015.13	841.32	730.51
Capital Adequacy Ratio	12.52%	12.52%	13.27%	14.03%	13.52%
Cost income ratio	49.93%	51.30%	46.67%	49.15%	47.76%
Return on investment/Equity (ROI/ROE)	20.83%	15.28%	15.04%	13.89%	15.30%
Return on assets (ROA)	1.68%	1.34%	1.47%	1.50%	1.67%
Cost of Deposit	4.25%	4.95%	6.98%	7.27%	6.47%
Loan Deposit Ratio	86.82%	78.66%	82.54%	85.91%	92.18%

All the indicators of statement of financial position such as loans& Advances, deposit, equity and balance sheet size reflects positive growth over the previous year, that exhibits the strength of NRBC Bank limited. Indicators of income, expenditure, profit, Earnings per Share (EPS) reflect positive trends over the five year period. Loans & advance, Deposits, Equity, and Balance sheet Size increased by 40.17 percent, 27.39 percent, 20.53 percent, and 31.67 percent respectively.

Return on Asset (RoA) and Return on Equity (RoE) increased significantly. Indicators measuring regulatory capital such as Tier-1 & Tier-2 Capital of the bank are rising gradually and bank has adequate capital surplus. Credit is growing by maintaining credit Deposit ratio set by the regulator. Management is very much concerned about Non Performing Loan (NPL) and a task force has been formed to curve down the NPL. The Board of Directors oversees the Non-Performing loan (NPL) position regularly and provides necessary directives.

B12.0: Foreign Trade Operation

NRBC Bank export finance includes working capital to import/ procure raw materials and settlement of export bills. Export financing

technique includes Back to Back Letter of Credit, Export time loan, Export Cash Credit Hypo, overdraft, EDF Loan, FDBP, Loan against accepted bills, and IDBP

NRBC Bank Import finance includes Import Pant & Machineries, Raw Material, Trading Goods, Spare & Parts and all permissible item manufacturing trading, service industry and users, and pay Import duty. Bank is receiving Foreign Remittance through Western Union, Xpress Money, Ria, Placid Express and Moneygram in a simple and faster way. All the branches of NRBC Bank and its Agent Banking points are now capable to receive Foreign Remittance instantly through online from any countries of the world.

A snapshot of Export, Import and remittance of Bangladesh over the year:

The table depicts import and export increased by 38.56 percent and 9.20 percent respectively as the economy is recovering from economic crisis exacerbated from by the closure of limited operation of business during the lockdown at home and abroad. Remittance grew up by 164.61 percent which helped the economy to absorb the after COVID shock that stir up from pandemic situation.

Figure in Million(BDT) unless otherwise Specified

Particulars	2021	2020	2019	2018	2017
Import	42,371.00	30,579.76	33,220.62	26,229.88	24,786.54
Export	30,652.00	28,070.50	29,203.89	25,091.91	22,459.69
Remittance	10,821.00	4,089.41	2,093.86	997.65	447.01
RMA	171	175	170	160	152
NOSTRO-Account	21	13	12	13	12
Foreign Remittance Sub-Agencies	9	7	4	5	5



Review of operations of NRBC Bank in 2021

The Directors' Report contained NRBC's insight Department activities for achieving global target of the Bank through our network all over Bangladesh to create success history of landmark Tk.4000.00 million operating profit in 2021.

Micro Finance Division

At the late 2020, NRBC create a new Micro Finance Division to extend small loans to the poor people for the purpose of developing them as self-reliant who ultimately help to increase per capita income as well as increase the GDP of our country. The progress of the microfinance operations has been gradually increasing through launching Micro Credit Programs in the name of: NRBC Deshgori, NRBC Karigor, NRBC Sonalidin, NRBC Sopnonir, NRBC Probashir Shasti, NRBC Proyojon. NRBC has played a pivotal role in the movement of microcredit by disbursing loan in single digit and it has made a good demand for especially to those customers who usually borrow loan from NGOs at higher rate of interest. To accelerate this microfinance banking services among unprivileged poor people of the country, the bank signed a Memorandum of Understanding (MOU) with a renowned local NGO, SKS Foundation, and introduced Partnership Banking Model in the name of SKS-NRBC Partnership Program. Already there are 131 Partnership Sub-Branches have been started its full banking services as well as microcredit financing. These Partnership Sub-Branches have also disbursed Tk.70.78 Crore other Microcredit Loan Products of NRBC Bank. Moreover, all the branches and sub-branches throughout the country have started the Micro Credit Program and Performance of this program is noteworthy which may conclude as shown in figure.

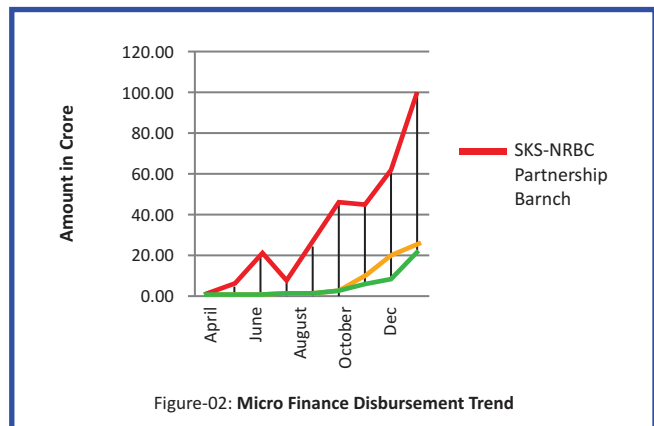
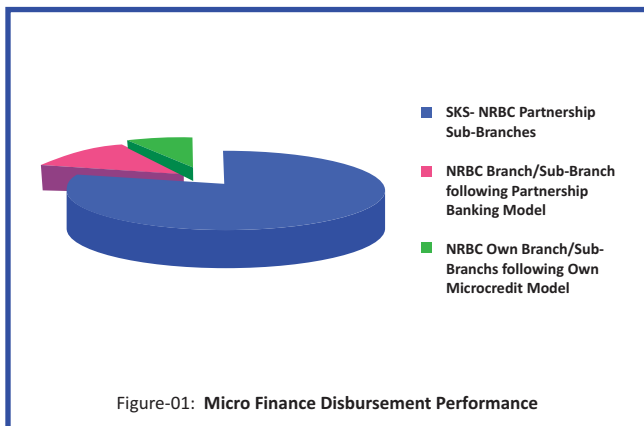
regarding unsecured credit extended to the marginalized people with low interest. After compliance of all formalities, he got Micro Credit of Tk. 5.00 lac from Professor Colony Sub Branch, Gaibandha for purpose of soil mixture machine and raw soil in dry season as working capital.

His businesses expand rapidly within few days and he supplies the pottery across the country. Present Makka Pottery has created employment of 30 people out of which 7 are women.



Mr. Mahidul Islam success story telecast on Television

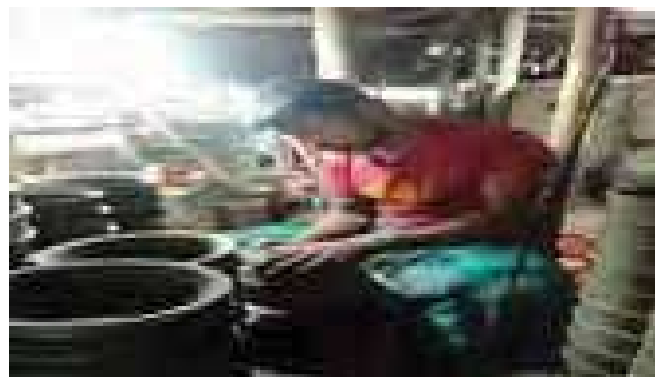
Branch Category	Nos. of Branches under Micro finance Program	Nos. of Loan Disbursed	Disbursed amount (Taka)
Micro finance Sub branch-NRBC Partnership Sub-Branches	110	8584	313.97 Crore
NRBC Branches following Partnership Banking Model	36	1202	55.09 Crore
NRBC Branches following NRBC Microcredit Model	80	1214	39.07 Crore
Total	226	11000	408.13 Crore



Self-Employment success history under Micro Finance Program:

Mr. Mahidul Islam tried to do various businesses but couldn't cope up such business. Finally he went to abroad but fate yet to change and lastly came back to own Basudebpur village. In 2018, he took training from BSCIC on Pottery and starts his business in the Name of **Makka Pottery** with capital of Tk. 7.00 lac having 4 staff.

After few days back, his fame spreads around everywhere of that locality and getting orders from various organizations. Lack of working capital and soil mixture machine, he could not expand his business as expected. View such finance; He was roaming around door to door of that locality as well as applied to various banks for an unsecured loan but in failed. At last, he got in touch with a field officer of NRBC Bank



Mr. Mahidul Islam working in his pottery



Retail Banking & Business Development Division (RBBDD)

RBBDD is playing a vital role in the running triumph of NRBC Bank as a fastest growing financial organization since started its journey in September 2018. The division is doing so through identification of best satisfying customer's financial requirement and offering both conventional & customized credit facility with competitive & customer friendly features to entertain the requirements.

It was very challenging to launch and mark the retail footprint in a corporate customer oriented organization in that time where all the Branches were involved in corporate banking (asset part) and as such most of the operations unit in head office had no attachment in dealings with retail clients.

In 2019, the first year of retail operations in this Bank, we successfully marked retail footprint in the market. We utilized the year to make the branch and other operations units acquainted with retail strategy, structuring the division and branding our retail products.

Our greatest achievements in 2019 were to educate the branches on retail banking, formation of separate Credit Team, formation of Recovery unit, employing Sales force and branding the retail products

At the end of 2021, in just 3 years time of inception, the Division shares almost 10% of the Bank's asset portfolio with quality on-boarding of clients. The secured/unsecured holding of the portfolio is also satisfactory.

Portfolio	Secured	Unsecured	Classified %
903 Crore	64.07%	35.93%	0.13%

Snapshot of Retail Asset Portfolio at the end of 2021



Card Operations

- One of the Major Organs of Retail Banking
- Started Journey in July 2013 with Proprietary Card
- Debit, Credit & Prepaid Card launched in April 2014
- Started operations under Retail Division in 2018
- Operating through third party technical support from ITCL
- Introduced CDM (Cash Deposit Machine) and CRM (Cash Recycling Machine) in ATM Operations

Business of RBBDD's

Particulars	2019	2020	2021
Outstanding	114 Crore	268 Crore	608 Crore
Growth by year	-	135%	127%
Loan Clients	1,009	1,936	5,280
Secured Ratio	67:33	66:34	62:38
Classified Ratio	0.04%	0.09%	0.13%

under the belt of NRBC bank. Although the journey was at initial stage, we on-boarded 1009 retail asset clients having outstanding balance of BDT 114 crore at the end of 2019.

In 2020, we kept open our new business and on-boarded 700+ asset clients during April'20 to June'20 under customized loan product namely "Emergency Plus" when the market was shut down. Fighting with Covid-19, we closed the year with retail portfolio of BDT 349 Crore.

In 2020, despite the impact of Covid-19 and subsequent sluggish mode of country's banking sector, Retail division end the year with outstanding balance of BDT 349 crore counting 2516 retail asset clients. The biggest success in 2020 was keeping the retail business open during lockdown period (April'20 to June'20) by introducing customized retail loan product on 18th April'2020 namely "Emergency Plus". During the lockdown time where all the financial organizations postponed their new business, we disbursed BDT 37 crore of loan to 700+ clients under this new product.

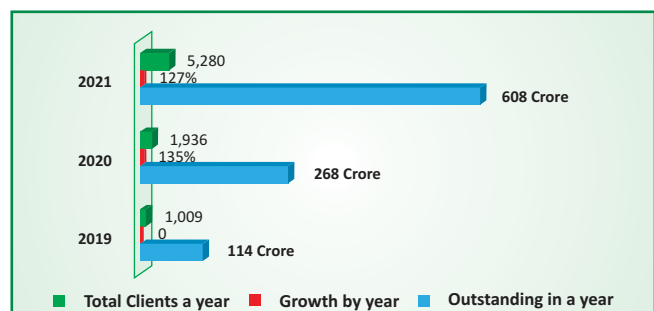
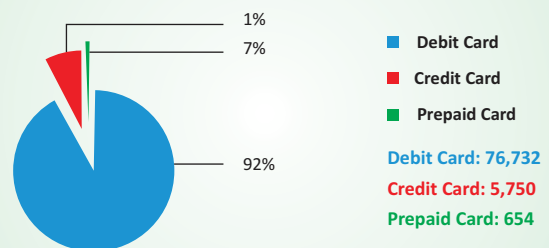
By 2021, Retail business strengthened its basement and captures 10% share of total asset base of the Bank in just 3 years time. In this year the Division introduces Automation in Loan processing system & ATM Operations and closed the year with BDT 903 Crore.

2021 was a great year for us as we success-fully constructed the basement of Retail Banking in NRBC Bank with asset client base of 7,322 and retail as-set portfolio of BDT 903 Crore. This is also a year of Automation as Bank launched CRM (Cash Recycling Machines) in our ATM operations site and introduced LPS (Loan Processing System) in our Retail Credit Operations.

RBBDD's Products

Segment	Product Name
Home Loan	NRBC Home Loan
	NRBC Mortgage Credit
	NRBC Commercial Construction
	NRBC Interest Preferred Home Loan
Auto Loan	NRBC Auto Loan
	NRBC Commercial Vehicle Loan
	NRBC Bike Loan
Personal Loan	NRBC Life Style Loan
	NRBC Education Loan
	NRBC Equitable Mortgage
	NRBC Teacher's Life Style Loan
Business Loan	NRBC Business Loan-SE

Synopsis of Existing Cards at 2021



International Division

International Division (ID) facilitates for creating necessary atmosphere for NRBC's Branches to deal with foreign trade and foreign remittance. The Division performs as a hub for its Branches providing support in multidimensional domains like arranging AD Licenses, exchanging RMAs, opening Nostro accounts, arranging international lines of credit, reconciling transactions of Nostro accounts, fund management, facilitating Offshore Banking business, processing EDF loans and cash incentive against export, ensuring

Import	2020	2021	Growth
No. of LC	9969	10160	
Value in USD (Million)	360.13	497.12	38%
Value in BDT (Million)	30,579.76	42,370.77	

Export	2020	2021	Growth
No of Bills	11819	12976	
Value in USD (Million)	343.62	365.88	7%
Value in BDT (Million)	28,070.5	30,652.26	

Inward Remittance	2020	2021	Growth
No of Remittance	11412	24763	
Value in USD (Million)	43.6	124.17	185%
Value in BDT (Million)	3,842.76	10,492.1	

Outward Remittance	2020	2021	Growth
No of Remittance	864	1031	
Value in USD (Million)	2.94	3.9	33%
Value in BDT (Million)	246.65	328.83	

international standard compliance in trade-finance, maintaining smooth environment/operation of SWIFT, Managing trade-finance of Non-AD Branches/Sub-Branches etc. ID provides support, monitors and supervises activities of our Branches and maintains required overseas connectivity related to cross border trade-finance and remittance as a whole.

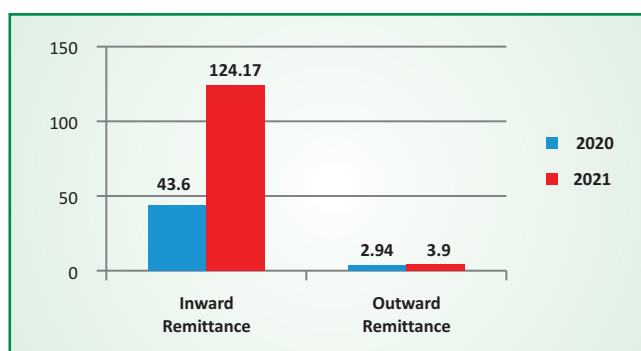
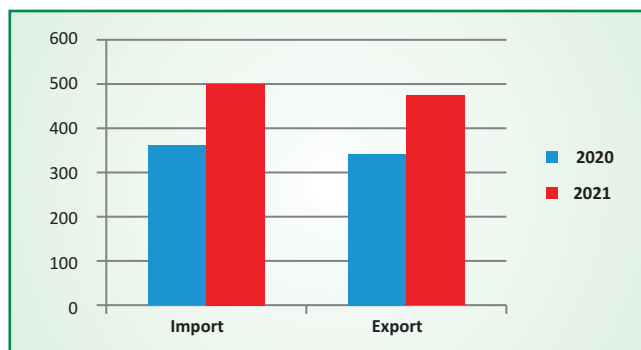
Offshore Banking Unit (OBU) under ID

Aspiration of cross broader transaction, NRBC established two Offshore Banking at Gulshan Unit on 25 January 2021 and Agrabad Unit on 23 February 2021 followed on Bangladesh Bank approval vide # Ref: BRPD (OB)/744(128)/2020-7786 and BRPD(OB)/744(128)/2020-7795 dated 22 September 2020.

OBU Business Activities in 2021:

UPAS Letter of Credit is the major focus of our Importers since they are cost effective and business friendly payment mechanism. NRBC's Offshore Banking units mainly discount Import and Export bills of our

Correspondent Relationship: Presently NRBC Bank maintained 21 Nostro accounts with different well known banks of the world. During the year of 2021, NRBC Bank opened Nostro account in JPY with Mizuho Bank Ltd., Tokyo, Japan which is one of the G-SIBs in the world. At the same time, the Bank opened 05 more Nostro accounts with Zhejiang Chouzhou Commercial Bank Co.,Ltd., Zhejiang, China and Sonali Bank (UK) Limited, London, UK in different currencies. Besides, NRBC Bank maintained RMAs with 171 FIs across the globe at home and abroad.



Arrangements for Inward Foreign Remittance: Presently NRBC Bank had sub-agency arrangement with 09 renowned international money transfer services and 01 direct drawing arrangement.

Compliance Tools: NRBC Bank uses SWIFT Sanction Screening, Banker's Almanac, World Check, Lloyds List Intelligence tools for ensuring compliance in correspondent banking and cross-border trade-finance.

esteem customers. OBU is offering market competitive interest rate for Import and Export bill discounting. To implement our vision, OBU is top touch with countries apex industries as well as our correspondent abroad.

OBU Plan for 2022: In 2021, OBU focused on Import and Export bill discounting of our own customer. In forth coming years, OBU plan is to invest in Export Processing Zones (EPZ), Economic Zone (EZ) and Hi-tech parks. At the same time, Bank is searching for long term financer so that OBU may participate in the syndicate financing as a long term investment.

Business Segment	Types	Fig in USD	Fig in BDT
Import Bill Discounting	165 no. of UPAS LC Booked	69.75	5,984.55
	169 no. of Import Bill Discounted	35.31	3,029.60
Export Bill Discounting	91 no. of Export Bill Discounted	2.88	247.104
Borrowing for OBU Business	Financing From Foreign Banks	8.3	712.14
	Financing From Local Banks, OBU	15	1287
	Financing From NRBC-Treasury	22.05	1891.89



“Al-Amin” Islamic Banking

The popularity of Islamic Banking has been on a rising trend not only in our Country but also across the world. In the recent years Islamic Finance experienced fast track growth as evidenced from the report of IMF mentioning the growth rate around 15%-20% annually.

The people of our country are deeply committed to Islamic way of life on enshrined in Holy Quran and the Sunnah. Increasing pace of customer awareness and interest to Islamic Banks for financial products in the local market opens a wide era for entering into the Islamic Banking sector and this is the high time to grab the market.

In the face of the emerging demand a good number of Islamic Banks are in operation, while some conventional banks had made wholesale conversion into Shariah based Islamic Banking. Besides, a good number of Conventional Banks have started Islamic Banking operations by opening separate windows/wings and branches.

To keep this point in mind for providing the best level Islamic Banking & Financial products to the client of NRBC Bank commenced its historic Islamic banking operation through 8 of its Windows since 20 January, 2020. Afterwards, on February 08, 2021 the Bangladesh Bank has given

Banking is nothing but a post facto expression of the respective agreed sharing ratios. “Al-Amin Islamic Banking” profit rate is an output based on the Bank’s earning from various Shariah based investments.

Major Products of our Al-Amin Islamic Banking: “Al-Amin Islamic Banking” developed significant number of Islamic Banking Products, Policies & relevant forms/formats to accelerate our Islamic Banking activities more prudently.

Deposits are mobilized from clients under two principles of Sharaiah i.e. i) Al-Wadiah principle ii) Mudaraba principle.

Al-Wadiah Principle: Fund which is deposited with Banks by the depositors with clear permission to utilize/invest the same is called Al-Wadeeah. Islamic banks receive deposits in Current Accounts on the basis of this Al-Wadiah Principle. Islamic banks obtain permission from the Al-Wadiah depositors to utilize the Funds at its own responsibility and the depositors would not share any profit or loss earned/incurred out of using of this fund by the bank. The banks have to pay back the deposits received on the principle of Al-Wadiah on demand of the holders.

Type of Mudaraba Deposit	Present Distributable Investment Income Sharing Ratio	
	Bank’s Ratio	Client’s Ratio
Al-Wadiah Current Deposit Account	100%	0%
Mudaraba Monthly Installment Scheme	25%	75%
Mudaraba Monthly Profit Scheme	20%	80%
Mudaraba Savings Deposit Account	60%	40%
Mudaraba Shohoj Shanchay - 100k	50%	50%
Mudaraba Shohoj Shanchay - 200k	50%	50%
Mudaraba Shohoj Shanchay - 50k	50%	50%
Mudaraba Special Notice Deposit	65%	35%
Mudaraba Term Deposit Receipt 1 Month	60%	40%
Mudaraba Term Deposit Receipt 1 Year	28%	72%
Mudaraba Term Deposit Receipt 3 Month	30%	70%
Mudaraba Term Deposit Receipt 6 Month	28%	72%
Murabaha Cash Waqf Deposit Account	20%	80%
Murabaha Cash Waqf Savings Account	20%	80%
Murabaha Hajj Deposit Scheme	20%	80%

their consent to operate Islamic Banking operation to all of our Branches across the Country.

ISR Model of Islamic Banking: At NRBC “Al-Amin Islamic Banking” are followed the Income Sharing Ratio (ISR) model which most modern & internationally accepted model of Islamic Banking. “Al-Amin Islamic Banking” is collecting deposits from our valued clients & sharing the business profit with them in this method.

The ISR distributable income is to be shared by the concerned depositor and the Bank. The ISR between each type of Mudarabah depositors and the Bank (Mudarib) are duly disclosed at the time of account opening and/or beginning of the concerned period. Profit rate is emerged at actual, as derived from the income fetched from deployment of the concerned fund. As such our rate of profit on deposit under Islamic

Mudaraba Principle: Mudaraba is a partnership of labour and capital, where one partner provides full capital and the other one manages the business. The capital provider is called Sahib-Al-Maal and the user of the capital is called Mudarib. As per Shariah principles, the Mudarib will conduct the business independently following Shariah principles. The Sahib-Al-Maal may provide advices, if he deems fit but he cannot impose any decision over the Mudarib. Profit, if any, is divisible between the Sahib-Al-Maal and the Mudarib at a predetermined ratio, while loss, if any, is borne by the Sahib-Al-Maal. The deposits, received by Islamic banks under this principle are called Mudaraba Deposits. Here, the depositors are called Sahib-Al-Maal and the bank is called Mudarib.

Al-Amin Islamic Banking Investment Modes/products:

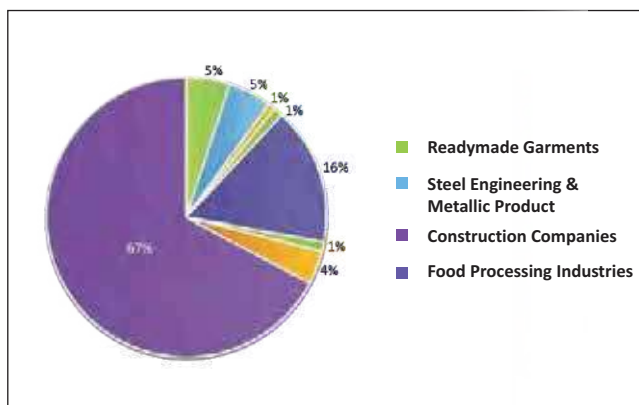
Bai- Murabaha -General	Investment Against EDF (FC -USD)	HPSM - Real Estate/Housing
Bai-Murabaha (Working Capital)	Quard (Earnest Money)	HPSM - Transport
Bai-Murabaha (Work Order Finance)	Bai-Muazzal -Household	Al-Amin Islamic Home Finance
Bai-Murabaha (Trading)	Quard Against MTDR	Al-Amin Islamic Consumer Finance
Bai-Murabaha-Term	Bai-Salam -General	Al-Amin Islamic Home Finance
Murabaha - Post Import (TR)	Istisnaa -General	Al-Amin Islamic Auto Finance
Murabaha - Forced	Ijara -General	IBP (Quard)
Murabaha Pad- Corporate	HPSM - Industrial	FBP (Quard)

Presently 231 Branches & Sub-Branches are in operation of “Al-Amin Islamic Banking” at their counters.



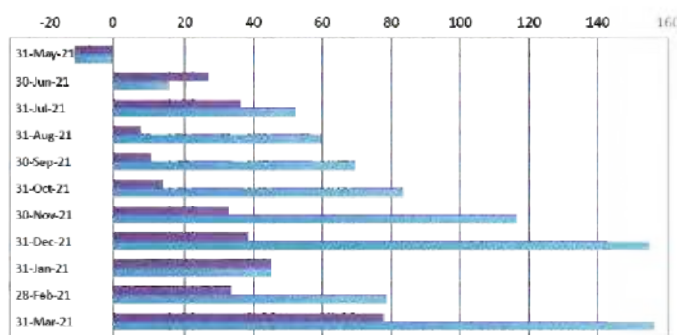
Sector Wise Investment of Islamic Banking in 2021:

Investment Sectors	Disbursement in 2021 [Fig in Lac Tk.]
Readymade Garments	818.98
Steel Engineering & Metallic Product	747.42
Construction Companies	166.73
Food Processing Industries	55.85
Pharmaceuticals Industries	75.15
Health Related Institutions	2,411.20
Electric & Electronic Industries	94.35
Garments Industries	662.40
Other industries i.e.	10,402.05
Total	15,434.13



Operating Profit Performances while authorized to Directors' Report before Shareholder on last 12 Months:

Date	Monthly Profit	Operating Profit
31-Mar-2021	-0.79	--
30-Apr-2021	-2.45	--
31-May-2021	-11.12	-11.33
30-Jun-2021	27.26	15.93 [First Profit made]
31-Jul-2021	37.12	53.06
31-Aug-2021	7.42	60.49
30-Sep-2021	10.46	70.95
31-Oct-2021	14.19	85.15
30-Nov-2021	33.66	118.81
31-Dec-2021	39.29	158.11
31-Jan-2022	46.02	46.02
28-Feb-2022	34.31	80.34
31-Mar-2022	79.25	159.59



	31-Mar-22	28-Feb-22	31-Jan-22	31-Dec-21	30-Nov-21	31-Oct-21	30-Sep-21	31-Aug-21	31-Jul-21	30-Jun-21	31-May-21
Monthly Profit -0.79-2.45	79.25	34.31	46.02	39.29	33.66	14.19	10.46	7.42	37.12	27.26	-11.12
Operating Profit --	159.59	80.34	46.02	158.11	118.81	85.15	70.95	60.49	53.06	15.93	-11.33

Treasury Division

Treasury division is played a vital role for NRBC profitability which having of Treasury front Office, Mid Office and Back Office where

Treasury Front Office is business unit. Back office support functions of business unit and Mid Office Plays administrative activities.

Money Market

- Efficient liquidity management
- Trasnction includes Call Money, REPO, Reverse-REPO, Notice Deposit & Term Deposit Etc.
- Regulatory Requirements, such as CRR/SLR Maintenance.

Foreign Exchange Market

- Dealing in Forex for position covering as well as for own account trading
- Placement, Swap, Spot & Forwad contact, Cross currency trading .
- Optimization of FX Liquidity position.

Fixed Income Securities Market

- Run all kind of PD (Primary Dealer) activities
- BGTB Bill & BGTB Trading
- Sub-ordinated bond & preference share investment

ALM

- ALCO Management & Reporting
- Balance sheet Management & Planning
- Liquidity Risk Management



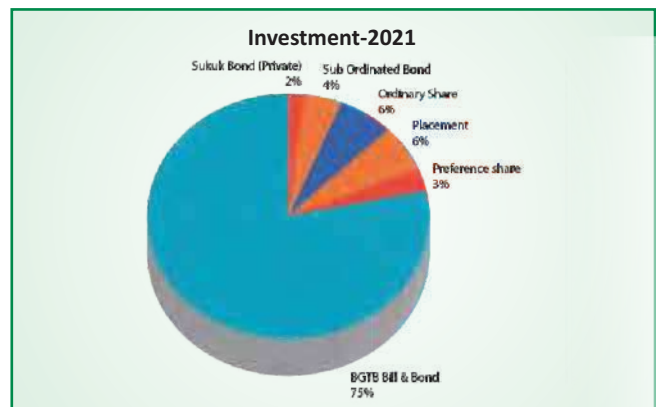
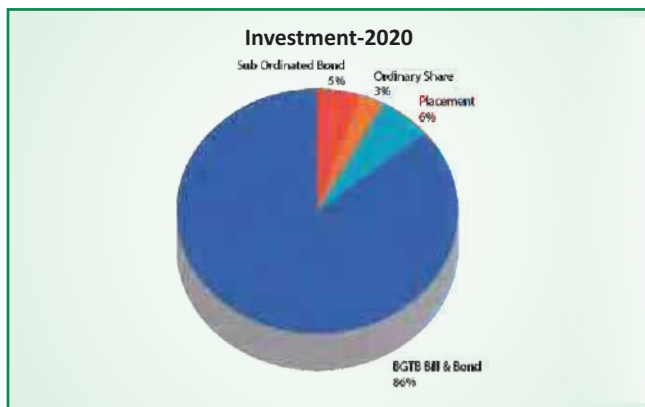
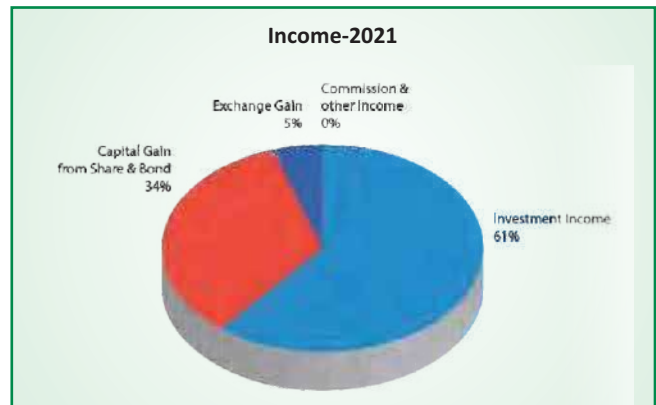
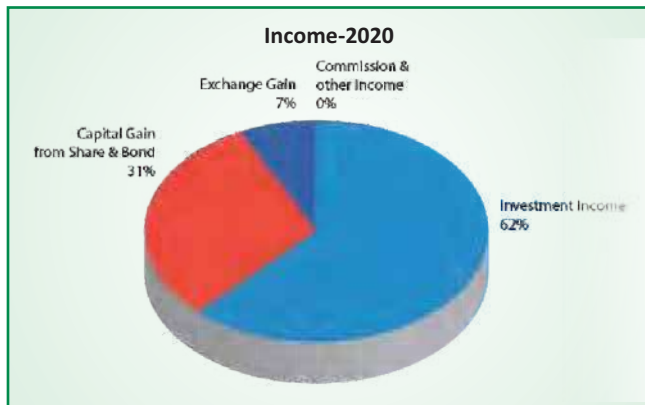
Despite COVID-19 pandemic, amplification of stimulus packages and high outflow of import, NRBC Bank's Treasury obtained 9.10% more income over 2020 and significant contribution to the global profitability by way of income from investment in BGTB and its capital gain. Over the years, Capital market operation was blessing of NRBC Bank for earning in form dividend and capital gain. Treasury always strives to keep sound liquidity, minimize risk and enhance NRBC Bank Ltd's profitability. Scenario of income in 2020 & 2021.

NRBC Bank's Treasury is one of the best dynamic treasuries engaged in dealing in different transaction in home & abroad. It is always responsible for smooth liquidity management ensuring optimal investment portfolio that generate maximum revenue considering risk

level. In 2021, Investment diversification is prudently applied than any previous year. Movement diversification as below.

Awarded as best Primary Dealer (PD) in 2021

NRBC Bank is one of the Primary Dealer (PD) out of 23 approved by Bangladesh Bank aim of boosting the secondary market for government treasury bills and bonds. Treasury is able to establish the NRBC Bank as most promising PDs in the banking industry. From the inception, treasury plays crucial role primary market and development of secondary market. NRBC's Treasury prudently conducted its role as the Primary Dealer to earn Capital Gain in 2021 as well as being awarded as best Primary Dealer (PD) Bank in 2021 declared by Bangladesh Bank on September 09, 2021.



Financial Inclusion & Business Development

Bangladesh has celebrated its golden jubilee of Independence in 2021. Bangladesh has shown tremendous success in terms of GDP growth and size, per capita income, human development index and in other economic indicators as well. NRBC Bank constantly focuses the changing needs and desires of its customers, to develop new and re-engineered process of service delivery. It has a focus to act as an effective delivery channel to distribute remittance from Non Resident Bangladeshis all over the country. Bangladesh Bank has given scope to the banks to develop another alternate delivery channel in the name and style called "Agent Banking". This channel will bring opportunity for the banks to serve the mass people at cutting edge price complying with regulatory requirements. Agent banking program will change the banking scenario in Bangladesh at the near future. The low income & un-banked people will get banking services throughout the country. Families of different Non Resident Bangladeshis are settled and living mostly in rural areas all over the country.

With a Moto of "Door to Door Service for the Unbanked People" by ensuring inclusive growth to every segment of people all over the country, NRBC endeavor to make door to door step services for disbursement of marginal people remittances, Government safety net program funds

through our agents. NRBC agents will also collect electricity bill & other bills from door to door. In these ways, the bank is planning to build our remittance connection and build a low cost deposit base.

Safety net Program under NRBC Bank Agent banking system:

NRBC's agents under supervision of Social Welfare Department disbursed the Safety net funds to Elderly/Widow/divorced/Disabled people of Naogaon & Narsingdi District's areas. Our Agents are disbursing the safety net funds from their Agent Points (UDC's) and sometimes at door steps in case of elderly and disabled person



Safety Net fund disbursement in Naogaon Agent Point



Door step service through Agent banking

Particulars	As of December 31, 2021	2021
No. of Agent	576	8
No. of Sub Agent	589	-
No. of Account	170,499	56,345
No. of Transaction	805,743	339,524
Deposit (Avg)	Tk. 1,661.54 Million	Tk. 1,661.54 Million
Transaction Amount	Tk. 2,773.08 Million	Tk. 1,367.92 Million
No. of IFR Transaction	500	138
IFR Transaction Amount	Tk. 278.26 Million	Tk. 10.42 Million
No. of Electricity Bill	297,948	30,524
No. of Electricity Bill Amount	Tk. 189.47 Million	21.70 Million
No. of Safety net Beneficiaries	148,273	54,458
Safety net fund Disbursement Amount	Tk. 984.81 Million	Tk. 620.30 Million
EGPP Beneficiaries	5,647	1492
EGPP Beneficiaries Disbursement Amount	Tk. 121.87 Million	Tk. 32.21 million

Safetynet Program -2021	Area	Taka (Million)	No. of Beneficiaries
Old Age Allowance	Naogaon & Narsingdi District	253.32	16,607
Widow Allowance	Naogaon & Narsingdi District	74.93	11,160
Disabled Allowances	Naogaon & Narsingdi District	164.13	7,569
Maternity Allowance	Narsingdi, Dhaka, Naogaon, Rangpur, Dinajpur, Cumilla & Barishal District	49.96	924
Vulnerable group development (VGD)	Dhaka, Narsingdi, Tangail, Barishal, Naogaon, Rangpur, Dinajpur & Cumilla District	77.95	18,198
Total		620.30	54,458

Expansion of Agent Banking Network:

Network of Agent banking spreads out all over the country. NRBC Bank is not only behind such endeavor. NRBC Bank is executing agreements with Corporate Institutions for steady expansion of Agent Banking Operation all over the country. MoU has signed with A2i (Access to information program, a project of the Government of Bangladesh under Prime Minister Office) to work as our Agent under Agent Banking Operation. A2i has around 5600 Digital Information Centers at Union Parishad offices all over Bangladesh. These digital centers will act as Agent outlet to connect un-banked people all over the country.

MOU with Jubo Unnayan Adhidaptar (যুব উন্নয়ন অধিদপ্তর): NRBC Bank started a new journey with Jubo Unnayan Adhidaptar (যুব উন্নয়ন অধিদপ্তর) extending credit facilities for creating more self employment of the large portion of youth with view to:

1. NRBC Bank will disburse credit facility to youth who are the

main work force to make them self-employed, creative and accelerate the state development.

2. To make the youth efficient to use their credit facilities.
3. To inspire the youth regarding micro savings.
4. Women, Transgender and special need based persons who are eligible and efficient can get the credit facilities and to make them proper entrepreneurs.
5. To engage youths in the sustainable development of the nation.

Strategic partnership Agreement with NRB Commercial Bank and Grameen phone Ltd (Micro Merchant) :

Recently NRBC Bank has signed a MoU with the Grameen Phone Ltd wishes to engage GP's distribution network (both physical and digital) through GP network for fund disbursement to mass people under the



Training session under Access to information (A2i) program



MOU with Jubo Unnayan Adhidaptar



Bangladesh Government’s Safety Net Project, regular Cash deposit, Cash withdrawal, Utility bill payment, education fees collection, remittance, account opening through E-KYC digital platform and other small scale banking activities to its customers.

Alternative Delivery channel for collection Govt. Revenue and other service : NRBC Bank involved in collection of different Govt. Revenue (Tax, VAT, Fees, etc.) being a stakeholder of the Govt and financial services all over the country through our network and various collection booth.



Fund Disbursement through GP's Distribution Network

Particulars	No. of Points	No. of Transaction	Taka (Million)
eChallan (645 types of Government revenues like VAT, TAX, SD, Revenue, Passport Fees and other fees)	152	57,334	10,909.99
BRTA Collection Booth	25	3,570,194	19000.00
Land Registration Booth	318	3,481,210	28000.00
REB Collection Booth	116	11,045,480	13000.00
Foreign Remittance Disbursement	160	2946	194.00
DPDC Collection booth	5	3125	195.00

Internal Control & Compliance

ICC of NRBC Bank works as watchdog under prescribe Guidelines of Bangladesh Bank on Internal Control & Compliance in Banks and NRBC Bank’s ICC Policy

ICC Division of NRBC Bank is responsible for implementing risk-based internal audits, establishing compliance culture and monitoring operational performances through its 03 separate units i.e. Audit & Inspection Unit, Compliance Unit, and Monitoring Unit.

All Branches, Sub-Branches and Divisions of NRBC Bank are responsible for developing, implementing, and making sure that the controls are observed and not breached. ICC Division of NRBC Bank acts as internal watchdog of the bank. As a part of control system, NRBC Bank has specific policy guidelines in order to ensure an effective control over its process in various fields which can protect the bank from fraud & forgeries. One of the most important aspects of an internal control system is an appropriate segregation of job responsibilities of all the employees, make sure that personnel are not assigned conflicting responsibilities and should be held accountable for their actions in compliance with delegated authority. Internal control also identified with internal audit & inspection, regular compliance activities and implementing the control tools like: DCFL, QOR, LDCL, etc. at branch/sub-branch levels.

i) Audit & Inspection Unit of ICC Division:

Internal Audit Unit of ICC Division of NRBC Bank evaluates all the Branches, Sub-Branches & Head Office Divisions, at least annually, on the basis of degree of risk and prepares inspection reports accordingly. To this end, internal auditors follows a Risk-Based Internal Audit Plan (RBIAP) which needs to be approved by the Audit Committee of the Board (ACB) of Directors of the Bank.

During the year 2021, total 122 nos. of Branches & Sub-Branches were inspected by the Internal Auditors where 77 Branches & Sub-Branches were inspected in physical mode and 45 Branches & Sub-Branches were inspected in distance mode, due to COVID-19 pandemic situation. Besides, 13 Divisions of Head Office and 01 Subsidiary Company of NRBC Bank Ltd. were physically inspected by the auditors as per Yearly Audit Plan- 2021. Furthermore, Internal Auditors conducted 27 investigations on different issues as advised by the Management in the year 2021.

As per Risk-Based Internal Audit Plan- 2022, Internal Auditors will conduct inspection on total 127 nos. of Branches & Sub-Branches where 76 Branches & Sub-Branches will be inspected in physical mode and 51 Branches & Sub-Branches will be inspected in distance mode. Besides, 12 Divisions of Head Office and 01 Subsidiary Company of NRBC Bank Ltd. will also physically inspected by the internal auditors in the year 2022 as per RBIAP. Meantime, ICCD had conducted 05 (five) special investigations on different issues during the current year.

ii) Compliance Unit of ICC Division:

Compliance Unit of ICC Division of NRBC Bank works for minimizing the bank’s compliance risk through complying with the instructions, policies, and regulations etc. of the regulators i.e. Bangladesh Bank, NBR, RJSC&F, BSEC, etc. and our Bank. Compliance Officers of the Division are on continuous persuasion with the divisions/branches/sub-branches for rectification of the audit findings identified by the Internal Auditors and Bangladesh Bank Inspection teams during their inspection and submit reports to the Audit Committee of Board periodically/ ad hoc basis through the Managing Director & CEO of the Bank on major un-rectified irregularities/lapses.



iii) Monitoring Unit of ICC Division:

The Monitoring Unit of ICC Division regularly monitors the operational activities of all the branches/sub-branches/divisions through collecting relevant data and analyzes those to assess the risk of individual units. It works for strengthening the internal control system of NRBC Bank Ltd.

Monitoring Unit works for proper implementation of various internal control tools i.e. Departmental Control Function Checklist (DCFCL), Quarterly Operations Report (QOR) & Exception Report (if any), and Loan Documentation Checklist (LDCL) at Branch/Sub-Branch level. It prepares Self Assessment of Anti-Fraud Internal Controls Report and Annual Health Report of the Bank as a regulatory compliance and submit this to Bangladesh Bank.

Support Services Division (SSD)

Support Services & Branches Division (SSD) is working relentlessly to provide full backend support view to functionaries the Basic task of the Bank so that Bank can achieve the goal.

Support Service & Branches division is responsible for general services function i.e. ensures infrastructure of the premises including office furniture, equipment & machinery, electro-mechanical items. The division also provides vehicles support, logistics and all kinds of printing & office stationeries to all branches and sub branches including head office

Expansion program, goals and achievement-2021

Aiming to bring unbanked, underprivileged people under banking network NRBC Bank has two types of expansion program i.e. branch and sub branch. In the year 2021, NRBC Bank has introduced a new concept

Monitoring Unit regularly reviews the Quarterly Operations Report and Exception Report (if any) of the Branches/Sub-Branches and prepare summary report on the Loan Documentation Checklist (LDCL) on a quarterly basis. It regularly supervises, monitors, and analyzes the Branches/Sub-Branches operations through off-site analysis. By this way the Unit identifies, assesses and controls the risks involved in operational activities of the Bank and thus develops an effective risk-based approach that continuously monitors different types of risks facing the bank. Hence, it works for enhancing the early warning system, which allows the bank to take proactive measures to ensure the safety and soundness of all operations.

of sub branch which is called partnership banking sub branch for the financial inclusion of the marginalized people of our country. Amid COVID-19 pandemic while whole country was stuck in lockdown, 10 nos. branches and 377 nos. sub branches (including 131 nos. NRBC-SKS partnership banking sub branches and 102 nos. land registration sub branches) have been opened in the year 2021 while Board of Directors set a target to SSD to establish 10 nos. branches and 200 nos. sub branches for the year 2021.

Expansion Plan in 2022:

We have already got Bangladesh Bank's permission for establishment of 10 nos. branches along with 150 nos. partnership banking sub branches for the year 2022. To achieve the target necessary actions i.e. site selection, tender etc. is ongoing.

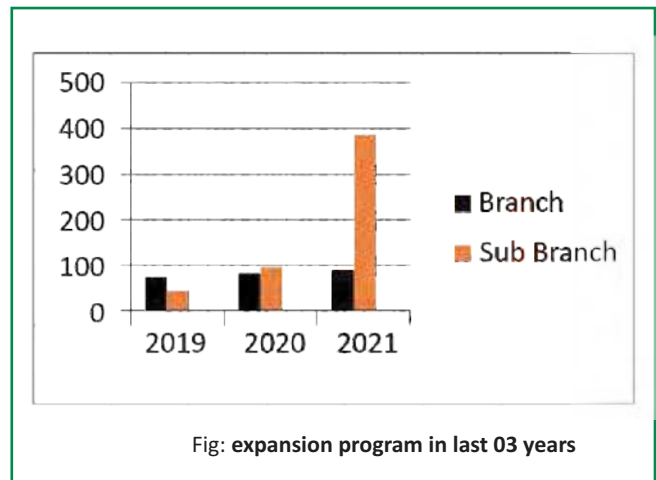


Fig: expansion program in last 03 years

Risk Management and Management Information System

Risk Management Division is functionally and hierarchically independent from all business functions to assess the risk factors and disseminates to the Management as well as Board of Directors timely so that necessary action as deemed fit for the mitigate the same.

According to the Risk Management guidelines for Banks, Risk Management Division works as the central hub of Risk Management framework of the Bank. NRBC Bank has adopted a well-defined, structured approach to setup and maintain the Risk Management process of the Bank in line with Bangladesh Bank guidelines.

The RMD supports the Board level Risk Management Committee (BRMC) to perform the role of risk oversight, framework development, policy and methodology formulation, and independent monitoring and reporting of key risk issues, acting as the 2nd line of defense in the context of the Bank's overall Risk Management framework. The RMD covers both downside risks and upside potentials that may have

implications on the Bank's ability to meet its objectives. This encompasses all risks to the Bank, e.g., on- and off-balance sheet and at a group-wide, portfolio and business-line level. This includes the banking risks defined under Basel Accord, e.g., credit risk, market risk, operational risk as well as other risks such as reputational risk, legal risk and cyber risk.

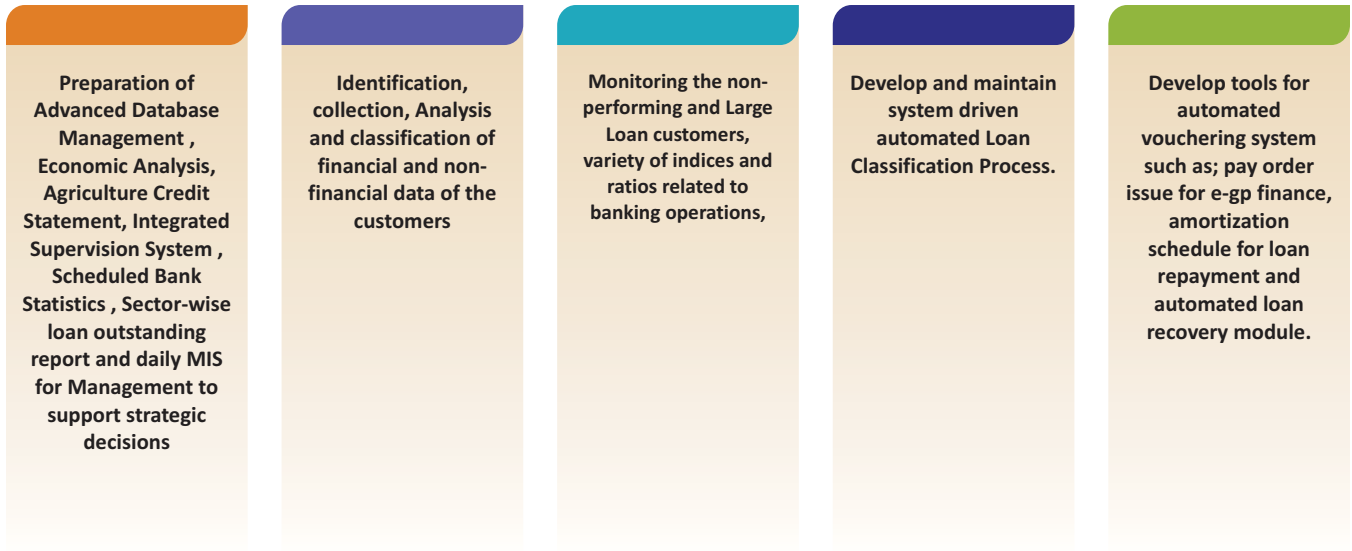
Risk Management Division's also provides support to management in managing various risks, by providing risk related opinion on the financial products approval processes, and the adoption of various risk limits.

RMD is also tasked with independently monitoring the six core risk limits, periodic stress testing, and preparation of monthly risk management papers, half yearly Comprehensive Risk Management Report & holding meeting and implementation of the Basel accords in the Bank as per the guidelines of Bangladesh Bank.



Management Information System (MIS) division of NRBC plays a pivotal role in characterizing, summarizing, formulating, analyzing, and monitoring of financial and non financial data that helps the bank to adopt cost effective strategies and pave the way to create significant competitive advantage in the market. NRBC is expanding its business in full swing consists of the increase of branches and sub-branches to a greater number which also indicates the increasing number of customers that have come under the services of the bank. MIS division not only deals with the identification of these customers but also monitor their activities using different functions. Among diversified roles of MIS Divisions' some of the major roles are:

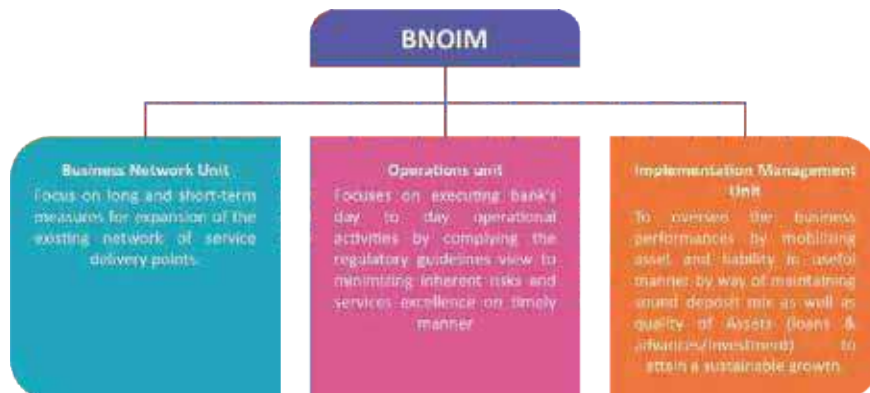
MIS Division of NRBC fully uses automation process in preparing reports and other database by using Core Banking System which ensures the authenticity and reliability of the reports. Therefore, MIS Division is also planning to execute full automation for the rest of the possible reporting system. Through this process, ensuring compliance with Bangladesh Bank will be easier and reliable.



Business Network, Operation and Implementation Management

In the ever-increasing intricacy of business dynamics, the management tends to focus more on the aspects of business sustainability and expansion, operational efficiency as well as business target monitoring and implementation. Inability to ensure these aspects may result adversely even in the existence of the institution. For ensuring these aspects smoothly, this division is categorized in three functional areas.

Automation of Central Account Opening Unit: NRBC decided to introduce centralization of Account opening procedure to increase operational efficiency and minimize reporting error. Branches, Sub Branches, and Micro Finance Sub Branches by setting up regional business operation offices will be operated under Central Opening Unit of Business Network, Operations & Implementation Management

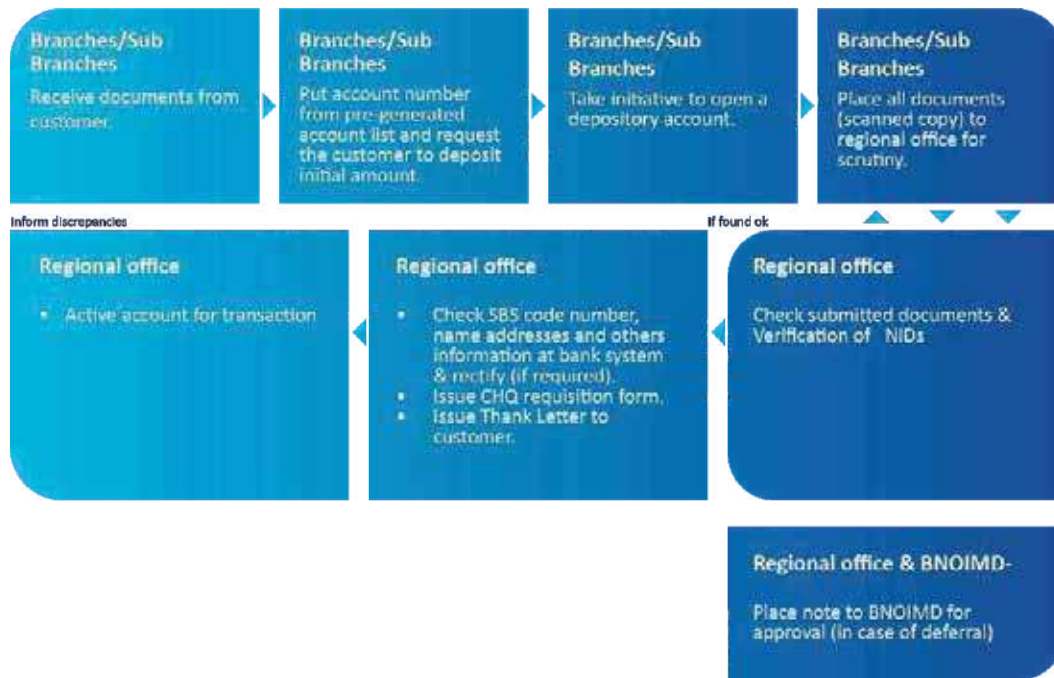


Division. Central Account opening unit is already in operation and brought ten (10) sub branches under centralization process as a pilot project. Implementation of centralization will ensure the following advantages:

- Ensure transparency in operational procedure
- Officers will get adequate time for marketing and customer services
- Strong compliance on documentation formalities
- Prevent money laundering and terrorist financing activities.
- Protect fraud and forgeries

Future outlook: BNOIMD with the help of ICT Division is on the way of implementing e-KYC Platform in 2022. e-KYC is a digital process where financial institutions can open a customer account by filling up a digital form, taking photograph on the spot, and authenticate the customer's identification data (ID No., biometric information, address proof) instantaneously. Such biometric information or digital signatures or electronic signatures may be used for transaction authentication as well.

“e-KYC will be one step advancement of digitalized initiative”



Corporate Concierge Cell

NRBC Bank involving with various Governments, Semi Government, Autonomous Bodies and renowned Corporate House and 1st class government officials with the advantages of unique Products and Digital Banking platform. To support the Government, semi Government, Autonomous Bodies and renowned Corporate House on unique way and emergency service, Bank has given permission for

establishment of Corporate Concierge Cell (CCC). Bank facilitate some Loan Packages having Credit Card facility, Personal Loan facility, Home Loan facility, Car Loan facility and any other future loan packages to the employees of aforesaid Bodies which will be required time to time on demand basis. Business position is given below.

Customer Segment	No. of Loan A / C	Loan disbursed [Fig in Crore]
Judges	392	125.00
DPDC	211	50.00
Others Govt. Officials	18	200.00
Total	621	375.00

A high power committee of the management is oversee all credit facilities of under Corporate Concierge Cell

Human Resources

To achieve organizational objective and goals quality and skilled human resource is always a priority for NRBC Bank. Human Resources Division endeavors and makes extensive efforts in developing human resource that is aligned with the Bank's long term corporate goals and vision. A pool of dedicated and highly professional workforce is the key driver of NRBC's performance. Our efficient workforce acts as the pillar for the Bank to reach newer heights of success and always committed to optimize wealth of the Bank. Building Employee commitment, qualifications and loyalty toward the NRBC gain a strong competitive edge. Bank is continuously preparing its people for the future to take new challenges.

Focus on Skills and Merits

Bank is focused on skill and merit based recruitment and selection process, highly competitive remuneration package, adequate training and development programs, career growth with succession planning, high-performance culture and healthy working environment where employees are able to vent their grievances and receive counseling.

Engagement of Finest People

HR is constantly seeking to attract talented young people to the Bank. To ensure long term sustainability, NRBC Bank has a special focus on skill and merit based recruitment and selection process, highly competitive



NRBC Team at a glance

Particulars	2020	2021
Number of Employees	2143	3694
a. Executive	115	122
b. Non-Executive	1114	1832
Support Staff & Driver	42	53
Marketing Associates / Direct Sales Executive (Contractual)	35	39
Junior Teller/Others	837	1648
Female Representation	398	586
Male Representation	1745	3108
Employee turnover rate	6.39%	8.47%

remuneration package, adequate training and development programs, career growth with succession planning, high-performance culture and pleasant working atmosphere. NRBC Bank brings people from different academic backgrounds which act as a source of creativity. Since inception of the Bank, fresh candidates with sound academic background and experienced candidates with a good track record have been recruited in all levels of the Bank in every year for rendering best possible services to its customers.

Growth of Individuals

NRBC Bank has a strong focus on imparting training towards enhancement of the skills and competencies of the employees to take over the challenge of modern banking as there is no alternative to training for the development of human resources. The Bank has established 'NRBC Bank Training Institute' in 2015 which is the flagship learning center where employees of the Bank are trained for developing

Training-2021 at a Glance

Number of Training (Internal)	232
Number of Trainings (External)	06
Number of Trainings (Foreign)	00
Total Trainings	238
Number of Participants (Internal)	46,687
Number of Participants (External)	27
Number of Participants (Foreign)	00
Total Participants	46,714

their skills, knowledge and abilities (SKAs) for achieving the cherished dream of the Bank. To achieve this goal, the Institute designs training calendar considering regulatory compliance requirements and new

Green Banking & Sustainable Finance

Since its inception, NRBC Bank has been emphasizing on diversifying its credit portfolio over various sectors including Green & Environment-friendly Financing as directed by Bangladesh Bank. NRBC Bank's 'Sustainable Finance Unit' under Credit Risk Management Division promotes Green & Environment-friendly projects on its credit portfolio with a view to incorporating sustainability in its financing activities.

NRBC Bank Limited performs several green banking activities like in house environment management, green financing like installation of EFT, Green Building, Brick Field (Zigzag /HHK Tunnel kiln), establishment of solar panel, Bio gas plant etc. NRBC Bank also involves in Agriculture, CMSME or Socially Responsible Financing Category linked to sustainability. Steps taken regarding sustainable financing in banking are:

banking innovation. The Training Institute also goes through a complete Training Needs Assessment (TNA) Process. The development of Human Capital essentially calls for training throughout the year. Even in the period of pandemic, learning process is continued through virtual platform. NRBC Bank Training Institute arranges online training session in different plea that was more interactive than live training session. Training-2021 at a Glance

The family, called NRBC: Since its inception NRBC Bank fosters the concept of "a Bank –a Family" and endeavors to create a work culture of professionals that amplifies Staff motivation and influences 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 encouraged and appreciated here and this



Basic Training Program of TAO & TJO

positive interaction between higher Management and all the employees is evident in NRBC Bank's remarkable growth and success over the years.

Diversification of Credit portfolio:

NRBC Bank emphasizes on diversifying its credit portfolio over various sectors including Sustainable Linked Finance and Green & Environment-friendly Financing.

NRBC Bank always put top priority whenever it finds any green financing opportunities such as renewable energy generation, liquid Waste Management, setup solar equipments, ETP, Brick-field (Zigzag /HHK Tunnel kiln), Green Building, Bio-gas Plant etc. Most of the Textile Industries we financed are equipped with ETP facilities. Moreover, NRBC Bank also focuses on Poultry, Fisheries & Livestock business, Agro feed manufacturing industry and investment in MFI for capacity building, employment generation etc. as a part of sustainable finance. In 2021, total disbursement under sustainable finance was Tk.4176.92 million.



Sustainable Finance Components	Sustainable Finance Sectors
Sustainable Linked Finance	1. Sustainable Agriculture
	2. Sustainable CMSME
	3. Socially Responsible Finance
Green Finance	1. Liquid Waste Management
	2. Environment Friendly Brick Production
	3. Green/Environment Friendly Establishments

Strategic focus for sustainability:

- Introduction of new Loan Products under sustainable financing activities:** To promote green finance activities more effectively, NRBC Bank introduced a new green product named as “NRBC- সবুজ” for the sake of green financing.
- In-House Activities of NRBC Bank towards sustainable financing:** NRBC Bank also emphasizes on promoting Green banking within the bank by taking several In-House Green Banking Activities like:

- Paper Consumption Management: Internal communications through emails, Customer communications done through emails or SMS, Use of one side used papers for draft copies of the office assignments etc.
- Water management: Efficient use of gas, fuel, electricity and water with a view to reducing carbon emission.
- Power Savings Equipments: Introducing Energy saving Bulbs in the offices.

Tk. in million

Quarters	Amount		
	Under Sustainable Linked Finance	Under Green Finance	Total
1st Quarter	706.61	85.50	792.10
2nd Quarter	1398.09	173.47	1571.57
3rd Quarter	993.53	28.00	1021.53
4th Quarter	738.92	52.80	791.72
Total	3837.15	339.77	4176.92

Credit Administration

Credit Administration Division (CAD) of NRBC Bank ensures that proper documentation and approvals are in place prior to the disbursement of loan facilities. Presently CAD performs its operation from Dhaka Office and Chattogram unit office with 33 centralized branches.

Key Function:

The key functions of Credit Administration Division (CAD) are documentation & disbursement, monitoring and compliance.

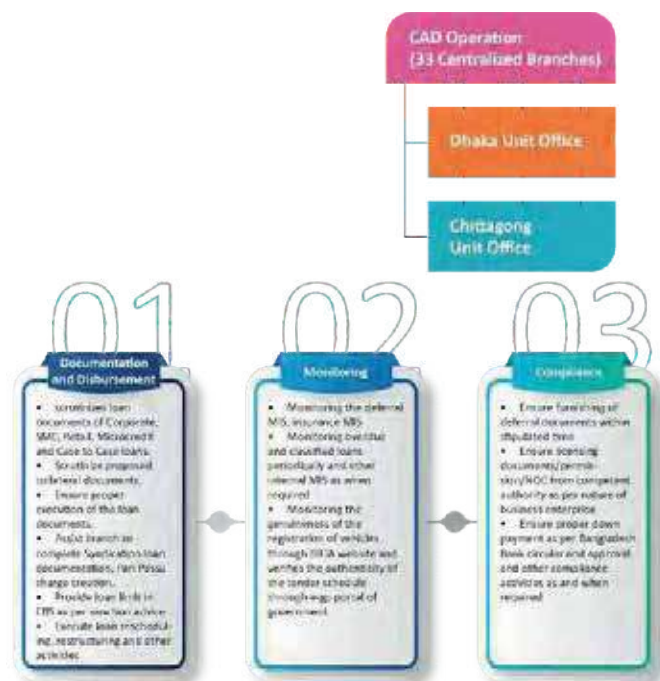
Speed up loan process at Present and its Future plan:

Achievement in 2021: Started loan disbursement process at Chattogram Unit and Developed DMS (Documents Management System) software for archiving/speed loan documents/disbursement

CAD loan disbursement 2021

Sector	No. of customers	Taka (In million)
Corporate	5,345	25,386.97
Retail Loan	6,080	5,747.30
SME	15,110	27,753.00
Agriculture	107	1,158.05
Micro Credit	10	0.49
Others	310	11,868.28

Future Plan: To be Paperless Credit processing & disbursement and initiative E-SISO register, E-Deferral monitoring system & E-Insurance monitoring system



Stimulus Package

NRBC Bank has been extending all out support to the affected business sector's customers by implementing different stimulus packages from the beginning of Covid-19 pandemic. NRBC Bank has achieved 100% target of stimulus package of Working Capital for Industry Service

sector, Working Capital for Agriculture Sector and Stimulus Loan for Lower Income Professionals and Others through Micro Finance Institution. Moreover,

[Figure in Crore]

SL	Nature of Stimulus	Size of Stimulus Fund	Allotment/Target by Bangladesh Bank to NRBC Bank [Phase 01]	Sanctioned by Bank	Amount Disbursed	Achievement Percentage of BB Target
01	W/Cap for Industry/Service Sector	33000.00	206.10	202.47	197.97	96.06%
02	Salary for Workers of Export Oriented Industries [April & May]	5000.00	56.64	56.64	56.64	100%
03	W/Cap for CMSME Sector	20000.00	130.00	94.05	94.05	72.34%
04	Agriculture Working Capital	5000.00	14.50	14.50	14.50	100%
05	Stimulus Package for Lower income professionals and others through MFIs	3000.00	-	287.00	287.00	100%
Total		403.72	654.66	650.12	-	-

SME and Agriculture Financing

The COVID-19 crisis caused profound disruptions in the global economy, with SMEs and entrepreneurs, particularly hard hit. Bangladesh is not exception of this. But SME is the backbone of the Bangladesh economy: they make up more than 90 percent of all businesses that provide two out of three private sector jobs in the country. NRBC Bank gave more emphasize in this pandemic situation to facilitate Small & Medium Entrepreneurs including Woman Entrepreneurs engaged in Manufacturing, Trading & Service Industry.

NRBC Bank successfully achieved SMEs stimulus disbursement target, including sector wise disbursement criteria. Ensuring inclusive & sustainable economic growth through SME development with special focus on women entrepreneurship development, NRBC Bank introduced cluster based financing which has been playing as a role of

catalyst in the growth of cottage and micro segment in the country. Besides, Bank have been organizing capacity development and awareness building programs especially for women entrepreneurs in collaboration with Bangladesh Bank, SME Foundation etc. in different districts.

SME Success History:

Mr. Monir was a migrant worker in Saudi Arabia for 11 years. In 2018, he came back to Bangladesh and started Poultry and Cattle farming in a small scale. For expansion of his firming, Ruhitpur Branch provided SME Credit Facility with amounting to Tk.10.00 lac. Having such SME facilities, poultry shed capacity increased to 1,200 poultry at a time compared to 600 poultry capacity as before as well as no. of increased to 10 cattle from 4. Present Mr. Monir business is running very successfully and his capital reached to Tk. 25.00 lac.

Particulars	No. of Beneficiaries	Target [In million]	Disbursed [In million]
Agricultural Credit	134	1,118.00	1,238.00
CMSME Stimulus	159	1,300.00	940.07
SME Credit	24,304	16,200	45,991.14



Mr. Monir's Cattle Firm



Mr. Monir's Poultry Firm



Sustainable Financing: Corporate Social Responsibility (CSR)

NRBC Bank emphasizes heavily on creating a strong business and building a better world as they are not conflicting goals rather both are essential ingredients for long-term success. Marching forward towards success means sustainable development of the society, that is the motto of NRBC Bank. Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance. Our work is not just about doing business; it is about connecting with people and building relationships, based on trust, with our clients, business partners, employees, shareholders, as well as the wider community. It is always believed that good development is good business.

NRBC Bank assumes responsibility by bearing in mind the consequences of its business decisions and actions on economic, technological, social and environmental levels and brings about an appropriate balance of interests. NRBC Bank voluntarily contributes to the well being and long term development of the society at every point it can at the locations where it is in business. It is geared towards universally held ethical values and principles, especially integrity, honesty and respect of human dignity.

As financial institutions are considered corporate citizen, NRBC Bank is no different. NRBC Bank is fully aware of its responsibilities towards the society as a whole. It puts a closer look on how its operational activities impact its stakeholders, the economy, the society, its staff and the environment. NRBC Bank focuses on Conducting business in an ethical way, creating opportunities for business and economic development, empowering people to fulfill their aspirations, ensuring protection of environment while financing businesses and supporting the distressed



On 28 October, 2021 S M Parvez Tamal, Chairman of the Bank and Mohammed Adnan Imam, FCCA, Director and Chairman, Executive Committee handed over blankets to the Principal Secretary of the Prime Minister's Office

people of the society. NRBC Bank has established CSR policies keeping these above mentioned factors in mind.

The bank's CSR policy has been framed in accordance with guideline provided by Bangladesh Bank. The policy shall be applied to all CSR programs/activities undertaken/sponsored by the Bank or executed through any other Trust/Society of implementation partner or any other fund set up by the Government. NRBC Bank Board of Directors has always supported and encouraged participation in CSR programs. The primary objective of NRBC Bank CSR policy is to make a meaningful and measurable impact in the lives of economically, physically and socially challenged communities of the country through an integrated approach of development which focuses on crating sustainable livelihood, promoting education and skill development. The bank shall also promote initiatives that preserve, restore and enhance environment, ecological balance and natural resources and improve sanitation and hygiene. From a wide range of CSR activities of NRBC, Some are highlighted below:



25th August 2021, AKM Mostafizur Rahman, Hon'ble Director Haded over money to distressed people who are affected by the covid-19 Pandemic at Uzirpur, Barishal



NRBC Bank gave blanket to Prothom Alo trust for distribution among the needy

Education

NRBC Bank has made donation to BSMMU for research, scholarship to the students and research publication

financial support to different educational institutions for infrastructural development.

Mujib Borsho Celebration

NRBC Bank donated to Salimullah Muslim Hall for construction of Statue of Father of the nation Banghabandhu Sheikh Mujibur Rahman and monument in remembrance of Martyr of our liberation war in front of Salimullah Muslim Hall premises.



Fighting Covid-19

NRBC Bank established a Health line Number which is open 24/7 and provides health related suggestion free of cost.

Donated to COVID-19 Fund Management account and Prime Minister's relief fund to fight the outbreak of COVID-19 disease.

Donation was made to Bengal Media Corporation for creating awareness for severe Delta variance of COVID-19 among the people.

Sports

NRBC Bank has provided donation to Bangladesh Wheelchair Sports Foundation for sponsoring the "Jatir Pita Banghabandhu Para Sports Carnival 2021".

Uphold the spirit of Independence

NRBC Bank has provided fund for the celebration of various National day in this 50th independence of Bangladesh.

Health

NRBC Bank has Provided financial assistance to different people for treatment of Chronic Diseases

Donation made to Karnakathi Matrisadan Maa o Shishu Kollyan Kendra, Barishal for development of the Institute.

Donation to Cancer Mission Foundation and Bangladesh Disabled Development Trust to take part in the rehabilitation of the cancer affected and disabled people of Bangladesh.

Others

Donation was made to Department of Youth Development for publishing supplement on occasion of National Youth Day, 21.

NRBC Bank was a Bronze Sponsor of DU 100 year celebration's mega reunion 2021 arranged by Dhaka University Alumni Association.

Donation to Cancer Mission Foundation and Bangladesh Disabled Development Trust to take part in the rehabilitation of the cancer affected and disabled people of Bangladesh.

Information, Communication & Technology (ICT)

NRBC Bank has adopted the maximum technological advantages over the modern banking business arena which is still ongoing. As a result, NRBC Bank is providing a full technology-based banking facility to its valuable customer to abide by the defined guideline & compliance issues of Bangladesh Bank. Basically, NRBC Bank's operation is fully IT-driven where IT is not only an operational tool but also an upfront leading pathway.

With the best, most effective, secure & user-friendly usage of IT; NRBC Bank is able to expand its banking service & operation in every corner of Urban & Rural areas across Bangladesh. To some extent, by using the power of IT and a combination of Business; NRBC Bank introduced new banking concepts like Sub-Branch Banking, Partnership Banking, etc. in Bangladesh.

The below-mentioned points become more clear that NRBC Bank becomes the mostly IT-driven & IT-oriented bank in the Bangladesh banking arena. They are:

1. Most of the internal processes like Human Resources, Loan Processing, Asset Management, Document Archive & Management, Check Book Requisition, CIB operation, Centralized Dash Board, Centralized Trouble Ticket Management System, e-Learning Portal, Debit & Credit Card Management System, etc. all are fully automated.
2. Customer-oriented services like Online Account Opening, Debit Card & Credit Card Service with POS Transaction, Q-R Code based transactions, Internet Banking, Corporate Internet Banking, SMS Banking, Missed Call Alert Service for

balance Enquiry, SWIFT Service, Remittance, Off Sore Banking, Centralized Islamic Banking Service, etc. all are fully automated.

3. Most importantly, NRBC Bank has a well-equipped, structured, user-friendly & secure Apps Based Banking service namely "PLANET" a complete echo system for Banking through which NRBC Bank customers can do all types of Fund Transfer between NRBC as well as other banks. Along with this, Mobile Top Up, Utility Bill Payment, Fund Transfer to MFS, etc. all types of online Banking transactions can be possible through the "PLANET" App.
4. NRBC Bank keeps its footprint in Govt. the sector where countrywide BRTA (Bangladesh Road Transport Authority) & Land Registration fees collection system is running in a completely automated way. Moreover, some other Govt. entities like REB (Rural Electrification Board), DPDC (Dhaka Power Development Company), DESCO (Dhaka Electric Supply Company), NESCO (Water Supply Authority), TITAS Gas, etc. are also connected with NRBC Bank where all fees & charges are collected through the real-time transaction by the best & effective usage of NRBC ICT System.
5. NRBC IT has successfully established a service bus (working as middleware) through which any third-party software/service can be integrated with Core Banking System. So that all business operation reflects real-time in CBS. As a result, business diversification & decision-making process becomes too easier and time savings.



NRBC Bank is giving always special focus & attention to the development and being operational of IT-driven business operations. Based on that each & every year different types of new technology & technology-driven business operations are being introduced. Basically, the ICT division of NRBC Bank is contributing here by providing the maximum high-tech support in every step with cooperation and collaboration with other divisions. In many cases, the ICT division takes the lead to introduce some technological advantages to its client.

Considering all, Overall ICT activities & performance along with achievements for the year of 2021 are described as under:

1. Planet App & Planet: + new features of NRBC Bank "PLANET" App.



2. Some Major Automation work done in 2021 by ICT Division of NRBC Bank



3. ISO 27001:2013

After giving a huge effort finally NRBC Bank achieved the ISO 27001:2013 over IT Services, Information Security, IT Infrastructure & IT Governance. Basically, this is a remarkable milestone of ICT Division as well as NRBC Bank.



4. NESCO

After doing great team effort with North Zone Branches, FAD & North Zone Electric Supply Company (NESCO); ICT Division of NRBC Bank has successfully brought out the NESCO bill collection system in a real time process by the proper & effective synchronization with Core Banking Software (CBS). In fact, the said real time bill collection process becomes a good source of deposit collection for NRBC Bank. Also, customer can avail the said bill deposit system in NRBC Bank both in over the counter & through Internet Banking.

5. SWIFT CSP Audit

The customer Security Program (CSP) has set up to help the SWIFT user community improve cybersecurity and to facilitate cybersecurity risk assessment by and amongst users directly. The Customer Security Program includes initiatives such as those set out in the Customer Security Program SWIFT Customer Security Controls Framework Detailed Description, the SWIFT Customer Security Controls Policy, the Independent Assessment Framework, or the SWIFT ISAC. Thus, Every SWIFT user has to submit an annual Security Attestation via the KYC-Security Attestation application (KYC-SA). Once your attestation is submitted, SWIFT will validate and publish it.

In this connection, the ICT Division took initiative with the assistance of the International Division to complete the said mandatory task. And after doing a stress work the said necessary & mandatory task has been completed within the stipulated time frame abiding by the all rules & regulations of SWIFT.

Above mentioned all activities, performance and achievements are come out after doing a long, continuous and restless journey of ICT Division where one & only Moto is focusing on each & every ICT Official. That is:

“NRBC ICT Team Never Sleeps”



C1.0 Maintenance of Required Reserve [Section 184 (1b) of the act]

In pursuant to Section 24 of the Bank Companies Act 1991 (as amended 2018), NRBC Bank is consistently maintaining the 20% statutory reserve and expecting to maintain it as long as cumulative balance of statutory reserve reaches at the equal level of sponsored paid up capital. Statutory reserve exceeded Tk. 2,000 million landmarks this year which is more than half of sponsored paid up capital i.e. 55.49% in compliance with of the proviso of the act. Statutory reserve stood BDT 2467.27 million at the end of 2021. Following table shows that the last 5 year statutory reserve position which is remarkable for the bank:

Movement of Statutory Reserve	2021	2020	2019	2018	2017
Beginning Balance	1,866.79	1,458.84	1,050.34	737.87	462.77
Transfer during the period from pre-tax profit	600.48	407.95	408.50	312.48	275.09
Closing Balance of Statutory Reserve	2,467.27	1,866.79	1,458.84	1,050.34	737.86
% of Change over previous year Contribution	32.16%	27.96%	38.89%	42.35%	59%

Figure in Million(BDT) unless otherwise Spec

No other reserve was maintained/proposed by Board of Directors during the year under consideration except Tk.85.49 million as revaluation reserve which is required to maintained as per DOS circular # 15 Dated 31/10/2005, DOS circular letter # 03 dated 07/02/2007 and DOS circular letter # 05 dated 26/05/2008.

C2.0 Recommendation of dividend [Section 184 (1c) of the act]

Bangladesh Bank adhering dividend policy that announced in 2021 with a view to combat aftershock COVID-19 effect as such the necessity to strengthen banks' capital base further has become vital for the coming years. Bangladesh Bank issued DOS Circular 01 Dated February 07, 2021 under the section 45 of the Bank Company Act, 1991 (amended in 2018) by setting six dividend sub-slabs under two slabs for the banks based on their liquidity situation. **Bank's Capital Adequacy Ratio (CAR) stood 13.45% for the year 2021 and falls under Serial no. Ka(3) and Dividend declaration scenario as under:**

SL No	Capital to Risk Weighted Assets Ratio (CRAR)	Dividend	Cash Dividend (Max)	Stock Dividend
Ka(3)	If CRAR mini 11.875% [Without provision deferral] *	15%	7.5%	7.5%

Bank got approval for declaration of dividend from Bangladesh Bank on basis of above mentioned proposition vide their letter # DOS (CAMS)/1157/41(Dividend)/2022-1995 dated April 12, 2022.

The Audit committee and the Board of Directors reviewed the dividend proposition of central Bank as well as consent of Bangladesh Bank for declaration of dividend. Bank is completed its first year operation after listing with Dhaka Stock Exchange (CSE) and Chittagong Stock Exchange (CSE) through its share trading on March 22, 2021. Hence, considering the interest of general investors and tract history of dividend declaration along with stable growth of the Bank, the Board of Directors applied prudent decision for shareholders. Dividend tract history of the Bank:

Form of Dividend	2020		2019		2018		2017		2016	
	Rate	Taka	Rate	Taka	Rate	Taka	Rate	Taka	Rate	Taka
Cash	7.5%	351.26	9%	513.98	-	-	5%	245	5%	228.97
Stock	5.0%	526.89	2%	114.21	11%	565.95	5%	245	7%	320.56

Figure in million(BDT) unless otherwise specified

The Audit committee in its 42nd meeting held on April 13, 2022 and, subsequently, the Board of Directors in its 138th meeting held on that day discuss proposition of Central Bank as well as dividend declaration approval from Bangladesh Bank, recommended for 15% dividend comprising form of Cash and Stock for the year 2021 on record after getting permission from Bangladesh Securities and Exchange Commission. The Board of Director is anticipated this rational proposition of dividend

Dividend	Form	Amount	Remarks
7.50%	Stock	553.23	Paid up capital will be Tk. 7,929.66.42million
7.50%	Cash	553.23	

Figure in Million (BDT) unless otherwise Specified

will help strengthen the capital base for uplift the business position as well as expectation or confidence of general shareholders.

C3.0: Material changes before issue of Directors' Report [Section 184 (1d) of the act]:

Below Change occurred in nature of NRBC business before issue of Directors' Report before 9th AGM:

Change in ownership structure of the Subsidiary Company M/s. NRBC Bank Securities limited

In the inception of operation of Subsidiary M/s. NRBC Bank Securities limited, NRB Commercial Bank Limited (NRBC Bank) hold 90% equity shareholdings. According to direction of Bangladesh Bank vide their ref # BRPD/(AR-1)/717/2021-2745 dated March 01, 2021 and, subsequently, Board of Director of NRBC Bank in its 134th meeting held on February 01, 2022 decided to purchase remaining shareholdings except 1 (one) and Present minority interest Group (Directors and Sponsors of the Bank) also agreed good office surrender their shareholdings to the Bank. In pursuant of acquisition of remaining shareholdings, BoD was also appointed well known Valuation entity M/s. MABS & J Partners, Chartered Accountants for fixation/recommendation of consideration for completion the process. M/s. MABS & J Partners, Chartered Accountants served their report vide their letter # N-1416/MABS & J (B)/2021-22/2654 on January 30, 2022 with recommendation of Tk.20.00 per Share (adopting weighted average method of Net Asset Value Method, Future Maintainable Profit (Market Relative) and Discount Cash Flow Method) and BoD also fixed

the price @Tk.20 per share. Regulatory process is under way before issue of Directors' Report to the shareholders.

No other material changes has occurred between the end of the financial year and the date of the Directors' Report placing before the AGM except the Board of Directors in its 138th Board Meeting held April 13 2022 recommendation of Dividend @ 15% dividend comprising of 7.5% in the form of cash and 7.5% In the form of Stock for the year 2028 which is expected to be approved in the 9th Annual General Meeting (AGM) of the Bank.

D1.0: Material Change of the state of company's affairs [Section 184 (2) of the Act]:

D1.0 (a) Change in Company's Business Nature [Section 184 (2a) of the Act]

No other change in NRBC Banking Business nature except mentioned in the preceding para. The Board of Directors intent expands diversified nature of business:



1. Securities Custodian

NRBC Bank has got Custodian License [Registration Certificate No 14/2021 on 24 October, 2021 from Bangladesh Securities Exchange Commission (BSEC) to act as Custodian Bank after accord by The Board of Directors in its 114th Meeting held on February 15, 2021. Under this window, Bank will provide the settlement as well as safekeeping in order to minimize the risk of their misappropriation, misuse, theft, and/or loss and, at the same time, reporting of customers' marketable securities and cash for customers specially Foreigner as directed by them. New Custodian service will be started shortly after compliance of few regulatory formalities which will be another avenue for fee based income.

2. Asset Management Company (AMC)

NRBC Bank formed another Subsidiary Company M/s. NRBC Bank Assets Management Limited having Incorporation (Registered) No C-176879/2021 Dated December 07, 2021 followed on Board of Directors decided the same in its 121st Meeting held on May 20, 2021. Proposed Company authorized capital Tk. 2,000.00 Million and Paid up capital Tk.1,000.00 Million. Remaining formalities for getting license of "Alternative Investment License" from Bangladesh Securities Exchange Commission (BSEC) is underway for manage Mutual Fund or Investors Fund either company own discretionary or investors discretionary. Bank hope that new company will be started within 2022 and will cutter the portfolio business by pooling funds from various individual and institutional investors and investing in various securities that match with the declared financial objectives of the Bank

D1.0 (b) Change in the company's subsidiaries or in the nature of the business [Section 184 (2b) of the Act]:

2021: A good year for the capital market that passed yet another eventful year with a 25 per cent return in the core index of the main bourse despite tussles between the two regulatory bodies concerned over some policy issues.

During the 2021, the Dhaka Stock Exchange (DSE) also posted a decade-high daily turnover value along with a rise in market cap to GDP (Gross Domestic Product) ratio. The daily turnover, an important gauge, stood at Tk 14.75 billion on an average in 2021, up by 127 per cent year-on-year. Strong participation of investors, consolidation of stock prices, comparably high corporate earnings, and low interest rate on bank deposits were the pivotal reasons behind the decent year for the Bangladesh capital market.

Bank Subsidiary M/s. NRBC Bank Securities Limited also witness another exceptional year of the company having revenue growth was 434.09% over the year 2020 resulting Tk.199.54 million stood as divisible for the year 2021 which is nearly 50% of its capital i.e. EPS is 4.99. Even though such impressive performance, the Board of Directors recommended only 15% cash dividend on April 11, 2022 of its 27th meeting that will be approved in the 6th AGM will be held on June 26, 2022.

Change in Ownership Structure of the Subsidiary:

The Board of Directors of NRB Commercial Bank Limited decided that minority shares held by individual shareholders NRBC Bank Securities Limited shall be purchased by and transferred to NRBC Bank Limited In order to meet up regulatory requirements of Bangladesh Bank. Subsequently, the Board in its 134th meeting held on 01.02.2022 decided to purchase 99.99% shares of NRBC Bank Securities Limited. In

pursuant of acquisition of remaining shareholdings, BoD was also appointed well known Valuation entity M/s. MABS & J Partners, Chartered Accountants for fixation/recommendation of consideration for completion the process. M/s. MABS & J Partners, Chartered Accountants served their report vide their letter # N-1416/MABS & J (B)/2021-22/2654 on January 30, 2022 with recommendation of Tk.20.00 per Share (adopting weighted average method of Net Asset Value Method, Future Maintainable Profit (Market Relative) and Discount Cash Flow Method) and BoD fixed the price @Tk.20 per share. Financial dealing and transfer of share are under way for the completion of the process.

D1.0 (c) Change in Classes of Bank's Business [Section 184 (2c) of the Act]:

Inspiration of cross broader initiative for involved in the global market, NRBC started another business dimension offshore Banking operation on February 7, 2021 after getting approval from Bangladesh Bank approval # BRPD (OB)/744 (128)/2020-7786 dated September 22, 2020. Like as 2020 no material changes for appreciation of the state of the company's affairs except scale of operation by its members that have occurred during the financial year 2021.

E1.0 Information and Explanation contained in the Auditors' Report [Section 184 (3) of the Act]:

A tripartite was being held among Auditors M/s. Howladar Yunus & Co., Chartered Accountants and K. M. Hasan & CO, Chartered Accountants, Inspection team of Bangladesh Bank with the management of the Bank on April 07, 2022 for being finalized Audited Financial Statements for the year ended December 31, 2021,. In that meeting, a threadbare discussion has been held for assets quality, provision, fair presentation of audited financial statement and internal Control system. Financial statements are finalized by adopting recommendation by both Statutory Auditors and Inspection team of Bangladesh Bank on basis of circular issued by Bangladesh Bank amid of COVID-19.

The Board Audit Committee of Board has reviewed the Auditors' Opinion as well as Key Audit Matters mentioned in the Auditors' report along with audited financial statement and, henceforth, forward for dividend declaration as Board think fit for shareholders in 138th Board on April 13, 2022

F1.0 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 also presented in the Annexure (I1) of Audited Financial Statements.

F2.0 Utilization of proceeds raised through public issues:

Bank received the proceeds of Initial Public Offering (IPO) amounting to Tk. 1,200 Million at the end of February 2021 followed on subscription from February 03, 2021 to February 09, 2021. As per condition number 4, Part C of the consent letter # BSEC/CI/IPO-307/2020/304 dated on January 4, 2021, Board of Directors appointed M/s Ashraf Uddin & Co. Chartered Accountants as Independent Auditor in its 124th meeting held on July 27, 2021 for the audit of IPO (Initial Public Offering) utilization fund as on July 31, 2021 for submission of full utilization of IPO and, accordingly Auditor M/s. Ashraf Uddin & Co. Chartered Accountants conduct the audit of IPO Utilization. Thereafter, IPO utilization report submitted to Bank which content as follows:

SL.	Purpose Mentioned in the Prospectus	Time Line for utilization of IPO as per Prospectus	Amount as per Prospectus	Total Utilized Amount	Utilized (%)	Total Un-utilized Amount
a)	Investment in Capital Market:					
	(i) Govt. Securities	24 Months	1,100,000,000	1,100,000,000	100.00%	-
	(ii) Secondary Market (A Category Listed Securities)	24 Months	60,523,624	51,678,210	85.39%	8,845,414
b)	IPO Expenses	As or when required	39,476,376	48,321,790	122.41%	(8,845,414)
	Total taka		1,200,000,000	1,200,000,000		-



Bank submitted IPO utilization report to the Bangladesh Securities and Exchange Commission, The Dhaka Stock Exchange Commission (DSE) and The Chittagong Exchange Commission (CSE) on August 17, 2021 and concerned authority accord the same. Bank utilized the IPO proceed within 3 (three) month which was much earlier than 24 months as mentioned in the prospectus.

F3.0: Financial Condition of the Bank after Initial Public Offering (IPO)

Bank got impressive response from general public i.e., 10,43,303 nos of applications have been submitted by the general public against of the allotted amount raised by initial public offerings which is 10.86 times more than the allotted shares and Board of Directors in its 114th Meeting held on 15 February 2021 expressed satisfaction such response from General Public and Institutions. Upon on compliance of all regulatory formalities, Bank was entitled to used such IPO proceed on April 29, 2021

In the Prospectus of Initial Public Offering (IPO), it was enumerated that Bank would be used for enhancing the Tier 1 Capital Base of the Company inter alia proceeds from IPO through issuance of 120,000,000 nos. of ordinary shares at an issue price of Tk. 10.00 each at par totaling Tk. 1,200,000,000 and Bank accordingly did the same as mentioned in the previous para.

income of Capital Gain on listed companies Shares and Govt. Treasury Bond by Tk.26.36 Crore & Tk.42.12 Crore respectively over the previous two Quarters. Both capital gains were increased by 194% & 172% than previous quarters contributed nearly in EPS by Tk.1.00 for 3rd quarter.

In Mid of 2nd quarter, stimulus package of Govt as well as disbursement of loan were being increased compel to negative Net Operating Cash Flows per Share (NOCFPS) for that quarter and remaining quarter such demand of loan impact interest income.

In 4th quarter, Bank had kept provision against investment in listed company due to experienced volatility in the closing three months i.e., October-December 2021 and Bank also kept provision investment in preferred stock Tk. 37.48 million as per directive of Bangladesh Bank. Furthermore, Special Covid General Provision@2% on Loan account who's repaid 25% of their loan Installments due for the Year 2021 except CMSME for 1.5% whose have to repay only 15% of total due installments for the year 2021 as BRPD Circular Letter No-50 and 52 dated December 14 and 29, 2021 bound to kept Provision of Tk. 755.38 million that impact in the bottom line but near average profitability.

F5.0: Remuneration of directors

The Bank does not pay any remuneration to its Directors other than purpose stated in the relevant Bank Companies Act and prevailing BRPD

Figure in Million otherwise specified

Particulars	2021	2020	Increase/(Decrease) over 2020
Loan and Advances/Investment	104,898.31	74,835.73	40.17%
Deposit	120,826.81	95,311.13	26.77%
Stockholder Equity	11,808.62	10,997.54	7.38%
Balance Sheet Size	153,552.38	116,620.41	31.67%
Net Asset Value (NAV) Per Share in BDT*	16.01	13.28	2.73 Per Share
Net profit after taxation	2,083.94	1,342.83	55.19%
Earnings Per Share (EPS) in BDT *	2.83	1.82	1.01 Per Share

* Restated [After considering 5% Stock Dividend approved in the 8th AGM]

IPO utilization elapsed 8 (eight) months after getting IPO proceed and all index of financial performance were increased than previous year:

On basis of above data, financial health of the Bank was impressive after post IPO, specially total assets of the Bank increased by Tk. 37,000 million as well as Return on Assets (ROA) is 1.68%. Hence, Board of Directors recommend @ 15% dividend which 2.5 % higher than the Financial Year 2020.

F4.0: Quarterly Performance study and any variance thereof

Operating Profit increased over the quarters in 2021. Net Interest income in the 2nd and 4th are comparatively higher than others quarters due to interest/rebate income for fund involvement in foreign trade. Bank has taken the benefit of positive growth of capital and Bond market in the 3rd Quarter i.e., July to September 2021 resulting low tax bracket

circulars. As per the BRPD circular no.03 dated 18/01/2010 and BRPD Circular letter no. 11 dated 04/10/2015, Chairman may be provided with a car, telephone, Office chamber and private secretary. Directors are entitled to fees and other benefits for attending Board, EC, Audit Committee, RMC and Shariah supervisory committee meeting. Managing Director is ex.officio of the Bank and entitled to get salaries and allowances as per approval of the Board and Bangladesh Bank.

F6.0: Fair Presentation of the financial statements by the management

The Management of NRBC bank is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IAS/IFRSs. Furthermore, both auditors also mentioned responsibility of the management under segment **“Responsibilities of Management**

Figure in Million (BDT) unless otherwise Specified

Particulars	Q1, 2021	Q2, 2021	Q3, 2021	Q4, 2021	*QA, 2021	Annual, 2021
Net Interest Income	510.78	718.80	426.98	1,676.88	833.36	3,333.44
Non-Interest Income	1,016.75	902.73	1,644.62	1,199.62	1,190.93	4,763.72
Operating Income	1,527.53	1,621.53	2,071.60	2,876.50	2,024.29	8,097.16
Operating Expenses	804.20	825.14	1,034.96	1,378.40	1,010.68	4,042.70
Operating Profit	723.33	796.39	1,036.64	1,498.10	1,013.62	4,054.46
Provisions	94.93	37.06	164.67	755.38	263.01	1,052.04
Tax Effect	338.41	274.04	153.65	152.37	229.62	918.47
Net profit	289.99	485.29	718.32	590.35	520.99	2,083.95

*QA = Quarterly Average



and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls” wherein cited that auditee prepared the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Regarding fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank, Tri-party meeting was held on April 07 2022 among Bangladesh Bank, Statutory Auditors and Bank Management adopting any recommendation that would be error free i.e. fair presentation to the users.

There upon the both external auditors **Howladar Yunus & Co., Chartered Accountants and K. M. Hasan & CO, Chartered Accountants**, have also provided their opinion on the same by issuing an unqualified audit report which that the said consolidated financial statements prepared by the Management as at and for the year ended on December 31, 2021 have been presented fairly, in all material respect, its state of affairs, the results of its operations, cash flows and changes in equity.

F7.0: Proper books of account maintained by the Bank

NRBC Bank Limited maintains proper books of accounts in line with prevailing law. Bank has a core banking solution “Bank Ultimous” and application software for proper recording of all transactions in compliance with the Companies Act, 1994 and Bank Companies Act, 1991. The external auditors Howladar Yunus & Co., Chartered Accountants and K. M. Hasan & CO, Chartered Accountants have provided their Audit Report Segment “Report on other Legal and Regulatory Requirements”

F8.0: Consistent application of appropriate accounting policies as well as accounting estimates

NRBC Bank consistently apply accounting policies i.e., specific principles, basis, conventions, rules and practices in preparing and presenting financial statements in order to comparability between financial statements of different accounting periods except further extension of the application of IFRS 16 under modified retrospective approach effect from January 01, 2021 taking into consideration of 18 Branches having more than 5 Years lease term. Hence, Materiality threshold is 10.40% of the discounted lease liability for the year 2021 (up to Lease term with lessor) of capital of the Bank Tk.7,376,428,479 for right of use of assets.

NRBC Bank reviewed accounting policies and underlying assumptions as mentioned in the previous para, therefore additional expense of Tk.21.91 million incurred for the year ended December 31, 2021 extended adoption of IFRS 16 [Lease Interest and Depreciation on ROU are more than rental payment to the lessor]

Both Auditors also mentioned as key audit matter in their Audit Report as Measurement of Right of Use Assets and Lease Liability

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 In the Audited Financial Statement.

F9.0: Follow up of IAS & IFRS in preparation of financial statements

Except further extension IFRS 16 under modified retrospective approach effect from January 01, 2021 **mention in the Note # 2.25**, The financial statements of the Bank as at and for the year ended 31 December 2021 have been prepared in accordance with applicable Bangladesh Financial Reporting Standards (BFRSs), the “First Schedule” (section 38) of the Bank Companies Act 1991, as amended (up to 2018), BRPD Circular No. 14 dated 25th June 2003, other Bangladesh Bank Circulars, the Companies Act 1994, the Securities and Exchange Commission Rules 1987, and other laws and rules applicable in Bangladesh.

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

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

F10.0: The internal control system

Bank involves in diversified & complex financial activities and these activities involve high risk, so the issues of an effective internal control system, good governance, and transparency of all financial activities and accountability towards its stakeholders and regulators have become significant to ensure smooth performance of the banking industry throughout the world. Internal Control encompasses not only regulatory and legal requirements but also various internal rules and policies, procedures and practices based on the best practices of Local and global banks. Role of Internal Control becomes important in preventing and detecting fraud to protect the organization’s resources. Internal control is a process, rather than a structure. It is not a separate activity disconnected from the rest of the business activities, rather is an integral part of those activities. It is a dynamic, continuing series of activities planned, implemented and monitored by the Board of Directors and Management at all levels within the Bank. Internal Control contains Internal Audit, Compliance and Monitoring of the bank.

As per the ‘Guidelines on Internal Control & Compliance in Banks’ issued by Bangladesh Bank vide BRPD Circular No. 03/2016 dated 08.03.2016 & 06/2016 dated 04.09.2016, the Head of ICCD reports to the Senior Management of the Bank dotted line to Audit Committee of the Board (ACB) for discussion & necessary information. However, the Head of Audit, although being a part of ICC administratively, reports directly to ACB and is responsible to the ACB. Internal Control & Compliance Division (ICCD) of NRBC Bank acts as a watchdog to ensure safe, sound and compliant operations of the Bank. ICCD regularly provide updates to Audit Committee of the Board regarding safe and sound operations of overall internal control process. To minimize the operational risks of the Bank, the Division conducts regular along with surprise audit/inspection on the business affairs of the Bank based on Internal Audit manuals and various instructions, rules, procedures laid down by Bangladesh Bank and other regulatory authorities from time to time.

Detail of functional activities of ICC in the department segment.

F11.0: Protection of minority shareholders’ interest

Being as a Listed Company, Board of Director represent or acts on behalf of shareholder. Presently no minority shareholdings exist in the proposition share structure. NRBC has a subsidiary M/s. NRBC Bank Securities wherein bank hold 90% shareholding of the that concern and remaining 10% minority shareholding’s interest duly protected in line with statutory remedy in section 233 of the Companies Act, 1994 of Bangladesh.



In early 2021, Bangladesh Bank had given a direction vide their ref # BRPD/(AR-1)/717/2021-2745 dated March 01, 2021 regarding no minority would be exist in the NRBC's Subsidiary. As such, Board of Director of NRBC Bank in its 134th meeting held on February 01, 2022 decided to purchase remaining shareholdings except 1 (one) that vested to Ex. Officio Managing Director & CEO and minority interest Group (Directors and Sponsors of the Bank) also agreed good office surrender their shareholdings to the Bank. Thereafter, no minority interest would be exist its subsidiary company.

F12.0: Going Concern of NRBC's Business Ability

Going concern is one of the fundamental assumptions in accounting on the basis of which financial statements are prepared.

NRBC Bank is assess its going concern ability wherein no significant doubt upon Banks ability to continue its business in the foreseeable future. The consolidated financial statements of the Bank have also been prepared on the assumption that the entity is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that NRBC has neither any intention nor in need of liquidate or curtail materially the scale of its operations in near future despite of Third wave of COVID -19 pandemic spread all over the country at the early of 2022.

The issue of going concern is also reported in the audited financial statement in the Note # 2 and also both auditors assess the going concern ability mentioned in their auditors' responsibility of the audit report issued by them.

F13.0: Explanation for composition (Cash Vs Stock) dividend recommended by Board

Like as previous year, to mitigate aftershock COVID -19 effect due to deferral of loan repayment by the borrower for the year 2021 as well as intensify the capital structure in the Banking Sector, The Bangladesh Bank further enforced tightening dividend policy for banks to counter a probable wave of default loans. Therefore, Dividend policy is linked with financial strength as per **DOS Circular 01 Dated February 07, 2021 i.e. fully based Capital to Risk Weighted Assets Ratio (CRAR).**

Considering such regulation as mentioned above, The Board of Directors of NRBC Bank recommended for 15% dividend comprising 7.5% in the form of cash and 7.5% In the form of Stock for the year 2021 in its 138th meeting held on April 13, 2022 which is 2.5% higher the composition of 2020 and such dividend will be entitled on the shareholding at record date on May 11, 2022.

F14.0: Board's statement on bonus share or stock dividend as interim dividend

The Board of Directors did not declare/recommend any bonus or stock dividend of its total 20 Board Meetings which were held during the year 2021 before Unaudited Financial Statements were placed before Board by the Management. The Board of Directors also affirmed that Company i.e. NRBC Bank Limited has no intention to declare any interim dividend in form of Bonus or Stock Dividend in 2022.

F 15.0: Board meetings and Members' attendance thereof

The Board of Directors reconstitute in the 123rd BoD meeting followed on 8th Annual General Meeting held on 26 June 2021 wherein Mr. Rafikul Islam Mia Arzoo is elected as Vice Chairman for the first time. Subsequently, Bangladesh Bank accord the Board without any modification.

The Board holds meeting on a regular basis usually once or twice in a month, but emergency meetings are called when required. Due to the COVID-19 pandemic, the meetings of the Board were mostly held through video conference in line with Bangladesh Bank instructions.

During the year 2021, total 21 Board Meetings were held. The attendance records of those meetings are as follows:

The attendance records of the above include presence of respective Alternate Directors and presence through video conference where applicable.

F16.0: The Pattern of shareholding and disclosure thereof:

a) Parent/Subsidiary/Associated Companies and other related parties:

Bank has neither any parent/Associated yet to exist, nor its only Subsidiary company M/s. NRBC Bank Securities limited hold any share of the Bank i.e., all share hold by Sponsors/Promoters and Shareholders.

b) The Shareholding Pattern:

NRBC Bank entered into 2nd year trading after first trading on March 22, 2021. Below is the Shareholding Pattern of the Sponsors/Shareholders for the year ended December 31, 2021:

c) Ownership Composition for the year ended December 31 :

In comparative year ownership Composition has been changed due to Pre-IPO versus post IPO. New 120 million shareholders through Initial public offerings (IPO) and 5% stock dividend approved in the 8th AGM held June 26, 2022 resulting composition of share has been changed. Hence, shareholdings of Sponsors/Directors' stood 73.31% of post IPO and remaining share hold by Public/Shareholder is 23.98% and Institutions is 2.70% as of December 31, 2021:

SL	Name of the Members	Status in the Board	Number of Meetings Attended/Total Number of
1	Mr. S M Parvez Tamal	Chairman	21/21
2	Mr. Rafikul Islam Mia Arzoo	Vice Chairman	21/21
3	Mr. Mohammed Adnan Imam, FCCA	Director	21/21
4	Mr. A M Saidur Rahman	Director	21/19
5	Mr. Mohammed Oliur Rahman	Director	21/15
6	Mr. Abu Bakr Chowdhury	Director	21/17
7	Mr. Loquit Ullah	Director	21/20
8	Mr. Mohammed Nazim	Director	21/20
9	Mr. AKM Mostafizur Rahman	Director	21/21
10	Air Chief Marshal Abu Esrar (Retd.)	Independent Director	21/21
11	Dr. Khan Mohammad Abdul Mannan	Independent Director	21/20
12	Dr. Raad Mozib Lalon	Independent Director	21/20
13	Mr. Golam Awlia	Managing Director & CEO	21/21



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

d) Shareholding structure of directors is as follows as of December 31, 2021 as well as on record date May 11, 2022:

The Board of Directors held 31.75% of outstanding share which is above of BSEC Directive No. SEC/CMRRCD/2009-193/119/ Admin/112 dated November 22, 2011:

Association (AOA) of the Bank.

According to Section 15 and 15AA of Banking Act, 1991 (amended 2018) define election process along with tenure for being hold office as Director of Bank. Furthermore, BRPD Circular # 11 dated October 27,

Status with the Bank	31st December, 2021		31st December 2020	
	Number of Shares	% of total Shareholding	Number of Shares	% of total Shareholding
Sponsors/Directors	540,800,594	73.32%	515,048,214	88.42%
Public/Shareholders	176,901,317	23.98%	67,468,784	11.58%
Institutions	19,940,936	2.70%	-	-
Total	737,642,847	100.00%	582,516,998	100.00%

Aforesaid directors except independent directors hold above of 2% and below 5% of the paid-up capital as per directive of BSEC.

e) Shareholding position of Managing Directors & CEO, CFO, CS and Ho-ICC along with their spouse and minor child :

NRBC Bank completed its 1st year Audited Financial Statements after Trading Share inaugurated on March 22, 2021 followed on IPO BSEC's consent letter ref: BSEC/CI/IPO-307/2020/304 dated January 04, 2021. Aforesaid official affirm that including Managing Director & CEO did not hold any Share of NRBC Bank as of December 31, 2022 and on record date.

2013 and BRPD Circular letter # 20 dated April 04, 2021 clarify the formation of Board of Directors.

Bank will elect the Directors in line with the said clauses of Article of Association (AoA) as well as relevant provision of Banking Company act, 1991 (amended 2018).

G1.0: Independent Directors and Their Qualification

Shareholders in the 8th Annual General Meeting (AGM) accord the appointment of Independent Directors and it's hence forth requisite Independent Directors hold position in the Board i.e., one fifth (1/5) Independent Directors in the Board.

SL	Board of Directors	Status	Shareholding	Holding %
1	Mr. S M Parvez Tamal	Chairman	34,715,692	4.71%
2	Mr. Rafikul Islam Mia Arzoo	Vice Chairman	31,986,799	4.34%
3	Mr. Mohammed Adnan Imam, FCCA	Director	17,255,843	2.34%
4	Mr. Mohammed Oliur Rahman	Director	25,872,208	3.51%
5	Mr. Abu Bakr Chowdhury	Director	28,248,937	3.83%
6	Mr. Loquit Ullah	Director	27,999,874	3.80%
7	Mr. Mohammed Nazim	Director	28,062,228	3.80%
8	Mr. A K M Mostafizur Rahman	Director	20,787,159	2.82%
9	Mr. Abu Mohammad Saidur Rahman	Director	19,287,960	2.61%
10	Air Chief Marshal Abu Esrar (Retd.)	Ind. Director	0.00	0
11	Dr. Khan Mohammad Abdul Mannan	Ind. Director	0.00	0
12	Dr. Raad Mozib Lalon	Ind. Director	0.00	0
Total			234,216,700	31.75%

F1.0: Rotation of Director

Every year in Annual General Meeting, one third (1/3) of the directors who are serving the longest in office since last election will retire from the Board of Directors. Retired Director(s) will eligible for re-appointment by complying the clause 106,107 and 108 of Article of

Now the Board of Director consist 12 (Twelve) members including 3 (Three) Independent as per BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018. Details of **Independent Directors qualification are given below:**



Independent Director	Qualification/Profile	Approval of Appointment before 8th AGM
Air Chief Marshal Abu Esrar, BBP; ndc (Retd)	Air Chief Marshal Abu Esrar, BBP; ndc (Retd), has joined as an Independent Director of NRBC Bank Limited. He served Bangladesh Air Force for almost 40 years. During his illustrious career in BAF, he assumed the highest position of Bangladesh Air Force as Chief of Air Staff. Before that he served as the Assistant Chief of Air Staff at Air Headquarters and also commanded number of Bases of Bangladesh Air Force. He also served as Defense Attaché at Embassy of Bangladesh in Russia. He was a Distinguished Graduate from Air Command and Staff College, Air University, USA in 1993-1994. He completed NDC course from National Defence College, Mirpur in 2002. During his glorious career, he earned many awards from home and abroad. he was awarded 'King Fahad Merit of Excellence Medal' from His Majesties King of KSA in 2017. He was also included in the 'International Honour Roll' of the Air University, Alabama, USA in 2016. Air Chief Marshal Abu Esrar was awarded prestigious Biman Bahini Padak (BBP) of Bangladesh Air Force in 2013 for his outstanding contribution to BAF.	Boards of its 100th Meeting appoint as Independent Director. There upon BSEC vide letter # BSEC/CFD/58/2017/137 Dated August 20, 2020 accord the appointment and, subsequently, Bangladesh Bank confirm the same vide # BRPD # 2 (651)/9(61) DL/2020-6802 dated August 27, 2020
Dr. Khan Mohammad Abdul Mannan	Dr. Khan Mohammad Abdul Mannan was Inspector General of Registration of Bangladesh (Senior District & Sessions Judge), Registration Directorate. Before that he was a District & Sessions Judge at Jhenidah, Bangladesh. He completed his PhD from American World University, California, USA. He also completed his DLC (Development Lawyers Course) from International Development Law Institute, Rome, Italy in the year 1992. During his glorious career, he was involved in a number of extracurricular activities, such as discharging duties as the Vice President of Bangladesh Judicial Service Association, Present of Bangladesh Law Association, Founder Secretary General of Padma Degree Collage, Dohar and so on. He actively participated in the liberation war of Bangladesh in 1971.	Boards of its 105th Meeting appoint as Independent Director. There upon BSEC vide letter # BSEC/CFD/58/2017/216 Dated November 04, 2020 accord the appointment and, subsequently, Bangladesh Bank confirm the same vide # BRPD # 2 (651)/9(61) DL/2020-9537 dated November 09, 2020
Dr. Raad Mozib Lalon	Dr. Raad Mozib Lalon is a renowned Faculty Member of Department of Banking and Insurance, University of Dhaka. Previously he discharged duties as a respected faculty member in different private universities of Bangladesh. He completed his PhD from University of Dhaka on Banking in the year 2018. He is a specialist of Multinational Financial Management, Risk Management in Commercial Banking/ Financial Institution, Investment Analysis & Modern Portfolio Management and so on. During his illustrious career, he conducted many research and achieved a number of awards for his merit, such as Dean's Merit Award, Certificate of Merit from University of Dhaka. He wrote a number of International Journals on Finance and Banking, Economics and Business Management Studies.	Boards of its 106th Meeting appoint as Independent Director. There upon BSEC vide letter # BSEC/CFD/58/2017/228 Dated November 16, 2020 accord the appointment and, subsequently, Bangladesh Bank confirm the same vide # BRPD # 2 (651)/9(61) DL/2020-9918 dated November 19, 2020

H1.0: Appointment of Statutory Auditors of the Bank [Section 210 of the act]

Appointment of Statutory Auditor is the 4th Agenda of the motion of 9th Annual General Meeting and appointment of auditors disseminates for consideration by Hon'ble shareholders:

M/s. K. M Hasan & Co., Chartered Accountant and M/s. Howladar Yunus & Co., Chartered Accountant were statutory auditors for the year 2021 and have completed 3rd year and 2nd year of Audit of the Bank respectively.

In pursuant of the section 210 (2) of the companies Act, 1994 seconded by Article 149 of the Articles of Association of the Company (NRBC Bank Limited), Auditor(s) will be appointed in the annual General Meeting (AGM) along with their remuneration and hold office till to next AGM.

However, according to BRPD Circular Letter No.12 dated 11 July 2001 and Clause 2 (2 & 3) of Gazette notification of BSEC/CMRRCD/2006-158/208/ Admin/81 dated June 20, 2018

"The company shall not appoint any firm of chartered accountants (Panel of Auditor means any partnership firm of Chartered Accountants selected by BSEC) or The auditor or audit firm shall not also be eligible as its statutory auditors for a consecutive period exceeding three years".

M/s. K. M Hasan & Co., Chartered Accountant has completed 3rd year as statutory of the Bank and not eligible for reappointment for the year 2022 to 2024 as mentioned in the previous para.

M/s. Howladar Yunus & Co., Chartered Accountant is eligible for reappointment for the year 2022 due to being as statutory auditor completed 2 years out of 3 years. By this time, M/s. Howladar Yunus & Co., Chartered Accountant is submitted their willingness before Board for appointment for the year 2022

The Audit Committee of Board of its 43th meeting held on May 12, 2022 review eligibility of Both auditors from the latest panel of Auditors' of BSEC (Updated as on July 30, 2020) in their website for audit of listed company and Bangladesh Bank eligible list approved in the 74th audit committee meeting held on 17/06/2021 for Auditing of Banks and Financial Institutions. The Audit Committee of Board expressed their concerned for appointment of M/s. Howladar Yunus & Co., Chartered Accountant will be sole statutory auditor for the year 2022.

After confirmation from the Audit Committee of Board, The Board of Directors of its 140th meeting held on May 12, 2022 accord aforesaid auditor with remuneration of Tk.500,000.00 (excluding VAT) for the next term until 10th AGM of the Bank.

But, final approval of appointment of Auditor along with remuneration will be effect in the 9th Annual General Meeting (AGM) that will hold on June 2, 2022.

However, final approval for appointment of auditors will be confirmed by Bangladesh Bank after 9th AGM confirmation subject to compliance of terms and condition of the BCD Circular letter no. 33 dated 23 December 1992 along with BRPD Circular letter no 12 dated 11 July 2001.



11.0: Appointment of Corporate Governance Compliance Auditor/Professional and fix their remuneration [BSEC/ CMRRCD/2006-158/207/Admin/80 dated June 18, 2018]

Appointment of Corporate Governance Compliance Auditor is the 5th Agenda of the motion of 10th Annual General Meeting and appointment is disseminating for consideration by Hon'ble shareholders:

As per clause 9 (Reporting and Compliance of Corporate Governance) of BSEC/CMRRCD/2006-158/207/Admin/80 dated June 18, 2018:

"The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report."

Husain Farhad & Co. Chartered Accountants was appointment as Corporate Governance Compliance Auditor in the 8th AGM for the year 2021 and already submitted their Compliance Corporate Governance with opinion of "Compliance is Satisfactory in all respect"

For 2nd time appointment of Corporate Governance Compliance Auditor after listing, Husain Farhad & Co. Chartered Accountants also submitted their willingness for reappointment for the year 2022. At the same time, few other practicing Professional Accountant or Secretary submitted their proposal for being appointment as Corporate Governance Compliance Auditor.

After consider all proposals, the Board of Directors in its 140th meeting held on May 12, 2022 appointed M/S Ahmed Zaker & Co. Chartered Accountants as Corporate Governance Compliance Auditors of the Bank for the year 2022 at a remuneration of Tk. 50,000.00 excluding VAT and, such appointment will be confirmed in the 10th AGM.

Govt. Revenue Collection and Contribution of NRBC in the region of 2nd wave of Covid -19 Pandemic.

The economy is recovering after lockdown due to coronavirus is eased. economic activities, including production, consumption, Import and Export is returning to full swing. NBR witnessed a positive growth rate in

Khat of Govt. Revenue	2021	2020	2019	2018	2017
Corporate Tax paid by bank & Tax deduction at Source	1,624.36	1,219.15	666.00	548.87	975.61
VAT	289.30	170.90	120.31	89.93	84.90
Excise Duty	239.18	158.34	104.63	90.05	58.62
Total	2,152.84	1,548.40	890.94	728.84	1,119.13

Figure in million

revenue collection compared to previous period. In the Fiscal year 2021-22 till December 2021, there is a positive growth of 16.82% compared to previous fiscal period for the same.

NRBC Bank paid Tax on its income, Tax deducted at sources, VAT deducted at Sources, and Excise duty from Depositors complying the prevailing laws which growth scenario nearly 39% more of 2020. Trend of corporate tax on income, withheld Tax, VAT and Excise Duty paid by the Bank over the last five (05) years are as follows:

The NRBC Bank has paid/deposited total tax of BDT 1,624.36 million, Tax deduction at Source of BDT 917.16 million, and corporate tax of BDT 707.20 million in the financial year 2021/Assessment Year 2022-2023.

Bank paid total tax 33.23 percent higher than that of prior year. The Bank has paid BDT 289.30 million as VAT to the government which is 69.28 percent higher than 2020 and 140.46 percent higher than that of 2019. On the other hand, Excise Duty from depositors and loan account holders was deposited BDT 239.18 million in 2021 which is 51.34 percent higher than 2020 and 75.85 percent higher than that of 2019. In total BDT 2,152.84 million has been deposited/paid to Government Treasury in 2021.

Entitlement to Dividend on record date

The Shareholders whose names would appear in the Register of Members of the Bank and/or in the Depository on the 'Record Date' which is Monday, May 11, 2022, would be entitled to receive the dividend of the Bank as recommended by Board of its 138th Meeting held on the April 13, 2021. The Shareholders whose names would appear in the Register of Members of the Bank and/or in the Depository on the 'Record Date' would be eligible to join the AGM and entitled to receive the annual/ final dividend of the Bank.

9th Annual General Meeting

9th (Ninth) Annual General Meeting (AGM) of the Bank will be held on Thursday 02 June 2022 at 11.00 A.M BST virtually through Digital Platform by using the the link <https://nrbcbank.bdvirtualagm.com> as per Directive of BSEC [Ref. SEC/SRMIC/04-231/932 dated 24 March 2020] and Bangladesh Bank [Ref. BRPD Circular Letter no. 09 dated 23 March 2020]. The Directors' Report and Financial Statements for the year ended December 31, 2021 were adopted in the 138th Board Meeting held on the April 13, 2022 for approval of the Shareholders in the AGM.

Vote of Thanks

Lastly, we remain again our journey for being listing with stock exchanges in 2021 and histrionic trading on March 22, 2021. The Board of Directors also take the opportunity to express thanks and gratitude to all the shareholders, valued customers, patrons and well-wishers at home and abroad who have extended their co-operation and support and contributed to put the bank at a distinctive edge over the competitors. We would like to express our gratitude to the Government of the People's Republic of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), other regulatory bodies

and financial institutions for their continued guidance and advice towards betterment of the bank. Finally, the Board would like to place on record their heart-felt gratitude and appreciation to the Management and employees at all levels for their dedication and relentless efforts to place the bank on a prestigious position.



S M Parvez Tamal
Chairman

