

যুগের পথে

এনআরবিসি ব্যাংক



বছর পূর্তি

স্বপ্ন বাস্তবায়নে  
আপনার দুহাত

**Corporate Governance Report to  
the Shareholder**



প্রবাসীর স্বপ্ন  
এনআরবিসি ব্যাংক  NRBC BANK





## Report on Corporate Governance -2023

### Statement from the Company Secretary

Honorable Shareholders,

As the Company Secretary of NRBC Bank PLC., it is my pleasure to provide an overview on our 'Annual Corporate Governance Report 2023'. As you are aware, NRB Commercial Bank Limited has been renamed to NRBC Bank PLC. This change was formalized by a circular from the Banking Regulation and Policy Department (BRPD) of Bangladesh Bank, in accordance with Section 11A(A) of the Company Act, 1994. NRBC Bank PLC. is committed to maintaining the highest standards of corporate governance to ensure the bank's sustainability, transparency, and accountability. Our governance structure is designed to foster an environment where the interests of all stakeholders, shareholders, employees, customers, and the broader community are safeguarded and enhanced. Two regulatory bodies, Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) played a major role in shaping governance structures and practices of the bank.

NRBC Bank PLC operates with a clear organizational structure that delineates well-defined, transparent, and consistent lines of responsibility. This structure is crucial for efficient decision-making and accountability. At the apex of our governance framework is the Board of Directors, which provides strategic direction and oversight. Our Bank maintains adequate representation of non-executive directors in the Board while the Managing Director is the only Executive Director in the Board of Directors. All other Directors are non-executive directors including 03 Independent Directors who have been reappointed for 01 (one) additional term during the year 2023 upon receiving clearance from BSEC and approval from Bangladesh Bank which will be placed in the upcoming 11<sup>th</sup> AGM for approval in line with Corporate Governance Code. The Board comprises individuals with diverse expertise, ensuring a holistic approach to governance. Our Board and management are also actively addressing the newly issued Prompt Corrective Action (PCA) guidelines by Bangladesh Bank. Beneath the Board, various committees such as the Executive Committee, Audit Committee and Risk Management Committee play pivotal roles in their respective areas. Meanwhile, the functions of Nomination and Remuneration Committee as stipulated under Corporate Governance Code shall be carried out by the Audit Committee by the directives of Bangladesh Bank in compliance with BRPD Circular No. 21 dated May 12, 2024.

The Executive Committee of NRBC Bank PLC is integral to the Bank's success, driving strategic initiatives and ensuring operational excellence. Through their leadership and expertise, the Committee ensures that NRBC Bank PLC remains a leader in the banking industry, committed to providing exceptional service and value to its stakeholders.

Effective risk management is central to NRBC Bank PLC's operations. We have instituted comprehensive processes to identify, manage, monitor, and report the risks we are or might be exposed to. These processes are embedded across all levels of the bank. Our Risk Management Committee regularly reviews the bank's risk profile and ensures that appropriate risk mitigation strategies are in place. This proactive approach helps in safeguarding the bank's assets and interests of our stakeholders.

Our internal control mechanisms are robust and are continuously reviewed to ensure their effectiveness. These mechanisms include sound administrative and accounting procedures, advanced IT systems, and comprehensive audit processes. The Audit Committee oversees the internal and external audit functions, ensuring that financial reporting is accurate and reliable. Additionally, our IT systems are regularly updated and tested to protect against cyber security threats and ensure the integrity of our data. Moreover, as per the latest BRPD Circular No. 21 dated May 12, 2024 issued by Bangladesh Bank, Audit Committee shall

also carry out the responsibilities of Nomination and Remuneration Committee.

Transparency and accountability are the cornerstones of our corporate governance philosophy. NRBC Bank PLC is committed to clear and open communication with our stakeholders. Our reporting practices are designed to provide a true and fair view of the bank's financial position and performance. We adhere to all regulatory requirements and best practice standards in our disclosures, ensuring that our stakeholders have access to timely and accurate information.

At NRBC Bank PLC, we foster a corporate governance culture that emphasizes ethical behavior and compliance. Our Code of Conduct and Ethics guides the actions of our employees and directors, ensuring that the highest standards of integrity and professionalism are maintained. Training and development programs are regularly conducted to keep our team updated on governance best practices and regulatory changes.

In conclusion, the corporate governance framework at NRBC Bank PLC is designed to ensure the bank operates with integrity, transparency, and accountability. By maintaining clear lines of responsibility, effective risk management processes, robust internal controls, and a culture of ethical behavior, we aim to safeguard the interests of all our stakeholders and enhance the long-term value of the bank. As the Company Secretary, I am committed to supporting these governance practices and ensuring that NRBC Bank PLC continues to uphold its high standards of corporate governance.

With my best wishes,



**Mohammad Ahsan Habib**  
Company Secretary

## STATEMENT OF CORPORATE GOVERNANCE

Corporate governance is the set of processes, customs, policies, laws, and institutions affecting the way a corporation is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. The principal stakeholders are the shareholders, board of directors, management committee, executive committee and other stakeholders including labor or employees, customers, creditors (e.g., banks, bond holders), suppliers, regulators, and the community at large.

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

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



The Board of Directors collectively is the supreme authority in the Bank's affairs among its Members' meetings. They owe a duty to the shareholders and exercise care, skill and diligence in discharging their responsibilities and in exercising the powers vested to them. The key purpose of the Board of Directors of NRBC Bank is to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and other stakeholders. In addition to business

and financial issues, the Board deals with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics and ensures that its organization and operation are, at all times, in correct and appropriate order. The Board is, among other things, responsible for setting business objectives, strategies and business plans, formulating risk policies, confirming key aspects of the Bank's internal organization and making decisions on the establishment of all business units i.e. Branches/Sub-branches/etc.

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

As a listed Company, NRBC Bank must follow the guideline of Bangladesh Securities and Exchange Commission's Corporate Governance Code, which require disclosing the extent in the Annual Report. Especially as per Corporate Governance Code of BSEC, the status of compliance shall be certified by a practicing professional Accountant/ Chartered Secretary. The Compliance Certificate with corporate governance code certified by Chartered Secretary M/s. Haruner Rashid & Associates Chartered Secretaries & Management Consultants which depict in the Page No. 251.

### Scope

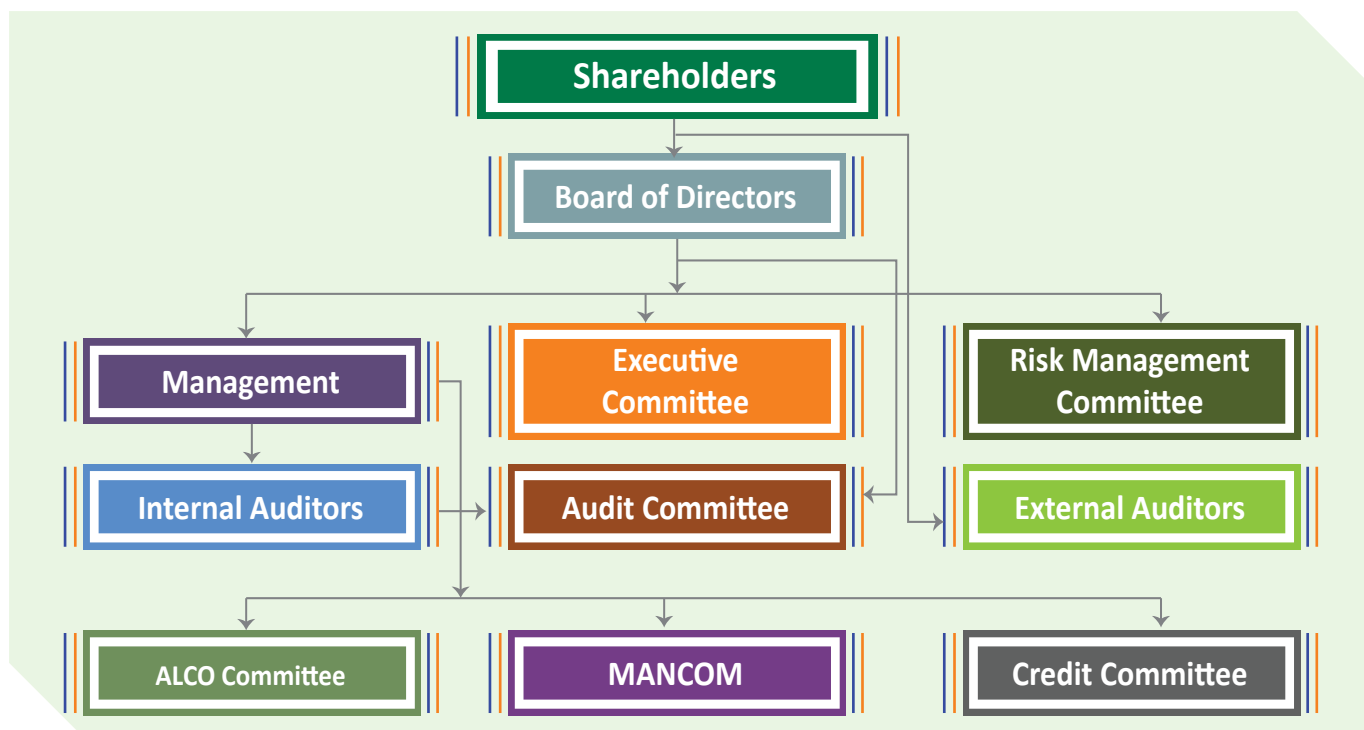
NRBC Bank operates within the legal framework of the Bank Companies (Amendment) Act, 2013 (updated 2023), Corporate Governance guidelines of Bangladesh Securities and Exchange Commission and the Companies Act, 1994. It has recognized that corporate governance guidelines are crucial for achieving a business that is built for the long-term sustainability.

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



### Governance Structure of the Bank

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



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

### Guiding Philosophy of Governance Practices

Principles of good governance are embedded in the core values of NRBC Bank, a bank that strongly believes in inclusive and sustainable growth. As a locally incorporated bank, the following acts, regulations, notifications, and circulars played a major role in shaping the governance structure and practices of the bank.

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

## BOARD OF DIRECTORS

### Size of the Board of Directors

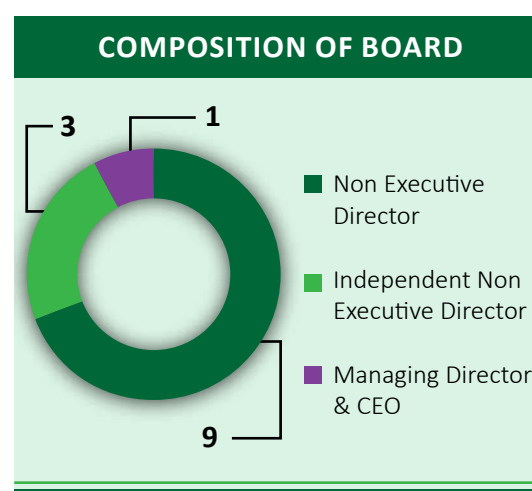
The Board of Directors is comprised 13 Members with 12 Non-Executive Directors and 01 Executive Director who is the MD & CEO and ex-officio member of the Board. In the 10<sup>th</sup> Annual General Meeting of NRBC Bank PLC. held on 19 June 2023, 03 Members [Mr. S M Parvez Tamal, Mr. Rafikul Islam Mia Arzoo and Mr. A K M Mostafizur Rahman] of the Board retired by rotation and re-elected by Shareholders. Mr. Abu Bakr Chowdhury, a Sponsor of the Bank, was nominated by Board of Directors in the 166<sup>th</sup> Board Meeting held on June 14, 2023 was also elected by the Shareholders in the 10<sup>th</sup> AGM. Bank's reelection of Mr. S M Parvez Tamal, Mr. Rafikul Islam Mia Arzoo, and election of Mr. Abu Bakr Chowdhury had been approved by the Bangladesh Bank vide letter dated June 21, 2023 and re-election of Mr. A K M Mostafizur Rahman as a Director in the 10<sup>th</sup> AGM was later approved by Bangladesh Bank vide letter dated September 26, 2023.

In 167<sup>th</sup> Board meeting of the Bank held on June 25, 2023 after holding of the AGM, the Board unanimously re-elected Mr. S M Parvez Tamal as Chairman and Mr. Rafikul Islam Mia Arzoo as Vice Chairman of the Board of Directors.

Therefore, the Board of Directors consisted of 12 Members including 03 Independent Directors excluding the Managing Director & CEO.

Present Members of Board of Directors is as follows;

SL No	Name of the Directors	Status in the Board
01	Mr. S M Parvez Tamal	Chairman
02	Mr. Rafikul Islam Mia Arzoo	Vice Chairman
03	Mr. Mohammed Adnan Imam, FCCA	Director
04	Air Chief Marshal Abu Esrar, BBP, ndc (Retd.)	Independent Director
05	Mr. A K M Mostafizur Rahman	Director
06	Mr. Mohammed Oliur Rahman	Director
07	Mr. Abu Bakr Chowdhury	Director
08	Mr. Loquit Ullah	Director
09	Mr. Mohammed Nazim	Director
10	Mr. Abu Mohammad Saidur Rahman	Director
11	Bir Muktijoddha Dr. Khan Mohammad Abdul Mannan	Independent Director
12	Professor Dr. Raad Mozib Lalon	Independent Director



The Board of Directors of the Bank fulfilled requirements of meeting at least once in a month for the year 2023 as per BRPD Circular No. 11 dated October 27, 2013 and recently Bangladesh Bank issued BRPD Circular No. 02 dated February 11, 2024.

In compliance with the Condition (1) BSEC of Corporate Governance (CG) Code-2018, The Bank completed all regulatory compliance accordingly.

Hence, composition in the Board of Directors stand 12 (Twelve) including 3 (three) independent Directors.

## Company's Policy on Appointment of Directors Disclosed

NRBC Bank complied with pertinent guidelines of Bangladesh Bank circulars, rules and regulations of the Companies Act 1994 (amended up to 2023), Bank Companies Act 1991 (amended up to 2023), Bangladesh Securities and Exchange Commission (BSEC) Notifications, Guidelines of Bangladesh Bank and Memorandum & Articles of Association of the Bank.

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

## Directors' Shareholding Status

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

SL	Name of the Directors	Status	As of 31 December 2023		
			No. of Shares held	Taka	Holding %
1	Mr. S M Parvez Tamal	Chairman	38,998,739	389,987,390	4.71%
2	Mr. Rafikul Islam Mia Arzoo	Vice-Chairman	35,933,169	359,331,690	4.34%
3	Mr. Mohammed Adnan Imam, FCCA	Director	19,384,782	193,847,820	2.34%
4	Air Chief Marshal Abu Esrar, BBP, ndc (Retd.)	Independent Director	Nil	-	-
5	Mr. AKM Mostafizur Rahman	Director	23,351,773	233,517,730	2.82%
6	Mr. Mohammed Oliur Rahman	Director	29,064,191	290,641,910	3.51%
7	Mr. Abu Bakr Chowdhury	Director	31,734,149	317,341,490	3.83%
8	Mr. Loquit Ullah	Director	31,454,357	314,543,570	3.80%
9	Mr. Mohammed Nazim	Director	31,524,405	315,244,050	3.80%
10	Mr. Abu Mohammad Saidur Rahman	Director	21,667,612	216,676,120	2.61%
11	Bir Muktijoddha Dr. Khan Mohammad Abdul Mannan	Independent Director	Nil	-	-
12	Professor Dr. Raad Mozib Lalon	Independent Director	Nil	-	-
		<b>Total</b>	<b>263,113,177</b>	<b>2,631,131,770</b>	<b>31.76%</b>

The Sponsors and Directors jointly hold 68.06% share of the company including Board Member shareholding of 31.76% that comply the aforesaid directive of BSEC.

## Directors' Remuneration

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

The Chairman in the 180<sup>th</sup> Meeting of the Board of Directors held on February 25, 2024, informed the Board of Directors that BRPD Circular No. 2 dated February 11, 2024, concerning Directors, Alternative Directors, Nominated Directors, and Independent Directors, were distributed to all relevant parties, including board members, well in advance of the meeting for review. These circulars, based on the bank company act, replaced previous ones on the same subject. The key points of these circulars were discussed during the meeting. The board decided to set meeting fees for Directors at BDT 10,000/- only subject to deduction of applicable tax, authorizing the MD & CEO to manage disbursements in accordance to the circulars.

## Adequate representation of Non-Executive Directors

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

Presently 12 (Twelve) Non-Executive Directors hold position in the Board of Directors that comply the Condition 1(1) of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018.

## Independent Directors

NRBC Bank complies with the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), Bank Companies Act, 1991, Bank Company Amendment Act 2023, including the BRPD Circular No. 11, dated 27 October, 2013, BRPD Circular No. 02 dated 11 February 2024, BRPD Circular No.03 dated 14 February 2024 and relevant directives from regulatory authorities.

As per the notifications and circulars issued by Bangladesh Bank including newly issued BRPD Circular No. 02 dated 11 February 2024 and BRPD Circular No.03 dated 14 February 2024, the Independent Directors are independent in the form of Fit and Test. Pursuant to the Notification of Bangladesh Securities and Exchange Commission, an Independent Director meets the requisite for the information to be an Independent Director. Out of 12 (Twelve), there are 3 (three) Independent Directors in the Board of NRBC Bank.

Presently, the Board of Directors of NRBC Bank PLC. consists of 12 (Twelve) members including 3 (Three) Independent in compliance with BSEC's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 who were re-appointed for 01 (one) additional term of 03 (three) years after the expiration of their present tenure during the year 2023 in line with decision of Board of Directors in its 167<sup>th</sup> meeting held on June 25, 2023 and received clearance and approval from BSEC and Bangladesh Bank, respectively.

## Qualification of Independent Director

Presently the Board of Directors consists of 12 (Twelve) members including 3 (Three) Independent as per BSEC's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018. Shareholders of NRBC Bank in the 8<sup>th</sup> Annual General Meeting (AGM) accorded approval to the appointment of Independent Directors for 03 (Three) years and henceforth requisite Independent Directors hold position in the Board i.e., one fifth (1/5) Independent Directors in the Board in compliance with Corporate Governance Code. The said Independent Directors have been in office ever since. However, the tenure of the said Independent Directors have been extended for one additional term of 03 (Three) years after fulfillment of required compliances ahead of the upcoming AGM. Their reappointment shall be placed for approval in the upcoming 11<sup>th</sup> Annual General Meeting (AGM) of the Bank in adherence to clause no. 1(2)(c) of the aforementioned Corporate Governance Code Notification Dated 03 June 2018.

Details of Independent Directors qualification are given below:

Independent Director	Qualification/Profile	Awaiting for Approval of Appointment in the 11 <sup>th</sup> AGM
Air Chief Marshal Abu Esrar, BBP ndc (Retd)	Air Chief Marshal Abu Esrar, BBP; ndc (Retd), is an Independent Director and Chairman of Audit Committee of NRBC Bank PLC. 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.	Board in its 100 <sup>th</sup> Meeting, appointed the Independent Director. There upon BSEC vide letter # BSEC/CFD/58/2017/137 Dated August 20, 2020 accorded the appointment and, afterwards, Bangladesh Bank confirmed the same vide # BRPD # 2 (651)/9(61) DL/2020-6802 dated August 27, 2020. Finally, the Shareholders in its 8 <sup>th</sup> Annual General Meeting approved the appointment of the Independent Director. Subsequently, his tenure has been extended for 01 (One) additional term of 03 (three) years as Independent Director from the expiration of his tenure in line with the decision of the 167 <sup>th</sup> Meeting of Board of Directors held on June 25, 2023.

Independent Director	Qualification/Profile	Awaiting for Approval of Appointment in the 11 <sup>th</sup> AGM
	<p>Air Chief Marshal Abu Esrar, BBP; ndc (Retd) is a knowledgeable individual with integrity, able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to the business. He has been providing objective supervision and direction to the board, as well as actively participating in meetings and decision-making processes pertaining to finances, strategy, performance, risk management, and key appointments. During the Covid-19 pandemic, the Independent Director instituted Distance Audit mechanism to ensure the uninterrupted operation of the bank. He has also advised the board on safeguarding and balancing the interests of all stakeholders and assuring the application of sound corporate governance.</p>	<p>Clearance from Bangladesh Securities and Exchange Commission has been obtained and Bangladesh Bank has also accorded approval for re-appointment as Independent Director of the Bank vide it's letter no: BRPD(BMMA)651/9(61)DA/2023-8557 dated: 10 October, 2023. The re-appointment shall be placed before the 11th AGM as per compliance to clause no. 1(2)(c) of the Corporate Governance Code.</p>
<p>Bir Muktijoddha Dr. Khan Mohammad Abdul Mannan</p>	<p>Bir Muktijoddha Dr. Khan Mohammad Abdul Mannan is an Independent Director of NRBC Bank PLC. Prior to becoming Independent Director of NRBC Bank PLC, he was Inspector General of Registration of Bangladesh (Senior District &amp; Sessions Judge), Registration Directorate. Before that he was a District &amp; 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.</p> <p>As an Independent Director, Dr. Mannan is a knowledgeable individual with integrity, able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to the business. He has been providing objective supervision and direction to the board, as well as actively participating in meetings and decision-making processes pertaining to finances, strategy, performance, risk management, and key appointments.</p>	<p>Board in its 105<sup>th</sup> Meeting, appointed the Independent Director. There upon BSEC vide letter # BSEC/CFD/58/2017/216 Dated November 04, 2020 accorded the appointment and, afterwards, Bangladesh Bank confirmed the same vide # BRPD # 2 (651)/9(61) DL/2020-9537 dated November 09, 2020. Finally, the Shareholders in its 8<sup>th</sup> Annual General Meeting approved the appointment of the Independent Director.</p> <p>Subsequently, his tenure has been extended for 01 (One) additional term of 03 (three) years as Independent Director from the expiration of his tenure in line with the decision of the 167<sup>th</sup> Meeting of Board of Directors held on June 25, 2023. Clearance from Bangladesh Securities and Exchange Commission has been obtained and Bangladesh Bank has also accorded approval for re-appointment as Independent Director of the Bank vide it's letter no: BRPD(BMMA)651/9(61)DA/2023-8557 dated: 10 October, 2023. The re-appointment shall be placed before the 11th AGM as per compliance to clause no. 1(2)(c) of the Corporate Governance Code.</p>

Independent Director	Qualification/Profile	Awaiting for Approval of Appointment in the 11 <sup>th</sup> AGM
Professor Dr. Raad Mozib Lalon	<p>Professor Dr. Raad Mozib Lalon is an Independent Director of NRBC Bank PLC. He 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 Bank Fund Management, Multinational Financial Management, Risk Management in Commercial Banks, Investment Analysis &amp; Modern Portfolio Management and so on. During his illustrious career, he conducted many research projects and achieved a number of awards for his merit, such as Dean's Merit Award, Certificate of Merit from University of Dhaka. He has published a number of papers in several renown International Journals on Finance, Banking and Economics.</p> <p>As an Independent Director, he has been providing objective is a knowledgeable individual with integrity, able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to the business. He has been providing objective supervision and direction to the board, as well as actively participating in meetings.</p> <p>He is also a Nominated Director and Chairman of NRBC Bank Securities Limited, a subsidiary company of the Bank.</p>	<p>Board in its 106<sup>th</sup> Meeting, appointed the Independent Director. There upon BSEC vide letter # BSEC/CFD/58/2017/228 Dated November 16, 2020 accorded the appointment and, afterwards, Bangladesh Bank confirmed the same vide # BRPD # 2 (651)/9(61) DL/2020-9918 dated November 19, 2020. Finally, the Shareholders in its 8<sup>th</sup> Annual General Meeting approved the appointment of the Independent Director.</p> <p>Subsequently, his tenure has been extended for 01 (One) additional term of 03 (three) years as Independent Director from the expiration of his tenure in line with the decision of the 167<sup>th</sup> Meeting of Board of Directors held on June 25, 2023. Clearance from Bangladesh Securities and Exchange Commission has been obtained and Bangladesh Bank has also accorded approval for re-appointment as Independent Director of the Bank vide it's letter no: BRPD(BMMA)651/9(61) DA/2023-8557 dated: 10 October, 2023. The re-appointment shall be placed before the 11th AGM as per compliance to clause no. 1(2)(c) of the Corporate Governance Code.</p>

### Role of Independent Directors

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

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

### Duality of Chairperson of the Board of Directors and CEO

In compliance with Bangladesh Bank BRPD Circular No. 11 dated October 27, 2013, newly issued of BRPD Circular No. 02 dated February 11, 2024 and BRPD Circular No. 05 dated February 27, 2024 and Clause 1(4) of BSEC Notification No. BSEC/CMRRC/2006-158/207/Admin/80 on Corporate Governance Code dated June 3, 2018, the functional responsibilities of the Chairman of the Board and the Managing Director are kept separate and independent of each other. This has been in practice since inception of the Bank.

Presently Mr. S.M Parvez Tamal is the Chairman re-elected in the 167<sup>th</sup> Board Meeting held on June 25, 2023 after holding of on 10<sup>th</sup> AGM on June 19, 2023. Pursuant to BRPD Circular No. 05 dated 27.02.2024 and in compliance with 15Ka(1) of Bank Company Act 1991, the Board evaluated the eligibility of the existing Deputy Managing Directors and finally decided to appoint Mr. Md.

Rabiul Islam, the senior most Deputy Managing Director as Managing Director (Current Charge) in its 183<sup>rd</sup> meeting in line with relevant regulations on temporary basis w.e.f. 04.05.2024 until further decision from the Board of the Bank. The Board has clearly defined respective roles and responsibilities of the Chairperson and the Managing Director.

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

However, Mr. S.M Parvez Tamal presided over all of 21 meetings held on 2023 either physically or virtually.

## Responsibilities of the Chairman of the Board

As per BRPD Circular No. 11 dated October 27, 2013, and newly issued BRPD Circular No. 02 dated February 11, 2024, issued by Bangladesh Bank and the Corporate Governance Code issued by BSEC on June 3, 2018, the Chairman of the Board of Directors broadly possesses the following major responsibilities:

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

## The specific responsibilities of the Chairman, among others, are to:

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

## Roles and Responsibilities of CEO, CFO, CS and Head of ICC

The Board of Directors of NRBC Bank clearly defines and approves the respective roles, responsibilities and duties of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Control & Compliance (ICC).

To set out the following responsibilities of CEO, BRPD Circular Letter No. 18 dated 27 October 2013 and newly BRPD Circular No. 05 dated 27.02.2024 issued by Bangladesh Bank and Corporate Governance Code issued by BSEC on 03 June 2018 has been taken into consideration.

## Rules and Regulations for Appointing CEO

The Board is responsible for appointing a Chief Executive Officer/Managing Director in compliance BRPD Circular Letter No. 18 dated 27 October 2013 and newly BRPD Circular No. 05 dated 27.02.2024 issued by Bangladesh Bank and BSEC's Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 dated June 3, 2018.

The issue of good governance is very important in bank management. In order to strengthen the financial base of the bank and obtain confidence of the depositors, appointing honest, efficient, experienced and suitable chief executive is one of the responsibilities of the Board of Directors. In order to ensure good governance, bank should follow the guidelines enumerated below while appointing the CEO and in devising the role-responsibilities and authorities of the CEO:

- **Moral Integrity:** In case of appointment to the post of Chief Executive, satisfaction in respect of the concerned person should be ensured to the effects that,-
  - a) He has not been convicted by any Criminal Court of Law;
  - b) He has not been punished for violating any rules, regulations or procedures/norms set by any Controlling Authority;
  - c) He was not associated with any such company/organization, registration or licence of which has been cancelled.
- **Experience and Suitability:**
  - a) It is required to ensure that, the concerned person must have experience in banking profession for at least 20 (Twenty) years as an active officer and at least 02 (two) years experience in a post immediate below the chief executive of a bank.
  - b) He must at least have a Masters degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.
  - c) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company;
  - d) Any director of any bank or financial institution or any person who has business interest in the bank concerned will not be eligible for appointment to the post of chief executive.
- **Transparency and Financial Integrity:** Before appointment as chief executive, satisfaction should be ensured to the effects that:
  - a) The concerned person was not involved in any illegal activity while performing duties in his own or banking profession;
  - b) He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter;
  - c) He is not a tax defaulter;

Age limit: Minimum age of concerned person will be 45 (forty five) years and No person crossing the age of 65 years shall hold the post of CEO of a bank.

Mr. Golam Awlia, Managing Director & CEO continued his office during the period under review and retired from Retired from Service from May 03, 2024 that endorsed in the 183rd Board Meeting. The Board shall new Managing Director in compliance with BRPD Circular No. 03 dated February 14, 2024.

## Appointment of Chief Financial Officer (CFO), Company Secretary (CS), and Head of Internal Control and Compliance (IC&CD)

According to the NRBC Bank's policy and other applicable rules and regulations, the bank has appointed a Chief Financial Officer (CFO), a Head of Internal Control & Compliance (IC&CD), and a Company Secretary (CS). To carry out their given obligations, they are well-versed in their particular disciplines of financial, regulatory, and corporate legislation. The positions, responsibilities, and duties of the Chief Financial Officer (CFO), Company Secretary (CS), and Head of Internal Control & Compliance were all clearly defined and authorized by the Board.

## The Directors' Report to Shareholders

The Directors' Report to Shareholders of NRBC Bank PLC. is presented on page no. 64 of this Annual Report.

## Meetings of the Board of Directors

The following is a statement of board meetings held in 2023, as well as the attendance of directors from January 1, 2023 to December 31, 2023:

SL	Name of the Members	Status in the Board	Total Board Meeting held during the year	Total Meeting held during their period	Attended	Leave of Absence	Remarks
01	Mr. S M Parvez Tamal	Chairman	21	21	21	00	
02	Mr. Rafikul Islam Mia Arzoo	Vice Chairman	21	21	19	02	
03	Mr. Mohammed Adnan Imam, FCCA	Director	21	21	21	00	
04	Air Chief Marshal Abu Esrar (Retd.)	Independent Director	21	21	21	00	
05	Mr. AKM Mostafizur Rahman	Director	21	17	17	00	Retired and Re-elected in 10th AGM and subsequently received BB approval vide letter dated 26.09.2023.
06	Mr. Mohammed Oliur Rahman	Director	21	21	20	01	
07	Mr. Abu Bakr Chowdhury	Director	21	11	05	06	Elected in 10th AGM and subsequently received BB approval vide letter dated 21.06.2023.
08	Mr. Loquit Ullah	Director	21	21	21	00	
09	Mr. Mohammed Nazim	Director	21	21	18	03	Including presence of Alternate Director
10	Mr. A M Saidur Rahman	Director	21	21	21	00	
11	Bir Muktijoddha Dr. Khan Mohammad Abdul Mannan	Independent Director	21	21	21	00	
12	Professor Dr. Raad Mozib Lalon	Independent Director	21	21	21	00	
13	Mr. Golam Awlia	Managing Director & CEO	21	21	21	00	

Note: The attendance records include presence through video conference where applicable.

## CODE OF CONDUCT FOR THE CHAIRMAN, BOARD MEMBERS AND MANAGING DIRECTOR & CEO

### Code of Conduct for the Chairman

- As the Chairman of the Board of Directors or Chairman of any committee formed by the Board or personally possess the jurisdiction to apply policy-making or executive authority, he/ she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.
- The Chairman may conduct onsite inspections of any bank branch or financing activities under the purview of the oversight responsibilities of the Board. He may call for any information relating to the bank's operations or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the Board or the executive committee and, if deemed necessary, with the approval of the Board, he shall take the necessary action thereon, in accordance with the set rules through the CEO.
- However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the Board along with the statement of the CEO.
- The Chairman may be offered an office room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business interests of the bank, subject to the approval of the Board.

## Code of Conduct for the Board of Directors

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

### The Code of Conduct states:

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

### Code of Conduct for the Managing Director & CEO

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

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

## Succession Plan

NRBC Bank believes that the membership and composition of the Board should be reassessed from time to time so succession planning is a pivotal part of corporate governance practices to meet the company's long-term goals and objectives and to ensure that the knowledge, experience, and skill set of its members would be well suited to meet the demands of the ever changing financial industry. NRBC Bank has a clear succession strategy in place for senior management and the board. Employees are promoted to higher management positions based on the bank's standards and needs. The appointment of a new director at NRBC Bank takes into account their knowledge, experience, and abilities to carry out their responsibilities.

## Affirmation by Board Members and Managing Director including two tiers below of Managing Director

According to Sub-Section 2 of Section 18 of the Banking Companies Act, 1991 (Amended 2023) "Every Directors, Managing Director and the Officers immediate two tiers below the Managing Director must submitted return regarding particulars of Business entities (i.e. commercial, financial, agricultural, industrial and other business) under their ownership or family business interests to the Board on Yearly Basis.

## Policy on Training of Directors

In line with clause no.6 of BRPD Circular 11 dated October 27, 2013, and newly issued clause no.14 of BRPD Circular No. 02 dated February 11, 2024, the Directors of NRBC Bank make themselves fully aware of the banking laws and other related rules and regulations for performing their duties properly. To facilitate this further, the bank makes available all relative laws before the Board of Directors for their instant information, along with any single notification in due course.

## Directors' Training

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

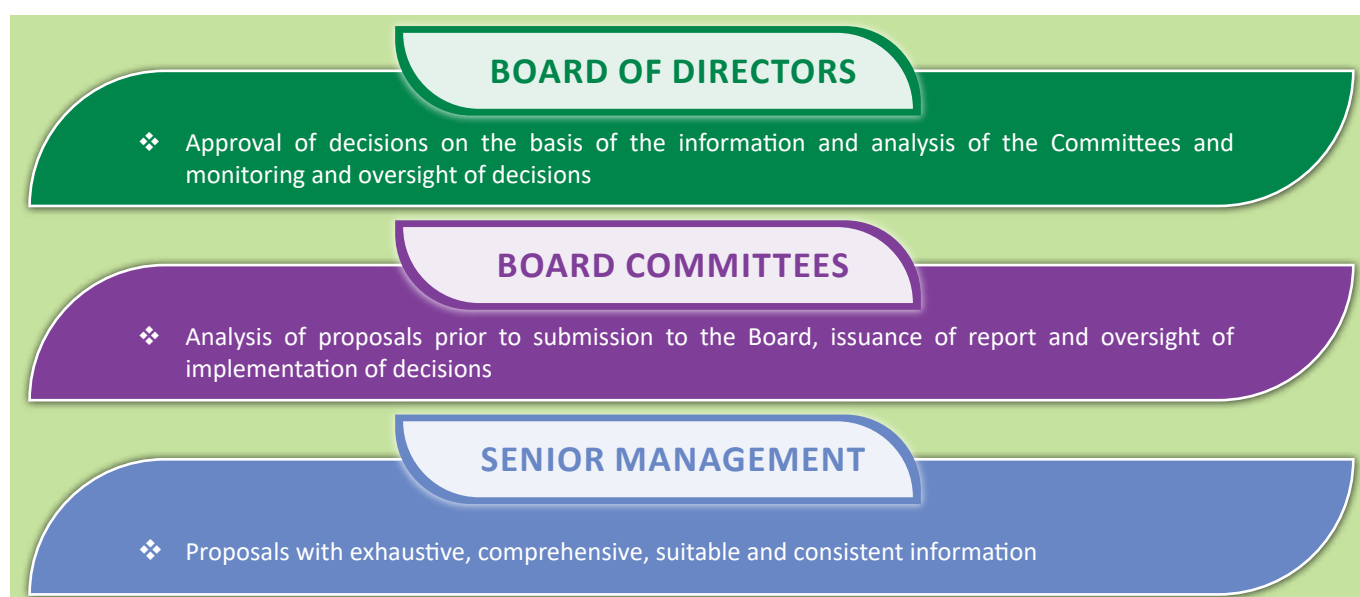
If required, external training courses may be provided at the company's expense.

### Knowledge and Expertise in Finance and Accounting

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

### Key Activities performed by Board in 2023

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



During the Financial Year 2023, the Board met twenty one (21) meetings to deliberate and consider a variety of significant matters that required its guidance and approval. Among the topics and strategies that were reviewed, deliberated and approved by the Board during the Financial Year 2023 were as follows:



**Strategy**

- Business Strategy of the bank
- Budget and Business plan for the year 2023
- Capital and Dividend strategy
- Sustainability and Corporate Governance Strategy
- Human Resource policy



**Risk, Compliance and oversight**

- Risk appetite of the Bank for the year 2023
- Audit Plan for 2023
- Capital adequacy statement in 2023
- Anti money laundering issues
- Ethical issues



**Governance**

- Evaluation and Fit and Proper Assessment
- Corporate Governance Disclosures
- Directors fees and disclosure the remuneration of top management
- Appointment of external Directors
- Governance on subsidiaries

### Governance of Board of Directors of Subsidiary Company

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

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

### **Requirement to Attend Board of Directors' Meeting**

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

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

### **Duties of Managing Director & CEO and Chief Financial Officer**

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

The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that these statements together present a true and fair view of the bank's affairs and are in compliance with existing accounting standards and applicable laws;

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

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

### **Independence of Independent Directors**

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

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

### **Independence of non-Executive Directors**

Non-Executive Directors enjoy full freedom in discharging their responsibilities. They attend board meetings and are actively involved in formulating the general strategies of the bank. They also actively participate in discussions on the agenda.

### **The Key Roles and Responsibilities of the Board**

The main roles and responsibilities of the Board of Directors, as envisaged in the BRPD Circular No. 11 dated 27 October, 2013 and newly issued BRPD Circular No. 02 dated February 11, 2024, include the following:

1. Lay down a code of conduct for all Board members and senior management;
2. Review and set up annual performance targets of the bank for achieving targets;
3. Monitoring the effectiveness of the bank's governance practices and reviewing changes as needed and identifying opportunities where corporate governance standards could be further improved ;
4. Determining the bank's corporate social responsibility status and taking steps for its improvement;
5. Ensure stronger internal controls;

6. Grant approval of policies and operational manuals to establish an effective risk management framework in core banking areas and internal control;
7. Appoint Managing Director & CEO and fixing his benefits;
8. Purchase or acquisition of property for the bank;
9. Provide welfare benefits to employees;
10. Determining the Corporate Social Responsibility status and taking steps;
11. Analyze reasons for success or failure of the bank's annual budget achievement;
12. Periodic review of the bank's operational budget achievements;
13. Undertake risk management initiatives;
14. Review of sufficiency and requirement for internal control efforts of the bank;
15. Reviewing the bank's human resource (HR) policy;

### Appraisal of the Board's performance

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

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

### Evaluation of the Managing Director & CEO

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

### Training on Corporate Governance

At NRBC Bank, our corporate governance standards represent the foundations on which we have built transparent relationships among the institution's management, Board, shareholders and other stakeholders. In line with this, NRBC Bank organizes training on corporate governance round the year for the staff. NRBC Bank offers special emphasis on training in corporate governance.

### Objectives of corporate governance training:

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

## BOARD OF DIRECTORS' COMMITTEE

The Board has constituted the following 3 (three) Board Sub-Committees, which are (i) Executive Committee (ii) Audit Committee and (iii) Risk Management Committee, as per newly issued Clause no.# 11 of BRPD Circular no. 02, dated February 11, 2024

### Executive Committee

During the year 2023, the Executive Committee was first reconstituted at the 167<sup>th</sup> Board meeting of the Bank held on 25 June 2023 and finally in the 172<sup>nd</sup> Board Meeting held on 17 October 2023:

Sl.	Name	Status in the Board	Status in Committee
1	Mr. Mohammed Adnan Imam, FCCA	Director	Chairman
2	Mr. Mohammed Oliur Rahman	Director	Member
3	Mr. A M Saidur Rahman	Director	Member
4	Mr. Loquit Ullah	Director	Member
5	Mr. Mohammed Nazim	Director	Member
6	Professor Dr. Raad Mozib Lalon	Independent Director	Member

Apart from the above, Mr. Abu Bakr Chowdhury was a Member of Executive Committee from 25.06.2023 to 17.10.2023.

### Audit Committee

During the year 2023, the Audit Committee was reconstituted at the 167<sup>th</sup> Board meeting of the Bank held on 25 June 2023:

Sl.	Name	Status in the Board	Status in Committee
01.	Air Chief Marshal Abu Esrar (Retd.)	Independent Director	Chairman
02.	Mr. S M Parvez Tamal	Chairman	Member
03.	Mr. Rafikul Islam Mia Arzoo	Vice Chairman	Member
04.	Mr. A K M Mostafizur Rahman	Director	Member
05.	Bir Muktijoddha Dr. Khan Mohammad Abdul Mannan	Independent Director	Member

Audit Committee Report to the Shareholder is given in the Annual Report Page no 219.

### Risk Management Committee

During the year 2023, the Risk Management Committee was reconstituted at the 167<sup>th</sup> Board meeting of the Bank held on 25 June 2023:

Sl.	Name	Status in the Board	Status in Committee
01.	Mr. A K M Mostafizur Rahman	Director	Chairman
02.	Mr. S M Parvez Tamal	Chairman	Member
03.	Mr. Rafikul Islam Mia Arzoo	Vice Chairman	Member
04.	Bir Muktijoddha Dr. Khan Mohammad Abdul Mannan	Independent Director	Member
05.	Professor Dr. Raad Mozib Lalon	Independent Director	Member

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

### Shariah Supervisory Committee

During the year 2023, the Shariah Supervisory Committee of Al-Amin Islamic Banking Window of the Bank remained unchanged:

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

## COMMITTEE MEETING

### Board meeting held in 2023

Statement of Board meetings held and the attendance of Directors from 01.01.2023 to 31.12.2023 : 21

SL	Name of the Members	Status in the Board	Total Board Meeting held during the year	Total Meeting held during their period	Attended	Leave of Absence	Remarks
01	Mr. S M Parvez Tamal	Chairman	21	21	21	00	
02	Mr. Rafikul Islam Mia Arzoo	Vice Chairman	21	21	19	02	
03	Mr. Mohammed Adnan Imam, FCCA	Director	21	21	21	00	
04	Air Chief Marshal Abu Esrar (Retd.)	Independent Director	21	21	21	00	
05	Mr. AKM Mostafizur Rahman	Director	21	17	17	00	Retired and Re-elected in 10th AGM and subsequently received BB approval vide letter dated 26.09.2023.
06	Mr. Mohammed Oliur Rahman	Director	21	21	20	01	
07	Mr. Abu Bakr Chowdhury	Director	21	11	05	06	Elected in 10th AGM and subsequently received BB approval vide letter dated 21.06.2023.
08	Mr. Loquit Ullah	Director	21	21	21	00	
09	Mr. Mohammed Nazim	Director	21	21	18	03	Including presence of Alternate Director
10	Mr. A M Saidur Rahman	Director	21	21	21	00	
11	Bir Muktijoddha Dr. Khan Mohammad Abdul Mannan	Independent Director	21	21	21	00	
12	Professor Dr. Raad Mozib Lalon	Independent Director	21	21	21	00	
13	Mr. Golam Awlia	Managing Director & CEO	21	21	21	00	

Note: The attendance records include presence through video conference where applicable.

### Members Presence in the Executive Committee (EC) Meetings of the Board of Directors during 2023

Statements of Executive Committee (EC) meetings held and the attendance of Directors from 01.01.2023 to 31.12.2023: 17 Meetings

SL	Name of the Members	Position	Total Meeting held during the year	Total Meeting held during their period	No. of meeting attended	No. of meeting absent	Remarks
1	Mr. Mohammed Adnan Imam, FCCA	Chairman	17	17	17	00	
2	Mr. Mohammed Oliur Rahman	Member	17	17	12	05	
3	Mr. Loquit Ullah	Member	17	17	17	00	
4	Mr. A M Saidur Rahman	Member	17	17	16	01	
5	Mr. Mohammed Nazim	Member	17	11	8	3	
6	Professor Dr. Raad Mozib Lalon	Member	17	17	17	00	

### Attendance record of previous Executive Committee Meetings of the Board of Directors during 2023

SL	Name of the Members	Position	Total Meeting held during the year	Total Meeting held during their period	No. of meeting attended	No. of meeting absent	Remarks
1	Mr. Abu Bakr Chowdhury	Member	17	3	0	3	[25.06.2023 to 17.10.2023]

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

### Members Presence in the Audit Committee (AC) Meetings of the Board of Directors during 2023

Statements of Audit Committee (AC) meetings held and the attendance of Directors from 01.01.2023 to 31.12.2023: 5 Meetings

SL	Name of the Members	Position	Total Meeting held during the year	Total Meeting held during their period	No. of meeting attended	No. of meeting absent	Remarks
1	Air Chief Marshal Abu Esrar (Retd.)	Chairman	5	5	5	-	
2	Mr. S M Parvez Tamal	Member	5	5	5	-	
3	Mr. Rafikul Islam Mia Arzoo	Member	5	5	4	1	
4	Mr. AKM Mostafizur Rahman	Member	5	1	1	-	Included as Member on 25.06.2023 but received confirmation from BB on 26.09.2023.
5	Bir Muktijoddha Dr. Khan Mohammad Abdul Mannan	Member	5	5	5	-	

### Attendance record of previous Audit Committee (AC) Meetings of the Board of Directors during 2023

SL	Name of the Members	Position	Total Meeting held during the year	Total Meeting held during their period	No. of meeting attended	No. of meeting absent	Remarks
1	Mr. Mohammed Nazim	Member	5	1	1	-	

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

### Members Presence in the Risk Management Committee Meetings of Board of Directors during 2023

Statements of Risk Management Committee (RMC) meetings held and the attendance of Directors from 01.01.2023 to 31.12.2023: 4 Meetings

SL	Name of the Members	Position	Total Meeting held during the year	Total Meeting held during their period	No. of meeting attended	No. of meeting absent	Remarks
1	Mr. AKM Mostafizur Rahman	Chairman	4	4	3	1	
2	Mr. S M Parvez Tamal	Member	4	4	4	-	
3	Mr. Rafikul Islam Mia Arzoo	Member	4	4	4	-	
4	Bir Muktijoddha Dr. Khan Mohammad Abdul Mannan	Member	4	4	4	-	
5	Professor Dr. Raad Mozib Lalon	Member	4	4	4	-	

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

## Members Presence in the Shariah Supervisory Committee meetings during 2023

Statement of Shariah Supervisory Committee meetings held and the attendance of Directors from 01.01.2023 to 31.12.2023: 3 Meeting

SL	Name of the Members	Position	Total Meeting held during the year	Total Meeting held during their period	Attended	Leave of Absence	Remarks
1	Mr. Shah Mohammad Wali Ullah	Chairman	3	3	3	-	
2	Mr. Obaid Ullah Hamzah	Member	3	3	3	-	
3	Mr. Mohammed Oliur Rahman	Member	3	3	3	-	
4	Mr. Mohammed Adnan Imam, FCCA	Member	3	3	0	3	
5	Mr. AKM Mostafizur Rahman	Member	3	3	3	-	
6	Mr. Loquit Ullah	Member	3	3	3	-	
7	Bir Muktijoddha Dr. Khan Mohammad Abdul Mannan	Member	3	3	3	-	
8	Mr. S M Parvez Tamal (Chairman, BoD)	Member	3	3	3	-	
9	Mr. Golam Awlia	MD & CEO	3	3	3	-	

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

## Maintaining a Website by the Company

NRBC Bank has an official website [www.nrbcommercialbank.com](http://www.nrbcommercialbank.com) with the linked website of the stock exchange.

## Reporting and Compliance of Corporate Governance

The status of compliance with Corporate Governance guidelines of Bangladesh Securities and Exchange Commission has been given hereafter " Haruner Rashid & Associates "; Chartered Secretaries & Management Consultants, duly certified the bank's Compliance Status, which is presented on page 251.

## Appointment of Chartered Secretary for the Certification on Corporate Governance

The existing Chartered Secretary M/S Haruner Rashid & Associates, Chartered Secretaries & Management Consultants, has expressed of willingness to work as Auditor on compliance status on Corporate Governance Code. But prior year, the Board of Directors has recommended M/S Haruner Rashid & Associates, Chartered Secretaries & Management Consultants, as compliance Auditor for the year 2023 in the 164<sup>th</sup> meeting held on May 14, 2023 and their appointment was confirmed in 10<sup>th</sup> AGM held on June 19, 2023.

As per Bangladesh Securities & Exchange Commission Notification on Corporate Governance Code for appointment of Professional for the certification on Corporate Governance for the year 2024 will be confirmed at the 11<sup>th</sup> AGM that will be held on June 13, 2024.

## Business objectives and strategic management

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

## Philosophy on code of corporate governance

NRBC Bank believes in adopting and adhering to the best standards of corporate governance for the benefit of all its stakeholders. The bank's corporate governance standards are based on the following principles: Appropriate composition, size of the Board and commitment to adequately discharge its responsibilities and duties Transparency and independence in the functioning of the Board Independent verification and integrity assurance of financial reporting Adequate risk management and internal control Protection of shareholders' rights and placing priority on investor relations Timely and accurate disclosure on all matters

concerning operations and performance of the bank. The bank's philosophy on corporate governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealing with shareholders, employees, regulators and other relevant stakeholders. By doing so, the bank demonstrates its understanding and respects its fiduciary roles and responsibilities to shareholders.

### Ethics and compliance

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

### Facilities accorded to the Chairman, Directors and CEO

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

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

### Policy on Ensuring Participation of Shareholders/Stakeholders at AGM

The following steps are taken to ensure shareholder participation in the AGM:

Step 1: NRBC Bank sends out the notice at least 21 days before the AGM, allowing shareholders ample time to receive and review the notice and reply with their attendance.

Step 2: Annual Reports are circulated in accordance with the provisions of the Companies Act 1994 and related notifications issued by the Bangladesh Securities and Exchange Commission (BSEC), giving shareholders sufficient time to review the report and freely provide their valuable comments and suggestions at the AGM.

Step 3: Shareholders/stakeholders are allowed to speak freely at the AGM to offer their valuable suggestions. These suggestions are noted for future compliance.

### Sustainable Financing

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

### Credit rating

As per Bangladesh Bank guidelines and notifications of Bangladesh Securities and Exchange Commission, NRBC Bank conducts its credit rating each year with due disclosure. Credit rating of NRBC Bank is available on page 223 in this Annual Report.

### Affiliation for Member of Bangladesh Association of Public Listed Company:

NRBC Bank renewed its membership for the year 2024 as listed company in the Bangladesh Association of Public Listed Company:



### Roles and responsibilities of the Company Secretary

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

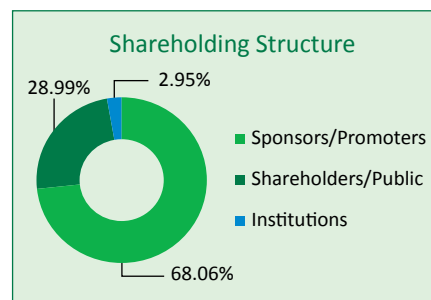
### Sponsors and Directors Jointly Shareholding as per BSEC guideline

In accordance with the directive of Bangladesh Securities and Exchange Commission (BSEC) no. SEC/CMRRCD/2009-193/15/Admin/112 dated December 10, 2020, all sponsors and directors other than independent directors of a company listed with any stock exchange shall all time jointly hold minimum 30% (thirty percent) shares of the paid-up capital of the company. We confirm that, all sponsors and directors other than independent directors of NRBC Bank shall all time jointly hold more than 30% (present holding 68.06%) shares of the paid-up capital of the company to meet up the BSEC requirement.

## Shareholding Structure

At the end of the year 2023, the shareholding structure of NRBC Bank PLC. was as follows:

Category	No. of Shareholders as on 31.12.2023	Shareholding as of 31.12.2023	
		In Number	In Percentage
Sponsors/Promoters	55	563,982,688	68.06%
Shareholders/Public	18242	240,265,203	28.99%
Institutions	152	24,401,641	2.95%
Total	18449	828,649,532	100.00%



Classification of shareholders by holding as on 31.12.2023

Share Holding	No. of Shareholders as on 31.12.2023	No. of Shares as on 31.12.2023	Ownership (%)
0000000001-0000010000	16,365	23,698,019	2.860%
0000010001-0000020000	924	12,343,319	1.490%
0000020001-0000030000	368	8,858,794	1.069%
0000030001-0000040000	211	7,301,136	0.881%
0000040001-0000050000	116	5,201,112	0.628%
0000050001-0000060000	99	5,382,220	0.650%
0000060001-0000070000	41	2,671,077	0.322%
0000070001-0000080000	46	3,456,247	0.417%
0000080001-0000090000	25	2,147,609	0.259%
0000090001-1000000000	254	757,589,999	91.425%
Total :	18,449	828,649,532	100.00%

### Latest Shareholding position as on December 31, 2023

Sl. No.	Names of Directors & Sponsors	Status	Status	Shareholding %
1	Mr. S M Parvez Tamal	Chairman	38,998,739	4.706
2	Mr. Rafikul Islam Mia Arzoo	Vice-Chairman	35,933,169	4.336
3	Mr. Mohammed Adnan Imam, FCCA	Director	19,384,782	2.339
4	Mr. A K M Mostafizur Rahman	Director	23,351,773	2.818
5	Mr. Mohammed Oliur Rahman	Director	29,064,191	3.507
6	Mr. Abu Bakr Chowdhury	Director	31,734,149	3.830
7	Mr. Loquit Ullah	Director	31,454,357	3.796
8	Mr. Mohammed Nazim	Director	31,524,405	3.804
9	Mr. Abu Mohammad Saidur Rahman	Director	21,667,612	2.615
10	Air Chief Marshal Abu Esrar (Retd)	Independent Director	-	-
11	Dr. Khan Mohammad Abdul Mannan	Independent Director	-	-
12	Dr. Raad Mozib Lalon	Independent Director	-	-
13	Engr. Farasath Ali	Sponsor	12,830,994	1.548
14	Dr. Toufique Rahman Chowdhury	Sponsor	15,454,232	1.865
15	Mr. Tanwir M.O. Rahman Chowdhury	Sponsor	9,872,618	1.191
16	Mr. ABM Abdul Mannan	Sponsor	2,002,375	0.242
17	Mr. Mohammed Enayet Hossain	Sponsor	38,766,943	4.678
18	Mr. Md. Amir Hossain	Sponsor	30,951,892	3.735
19	Mr. Abu Mohammad Tushar Iqbal Rahman	Sponsor	2,049,554	0.247
20	Mr. Firoz Haider Khan	Sponsor	210,336	0.025
21	Mrs. Kamrun Nahar Sakhi	Sponsor	20,561,547	2.481

Sl. No.	Names of Directors & Sponsors	Status	Status	Shareholding %
22	Mr. Mohammad Shahid Islam	Sponsor	29,572,988	3.569
23	Engr. Syed Munsif Ali	Sponsor	14,354,645	1.732
24	Mrs. Shamimatun Nasim	Sponsor	1,490,094	0.180
25	Dr. Nizam Mohammad Meah	Sponsor	16,914,619	2.041
26	Dr. Nuran Nabi	Sponsor	3,090,844	0.373
27	Mrs. Kaniz Farzana Rashed	Sponsor	1,000	0.000
28	Dr. Rafiqul Islam Khan	Sponsor	6,092,313	0.735
29	Dr. Shahanara Begum Ali	Sponsor	16,227,098	1.958
30	Mr. Sarwar Zaman Chaudri	Sponsor	10,421,868	1.258
31	Mr. Mohammad Zakaria Khan	Sponsor	16,692,656	2.014
32	Mr. Shabbir Ahmed Mubin	Sponsor	6,979,964	0.842
33	Mr. Izaharul Islam Halder	Sponsor	7,727,114	0.932
34	Mr. Mostafisur Prince Rahman	Sponsor	6,352,304	0.767
35	Mr. Aziz U Ahmad	Sponsor	5,025,557	0.606
36	Mr. Mohammed Manzurul Islam	Sponsor	1,567,673	0.189
37	Mr. Mahammed Jamal Uddin	Sponsor	1,545,421	0.186
38	Mr. Faruk Ali	Sponsor	1,545,574	0.187
39	Mr. Zulfiker Alim	Sponsor	1,545,574	0.187
40	Mrs. Ferdoushe Begum	Sponsor	1,546,193	0.187
41	Mr. Mohammed Ashraf Ali	Sponsor	392,379	0.047
42	Mr. Fahad Madani Islam	Sponsor	1,545,574	0.187
43	Mr. Shamim Ali	Sponsor	383,416	0.046
44	Mr. Shakawat Ali	Sponsor	1,545,574	0.187
45	Mr. Mohammed Shofiqul Islam	Sponsor	1,567,830	0.189
46	Mr. Nahid Ahmed Chowdhury	Sponsor	1,570,456	0.190
47	Mr. Tohel Ahmed	Sponsor	2,021,566	0.244
48	Mr. Azadul Haq	Sponsor	1,569,066	0.189
49	Mr. Mohammad Iqbal Rashed	Sponsor	1,596,108	0.193
50	Mr. Mohammed Jahangir Alam	Sponsor	382,798	0.046
51	Mrs. Nazni Mansur	Sponsor	1,572,156	0.190
52	Mr. Anwar Hossain	Sponsor	1,625,164	0.196
53	Mr. Sunahwar Ali	Sponsor	296,100	0.036
54	Mr. Mohammed Sabbir Ahmed	Sponsor	138,002	0.017
55	Mr. Mohammad Kashem	Sponsor	76,960	0.009
56	Mr. Mohammed Tanvir Ahmed	Sponsor	76,960	0.009
57	Dr. Abul M. Ibrahim	Sponsor	1,568,447	0.189
58	Mr. S.M. Gulam Robbani Chowdhury	Sponsor	1,546,965	0.187
	<b>Total Shares (Directors &amp; Sponsors)-</b>		<b>563,982,688</b>	<b>68.06</b>
	Remaining Shareholding- Breakup given below:			31.94%
	Govt.			0.00%
	Institution			2.95%
	Foreign			0.00%
	Public (including Shareholders other than Sponsors/Directors)			28.99%
	<b>Total</b>			<b>100.00%</b>

## Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee evaluates the Directors and recommends the Board for their appointment and ensures optimum composition of Board. While recommending appointment of an Individual as a Director on the Board, the committee has to review the following factors including the others:

- Diversity of the Board
- Qualification and positive attributes
- Independence of Directors (in the case of Independent Directors)

But formation of Nomination and Remuneration Committee (NRC) for Bank is not applicable or restricted by Bangladesh Bank vides letter ref. no. BRPD (R- 1)717 /2021-5064 dated June 16, 2021.

As Such Bank did not form of Nomination and Remuneration Committee (NRC) as per Bangladesh Bank Direction # BRPD (R- 1)717 /2021-5064 dated June 16, 2021.

The Audit Committee of the NRBC Bank will be able to conduct operations of the Nomination and Remuneration Committee (NRC) from now on, according to a BRPD Circular No. 21 dated May 12, 2024. As per the Bank Company Act, 1991, there is no scope to form temporary committees or subcommittees except an executive committee, an audit committee and a risk management committee.

But Recent Bangladesh Bank BRPD Circular No. 21 dated May 12, 2024, Bank audit committees to run the NRC activities. Hence, the NRC activities will be able to ratify by next board meeting of the NRBC Bank. The NRC is a specialized committee usually found within the structure of a corporate board of directors.

It will play a crucial role in ensuring that the company's leadership is both well-qualified and fairly compensated, which is essential for the company's long-term success and the interests of its shareholders.

As per the Corporate Governance Code 2018 issued by the Bangladesh Securities and Exchange Commission, the formation of an NRC was specified for the capital market and registered companies.

According to the code, the NRC shall assist the board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experience and independence of directors and top-level executives. It shall also form a policy for the formal process of considering the remuneration of directors and top-level executives.

Appointment or recruitment, determining responsibilities, salary and allowances where applicable, bonus and other benefits will be as per central bank circulars for top officials – bank or company director, independent director, managing director or chief executive officer etc.

## External or Statutory Auditor

Present Statuary M/s. MABS & J Partners, Chartered Accountant was recommend by Board of Director in its 164<sup>th</sup> meeting held on May 14, 2023 and their appointment was confirmed in 10<sup>th</sup> AGM held on June 19, 2023.

M/s. MABS & J Partners, Chartered Accountant affirmed that they not engaged in appraisal or valuation services, Book keeping or financial system design and implementation, Actuarial or Internal Audit service and even Partner or employees of the NRBC Bank.



**Report to the Shareholders of  
NRBC Bank PLC.**

on

**Compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **NRBC Bank PLC.** for the year ended 31<sup>st</sup> December 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 and its latest amendments of the Bangladesh Securities and Exchange Commission.

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

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

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

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

**Haruner Rashid & Associates**  
Chartered Secretaries



Place: Dhaka  
Dated: 15 May, 2024

  
A.K.M. Haruner Rashid, LL.B, FCS  
CEO & Consultant

# STATUS OF COMPLIANCE ON BSEC NOTIFICATION

## ON CORPORATE GOVERNANCE

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

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors.-			
1(1)	Size of the Board of Directors			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not to be less than 5 (five) and more than 20 (twenty).	✓	-	The Board of NRBC Bank PLC. is comprised 13 Members with 12 Non-Executive Directors and 01 Executive Director who is the MD & CEO and ex-officio member of the Board.
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓	-	The Board of NRBC Bank PLC. consisted of 12 Members including 03 Independent Directors excluding the Managing Director & CEO.
1.2 (b)	For the purpose of this clause " <u>independent director</u> " means a director-			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓	-	<u>"Independent Director"</u> did not hold any share of the Company
1(2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	✓	-	
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2(two) financial years;	✓	-	
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓	-	
1(2)(b)(v)	Who is not a member or TREC ( Trading Right Entitlement Certificate) holder, director, or officer of any stock exchange;	✓	-	
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓	-	
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	✓	-	
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	✓	-	
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	✓	-	
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓	-	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days.	✓	-	
1(2)(e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	✓	-	Bank has reappointment of 03 (three) Independent Directors named Bir Muktijodha Dr. Khan Mohammad Abdul Mannan, Dr. Raad Mozib Lalon and Air Chief Marshal Abu Esrar (Retd.) for one additional tenure of 03 (three) years from the date of expiration had been approved by the Bangladesh Bank vide BRPD(BMMA)651/9(61)DA/2023-8557 dated 10 October 2023.  As such reappointment shall be placed for approval in the next (11th) Annual General Meeting of the Bank regarding next Three Years.
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓	-	The qualification and background of Independent Directors justify their capabilities to ensure mentioned compliances.
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	N/A	-	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	N/A	-	
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	✓	-	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓	-	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓	-	Details mentioned in Report on Corporate Governance (CG)-2023 (Detail report of CG before this check list)
1(3)(c)	The independent director(s) shall have at least 10(ten) years of experiences in any field mentioned in clause (b);	✓	-	Do
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	N/A	-	
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓	-	Details mentioned in Report on Corporate Governance (CG)-2023 (Detail report of CG before this check list)
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓	-	Do
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓	-	Do
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/ or Chief Executive officer;	✓	-	DO
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	-	-	No such event arose during reporting period i.e. Chairperson of the Board attend all meeting and preside over there in personal or virtual platform.
1(5)	The Directors' Report to the Shareholders			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(i)	An industry outlook and possible future developments in the industry;	✓	-	The Directors' Report Complied with the guideline.
1(5)(ii)	The Segment-wise or product-wise performance;	✓	-	Do
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓	-	Do
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓	-	Being a Bank, Interest Income, Interest Expenses and Profit Margins were discussed.
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	-	-	No such event arose during reporting period
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓	-	Included in the Directors' Report part of this Annual Report [Annexure –J&J1 of Audited Financial Reporting Segment].
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;	✓	-	Tk. 120 Crore through Initial Public Offering (IPO) duly utilized in the Year 2021 that duly reported on that year "Director report"
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO). Rights Share Offer, Direct Listing, etc;	✓	-	Financial result was not deteriorate after approval by BSEC on November 18, 2020 and Trading of share on March 22, 2021
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	-	-	No such significant Variance among 4 Quarters reported in the Director Report.
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	-	-	Board Meeting attend fee paid to Directors. Please refer to Note 31 of Financial Statement
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓	-	
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓	-	
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓	-	
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓	-	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓	-	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓	-	
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓	-	
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓	-	
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	-	-	11% Cash Dividend comprised for the year ended December 31, 2023 recommended by Board in its 183th meeting held on April 30, 2024 and will be placed before 11 <sup>th</sup> AGM for approval.
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-	-	No interim dividend was declared.
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓	-	
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares(along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓	-	
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name- wise details);	✓	-	
1(5)(xxiii)(c)	Executives;	✓	-	
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more than voting interest in the company (name-wise details).	✓	-	No Director/Shareholders holds 10% or more shares in the Company.
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director	✓	-	
1(5)(xxiv)(b)	nature of his/her expertise in specific functional areas;	✓	-	
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓	-	
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓	-	
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓	-	
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓	-	
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓	-	
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓	-	
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓	-	
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓	-	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓	-	
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓	-	All record dully kept and meeting minutes report to Bangladesh Bank as per direction issued by them.
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓	-	Code of Conduct for the Chairman, Board members and Managing Director & CEO duly lay down as per BRPD Circular No.11 dated 27 October 2013 and newly issued by Bangladesh Bank BRPD Circular No. 02 dated February 11, 2024.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓	-	According to a BRPD Circular No. 21 dated May 12, 2024, Bangladesh Bank allows bank audit committees to run NRC activities. Hence, the NRC activities will be able to ratify by next board meeting of the NRBC Bank.
2	Governance of Board of Directors of Subsidiary Company:-			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;	✓	-	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓	-	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓	-	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓	-	
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓	-	Details mentioned in Report on Corporate Governance (CG)-2023 (Detail report of CG before this check list)
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓	-	Do
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓	-	
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓	-	
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓	-	
3(2)	Requirement to attend Board of Director's Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓	-	
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓	-	Stated in the certificate of due diligence by CEO & CFO
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓	-	
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓	-	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the code of conduct for the company's Board or its member;	✓	-	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓	-	
4.	Board of Director's Committee. - For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓	-	The present Audit Committee of the Board was reconstituted in the 167 <sup>th</sup> meeting held on June 25, 2023.
4(ii)	Nomination and Remuneration Committee	-	-	Please refer to the Condition No. 6
5.	Audit Committee:-			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓	-	
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓	-	
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓	-	
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓	-	The present Audit Committee of the Board is comprised of 05 (five) Members of the Board of Directors including 02 (two) Independent Directors having 01 (one) Independent Director as Chairman in accordance with the Notification on Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) dated June 03, 2018 (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80) as well as clause no. 11.2 of recent Bangladesh Bank BRPD Circular No. 02 dated February 11, 2024 which also in conformity with Bangladesh Bank BRPD Circular No. 11 dated October 27, 2013 that already been repealed.
5(2)(b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	✓	-	Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10(ten)years of such experience;	✓	-	Do
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	N/A	-	No such situation arisen in the reporting year.
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓	-	
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓	-	
5(3)	Chairman of the Audit Committee			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	✓	-	Air Chief Marshal Abu Esrsr, BBP; ndc (Retd.) is Chairperson of the Audit Committee and he is an Independent Director of the Board.
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.	✓	-	Chairperson of the Board attend all meeting and preside over there
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓	-	Chairperson Air Chief Marshal Abu Esrsr, BBP; ndc (Retd.) of the Audit Committee was present in the last 10 <sup>th</sup> AGM.
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓	-	5 (Five) Meetings Conducted during the Year 2023
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓	-	
5(5)	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓	-	

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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	✓	-	No such event occurred during period under review
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓	-	No such reportable incidence arose
6.	Nomination and remuneration Committee (NRC).	Not Applicable as formation of NRC for Bank is restricted by Bangladesh Bank vide letter ref. no. BRPD (R- 1)717 /2021-5064 dated June 16, 2021 during the period under review.  But Recent Bangladesh Bank BRPD Circular No. 21 dated May 12, 2024, Bank audit committees to run the NRC activities. The matter was placed meeting of the NRBC Bank and informed to the Board of Directors in its 185 <sup>th</sup> meeting held on May 20, 2024.		
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-		
6(2)(b)	All member of the Committee shall be non-executive directors;	-		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	-		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-	-	
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-	-	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	-	-	
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-	-	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-	-	
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-	-	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-	-	
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-	-	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	-	-	
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	-	-	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	-	-	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-	-	
7.	External or Statutory Auditors			
7(1)	The issuer shall not engage its external or statutory auditors to perform the following services of the company, namely :--			
7(1) (i)	Appraisal or valuation services or fairness opinions;	✓	-	
7 (1) (ii)	Financial information system design and implementation;	✓	-	
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statement;	✓	-	
7 (1) (iv)	Broker –dealer services;	✓	-	
7 (1) (v)	Actuarial services;	✓	-	
7 (1) (vi)	Internal audit services or special audit services;	✓	-	
7 (1) (vii)	Any services that the Audit Committee determines.	✓	-	

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

# STATUS OF COMPLIANCE ON BANGLADESH BANK GUIDELINES

## ON CORPORATE GOVERNANCE

The Bangladesh Bank (BB) guidelines and NRBCBL's compliance as per BRPD Circular No.11 dated 27 October 2013 and recently Published Bangladesh Bank BRPD Circular No. 02 dated February 11, 2024, BRPD Circular No. 03 dated February 14, 2024 and BRPD Circular No. 05 dated February 27, 2024 thereto are presented below:

SL No.	Particulars	Compliance Status
1.	<b>FORMATION OF BOARD OF DIRECTORS</b> According to Section 15 of the Bank Company Act, 1991 (Amended up to 2023) includes provisions for prior approval of Bangladesh Bank before the appointment of new bank directors, as well as dismissal, termination or removal of any director from the post; director's fit & proper criteria; maximum number of directors; appointment of independent directors; appointment of maximum 3(Three) members from a family as director; etc.	Complied
1.1	<b>Appointment of New directors:</b> Under section 15(4) of the Bank Company Act, 1991 (amended up to 2023), every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing directors should furnish the following documents along with the application: a) Personal information of the nominated person (Appendix-ka); b) Nominated person's declaration(Appendix-kha); c) 'Declaration for confidentiality' by the nominated person (Appendix-ga); d) In case of Independent director, the approval letter from Security and Exchange commission; e) In case of Independent director, a declaration of the directors concern as Appendix-gha (he will also submit declaration under Appendix-ka, kha & ga); f) CIB report of the nominated person; g) Updated list of the directors.	Complied
1.2	<b>Vacation of office of Director:</b> a) The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfill the minimum eligibility criteria, the office of the director will be vacated. b) If the office of a director is vacated by a notice under the section 17 of BCA, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of BCA, 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution c) Besides, Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the board of a banking company under Section 47 of BCA, 1991.	Complied : One of the Directors submitted resignation. However, it was invalidated according to the provisions of Section 17, Sub-section 7A of the Bank-Company Act 1991 (Amended up to 2023) through Bangladesh Bank Letter.
1.3	<b>Removal of Directors from office:</b> According to section 108(2) of the Companies Act, 1994, with the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.	Complied

SL No.	Particulars	Compliance Status
1.4	<p><b>Appointment of Alternate Director:</b></p> <p>Subject to compliance of section 101 of the Companies Act, 1994, an alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions should be followed:</p> <ul style="list-style-type: none"> <li>a) Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the chief executive officer should immediately inform it to Bangladesh Bank.</li> <li>b) The copy of the decision of the board regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his return.</li> <li>c) Any loan defaulter or any person who is not eligible to become a director as per any rules &amp; regulation will not be appointed as an alternate director.</li> <li>d) As appointment of alternate director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the board.</li> <li>e) While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules &amp; regulations will also be applicable to the alternate director</li> </ul>	Complied
2.	<p><b>DEPOSITOR DIRECTOR</b></p> <p>As the previous provisions regarding appointment of Depositor Directors of the Bank Company Act, 1991 has been amended; appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended up to 2023) bank can consider the tenure of existing depositor director or may appoint them as independent director.</p>	N/A
3.	<p><b>INFORMATION REGARDING DIRECTORS</b></p> <p>Banks are advised to take the following steps regarding director information:</p> <ul style="list-style-type: none"> <li>a) Every bank should keep an updated list of bank directors,</li> <li>b) Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.</li> <li>c) Banks should display a list of directors in the website and update it on a regular basis.</li> </ul>	Complied
4.	<p><b>RESPONSIBILITIES OF THE BOARD OF DIRECTORS</b></p>	
4.1	<p><b>Responsibilities and Authorities of the Board of Directors:</b></p> <p>To ensure good governance in the bank management it is essential to have specific demarcation of responsibilities and authorities among controlling bodies over bank affairs. In the Bank Company Act, 1991 (amended up to 2023) the newly included Section 15(kha) &amp; (ga) give responsibility to the board of directors for establishing policies for the bank company, for risk management, internal controls, internal audit and compliance and for ensuring their implementation.</p>	
(a)	<p><b>Work-Planning and Strategic Management:</b></p> <ul style="list-style-type: none"> <li>i) The board Shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans.</li> <li>ii) The board shall have its analytical review incorporated in the Annual Report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO and other senior executives and have it evaluated at times.</li> </ul>	Complied

SL No.	Particulars	Compliance Status
(b)	<b>Credit and Risk Management:</b>	
	(i) The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, direct or indirect, into the process of loan approval.	Complied
	(ii) The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.	
(c)	<b>Internal Control Management:</b>	
	The board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.	Complied
(d)	<b>Human Resources Management and Development:</b>	
	(i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.	Complied
	(ii) The board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these programs incorporated in its annual work plan.	
	(iii) The board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.	
(e)	<b>Financial Management:</b>	
	(i) The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.	Complied
	(ii) The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the board	
	iii) The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.	
(f)	<b>Appointment of Chief Executive Officer (CEO):</b>	
	In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank.	Complied
(g)	<b>Other Responsibilities of the Board:</b>	Complied
	The board should follow and comply with the responsibilities assigned by Bangladesh Bank.	

SL No.	Particulars	Compliance Status
4.2	<b><u>Meetings of the Board of Directors:</u></b> Board of Directors may meet once or more than once in a month upon necessity and shall meet at least once in every three months. Excessive meetings are discouraged.	Complied. Usually NRBCBL holds one or two Board Meetings in a month [Total 21 meeting held in 2023]
4.3	<b><u>Responsibilities of the Chairman of the Board:</u></b>	
	(a) As the chairman of the board of directors or chairman of any committee formed by the board or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.	Complied
	(b) The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO	Complied
	(c) The chairman may be offered an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the board.	Complied
5.	<b><u>FORMATION OF COMMITTEES FROM THE BOARD OF DIRECTORS:</u></b> Each bank company can form 1(one) executive committee, 1(one) audit committee and 1(one) risk management committee with the directors. Board can't form any other permanent, temporary or sub- committee except the above mentioned three committees.	Complied : Details mentioned in Report on Corporate Governance (CG) -2023 (Detail report of CG before this check list)
5.1	<b><u>Executive committee</u></b> Executive Committee (EC): Executive committee should be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors.	Complied
	<b>a) Organizational Structure:</b>	Complied
	i. Members of the committee will be nominated by the board of directors from themselves;	
	ii. The executive committee will comprise of maximum 07 (seven) members;	
	iii. One of the members will be elected as the Chairman of the committee for 03 (three) years;	
	iv. Members may be appointed for a 03 (three)-year term of office;	
	iv. Chairman of the Board of Directors can be the chairman of executive committee;	
	v. The executive committee cannot include more than 01 (one) member of the same family;	
	vi. Company secretary of the bank will be the secretary of the executive committee.	
	<b>b) Qualifications of the Members:</b>	Complied
	i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	
	ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
	iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. In case of Digital Bank, at least 01 (one) person with ICT experience should be included as a committee member.	
	<b>c) Roles and Responsibilities of the Executive Committee:</b>	Complied
	i. The executive committee can decide or can act in those cases as instructed by the Board of directors that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations.	
	ii. The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors.	

SL No.	Particulars	Compliance Status
	iii. All decisions taken in the executive committee should be ratified in the next board meeting.	
	<b>d) Meetings:</b>	Complied
	i. The executive committee can sit any time as it may deem fit.	
	ii. The committee may invite Chief Executive Officer, Chief Risk Officer or any other Officer to its meetings, if it deems necessary;	
	iii. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in at least 02 (Two) days before each meeting;	
	iv. All recommendations/observations of the committee should be recorded in the form of minutes.	
	v. All decisions/observations of the committee should be noted in minutes.	
5.2	<b><u>Audit Committee:</u></b>  The board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.	Complied
	<b>a) Organizational structure:</b>	Complied
	i. Members of the committee will be nominated by the board of directors from the directors;	
	ii. The audit committee will comprise of maximum 05 (five) members, with minimum 2(two) independent directors;	
	iii. A Chairman/Chairperson of the audit committee shall be elected from amongst the independent directors;	
	iv. Chairman/Chairperson of the audit committee will be 03 (three) years term of office. No independent directors cannot serve as Chairman/Chairperson of the audit committee for 02 (two) consecutive terms.	
	v. Audit committee will comprise with directors who are not executive committee members;	
	vi. Members may be appointed for a 03 (three) year term of office;	
	vii. Company secretary of the bank will be the secretary of the audit committee.	
	<b>b) Qualifications of the Member:</b>	Complied
	i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee ;	
	ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee	
	iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	
	iv. Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee. In case of Digital Bank, at least 01 (one) person with ICT experience should be included as a committee member.	
	<b>c) Roles and Responsibilities of the Audit Committee:</b>	
	<b>i) Internal Control:</b>	Complied
	1. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;	
	2. Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS);	
	3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;	
	4. Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.	
	<b>(ii) Financial Reporting:</b>	Complied

SL No.	Particulars	Compliance Status
	1. Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank;	
	2. Discuss with management and the external auditors to review the financial statements before its finalization.	
	<b>(iii) Internal Audit:</b>	Complied
	1. Audit committee will monitor whether internal audit working independently from the management.	
	2. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process;	
	3. Examine the efficiency and effectiveness of internal audit function;	
	4. Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.	
	<b>(iv) External Audit:</b>	Complied
	1. Review the performance of the external auditors and their audit reports;	
	2. Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.	
	3. Make recommendations to the board regarding the appointment of the external auditors.	
	<b>(v) Compliance with existing laws and Regulations:</b>	Complied
	Review whether the laws and regulations framed by the regulatory authorities (central bank and other Bodies) and internal regulations approved by the board are being complied with.	
	<b>(vi) Other Responsibilities:</b>	Complied
	1. Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;	
	2. External and internal auditors will submit their related assessment report, if the committee solicit;	
	3. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.	
	<b>d) Meetings:</b>	Complied
	1. The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;	
	2. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	
	3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in at least 02 (two) days before each meeting;	
	4. All decisions/observations of the committee should be noted in minutes.	
5.3	<b><u>Risk Management Committee:</u></b>  To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.	Complied
	<b>a) Organizational Structure:</b>	Complied
	1. Members of the committee will be nominated by the board of directors from themselves;	
	2. The Risk Management Committee will comprise of maximum 05 (five) members;	
	3. One of the members will be elected as the Chairman of the committee for 03 (three) years;	
	4. Members may be appointed for a 03 (three) year term of office;	

SL No.	Particulars	Compliance Status
	5. Company secretary of the bank will be the secretary of the Risk Management Committee.	
	<b>b) Qualifications of the Member:</b>	Complied
	1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	
	2. Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
	3. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	
	<b>c) Roles and Responsibilities of the Risk Management Committee:</b>	
	<b>i) Risk identification &amp; control policy :</b>	Complied
	Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.	
	<b>ii) Construction of Organizational Structure:</b>	Complied
	The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.	
	<b>iii) Analysis and Approval Of Risk Management Policy:</b>	Complied
	Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.	
	<b>iv) Storage of Data &amp; Reporting System:</b>	Complied
	Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.	
	<b>v) Monitoring the Implementation of Overall Risk Management Policy:</b>	Complied
	Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.	
	<b>vi) Other Responsibilities:</b>	Complied
	1. Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form;	
	2. Comply instructions issued time to time by the controlling Body;	
	3. Internal & external auditor will submit respective evaluation report whenever required by the committee.	
	<b>d) Meetings:</b>	Complied
	1. The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deem fit;	
	2. The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary;	
	3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in at least 02 (two) days before each meeting;	
	4. All decisions/observations of the committee should be noted in minutes.	
6	<b>Training of the Directors:</b> The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.	Complied
7	<b>Intimation of the Circular to the Board and related persons by CEO:</b> The CEO will inform about this Circular to the directors and other related persons.	Complied

SL No.	Particulars	Compliance Status
2.	<b>Appointment and responsibilities of Chief Executive Officer (CEO)</b>	
A	<b>Rules and regulations for appointment of the CEO</b>	
1.	<b>Moral Integrity:</b> In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that:	N/A [ Such appoint did not occurred during the period under review]
	a) He has not been convicted by any Criminal Court of Law	
	b) He has not been punished for violating any rules, regulations or procedures/ norms set by any regulatory authority.	
	c) He was not associated with any such company/organization; registration or license of which has been cancelled.	
2.	<b>Experience and Suitability:</b>	
	a) For appointment as a CEO, the concerned person must have experience in banking profession for at least 20 (twenty) years as an active officer and at least 02 (two) years' experience in a post immediate below the CEO of a bank	Complied [DO]
	b) He must have a Master's degree at minimum from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.	
	c) In respect of service, the concerned person should have excellent track record of performance.	
	d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company	
	e) Any director of any bank or financial institution or any person who has business interest in the concerned bank will not be eligible for appointment to the post of the CEO	
3.	<b>Transparency and financial integrity:</b> Before making appointment as a CEO, satisfaction should be ensured to the effects that:	
	a. The concerned person was not involved in any illegal activity while performing duties in his own or banking profession	Complied
	b. He has not deferred payment to creditors or has not compromised with his creditors to be relieved from debts or he is not a loan defaulter	
	c. He is not a tax defaulter	
	d. He has never been adjudicated a bankrupt by the Court.	
4.	<b>Age Limit:</b> Minimum age of concerned person will be 45 (forty five) years and No person crossing the age of 65 years shall hold the post of CEO of a bank.	Complied
5.	<b>Tenure:</b> The tenure of the CEO shall not be more than 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that shorter period	Complied
6.	<b>Guidelines in fixing the salary and allowances:</b> Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to Bangladesh Bank:	
	a. In fixing the salary and allowances of the CEO, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration.	Complied
	b. Total salary shall be comprised of direct salary covering 'Basic Salary' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to Bangladesh Bank. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount	

SL No.	Particulars	Compliance Status
	b. Total salary shall be comprised of direct salary covering 'Basic Salary' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to Bangladesh Bank. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount	
	d. Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the work performance of the current CEO.	
	e. The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above	
	f. The bank shall not pay any income tax for the CEO, i.e., the CEO so appointed shall have to pay it.	
7.	<b>Incentive Bonus:</b> The CEO will get incentive bonus subject to paying incentive bonus to all executives/officers/workers of the bank and the said bonus amount will not exceed BDT 1,500,000 in a year	Complied
8.	<b>Honorarium for attending the Board Meeting:</b> Being a salaried executive, CEO will not get any honorarium for attending the Board meeting or Board formed Committee meeting.	Complied
9.	<b>Evaluation Report:</b> For reappointment of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to Bangladesh Bank.	N/A [ The Managing Director & CEO Retired from Service from May 03, 2024 and no intention to re-appointment that's why evaluation is not required to submit]
10.	<b>Prior Approval from Bangladesh Bank:</b> Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of Bank Company Act 1991 (amended up to 2023). For processing such approval, along with the proposal signed by the Chairman of the Board, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of Board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations as per Annexure Ka& Annexure Kha to Bangladesh Bank.	Complied
11.	<b>Decision of Bangladesh Bank is final:</b> The decision of Bangladesh Bank regarding appointment of the CEO will be treated as final and such appointed CEO cannot be dismissed, released or removed from his/her office without prior approval from Bangladesh Bank.	Complied
B	<b>Responsibilities and Authorities of the CEO:</b> The CEO of the bank, whatever name called, shall discharge the responsibilities and exercise the authorities as follows:	
	a. In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	Complied
	b. The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging of routine functions of the bank.	Complied
	c. The CEO shall include clearly any violation from Bank Company Act 1991 and/or other relevant laws and regulations in the "Memo" presented to the meeting of the Board or any other Committee (s) engaged by the Board.	Complied
	d. The CEO shall report to Bangladesh Bank of issues in violation of the Bank Company Act 1991 or of other laws/regulations.	Complied
	e. The recruitment and promotion of all staffs of the bank except those in the two tiers below him/her shall rest on the CEO. He/she shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and approved delegation of employees as approved by the Board.	Complied

SL No.	Particulars	Compliance Status
	f. The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him/her, which he/she shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the Board, he/she shall nominate officers for training etc.	Complied
3	<b>Contractual appointment of Advisor and Consultant :</b> as per BRPD Cir. Letter no. 19 dated 27.10.2013, BRPD Cir. Letter no. 27 dated 12.05.2021 and BRPD Cir. Letter no. 37 dated 03.09.2023	
A	<b>Rules and regulations for appointment of an Advisor</b>	
1.	<b>Experience and Suitability:</b> For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications:	N/A [No such advisor appointed by Bank]
	a. Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities.	
	b. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.	
	c. Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/ Director/ Executive of any company.	
	d. The person who is working in any bank or financial institution or who has business interest in that bank will not be eligible for appointment to the post of Advisor.	
	e. Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated a bankrupt by the Court.	
2.	<b>Responsibilities of the Advisor:</b> The roles and responsibilities of the Advisor should be defined specifically. The Advisor can advise the Board of Directors or CEO only on those matters specified in the appointment letter. The routine and general activities of the bank will not be included in his terms of reference. He will not be entitled to exercise any power or involved himself in the decision making process of financial, administrative, operations or other activities of the bank.	N/A [No such advisor appointed by Bank]
3.	<b>Prior approval from Bangladesh Bank:</b> Prior approval from Bangladesh Bank is mandatory before appointing an Advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of Board's approval shall be submitted to Bangladesh Bank. The nominated person has to make a declaration as per Annexure A. This declaration shall also be submitted to Bangladesh Bank.	N/A [No such advisor appointed by Bank]
4.	<b>Remuneration and other facilities of Advisor:</b> The post of Advisor is not a fixed or substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with the terms of reference of the advisor will not be considered as acceptable to Bangladesh Bank.	N/A [No such advisor appointed by Bank]
5.	<b>Tenure of Advisor:</b> The tenure of the Advisor shall be maximum 01(one) year, which is renewable. An evaluation report (by the Chairman that is approved by the Board) of previous tenure should be submitted to Bangladesh Bank along with the re-appointment proposal.	N/A [No such advisor appointed by Bank]
6.	<b>Appointment of Ex-officials:</b> For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible to become an Advisor in the same bank immediately after their retirement or resignation. However, after one year from such retirement or resignation, he/she will be eligible for appointment as Advisor	Complied [Ex. Managing Director was not appointed as advisor who retired from service on May 03, 2024]
B	<b>Rules and regulations for appointment of a Consultant</b>	
1.	<b>Terms of reference of Consultant:</b> Consultant can be appointed for specialized tasks like tax, law and legal procedures, engineering and technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	N/A [No such consultant appointed by Bank]
2.	<b>Responsibilities of a Consultant:</b> The responsibilities or terms of reference of a Consultant should be specified. He/she should not be involved in any activities beyond his/her terms of references and he/she cannot exercise any kind of power in bank operation or cannot participate in the decision making process.	N/A [No such consultant appointed by Bank]

SL No.	Particulars	Compliance Status
3.	<b>Appointment of a Consultant:</b> A Consultant can be appointed with the approval of the Board. After Such appointment the bank shall send the Consultant's complete resume, terms of reference and details of remuneration to Bangladesh Bank immediately.	N/A [No such consultant appointed by Bank]
4.	<b>Tenure of a Consultant:</b> The tenure of a Consultant should be consistent with the terms of reference, but would not exceed 02 (two) years. Generally the Consultant will not be eligible for re-appointment. But to complete the unfinished tasks, his contract may be extended for maximum period of 01 (one) year with the approval of Bangladesh Bank. The Chairman of the bank upon approval of the Board shall have to submit the extension proposal to Bangladesh Bank with the evaluation report of his previous tenure.	N/A[No such consultant appointed by Bank]
5.	<b>Remuneration/Honorarium of a Consultant:</b> The Consultant's remuneration should be in the form of monthly or single lump-sum payment and he is not entitled to any other facilities	N/A [No such consultant appointed by Bank]
6.	<b>Appointment of Ex-officials:</b> For ensuring good governance, any former Director, CEO or any other Executive of the bank will not be eligible for appointment as a Consultant in the same bank immediately after their retirement or resignation. However, after one year from such retirement or resignation, he/ she will be eligible for appointment as a Consultant.	Complied [Ex. Managing Director was not appointed as advisor who retired from service on May 03, 2024]

# DECLARATION BY CEO AND CFO

Date: April 30, 2024

The Board of Directors  
**NRB Bank PLC.**  
114, Motijheel C/A  
Dhaka-1000

Sub: **Declaration on Financial Statements for the Year Ended on December 31, 2023**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

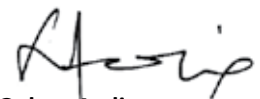
1. The Financial Statements of NRBC Bank PLC. for the year ended on December 31, 2023, have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

## In this regard, we also certify that:

- i) We have reviewed the financial statements for the year ended on December 31, 2023, and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.



**Harunur Rashid**  
Chief Financial Officer



**Golam Awlia**  
Managing Director & CEO