

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditors' Report to the Shareholders of NRB Global Bank Limited

We have audited the accompanying financial statements of NRB Global Bank Limited (the "Bank") which comprise the balance sheet as at 31 December 2013, profit and loss account, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2013, and of its financial performance and cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in Note 2.

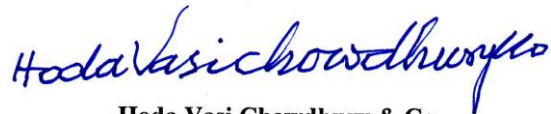
Hoda Vasi Chowdhury & Co

Chartered Accountants

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control;
 - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in Note 2 to the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- (iii) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (iv) the balance sheet and profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (v) the expenditures incurred was for the purpose of the Bank's business;
- (vi) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (vii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (viii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 1,185 person hours during the audit; and
- (xi) Capital Adequacy Ratio (CAR) as required by the Bangladesh Bank has been maintained adequately during the year.



Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 30 March 2014

NRB Global Bank Limited
Balance Sheet
As at 31 December 2013

Particulars	Notes	Amount in Taka 2013
PROPERTY AND ASSETS		
Cash	3.00	
In hand (including foreign currencies)		18,435,617
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		1,176,847,509
		1,195,283,125
Balance with other banks and financial institutions	4.00	
In Bangladesh		2,778,785,191
Outside Bangladesh		-
		2,778,785,191
Money at call and short notice	5.00	-
Investments	6.00	
Government		-
Others		-
		-
Loans and advances		
Loans, cash credits, overdrafts, etc.	7.00	2,580,016,928
Bills purchased and discounted	8.00	-
		2,580,016,928
Fixed assets including premises, furniture and fixtures	9.00	44,977,842
Other assets	10.00	891,327,619
Non - banking assets		-
Total assets		<u>7,490,390,705</u>
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	11.00	-
Deposits and other accounts	12.00	
Current deposits		13,260,949
Bills payable		-
Savings bank deposits		42,646,211
Term deposits		3,023,936,113
Bearer certificate of deposit		-
Other deposits		-
		3,079,843,273
Other liabilities	13.00	171,305,097
Total liabilities		<u>3,251,148,370</u>
Capital / Shareholders' equity		
Paid up capital	14.02	4,250,000,000
Share premium	14.08	-
Statutory reserve	15.00	898,801
Surplus/(deficit) in profit and loss account	16.00	(11,656,466)
Total Shareholders' equity		<u>4,239,242,335</u>
Total Liabilities and Shareholders' equity		<u>7,490,390,705</u>

Balance Sheet Continued

Particulars	Notes	Amount in Taka 2013
OFF - BALANCE SHEET EXPOSURES		
Contingent liabilities		
Acceptances and endorsements		-
Letters of guarantee	17.00	466,000,000
Irrevocable letters of credit		-
Bills for collection		-
Other contingent liabilities		-
		466,000,000
Other contingent liabilities		
Value of travelers cheques on hand		-
Value of Bangladesh Sanchaya Patra on hand		-
		-
Other commitments		
Lease rental Commitments		-
Documentary credits and short term trade -related transactions		-
Forward assets purchased and forward deposits placed		-
Undrawn note issuance and revolving underwriting facilities		-
Undrawn formal standby facilities , credit lines and other commitments		-
Spot and forward foreign exchange rate contracts		-
Other capital Commitments		-
Other exchange contracts		-
Liabilities against forward purchase and sale		-
		-
		-
Total Off-Balance Sheet exposures including contingent liabilities		<u>466,000,000</u>

These financial statements should be read in conjunction with the annexed notes 1 to 43.


Chairman


Director


Director


Managing Director

See annexed auditors' report to the Shareholders of the date.

Dhaka, 30 March 2014


Hoda Vasi Chowdhury & Co
Chartered Accountants

NRB Global Bank Limited
Profit and Loss Account
For the period ended 31 December 2013

Particulars	Notes	Amount in Taka 2013
Interest income / profit on investments	19.00	186,168,279
Interest / profit paid on deposits, borrowings, etc.	20.00	(65,690,068)
Net interest / net profit on investments		120,478,211
Investment income	21.00	-
Commission, exchange and brokerage	22.00	240,000
Other operating income	23.00	49,400
Total operating income (A)		120,767,611
Salaries and allowances	24.00	12,836,384
Rent, taxes, insurance, electricity, etc.	25.00	51,435,765
Legal expenses	26.00	651,959
Postage, stamp, telecommunication, etc.	27.00	245,586
Stationery, printing, advertisements, etc.	28.00	6,741,839
Managing Director's salary and fees	29.00	3,595,161
Directors' fees	30.00	419,750
Auditors' fees	31.00	250,000
Depreciation/amortization and repair of fixed assets	32.00	422,293
Other expenses	33.00	8,941,618
Total operating expenses (B)		85,540,355
Profit / (loss) before provision (C=A-B)		35,227,256
<i>Provision for loans / investments</i>	34.00	-
Specific provision		-
General provision		25,975,250
Provision for off-balance sheet exposures		4,758,000
Provision for diminution in value of investments		-
Total provision (D)		30,733,250
Total profit / (loss) before taxes (C-D)		4,494,006
Provision for taxation		
Current tax	35.00	13,029,698
Deferred tax	13.02	2,221,973
		15,251,671
Net profit/(loss) after taxation		(10,757,665)
Retained earnings brought forward from previous years		-
		(10,757,665)

Profit and Loss Continued

Particulars	Notes	Amount in Taka 2013
Appropriations		
Statutory reserve		898,801
General reserve		-
		898,801
Retained surplus/(deficit)		(11,656,466)
Earnings per share (EPS)		(0.03)

These financial statements should be read in conjunction with the annexed notes 1 to 43.


Chairman


Director


Director


Managing Director

See annexed auditors' report to the Shareholders of date

Dhaka, 30 March 2014


Hoda Vasi Chowdhury & Co
Chartered Accountants

NRB Global Bank Limited
Cash Flow Statement
For the period ended 31 December 2013

Particulars	Notes	Amount in Taka 2013
A) Cash flows from operating activities		
Interest receipts in cash		94,408,881
Interest payments		(8,556,720)
Cash payments to employees		(15,342,756)
Cash payments to suppliers		(240,817,412)
Income taxes paid		(6,800,831)
Receipts from other operating activities	36	289,400
Payments for other operating activities	37	(42,644,333)
Cash generated from operating activities before changes in operating assets and liabilities		(219,463,771)
Increase / (decrease) in operating assets and liabilities		
Loans and advances to customers		(2,580,016,928)
Other assets	38	(542,339,422)
Deposits from other banks / borrowings		2,714,000,000
Other Liabilities		295,250
Deposits from customers		365,843,273
		(42,217,826)
Net cash used in operating activities		(261,681,597)
B) Cash flows from investing activities		
Purchase of property, plant, equipment and vehicle		(14,250,086)
Payment against lease obligation		-
Proceeds from sale of property, plant and equipment		-
Net cash used in investing activities		(14,250,086)
C) Cash flows from financing activities		
Receipts from issue of sub-ordinated bond		-
Receipts from issue of ordinary share including premium net off Tax		4,250,000,000
Dividend paid		-
Net cash flows from financing activities		4,250,000,000
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)		3,974,068,317
E) Effects of exchange rate changes on cash and cash equivalents		-
F) Cash and cash equivalents at beginning of the year		-
G) Cash and cash equivalents at end of the year (D+E+F)		3,974,068,317
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)		18,435,617
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		1,176,847,509
Balance with other banks and financial institutions		2,778,785,191
		3,974,068,316

These financial statements should be read in conjunction with the annexed notes 1 to 43.


Chairman


Director


Director


Managing Director

NRB Global Bank Limited
Statement of Changes in Equity
For the period ended 31 December 2013

Particulars	Paid-up Capital	Share premium	Statutory reserve	Revaluation reserve	Revaluation gain / loss on investments	F.C. Translation gain	Retained earnings/ (Losses)	Total
	Taka	Taka	Taka	Taka	Taka		Taka	Taka
Balance as at 1 January 2012	-	-	-	-	-	-	-	-
Changes in accounting policy / Last year's profit	-	-	-	-	-	-	-	-
Restated balance	-	-	-	-	-	-	-	-
Surplus / deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Adjustment of last year revaluation gain on investments	-	-	-	-	-	-	-	-
Surplus / deficit on account of revaluation of investments	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	(10,757,665)	(10,757,665)
Dividends (Bonus shares)	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-
Issue of share capital	4,250,000,000	-	-	-	-	-	-	4,250,000,000
Appropriation made during the year	-	-	898,801	-	-	-	(898,801)	-
Balance as at 31 December 2013	4,250,000,000	-	898,801	-	-	-	(11,656,466)	4,239,242,335

These financial statements should be read in conjunction with the annexed notes 1 to 43.


Chairman


Director


Director


Managing Director

NRB Global Bank Limited
Liquidity Statement
(Analysis of maturity of assets and liabilities)
As at 31 December 2013

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash in hand	1,195,283,125	-	-	-	-	1,195,283,125
Balance with other banks and financial institutions	64,785,191	1,150,000,000	1,550,000,000	-	14,000,000	2,778,785,191
Money at call and short notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and advances / investments	-	-	2,525,777,570	8,428,000	45,811,358	2,580,016,928
Fixed assets including premises, furniture and fixtures	-	-	-	25,428,912	19,548,929	44,977,841
Other assets	9,664,954	138,487,162	224,890,341	332,368,909	192,717,086	898,128,451
Non banking assets	-	-	-	-	-	-
Total assets (A):	1,269,733,270	1,288,487,162	4,300,667,912	366,225,821	272,077,373	7,497,191,536
Liabilities:						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	-	-	-	-	-	-
Deposits	1,057,073,273	217,929,863	1,803,595,000	245,136	1,000,000	3,079,843,272
Other accounts	41,370,252	34,578,835	56,171,922	15,251,670	-	147,372,679
Provision and other liabilities	-	-	24,239,438	-	6,493,812	30,733,250
Total liabilities (B):	1,098,443,525	252,508,698	1,884,006,360	15,496,806	7,493,812	3,257,949,201
Net liquidity gap (A-B):	171,289,745	1,035,978,464	2,416,661,552	350,729,015	264,583,561	4,239,242,335


Chairman


Director


Director


Managing Director

NRB Global Bank Limited
Notes to the Financial Statements
as at and for the period ended 31 December 2013

1.00 The Bank and its activities

1.01 The NRB Global Bank Limited ("the Bank") was incorporated as a public limited company in Bangladesh under Company Act, 1994 with the registered office at Khandker Tower, 94 Gulshan Avenue, Gulshan-1, Dhaka-1212. The Bank commenced banking operation on October 23, 2013 by obtaining license from Bangladesh Bank on August 05, 2013 under section 32(1) of the Bank Company Act 1991(amendment up to 2013).The number of branches of the Bank was three (03) located in Gulshan, Agrabad and Feni as on 31 December 2013.

The principal activities of the Bank are to provide a comprehensive range of financial products (loans and deposits) and services, personal and commercial banking, trade services, cash management, treasury, securities and custodian services.

2.00 Basis of preparation and significant accounting policies

Basis of preparation

2.01 Statement of compliance

The financial statements of the Bank have been prepared under the historical cost convention and in accordance with Bangladesh Financial Reporting Standards (BFRS), the "First Schedule" (section 38) of the Bank Company Act 1991 (amendment upto 2013), BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, the Company Act 1994, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh. In case the requirement of provisions and Circulars issued by Bangladesh Bank differs with those of other regulatory authorities and accounting standards, the provisions and Circulars issued by Bangladesh Bank shall prevail.

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

i) Investment in shares and securities

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

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

ii) Revaluation gains/losses on Government securities

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

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

iii) Provision on loans and advances

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

Bangladesh Bank: As per BRPD Circular no. 14 dated 23 September 2012 and BRPD Circular no. 19 dated 27 December 2012, a general provision @ 0.25% to 5% under different categories of unclassified loans (standard/SMA loans) should be maintained regardless of objective evidence of impairment. And specific provision for sub-standard/doubtful/bad-loss loans should be made at 20%, 50% and 100% respectively on loans net off eligible securities (if any). Also, a general provision @ 1% should be provided for certain off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

- iv) **Recognition of interest in suspense**
- BFRS:** Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.
- Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.
- v) **Other comprehensive income**
- BFRSs:** As per BAS 1 elements of Other Comprehensive Income (OCI) can be presented in a separate statement i.e. Other Comprehensive Income or can be included in a Single Statement of Comprehensive Income.
- Bangladesh Bank:** The scheduled banks in Bangladesh have been using certain prescribed templates of financial statements (including names of those financial statements) issued by Bangladesh Bank. Those templates do not include 'Other Comprehensive Income' nor are the elements of OCI allowed to be included in a Single Comprehensive Income Statement (Profit & Loss Account, as per BB format). As such the bank does not prepare a separate OCI Statement. However, elements of OCI, if any, are shown in the statements of changes in equity.
- vi) **Financial instruments - presentation and disclosure**
- As per BB guidelines, in certain cases financial instruments are categorized, recognized, measured and presented differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in these financial statements.
- vii) **Financial guarantees**
- BFRSs:** As per BAS 39 financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are prescribed to be included within other liabilities.
- Bangladesh Bank:** As per BRPD circular 14, 2003, financial guarantees such as L/C, L/G should be treated as off balance sheet items. No liability is recognized for the guarantee except the cash margin.
- viii) **Cash and cash equivalents**
- BFRSs:** Cash and cash equivalent items should be reported as cash item as per BAS 7.
- Bangladesh Bank:** Some highly liquid assets such as money at call and short notice, T-bills/bonds, prize bonds are not prescribed to be shown as cash and cash equivalents rather shown as face item in the Balance Sheet. However, in the Cash flow Statement, Money at call and short notice and Prize bonds are shown as cash and cash equivalents beside cash in hand, balance with BB and other banks.
- ix) **Non banking assets**
- BFRSs:** No indication of non banking assets is found in any BFRSs.
- Bangladesh Bank:** As per BRPD Circular no.14 dated 25 June 2003, there should exist a face item named non banking assets.
- x) **Cash flow statement**
- BFRSs:** Cash flow statement can be prepared either in direct method or in indirect method. The presentation method is selected to present cash flow information in a manner that is most suitable for the business or industry. Whichever method selected should be applied consistently.
- Bangladesh Bank:** As per BRPD circular 14 dated 25 June 2003, cash flow statement is to be prepared following a mixture of direct and indirect method.
- xi) **Balance with Bangladesh Bank: (CRR)**
- BFRSs:** Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day to day operations as per BAS 7.
- Bangladesh Bank:** Balance with Bangladesh Bank should be treated as cash and cash equivalents.
- x) **Presentation of intangible asset**
- BFRS:** An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14.

ix) Off balance sheet items

BFRSs: No requirement of disclosure for off balance sheet items as there is no concept of off balance sheet items in any BFRS; hence there is no requirement of disclosure of off balance sheet items.

Bangladesh Bank: As per BRPD Circular no.14 dated 25 June 2003, off balance sheet items e. g. L/C, L/G, Acceptance should be disclosed separately on the face of the Balance Sheet.

xii) Disclosure of appropriation of profit

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

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, an appropriation of profit should be disclosed on the face of Profit and Loss Account.

xiii) Loans and advance net of provision

BFRSs: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

[Also refer to Note 2A Compliance of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)]

2.02 Basis of measurement

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

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.

2.03 Use of estimates and judgments

The preparation of the financial statements of the Bank in conformity with BFRSs require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

Key estimates include the following:

- Loan loss provision
- Deferred tax assets/liabilities
- Gratuity

2.04 Basis of consolidation

The consolidation of financial statements of the Bank includes combined statement of affairs of Head Office and statement of affairs of the branches including Profit & Loss Account. In this regard separate statement of Affairs and Profit and Loss Account of the branches are prepared at the Head office of the Bank based on which segregated information is always available.

2.05 Non-banking asset

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

Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset.

2.06 Cash flow statement

Cash flow statement has been prepared in accordance with Bangladesh Accounting Standard (BAS) 7 "Statement of Cash Flows" and under the guideline of Bangladesh Bank BRPD Circular no.14 dated 25 June 2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

2.07 Reporting period

These financial statements cover 02 two months and 09 (Nine) days period from 23 October 2013 to 31 December 2013.

2.08 Liquidity statement

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

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

2.09 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the bank except otherwise instructed by the Central Bank as prime regulator

Assets and basis of their valuation

2.09.1 Cash and cash equivalents

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

2.09.2 Investments

All investments (other than government treasury securities) are initially recognized at cost, including acquisition charges associated with the investment. Accounting treatment of government treasury securities (categorized as HFT or/and HTM) is made following Bangladesh Bank BRPD Circular no. 05 dated 26 May 2008 and subsequent clarifications.

2.09.2.a Held to Maturity (HTM)

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

2.09.2.b Held for Trading (HFT)

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

2.09.3 Loans, advances and provisions

Loans and advances are stated at gross amount. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no. 14 dated 23 September 2012 and BRPD Circular no. 19 dated 27 December 2012.

Heads

Rates

General provision on:

Unclassified & Special Mentioned general loans and advances	1%
Unclassified & Special Mentioned small and medium enterprise	0.25%
Unclassified & Special Mentioned Loans to BHs/MBs/SDs against Shares etc.	2%
Unclassified & Special Mentioned loans for housing finance and on loans for professionals	2%
Unclassified consumer financing other than housing finance and loans for professionals	5%
Short term agri credit and micro credit	5%
Off balance sheet exposures	1%

Specific provision on:

Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/loss loans and advances	100%
Substandard short term agri credit and micro credit	5%
Doubtful short term agri credit and micro credit	5%

2.09.4 Fixed assets and depreciation

2.09.4.a Recognition and measurement

- i) Fixed assets except land are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". Land is recognized at cost at the time of acquisition and subsequently measured at revalued amounts which are the fair value at the time of revaluation done by independent valuer and any surplus on revaluation is shown as equity component until the asset is disposed.

The cost of an item of fixed assets is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

The cost of an item of fixed assets comprises:

its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs

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

Depreciation

- ii) Depreciation is charged at the rates stated below on all fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Bank. In all cases depreciation is calculated on the straight line method. Charging depreciation commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. No depreciation is charged on building under construction until the usage of the assets.

- iii) Depreciation rates used for each type of fixed assets are as follows:

Particulars of fixed assets	Rate of depreciation/ amortisation p.a.	Estimated useful lives (Years)
Buildings	2.50%	40
Furniture and Fixtures	10.00%	10
Machineries and equipment	20.00%	5
Computers	20.00%	5
Vehicles	20.00%	5
Software	20.00%	5

- iv) Repairs and maintenance are charged to profit and loss account as expense when incurred.

2.09.4.b Capital work in progress/Building under Construction

Building under construction is recognised and reported under Fixed Assets as per BAS 16- 'Property, Plant & Equipment' as Capital working progress until the construction work is completed and the asset is ready for intended use. Depreciation of the asset will be charged from the date of its intended use.

2.09.4.c Derecognition of fixed assets

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

2.09.4.1 Leased Assets

Fixed assets which are procured under finance lease arrangement (under which substantially all the risks and rewards incidental to ownership are transferred to the lessees i.e. NRBGBL) are reported as leased assets as per BAS 17 "Leases".

These assets held under finance lease are recognized as assets of the bank at an amount equal to the lower of their fair value and the present value of minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Any initial direct costs incurred are added to the amount recognized as leased asset.

These assets are depreciated fully over the shorter of the lease terms and their useful lives.

2.09.5 Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with BAS 38: "Intangible Assets".

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

The core banking software used by NRBGBL used by subsidiaries represent the value of computer application software licensed for the use of the bank. Software is carried at cost less accumulated amortization and any impairment losses. Initial cost comprises license fees paid at the time of purchase and other directly attributable costs incurred for customizing the software for its intended use. Software is amortized using the straight line method over the estimated useful life of 5 (five) years commencing from the month at which the application software is made available for use.

2.09.6 Impairment of Assets

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

2.09.7 Other assets

Other assets includes advance for operating and capital expenditure, stocks of stationary and stamps, security deposits to government agencies etc. As per BRPD Circular No. 14 dated 25 June 2003, Income & Non-income-generating other assets item(s) have been shown separately in the relevant notes to the financial statements.

2.09.8 Non banking assets

Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgaged property.

Liabilities and provisions

2.09.9 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest bearing borrowings which are stated in the financial statements at principal amount of the outstanding balance. Interest payables on such borrowings are reported under other liabilities.

2.09.10 Deposits and other accounts

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

2.09.11 Other liabilities

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

Assets revaluation reserve

When an assets carrying amount is increased as a result of revaluation the increased amount is created directly to equity under the heading of assets revaluation reserve as per BAS 16: "Property Plant and Equipment"

2.09.12 Dividend payments

Final dividend is recognized when it is approved by the shareholders in AGM. Interim dividend is recognized when it is paid to shareholders.

2.09.13 Provision for loans and advances

Provision for classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no. 14 dated 23 September 2012 and BRPD Circular no. 19 dated 27 December 2012. Details are stated in Note 7.11

2.09.14 Provision for off-balance sheet exposures

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

2.09.15 Provision for other assets

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

2.09.16 Provision for liabilities and accrued expenses

In compliance with BAS 37, provisions for other liabilities and accrued expenses are recognized in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.09.17 Contingent liabilities

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

2.09.18 Share capital and reserves
Authorized and issued capital

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

Paid-up capital

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

Statutory reserve

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

Revenue recognition

2.09.19 Interest income

Interest on unclassified loans and advances is accounted for as income on accrual basis, interest on classified loans and advances is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD 14 dated 23 September 2012 & BRPD 19 dated 27 December 2012 of Bangladesh Bank.

2.09.20 Fees and commission income

Fees and commission income arises on services provided by the Bank and recognized as and when received basis. Commission charged to customers on letters of credit, letters of guarantee and acceptance are credited to income at the time of effecting the transactions.

Dividend Income

Dividend Income from investment is recognised at the time when it is declared,ascertained and right to receive the payment is established.

2.09.21 Interest income from investments

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

2.09.22 Interest paid on borrowings and deposits

Interest paid on borrowings and deposits are calculated on 360 days basis (except for some treasury instruments which are calculated on 364 days basis) in a year and recognized on accrual basis.

2.09.23 Management and other expenses

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

2.09.24 Taxes

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

a. Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to the tax payable in respect of previous years.

Provision for current income tax has been made on taxable income of the Bank @ 42.5% as prescribed in the Income Tax Ordinance 1984.

b. Deferred tax

Deferred tax is calculated on taxable/deductible temporary differences between tax base amount and carrying amount of assets and liabilities as required by Bangladesh Accounting Standard (BAS) 12 "Income Taxes" and BRPD Circular no. 11 dated 12 December 2011.

2.09.25 Retirement benefits

The retirement benefits accrued for the employees of the Bank during the reporting period have been accounted for in accordance with the provisions of BAS 19 "Employee Benefit". The retirement benefit schemes operated by the Bank are outlined below:

Provident Fund

Provident fund benefits are given to the permanent employees of the Bank in accordance with Bank's service rules. Accordingly a trust deed and provident fund rules is to be prepared. . All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' account on yearly basis.

Gratuity fund

The Bank operates an unfunded gratuity scheme on "Closed Plan Basis", in respect of which provision is made annually covering all its permanent eligible employees.

2.09.26 Materiality and aggregation

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature also have been presented separately unless they are immaterial in accordance with BAS 1 "Presentation of Financial Statements".

2.09.27 Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. Advance tax paid and provision for tax of the bank is presented on net basis as a liability item if the liability is higher than asset and as an asset item if the asset is higher than liability.

2.09.28 Earnings per share

The Bank presents basic and diluted earnings per share (EPS) data for its ordinary shares as per BAS 33 "Earnings per Share". Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the bank by the weighted average number of ordinary shares outstanding during the period.

2.09.29 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per BAS 24 ' Related Party Disclosures', Bangladesh Bank & BSEC guidelines. Details of the related party transactions have been disclosed in Annexure C.

2.09.30 Reconciliation of books and account

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at regular intervals to keep the unreconciled balances within non-material level.

2.09.31 Events after the reporting period

All the material events after the reporting period have been considered and appropriate adjustments/disclosures have been made in the financial statements as per BAS 10 "Events after the Reporting Period".

2.09.32 Information about business and geographical segments

Segmental information is presented in respect of business of NRB Global Bank Limited.

Business segments report consists of products and services whose risks and returns are different from those of other business segments. These segments comprise Conventional Banking , Islamic Banking and investment. Business segments report are shown in **Annexure-B**.

Geographical segments

Geographical segments report consists of products and services within a particular economic environment where risks and returns are different from those of other economic environments. Geographical segments report are shown in **Annexure-B**.

Inter-segment transactions are generally based on inter-branch fund transfer measures as determined by the management. Income, expenses, assets and liabilities are specifically identified with individual segments. Based on such allocation, segmental balance sheet as on 31 December 2013 and segmental profit and loss account for the year ended 31 December 2013 have been prepared.

2.09.33 Risk management

Financial Institutions are in the business of taking risk and it is important how a bank decides on risk taking transactions. NRBGBL firmly believes that robust risk management is the core function that makes its business sustainable. The risk management systems in place at the Bank are discussed below:

2.09.33.a Credit Risk

Credit risk is the risk of loss that may occur from the failure of any counterparty to make required payments in accordance with agreed terms and conditions and/or deterioration of creditworthiness. Credit risk is managed through a framework set by policies and procedures established by the Board. The responsibility is clearly segregated between origination and approval of business transaction.

Board of Directors is the apex body for credit approval process of the Bank. However, they delegate authority to the Managing Director or other officers of the credit risk management division. The Board also sets credit policies to the management for setting procedures, which together has structured the credit risk management framework in the bank. The Credit Policy Manual contains the core principles for identifying, measuring, approving, and managing credit risk in the bank. The policy covers corporate, retail, small and medium enterprise exposures. Policies and procedures together have structured and standardized credit risk management process both in obligor and portfolio level. There is a comprehensive credit appraisal procedure that covers Industry/Business risk, management risk, financial risk, facility structure risk, security risk, environmental risk, reputational risk, and account performance risk. The Head of Credit Risk Management has clear responsibility for management of credit risk.

Respective relationship managers, at least once in a quarter, review credit exposures and portfolio performance. Corporate and Medium Enterprise accounts are continuously monitored under a clearly set out 'Early Alert' policy. Sign of deteriorations are well defined and broad guidelines are given in that policy for business origination units. Early Alerts are raised for financial deterioration, management weakness, irregular repayments, breach of covenants, eroding position in the industry, etc. If early alerts are raised, account plans are then re-evaluated; remedial actions are agreed and monitored. Remedial action includes, but not limited to exposure reduction, security enhancement, exit of relationship or immediate movement of our Special Asset Management Division.

2.09.33.b Liquidity Risk

Liquidity Risk is the potential for loss to a bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. The Bank is deemed to have adequate liquidity when it can obtain sufficient fund promptly and at a reasonable rate.

2.09.33.c Market Risk

Risk Management Unit (RMU) is responsible for overall monitoring, control, and reporting of market risk while Treasury Mid Office is an integral part of market risk management which independently evaluates and monitors treasury department's transaction from risk perspective. Overall risk parameters and exposures of the bank are monitored by RMU and periodically reported to Bank Risk Management Committee (BRMC). Market risk can be subdivided into three categories depending on risk factors: Interest Rate Risk, Foreign Exchange Risk, and Equity Price Risk.

2.09.33.d Interest Rate Risk

Interest rate risk is the risk to earnings or capital of the bank arising from movement of interest rates. The movement of interest rates affects bank's reported earnings and capital by changing:

- Net interest income
- The market value of trading accounts (and other instruments accounted for by market value), and
- Other interest sensitive income and expenses.

To manage interest rate risk, ALCO regularly monitors various ratios and parameters. Bank deploys several analysis techniques (e.g. Rate Sensitive Gap Analysis, Duration Gap Analysis) to measure interest rate risk, its impact on Net Interest Income and takes insight about course of actions.

2.09.33.e Foreign Exchange Risk

Foreign exchange risk is the risk that a Bank's financial performance or position will be affected by fluctuations in the exchange rates between currencies and implied volatility on foreign exchange options. Bank makes import payment and outward remittance as its outflow, whereas it gets foreign currency inflow as export receipts and inward remittance. Exchange rate risk arises, if, on a particular day, these inflow-outflows don't match and bank runs its position long/short from these customer driven activities. Bank also faces foreign exchange risk if it sources its funding in one currency by converting fund from another currency. Currently, the Bank is facing such transaction exposure in foreign currency for its off-shore banking unit. But these transactions exposure is always hedged.

2.09.33.f Equity Price Risk

Equity price risk is the risk of losses caused by changes in equity prices. These losses could arise because of changes in the value of listed shares held directly by the bank; changes in the value of listed shares held by a bank subsidiary; changes in the value of listed shares used as collateral for loans whether the loan was made for the purpose of buying the shares; and changes in the value of unlisted shares.

2.09.33.g Operational Risk

Operational Risk is defined as the risk of unexpected losses due to physical catastrophe, technical failure, and human error in the operation of a bank; including fraud, failure of management, internal process errors and unforeseeable external events. Operational Risk Unit is primarily responsible for risk identification, measurement, monitoring, control, and reporting of operational risk. Internal Control (audit) Unit of ICCD also conducts risk-based audit at departmental and branch level throughout the year. Besides, there is a committee called 'Bank Operational Risk Committee' (BORC) reporting to MD which plays a supervisory role. Operational risks are analyzed through review of Departmental Control Function Check List (DCFCL). This is a self-assessment process for detecting high risk areas and finding mitigants of those risks. These DCFCLs are then discussed in monthly meeting of Bank Operational Risk Committee (BORC).

2.09.33.h Prevention of Money Laundering and Terrorist Financing

For prevention of Money Laundering and Terrorist Financing, the bank has a comprehensive policy which is approved by the Board of NRBGBL. The bank has also formed a Central Compliance Unit (CCU) under the leadership of Chief Anti Money Laundering Compliance officer (CAMLCO) at Head office, Branch Anti Money Laundering Compliance officer (BAMLCO) at branches, to review and verify the transactions of accounts to make Suspicious Transactions Reports (STR), and ensure AML & CFT compliance culture throughout the bank. Training is being conducted continuously for all the officers of the bank to create awareness and develop the skill for ensuring KYC (Know your Clients) compliance and identifying suspicious activities/transactions.

2.09.33.i Information and Communication Technology Risk

NRBGBL has a comprehensive IT Security Policy and procedures which are formally documented and endorsed by top management. IT Division (hereinafter IT) has established standard Physical & Environmental Security Measures (e.g. Locked Door, Locked rack, CCTV, AC, Fire Extinguisher, etc.) to all Sensitive areas (e.g. Data Centre, Disaster Recovery Site, Power Rooms, Server Rooms, etc.). IT has standard Logical Security Measures (e.g. Access card, Password Protected Server, Access Log, Measuring Device Logs, Periodic Testing Results, etc.) to all core devices (server, PC, etc.), connecting devices (switch, router, etc.), security devices (firewall, IDS, etc.), all applications (core banking system, antivirus, firewall, VPN, utilities, etc.), databases, networks and others. IT has standard design and practice in network connectivity, access, build-up, configuration, monitoring, maintenance and security. IT has Business Continuity Management (BCM) to support and handle any human made or natural incident/disaster; moreover regular backup schedule and retention avoids the risk of data loss based on the criticality of the system.

Asset Liability Management

Banks are exposed to the several risks such as Liquidity Risk, Interest Rate Risk, Foreign Exchange Risk, Credit Risk and Operational Risk etc. Monitoring and controlling of these risks is vital to the survival of a financial institution. Asset-Liability Management is a tool to oversee whether different balance sheet risks are properly identified, appropriate policies and procedures are well established to control and limit these risks.

Asset-Liability Committee (ALCO) reviews country's overall economic position, the Bank's liquidity position, key performance ratios, interest rate risk, deposit and advance growth, cost of deposit & yield on advances, deposit & lending pricing strategy and different forecasted balance sheet risks of the Bank.

2.09.33.j Internal Control & Compliance Risk

Internal control is fundamental to the successful operation and day-to-day running of a business and it assists the bank in achieving its business objectives. It encompasses all controls incorporated into the strategic, governance and management processes, covering the bank's entire range of activities and operations, and not just those directly related to financial operations and reporting. Its scope is not confined to those aspects of a business that could broadly be defined as compliance matters, but extends also to the performance aspects of a business.

NRB Global Bank Ltd has established a System of Internal Control, which is designed to manage all the risks of failure to a reasonable level, achieve aims and objectives/goals of the Bank and this System provides reasonable assurance of effective & efficient operations covering all controls including financial & operational controls, reliability of the financial information, compliance with applicable laws & regulations, adherence to management policies, safeguarding of Bank's Assets, prevention & detection of fraud & errors, and accuracy & completeness of the accounting records.

The Board of Directors of NRB Global Bank Ltd regularly reviews the effectiveness of internal control process through its Audit Committee and Executive Committee and the Audit Committee plays an effective role amongst the Board of Directors, Management, Shareholders, Depositors and develops an efficient, powerful and a safe Banking System. The committee also performs a very important role for publishing Bank's financial statements, developing an appropriate internal control system and maintains an effective communication with internal and external Auditors. It significantly contributes in controlling and monitoring various risks factors that arise from the business activities of the Bank. Board Audit Committee reviews the actions taken on internal control issues identified in the reports prepared by the Internal & External Auditors and Regulatory Authorities. It has active oversight on the internal audit's independence, scope of work and resources and it also reviews the functions of Internal Control & Compliance Division of Head Office, particularly the scope of the annual audit plan and frequency of the internal audit activities.

2.09.33.k Fraud and Forgeries

NRBGBL is committed to creating a culture of honesty and high ethics inside out of the company to clearly communicate acceptable behavior and expectations of each employee. Such a culture is rooted in a strong set of core values that provides the foundation for employees as to how NRBGBL conducts its business. It also allows the company to develop an ethical framework that covers.

1. Fraudulent financial reporting,
2. Misappropriation of assets, and
3. Corruption as well as other issues.

Directors and officers set the “tone at the top” for ethical behavior within the company. Management shows its employees through words and actions that dishonest or unethical behavior will not be tolerated, even if the result of the action benefits the company. All employees are treated equally, regardless of their position.

Anti-fraud program aim to outline NRBGBL’s commitment to:

- Take appropriate measures to prevent and deter fraud;
- Introduce and maintain necessary procedures to detect fraud;
- Encourage employees to report any suspicions action;
- Investigate all instances of suspected fraud;
- Take appropriate disciplinary, civil or criminal proceedings;
- Report all suspected fraud to the appropriate authorities.

2A Compliance of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)

Name of BASs / BFRSs	BASs / BFRSs	No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS	1	Not Applicable
Share-based Payment	BFRS	2	Not Applicable
Business Combinations	BFRS	3	Not Applicable
Insurance Contracts	BFRS	4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS	5	Not Applicable
Exploration for and Evaluation of Mineral Resources	BFRS	6	Not Applicable
Financial Instruments: Disclosures	BFRS	7	*Applied
Operating Segments	BFRS	8	Applied
Consolidated Financial Statements	BFRS	10	Not Applicable
Joint Arrangements	BFRS	11	Not Applicable
Disclosure of Interests in Other Entities	BFRS	12	Not Applicable
Fair Value Measurement	BFRS	13	*Applied
Presentation of Financial Statements	BAS	1	*Applied
Inventories	BAS	2	Not Applicable
Statement of Cash Flows	BAS	7	*Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS	8	Applied
Events after the Reporting Period	BAS	10	Applied
Construction Contracts	BAS	11	Not Applicable
Income Taxes	BAS	12	Applied
Property, Plant and Equipment	BAS	16	Applied
Leases	BAS	17	Applied
Revenue	BAS	18	Applied
Employee Benefits	BAS	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS	20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	BAS	21	Applied
Borrowing Costs	BAS	23	Applied
Related Party Disclosures	BAS	24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS	26	Not Applicable
Consolidated and Separate Financial Statements	BAS	27	Not Applicable

Name of BASs / BFRSs	BASs / BFRSs	No.	Status
Investments in Associates	BAS	28	Not Applicable
Interests in Joint Ventures	BAS	31	Not Applicable
Financial Instruments: Presentation	BAS	32	*Applied
Earnings per share	BAS	33	Applied
Interim Financial Reporting	BAS	34	Applied
Impairment of Assets	BAS	36	*Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS	37	*Applied
Intangible Assets	BAS	38	*Applied
Financial Instruments: Recognition and Measurement	BAS	39	*Applied
Investment Property	BAS	40	Not Applicable
Agriculture	BAS	41	Not Applicable

* Subject to departure described in note 2.1

2A.1 New Accounting Standards not yet Adopted

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

General

- a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- b) The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the books of the Bank.
- c) Books of account in regard to inter-bank as well as inter-branches are reconciled at regular intervals to keep the unreconciled balances within non material level.

		Amount in Taka 2013
3.00	Cash of the Bank	
3.01	Cash in hand	
	In local currency	18,435,617
	In foreign currency	-
		18,435,617
3.02	Balance with Bangladesh Bank and its agent bank(s)	
	In local currency	1,176,847,509
	In foreign currency	-
		1,176,847,509
	Sonali Bank as agent of Bangladesh Bank (Local currency)	-
		1,176,847,509
		1,195,283,125

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

Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and MPD circular nos.05, dated December 01, 2010

The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 6% has been calculated and maintained with Bangladesh Bank in current account and 19% Statutory Liquidity Ratio for conventional banking including CRR, on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including FC balance with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

a) Cash Reserve Requirement

Required reserve	17,672,769
Actual reserve maintained (note-3.02)	1,176,847,509
Surplus / (deficit)	1,159,174,740

b) Statutory Liquidity Ratio

Required reserve (including CRR)	55,963,767
Actual reserve maintained (including CRR) - note-3.05	1,195,283,125
Surplus / (deficit)	1,139,319,358

Total required reserve	73,636,536
Actual reserve held	1,195,283,125
Total surplus	1,121,646,589

3.04 Maturity grouping of cash

Payable on demand	-
Up to 1 month	18,435,617
Over 1 month but not more than 3 months	1,176,847,509
Over 3 months but not more than 6 months	-
Over 6 months but not more than 1 year	-
Over 1 year but not more than 5 years	-
Over 5 years	-
	1,195,283,126

		Amount in Taka 2013
3.05	Held for Statutory Liquidity Ratio	
	Cash in hand (note -3.01)	18,435,617
	Balance with Bangladesh Bank and its agent bank(s) (note-3.02)	1,176,847,509
		1,195,283,125
4.00	Balance with other banks and financial institutions of the Bank	
	In Bangladesh (note-4.01)	2,778,785,191
	Outside Bangladesh (note-4.02)	-
		2,778,785,191
4.01	In Bangladesh	
	<u>Current account</u>	
	First Security Islami Bank Limited Gulshan Branch	26,315,355
		26,315,355
	<u>Special notice deposit accounts</u>	
	First Security Islami Bank Limited Gulshan Branch	35,857,078
	First Security Islami Bank Limited Agrabad Branch	2,612,758
		38,469,836
	<u>Fixed deposits</u>	-
	National Bank of Pakistan	150,000,000
	Reliance Finance Limited	2,450,000,000
	Lanka Bangla Finance Ltd.	100,000,000
	Phoenix Finance & Investment Ltd.	14,000,000
		2,714,000,000
		2,778,785,191
4.02	Outside Bangladesh (NOSTRO Accounts)	-
4.03	Maturity grouping of balance with other banks and financial institutions	
	Payable on demand	26,315,355
	Up to 1 month	38,469,836
	Over 1 month but not more than 3 months	150,000,000
	Over 3 months but not more than 6 months	2,550,000,000
	Over 6 months but not more than 1 year	-
	Over 1 year but not more than 5 years	-
	Over 5 years	14,000,000
		2,778,785,191
5.00	Money at call and short notice	-
6.00	Investments of the Bank	-
7.00	Loans, advances and lease / investments of the Bank	
	i) Loans, cash credits, overdrafts, etc.	
	<i>Inside Bangladesh</i>	
	Cash credit HYPO	2,102,976,016
	Term Loan	41,609,625
	Secured Overdraft	421,849,706
	Staff Loan	13,581,581
		2,580,016,928
	<i>Outside Bangladesh</i>	-
		2,580,016,928
	ii) Bills purchased and discounted (note-8)	-
		-
		2,580,016,928

		Amount in Taka 2013
7.01	Net loans, advances and lease	
	Gross performing loans, advances and lease / investments	2,580,016,928
	Less:	
	Non-performing loans, advances and lease / investments	-
	Interest suspense	-
	Provision for loans, advances and lease / investments	-
		-
		2,580,016,928
7.02	Residual maturity grouping of loans, advances and lease including bills purchased and discounted	
	Repayable on demand	-
	Up to 1 month	-
	Over 1 month but not more than 3 months	
	Over 3 months but not more than 1 year	2,525,777,570
	Over 1 year but not more than 5 years	8,428,000
	Over 5 years	45,811,358
		2,580,016,928
7.03	Loans, advances and lease / investments under the following broad categories	
	Loans	41,639,228
	Cash credits	2,102,976,016
	Overdrafts	421,849,706
	Others	13,551,978
		2,580,016,928
	Bills purchased and discounted (note-8)	-
		2,580,016,928
7.04	Loans, advances and lease on the basis of significant concentration including bills purchased and discounted.	
	a) Loans, advances and lease to Directors of the Bank	-
	b) Loans, advances and lease to Chief Executive and other senior executives	13,581,581
	c) Loans, advances and lease to customer groups:	
	i) Commercial lending	2,144,585,641
	ii) Export financing	-
	iii) House building loan	-
	iv) Retail loan	-
	v) Small and medium enterprises	-
	vi) Special program loan	-
	vii) Staff loan	-
	viii) Industrial loans detail	-
	ix) Other loans and advances (SOD)	421,849,706
		2,566,435,347
		2,580,016,928
	d) Details of Industrial loans	
	i) Agricultural industries	-
	ii) Textile industries	-
	iii) Food and allied industries	-
	iv) Pharmaceutical industries	-
	v) Leather, chemical, cosmetics, etc.	-
	vi) Tobacco industries	-
	vii) Cement and ceramic industries	-
	viii) Service Industries	-
	ix) Transport and communication industries	-
	x) Other industries including bills purchase and discounted	2,580,016,928
		2,580,016,928

		Amount in Taka 2013	
7.05	Loans, advances and leases geographical location-wise		
	Inside Bangladesh		
	Urban		
	Dhaka Division	2,580,016,928	
	Chittagong Division	-	
	Khulna Division	-	
	Rajshahi Division	-	
	Barisal Division	-	
	Sylhet Division	-	
	Rangpur Division	-	
		2,580,016,928	
	Rural		
	Dhaka Division	-	
	Chittagong Division	-	
	Khulna Division	-	
	Rajshahi Division	-	
	Barisal Division	-	
	Sylhet Division	-	
	Rangpur Division	-	
	Outside Bangladesh	-	
		2,580,016,928	
7.06	Sector-wise loans, advances and lease including bills purchased and discounted		
	Public sector	-	
	Co-operative sector	-	
	Private sector	2,580,016,928	
		2,580,016,928	
7.07	Details of pledged collaterals with the Bank		
	Collateral of movable / immovable assets	1,979,082,400	
	Local banks and financial institutions guarantee		
	Government guarantee		
	Export documents		
	Fixed deposit receipts	15,500,000	
	FDR of other banks		
	Government bonds		
	Personal guarantee	615,434,528	
	Other securities		
		2,610,016,928	
7.08	Details of large loans, advances and lease / investments		
	Number of clients	2	
	Amount of outstanding advances / investments	150,760,008	
	Amount of classified advances / investments	0	
	Measures taken for recovery	Negotiation under process	
	Name of clients	Outstanding (Tk. in million)	Total
		Funded	Non-funded
		(Tk. in million)	
	R.T.C	150.76	-
	S. Alam Steel Mills Ltd	-	475.80
		150.76	475.80
		626.56	

Amount in Taka 2013

7.09 Particulars of loans, advances and lease / investments

i)	Loans / investments considered good in respect of which the Bank is fully secured	1,608,430,441
ii)	Loans / investments considered good against which the Bank holds no security other than the debtors' personal guarantee	971,586,487
iii)	Loans / investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	-
iv)	Loans / investments adversely classified; provision not maintained there against	-
		2,580,016,928
v)	Loans / investments due by directors or officers of the banking company or any of them either separately or jointly with any other persons	13,581,581
vi)	Loans / investments due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or in case of private companies, as members	-
vii)	Maximum total amount of advances / investments, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	13,581,581
viii)	Maximum total amount of advances / investments, including temporary advances / investments granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies, as members	-
ix)	Due from banking companies	-
x)	Classified loans and advances / investments	
a)	Classified loans and advances / investments on which interest has not been charged.	-
b)	Provision on classified loans and advances / investments	-
c)	Provision kept against loans / investments classified as bad debts	-
d)	Interest credited to Interest Suspense Account	-
xi)	Cumulative amount of written off loans / investments	
	Opening Balance	-
	Amount written off during the year	-
		-
	Amount realised against loans / investments previously written off	-
	The amount of written off / classified loans / investments for which law suits have been filed	-

**Amount in Taka
2013**

7.10 Classification of loans, advances and lease / investments

Unclassified

Standard including staff loan	2,580,016,928
Special mention account (SMA)	-
	2,580,016,928

Classified

Sub-standard	-
Doubtful	-
Bad / Loss	-
	2,580,016,928

7.11 Particulars of required provision for loans, advances and lease / investments

Status	Rate (%)	Base for provision	
General Provision			
Loans/investments	*Various	2,580,016,928	25,975,250
Interest receivable on loans/investments	1	-	-
Special mention account (SMA)	5	-	-
		2,580,016,928	25,975,250

*General provision is kept @ 1% on general loans and advances / investments and 0.25% on small enterprise financing, 2% on certain other types of lending and 5% on consumer financing.

Status	Base for provision	Rate %	
Specific provision			
Sub-standard	-	20	-
Doubtful	-	50	-
Bad / Loss	-	100	-
			-
Required provision for loans, advances and lease / investments			25,975,250
Total provision maintained			25,975,250
Excess / (short) provision at 31 December 2013			-

7.12 Particulars of required provision on Off-balance Sheet Exposures

Status	Base for provision	Rate %	Rate %
Acceptances and endorsements	-		
Letter of guarantee	475,800,000	1%	4,758,000
Letter of credit	-		
Required provision on off-balance sheet exposures			4,758,000
Total provision maintained			4,758,000
Excess / (short) provision at 31 December 2013			-

8.00 Bills purchased and discounted

-

		Amount in Taka 2013
9	Fixed assets including premises, furniture and fixtures of the Bank	
	Property, Plant & Equipment	
	Furniture and fixtures	19,560,528
	Office equipment and machinery	12,613,406
	Vehicles	13,225,000
		45,398,935
	Less: Accumulated depreciation	421,093
		44,977,842
	Net book value at the end of the year (See Annexure-A for detail)	44,977,842
	The fixed assets recognised and measurements policy are described in note 2.09.4	
10.00	Other Assets of the Bank	
	Income Generating	-
	Non-Income Generating	
	Stationery and stamps	64,060
	Preliminary expenses (note -10.01)	197,965,884
	Prepaid expenses *	240,817,412
	Interest / profit receivable on loan	91,759,398
	Advance deposits and advance rent	360,695,715
	Security deposit and others	25,150
		891,327,619
	* Prepaid expenses includes partial amount paid to vendor on account purchasing of core banking software for which the total amount payable is yet to be finalised nor it become fully operational and hence not yet transferred to fixed assets.	
10.01	Preliminary Expenses	
	Consultancy fees	81,590,575
	Registration fees to RJSC & SEC	5,435,825
	BSEC application and consent fees	895,000
	Office rent	109,874,484
	Other expenses	170,000
		197,965,884
	As permitted by the Bank Company Act 1991, the Bank has taken the option of capitalizing its preliminary expenses in accordance with the practices followed by most of the other Banks. The Management has decided to fully amortize these preliminary expenses over two years period starting from 1 January 2014.	
11	Borrowings from other banks, financial institutions and agents of the Bank	
	In Bangladesh (note-11a.1)	-
	Outside Bangladesh (note-11a.2)	-
		-
11.01	In Bangladesh	
	Call deposits	-
	Bangladesh Bank (Off-shore Banking Units)	-
	Repo of treasury bills	-
	Refinance against SME loan from Bangladesh Bank	-
		-
11.02	Outside Bangladesh	
		-
11.03	Security against borrowings from other banks, financial institutions and agents	
	Secured (Treasury bills)	-
	Unsecured	-
		-

	Amount in Taka 2013
11.04 Maturity grouping of borrowings from other banks, financial institutions and agents	
Payable on demand	-
Up to 1 month	-
Over 1 month but within 3 months	-
Over 3 months but within 1 year	-
Over 1 year but within 5 years	-
Over 5 years	-
	-
12.00 Deposits and other accounts of the Bank	
Deposits from banks (note -12.01.(a))	2,750,000,000
Deposits from customers (note-12.01.(b))	329,843,273
	3,079,843,273
12.01 a) Deposits from Banks	
Current deposits and other accounts	-
Savings bank deposits	-
Special notice deposits	-
Fixed deposits	2,750,000,000
	2,750,000,000
b) Customer Deposits	
Current deposits	13,260,949
Savings Deposits	29,746,870
Special notice deposits	11,654,204
MSS Deposit	245,137
Double Benefit	1,000,000
Fixed Deposit	273,936,113
	329,843,273
	3,079,843,273
12.02 Term / Fixed deposits	
Deposits from banks (note -12.1.a))	2,750,000,000
Deposits from customers (note-12.1b))	273,936,113
	3,023,936,113
12.03 Payable on demand and time deposits	
a) Demand deposits	
Current deposits	13,260,949
Savings deposits	29,746,870
Foreign currency deposits (Non interest bearing)	-
Security deposits	-
Sundry deposits	-
Bills payable	-
	43,007,819
b) Time deposits	
Savings deposits	-
Fixed deposits	3,023,936,113
Special notice deposits	11,654,204
Deposits under schemes	1,245,137
Non resident Taka deposits	-
	3,036,835,454
	3,079,843,273

	Amount in Taka 2013
12.04 Sector-wise break-up of deposits and other accounts	
Government	-
Deposit money banks	2,750,000,000
Other public	290,768,768
Foreign currency	-
Private	39,074,505
	3,079,843,273
12.05 Maturity analysis of deposits	
a) Maturity analysis of deposits from Banks	
Payable on demand	-
Up to 1 month	1,000,000,000
Over 1 month but within 3 months	-
Over 3 months but within 1 year	1,750,000,000
Over 1 year but within 5 years	-
Over 5 years but within 10 years	-
Over 10 years	-
	2,750,000,000
b) Maturity analysis of customer deposits excluding bills payable	
Payable on demand	13,260,949
Up to 1 month	43,812,324
Over 1 month but within 3 months	217,929,863
Over 3 months but within 1 year	53,595,000
Over 1 year but within 5 years	245,137
Over 5 years but within 10 years	1,000,000
	329,843,273
13.00 Other liabilities of the Bank	
Provision for loans and advances (note - 13.3)	25,975,250
Excise duty	295,250
Fund for employee provident fund (EPF)	636,197
TDS and VDS payable	40,438,805
Provision for off Balance Sheet	4,758,000
Provision for interest on deposit	56,171,921
Accounts payable	34,578,834
Other provision-tax	8,450,840
	171,305,097
13.01 Provision for income tax	
<u>Provision</u>	
Balance at January 01	-
Add: Provision made during the year	13,029,698
	13,029,698
Settlement of previous year's tax liability	-
Balance at December 31	13,029,698
<u>Advance tax</u>	
Balance at January 01	-
Add: Payment made during the year:	-
Under section 64 and 74 of ITO 1984	-
Deduction at source	6,800,831
Less: Adjustment during the year	-
	6,800,831
Net balance at 31 December 2013	6,228,867

Amount in Taka
2013

- 13.02** Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of Bangladesh Accounting Standard (BAS)12 'Income Taxes'

Deferred tax liability is arrived at as follows:

Particulars	Carrying amount of balance sheet	Tax base	Taxable/Deductable temporary difference
	Taka	Taka	Taka
Assets			
Fixed assets net of depreciation as on Dec 31,2013	44,977,842	39,749,670	5,228,172
Total	44,977,842	39,749,670	5,228,172
Assets			
Fixed assets net of depreciation as on Dec 31,2012	-	-	-
Total	-	-	-
Applicable tax rate			42.50%
Deferred tax liability as on December 31 ,2013			2,221,973
Deferred tax liability as on December 31 ,2012			-
Deferred tax expenses accounted for during the year			2,221,973

An amount of Tk. 2,221,973 has been made against provision for deferred tax liability for the current year on account of depreciation of property plant & equipment.

13.03 Provision for loans, advances and lease / investments

Movement in specific provision on classified loans / investments:

Provision held as on 01 January	-
Movement during the year	-
Add: Net charge to profit and loss account	-
Provision held as on 31 December	-

Movement in general provision on unclassified loans / investments

Provision held as on 1 January	-
Add: Amount transferred to classified provision	-
Add: General provision made during the year	25,975,250
Provision held as on 31 December	25,975,250
	25,975,250

13.04 Provision for off-balance sheet exposures

Provision held as on 1 January	-
Add: Amount transferred from classified provision	-
Add: Provision made during the year	4,758,000
Provision held as on 31 December	4,758,000

14 Share capital

14.01 Authorized capital

1,200,000,000 ordinary shares of Taka 10 each	12,000,000,000
---	-----------------------

		Amount in Taka 2013
14.02 Issued, subscribed and fully paid up capital		
425,000,000 ordinary shares of Taka 10 each issued for cash		4,250,000,000
		-
		4,250,000,000

14.03 History of paid-up capital

Given below the history of raising of share capital of NRB Global Bank

Accounting year	Declaration	No of share	No. of Share	Value of Share
2013	Ordinary Share	425,000,000	425,000,000	4,250,000,000
		425,000,000	425,000,000	4,250,000,000

14.04 Capital adequacy ratio (Solo Basis)

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circulars no. 35 dated December 29, 2010, required capital of the Bank at the close of business on 31 December 2013 was Taka 4,000,000,000.00 as against available core capital of Taka 4,239,242,338.00 and supplementary capital of Taka 30,733,250.00 making a total capital of Taka 4,269,975,588.00 there by showing a surplus capital / equity of Taka 269,975,585.00 at that date. Details are shown below:

Core capital (Tier-I)

Paid-up capital	4,250,000,000
Share premium	-
Statutory reserve	898,801
Retained earnings	(11,656,466)
	4,239,242,335

Supplementary capital (Tier-II)

General provision maintained against unclassified loan / investments	25,975,250
General provision on off-balance sheet exposures	4,758,000
Exchange equalization account	-
	30,733,250

A) Total capital

Total assets including off-balance sheet exposures	7,956,390,705
--	----------------------

B) Total risk weighted assets

	5,995,300,000
--	----------------------

C) Required capital based on risk weighted assets (10% on B)

	599,530,000
--	--------------------

D) Surplus (A-C)

	269,975,585
--	--------------------

Capital adequacy ratio

Capital requirement	Required	Held
Tier - I	5%	70.71%
Tier - II	5%	0.51%
Total	10%	71.22%

14.05 Percentage of shareholdings at the closing date

Particulars	2013	
	%	
Sponsors (NRB)	100.00%	
Financial institutions	0.00%	
Foreign investors	0.00%	
Non- resident Bangladeshi	0.00%	
General public	0.00%	
	100.00%	

Amount in Taka
2013

14.06 Shareholding range on the basis of shareholdings as at 31 December 2013

Shareholding range	Number of share holders	Particulars	
		Shares	Percentage
Less than 500	0	-	0.00%
500- 5,000	0	-	0.00%
5,001 - 10,000	0	-	0.00%
10,001 - 20,000	0	-	0.00%
20,001 - 30,000	0	-	0.00%
30,001 - 40,000	0	-	0.00%
40,001 - 50,000	0	-	0.00%
50,001 - 100,000	0	-	0.00%
100,001 - 1,000,000	1	1,000,000	0.24%
Over 1,000,000	23	424,000,000	99.76%
	24	425,000,000	100.00%

14.07 Name of the Directors and their shareholdings as at 31 December 2013

Sl	Name of the directors	Status	Closing position	% of shares as at 31.12.2013
1	Mr. Nizam Chowdhury	Chairman	20,000,000	5%
2	Mr. Hanif Chowdhury	Vice chairman	10,000,000	2%
3	Mr. Ghulam Mohammed	Director	20,000,000	5%
4	Mr. Mohd. Ataur Rahman Bhuiyan	Director	20,000,000	5%
5	Mr. Mohammed Shahjahan Meah	Director	20,000,000	5%
6	Dr. Mohammed Faruque	Director	20,000,000	5%
7	Mrs. Sarina Tamanna Huq	Director	20,489,500	5%
8	Mohammad Manzoor Alam Seth	Director	18,000,000	4%
9	Mohammed Yousuf	Director	20,000,000	5%
10	Mr. Osman Gani	Director	36,982,800	9%
11	Mr. Rashed Uddin Mahmud	Director	20,000,000	5%
12	Mrs. Maimuna Khanam	Director	42,500,000	10%
13	Mr. Morshedul Alam	Director	16,000,000	4%
14	Mr. Md. Delwar Hossain	Director	15,986,000	4%
15	Mr. Kamal Pasha	Director	15,850,000	4%
16	Mr. Md. Jahangir Hossain	Director	12,966,330	3%
17	Mr. A.H. Md. Mahmud Ribon	Director	14,935,370	4%
18	Mr. Mohammad Fazley Morshed	Director	16,000,000	4%
19	Mrs. Reshma Parvin Morshed	Director	16,000,000	4%
20	Mr. Subrata Kumar Bhowmick	Director	29,290,000	7%
		-	405,000,000	95%

	Amount in Taka 2013
15.00 Statutory reserve	
Balance on 1 January	-
Addition during the year (20% of pre-tax profit)	898,801
Balance at 31 December	898,801
16.00 Retained earnings / (deficits) - movement of profit and loss account of the Bank	
Balance on 1 January	-
Addition during the year	(11,656,466)
Transfer to statutory reserve	-
Cash dividend	-
Issue of bonus shares	-
Balance at 31 December	(11,656,466)
Add: Foreign currency translation gain/ (loss)	-
	(11,656,466)
17.00 Contingent liabilities of the Bank	
17.01 Letters of guarantee	
Letters of guarantee (Local)	475,800,000
	475,800,000
Less: Margin	9,800,000
	466,000,000
18.00 Income statement	
Income:	
Interest, discount and similar income (note-18.1)	186,168,279
Fees, commission and brokerage (note-18.2)	240,000
Other operating income (note-18.03)	49,400
	186,457,679
Expenses:	
Interest / profit paid on deposits, borrowings, etc. (note-18.04)	65,690,068
Administrative expenses (note-18.05)	76,176,444
Depreciation and repair of Bank's assets (note-32)	422,293
Other operating expenses (note-33)	8,941,618
	151,230,423
	35,227,256

		Amount in Taka 2013
18.01	Interest, discount and similar income	
	Interest income from Loans and Advances	26,405,521
	Interest / profit on balance with other banks and financial institutions	159,762,758
		186,168,279
	Less: Loss on sale of security trading	-
		186,168,279
18.02	Fees, commission and brokerage	
	Commission	240,000
	Settlement fee	-
		240,000
18.03	Other operating income of the Bank	
	Charge on account maintenance fees	49,400
		-
		49,400
18.04	Interest / profit paid on deposits, borrowings, etc. of the Bank	
	Interest / profit paid on deposits (note 20)	65,690,068
	Interest / Profit paid for borrowings (note 20)	-
		65,690,068
18.05	Administrative expenses	
	Salary and allowances (note-24)	12,836,384
	Rent, taxes, insurance, electricity, etc. (note-25)	51,435,765
	Legal expenses (note-26)	651,959
	Postage, stamp, telecommunication, etc. (note-27)	245,586
	Stationery, printing, advertisement, etc. (note-28)	6,741,839
	Managing Director's salary and fees (note-29)	3,595,161
	Directors' fees (note-30)	419,750
	Auditors' fees (note-31)	250,000
		76,176,444
19.00	Interest income / profit on investment of the Bank	
	Cash credit	22,915,016
	Staff loan car	68,992
	Secured overdraft	2,761,518
	Term loan	659,995
	Total interest / profit on loans and advances / investments	26,405,521
	Interest / profit on balance with other banks and financial institutions	159,762,758
		186,168,279
20.00	Interest / profit paid on deposits, borrowings, etc. of the Bank	
	i) Interest / profit paid on deposits:	
	Savings bank deposits	207,650
	Special notice deposits	69,527
	Monthly Savings Scheme	1,457
	Fixed Deposit	65,411,065
	Special deposits under scheme	369
		65,690,068
	ii) Interest / Profit paid for borrowings:	-
		65,690,068
21.00	Investment income of the bank	-

		Amount in Taka 2013
22.00	Commission, exchange and brokerage of the Bank	
	Commission on L/Gs	240,000
	Others	-
		240,000
23.00	Other operating income of the Bank	
	Charge on account maintenance fees	49,400
		49,400
24.00	Salaries and allowances of the Bank	
	Basic pay	4,387,780
	Allowances	5,886,285
	Festival Bonus	666,410
	Bank's contribution to provident fund	301,938
	Consolidated salary	1,593,971
		12,836,384
25.00	Rent, taxes, insurance, electricity, etc. of the Bank	
	Rent, rates and taxes	50,523,280
	Lease rent	-
	Insurance	500,330
	Power and electricity	412,155
		51,435,765
26.00	Legal expenses of the Bank	
	Legal expenses	40,519
	Other professional charges	611,440
		651,959
27.00	Postage, stamp, telecommunication, etc. of the Bank	
	Postage	11,470
	Telegram, telex, fax and e-mail	-
	Data communication	-
	Telephone - office	234,117
	Telephone - residence	-
		245,586
28.00	Stationery, printing and advertisements, etc. of the Bank	
	Office and security stationery	1,912,040
	Computer consumable stationery	41,350
	Publicity and advertisement	4,788,449
		6,741,839
29.00	Managing Director's salary and fees	
	Basic salary	1,825,808
	Bonus	400,000
	House rent allowance	456,451
	House maintenance allowance	456,451
	Leave Fare Assistant.	456,451
		3,595,161
30.00	Directors' fees of the Bank	
	Meeting fees	419,750
	Other benefits	-
		419,750
	Each Director is paid Tk.5,000/- per meeting per attendance.	
31.00	Auditors' fees of the Bank	
	External audit fee	250,000
		250,000

	Amount in Taka 2013
32.00 Depreciation and repair of Bank's assets	
Depreciation - (see annexure-C for detail)	
Building	-
Furniture and fixtures	11,600
Office equipment	35,951
Bank's vehicles	373,542
	421,093
Repairs	
Maintenance	1,200
	1,200
	422,293
33.00 Other expenses of the Bank	
Entertainment	1,911,398
Car expenses	2,079,825
Bank charges and commission paid	9,084
Donations	400,000
Traveling expenses	345,800
Business development	1,068,047
Salary to casual labour	54,500
Arrear salary	86,508
Security and cleaning	241,769
Branch opening expenses	1,286,580
Service and other charges	714,467
Miscellaneous expenses	743,640
	8,941,618
34.00 Provision for loans, investments, off balance sheet exposure & other assets of the Bank	
Provision for bad and doubtful loans and advances / investments	-
Provision for unclassified loans and advances / investments	25,975,250
Provision for off-shore banking units	-
Provision for off-balance sheet exposure	4,758,000
Provision for diminution in value of investments	-
	30,733,250
35.00 Tax expenses of the Bank	
Current tax	13,029,698
Deferred tax	2,221,973
	15,251,671
36.00 Receipts from other operating activities of the Bank	
Commission, exchange and brokerage of the Bank	240,000
Service and other charges	49,400
	289,400
37.00 Payments for other operating activities of the Bank	
Rent, rates and taxes	29,764,880
Legal expenses	651,959
Postage and communication charges, etc.	245,585
Directors' fees	419,750
Other expenses	11,562,159
	42,644,333
38.00 (Increase)/ decrease of other assets of the Bank	
Security Deposit and others	25,150
Stationery and stamps	64,060
Preliminary Exp	181,554,496
Advance Office Rent	360,695,716
	542,339,422

**Amount in Taka
2013**

39.00 Earnings per share (EPS) of the Bank

39.a) As per year end position of share

Profit attributable to the ordinary shareholder	(10,757,665)
Number of Ordinary shares outstanding (Denominator)	425,000,000
Earnings per share (EPS)	(0.03)

39.b) Weighted average of share

Date	No of Share	Days	Weighted no. of shares
8/19/2013	262,288,205	135	98,358,077
8/20/2013	14,200,000	134	5,285,556
8/21/2013	2,711,795	133	1,001,858
8/26/2013	70,000,000	128	24,888,889
8/29/2013	20,000,000	125	6,944,444
9/2/2013	25,500,000	121	8,570,833
9/4/2013	20,000,000	119	6,611,111
9/8/2013	10,300,000	115	3,290,278
Total			154,951,046

Profit attributable to the ordinary shareholder	(10,757,665)
Weighted average number of ordinary shares outstanding	154,951,046
Earnings per share (EPS)	(0.07)

Earnings per share has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 31 December 2013 as per BAS-33 "Earnings Per Share (EPS)".

40.00 Number of employees of the Bank

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 36,000 p.a. or above were 103.

41.00 Disclosure on Audit Committee of the Bank

a) Particulars of Audit Committee

The audit committee of the Board was duly constituted by the Board of Directors of the Bank in accordance with the BRPD Circular no. 12 dated December 23, 2002 of Bangladesh Bank.

Pursuant to the BRPD Circular no. 08 dated 19.06.2011 and SEC notification no. SEC/CMRRCD/2006-158/129/Admin/44 dated August 7, 2012 on Corporate Governance, the current Committee is Constituted with the following 5 (Five) members of the Board:

Name	Status with bank	Status with committee	Educational Qualification
Mr. Mohammad Fazlay Morshed	Director	Chairman	B.Com.
Mr. Mohammad Hanif Chowdhury	Vice Chairman	Member	B.Sc.
Mr. Md. Delwar Hossain	Director	Member	M.Com., ACA
Mr. Mohammed Shahjahan Meah	Director	Member	Undergraduate
Mr. Rashed Uddin Mahmud	Director	Member	Graduation

42.00 Related Party Disclosures of the Bank

- | | |
|--|------------|
| i) Names of the Directors together with a list of entities in which they have Interest | Annexure-C |
| ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2013 | Nil |
| iii) Shares issued to Directors and Executives without consideration or exercisable at a discount | Nil |
| iv) Related party transactions | Nil |
| vi) Disclosure of transaction regarding Directors and their related concerns | |

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per BAS 24. The Bank in normal course of business had transactions with other entities that fall within the definition of 'Related Party' as contained in Bangladesh Accounting Standards (BAS)- 24 (Related party disclosures) and as defined in the BRPD circular# 14, issued by Bangladesh Bank on 25 June 2003.

Name of party	Relationship	Nature of transaction	Amount
Reliance Finance Limited	Common Director	Fixed Deposit	2,450,000,000

- | | |
|---|-----|
| vii) Business other than banking business with any related concern to the Directors as per Section 18(2) of the Bank Companies Act, 1991. | Nil |
| viii) Investment in the Securities of Directors and their related concern | Nil |

43.00 Approval of the financial statements

The financial statements of the Bank has been approved by the Board of Directors at its 5th Board meeting on 12 March 2014.


Chairman


Director


Director


Managing Director

**Hoda Vasi
Chowdhury & Co.**

Annexure-A

**NRB Global Bank Limited
Fixed Assets Schedule
As on December 31 2013**

Name of Assets	Opening Balance	Addition During the Year	Adjustment During the Year	Closing Balance	Rate	Depriciation				W D V
						Opening Balance	Dep. During the Year	Adj	Closing Balance	
Furniture & Fixture	-	19,560,529	-	19,560,529	10%	-	11,600	-	11,600	19,548,928
Machineries & Equipments	-	12,613,406	-	12,613,406	20%	-	35,951	-	35,951	12,577,455
Vehicles	-	13,225,000	-	13,225,000	20%	-	373,542	-	373,542	12,851,458
Total	-	45,398,935	-	45,398,935		-	421,093	-	421,093	44,977,842

Financial Reporting by Segment of the Bank

Annexure-B

i) Geographical Segment

Particulars	Inside Bangladesh	Outside Bangladesh	Total
Income	186,457,679	-	186,457,679
Less: Inter-segmental income	-	-	-
Total income	186,457,679	-	-
Operating profit (Profit before unallocated expenses and tax)	186,457,679	-	186,457,679
Allocated expenses	151,230,423	-	151,230,423
Provision against loans and advances, others	30,733,250	-	30,733,250
Profit / (loss) before tax	4,494,006	-	4,494,006
Income tax including deferred tax	15,251,671	-	15,251,671
Net profit	(10,757,665)	-	(10,757,665)
Segment assets	7,490,390,705	-	7,490,390,705
Segment liabilities	7,490,390,705	-	7,490,390,705

ii) Business Segment

Particulars	Conventional Banking	Islamic Banking	Investment	Total
Income	186,457,679	-	-	186,457,679
Less: Inter segmental income	-	-	-	-
Total income	186,457,679	-	-	186,457,679
Operating profit (Profit before unallocated expenses and tax)	186,457,679	-	-	186,457,679
Allocated expenses	151,230,420	-	-	151,230,420
Provision against loans and advances, Others	30,733,250	-	-	30,733,250
Profit / (loss) before tax	4,494,009	-	-	4,494,009
Income tax including deferred tax	15,251,671	-	-	15,251,671
Net profit	(10,757,662)	-	-	(10,757,662)
Segment assets	7,490,390,705	-	-	7,490,390,705
Segment liabilities	7,490,390,705	-	-	7,490,390,705

Name of Directors and their interest in different entities

SI No.	Name of Directors	Status with NRBGBL	Entities where they have interest	% of Interest
1	Mr. Nizam Chowdhury	Chairman	Trade Balance USA Corporation	50%
			NRB USA Inc.	100%
2	Mr. Mohammad Hanif Chowdhury representing Padma Wears Ltd.	Vice Chairman	Jaansco Canada Incorporation	34%
3	Mr. Ghulam Mohammed	Director	Gianbeen Sung Trading (L.L.C.)	29%
			AFA Steel Industries Ltd.	25%
			MAX Automobile Products Ltd.	51%
			Lub House Industries Limited	75%
			MAX Industries Limited	90%
			MAX Power Limited	25.90%
			MAX Pre Stress Limited	60%
			MAX Building Technologies Ltd.	60%
			Oscar Trade Syndicate	100%
4	Mr. Mohd. Aatur Rahman Bhuiyan	Director	Toma Construction & Co. LTD.	60%
			Toma Properties Limited	99%
			Toma Concrete Limited	75%
			Max Power Limited	20%
			Vatican Properties Limited	35%
5	Mr. Mohammed Shahjahan Meah	Director	N/A	N/A
6	Dr. Mohammed Faruque	Director	Orchard Sweaters Ltd.	95%
			Hotel Orchard Plaza Ltd.	33.90%
			Orchard Developer & Construction Ltd.	70%
			Bengal Telecom Company Ltd.	70%
			Orchard International Ltd.	70%
			Orchard Hotels & Resorts Ltd.	65%
			Orchard Industries Ltd.	65%
			Mecca Cola Limited	70%
			Royal Aviation Services Ltd.	75%
			Orchard Agro Park Ltd.	60%
			Orchard Marketing Company Ltd.	70%
Gulf Aviation Ltd.	60%			
7	Mrs. Sarina Tamanna Huq representing Genesis Textile Accessories & Apparels Ltd.	Director	Xebec Trading Services Pvt. Ltd.	50%
8	Mohammad Manzoor Alam Seth representing Shah Amanat Prakritik Gas Co. Ltd.	Director	Shobel Engineers & Construction Ltd.	-
9	Mohammed Yousuf	Director	Ramsis Mobile Phone Trading (L.L.C.)	49%
10	Mr. Osman Gani representing Global Trading Corporation Ltd.	Director	N/A	N/A
11	Mr. Rashed Uddin Mahmud	Director	Global Fashion Makers, Corp.	100%
12	Mrs. Maimuna Khanam	Director	Avenue Overseas Ltd.	50%
			Reliance Finance Limited	5.28%
13	Mr. Morshedul Alam representing Chemon CR Strips Ltd.	Director	Chemon Ispat Ltd.	47.50%
			S. Alam Super Edible Oil Ltd.	35%
14	Mr. Md. Delwar Hossain representing Hasan Abasan (Pvt.) Ltd.	Director	N/A	N/A
15	Mr. Kamal Pasha representing Modern Properties Ltd.	Director	Imaginer Trading FLE	100%
			Bombay Blue	60%
16	Mr. Md. Jahangir Hossain representing Bangladesh Petro Chemicals Ltd.	Director	Mediate International Bangladesh	75%
17	Mr. A. H Md. Mahmud Ribon representing Karnafully Prakritik Gas Ltd.	Director	N/A	N/A
18	Mr. Mohammad Fazlay Morshed representing Fatehabad Farm Ltd.	Director	MRM Trading Limited	40%
			Chittagong Logistics Ltd.	90%
19	Mrs. Reshma Parvin Morshed representing Prasad Paradise Resorts Ltd.	Director	Chittagong Logistics Ltd.	10%
20	Mr. Subrata Kumar Bhowmick representing Portman Cements Ltd.	Director	N/A	N/A

HIGH LIGHTS OF THE BANK

(Taka in million)

Sl. #	Particulars	2013
1	Paid-up capital	4,250.00
2	Total capital	4,269.98
3	Capital surplus / (deficit)	269.98
4	Total assets	7,490.39
5	Total deposits	3,079.84
6	Total loans and advances	2,580.02
7	Total contingent liabilities and commitments	466.00
8	Credit deposit ratio	83.77%
9	Percentage of classified loans against total loans and advances	-
10	Profit after tax and provision	(10.76)
11	Amount of classified loans during the period	-
12	Provisions kept against classified Loan	-
13	Provisions kept against Standard Loan	25.98
14	Provision surplus / (deficit)	-
15	Cost of fund	11.88%
16	Interest earning assets	5,358.80
17	Non-interest earning assets	2,131.59
18	Return on investment (ROI)	-0.49%
19	Return on assets (ROA)	-0.28%
20	Income from investment	-
21	Earnings per share (Taka)	(0.03)
22	Net income per share	(0.03)
23	Price earnings ratio	-
24	Return on equity (ROE)	-0.49%
25	Net interest margin (NIM)	4.50%