

# AlphaRating

## ***NRB GLOBAL BANK LIMITED***

*(Saiham Tower, House No: 34, Road No: 136, Gulshan Model Town, Block: S E, Dhaka-1212)*

**2020**

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18 June, 2020

**Managing Director**  
**NRB Global Bank Limited**  
**Saiham Tower, House No: 34, Road No: 136,**  
**Gulshan Model Town, Block: S E, Dhaka-1212**

**Subject: Credit Rating of NRB Global Bank Limited**

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating) has assigned the following rating to **NRB Global Bank Limited**.

<b>Date of Declaration</b>	<b>Valid Till</b>	<b>Rating Action</b>	<b>Long Term Rating</b>	<b>Short Term Rating</b>	<b>Outlook</b>
18 June, 2020	17 June, 2021	Surveillance	A+	ST-2	Stable

The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to **NRB Global Bank Limited**, hereby solemnly declare that:

- (i) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- (ii) We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

With kind regards,

  
**Mainul Islam Chowdhury FCCA**  
Chief Operating Officer

**This letter is integral part of the credit rating report**

**NRB Global Bank Limited**    **Rating Action** Surveillance    **A+** Long Term Rating    **ST-2** Short Term Rating

**Stable** Outlook

**Date of Declaration** 18 June, 2020

**Valid Till** 17 June, 2021

<b>Business Risk</b> High	<b>Solvency Score</b> Moderate	<b>Asset Quality</b> Moderate	<b>Profitability</b> Moderate	<b>Management Quality</b> Satisfactory	<b>Capital Adequacy</b> Adequate
<b>Economic Moat</b> Narrow	<b>Industry Group</b> Financial Institution				

## Rationale

### Previous Rating

Long Term Rating: **A+**  
Short Term Rating: **ST-2**  
Outlook: **Stable**  
Date of Declaration: **19 June, 2019**  
Valid Till: **18 June, 2020**

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**Date of Incorporation:** 21 July, 2013

**Chairman:** Mr. Nizam Chowdhury

**Managing Director:**  
Mr. Syed Habib Hasnat

**Authorized Capital:** BDT 12,000.00 million

**Paid Up Capital:** BDT 4,675.00 million (As on 31 December, 2019)

**Total Asset:** BDT 106,405.31 million (As on 31 December, 2019)

**Total Liabilities:** BDT 100,716.96 million (As on 31 December, 2019)

**Total shareholder equity:** BDT 5,688.35 million (As on 31 December, 2019)

AlphaRating affirms the long-term rating of "A+" (pronounced as single A Plus) and short-term rating of ST-2 in favor of NRB Global Bank Limited (herein after referred to as "NRBGBL" or "the bank"). This rating has been assigned by considering the last four years performance of the Bank.

While assigning the rating AlphaRating considered both favorable and unfavorable movement in overall performance of the bank. The rating reflects the stability of financial performance along with quite satisfactory liquidity position, increasing deposits from customers, stable total asset base, quality of management team and efficient fund management of the bank. AlphaRating observed that NRBGBL's contribution to develop the HR division are strengthening over the years. In addition, good Corporate Governance practice in last few years and sound environmental risk management policy and low unsystematic risk have supported the above rating positively.

The rating has considered improvement in assets base, enriched loan portfolio, sufficient provision, improvement in asset quality and good liquidity management capability. NRBGBL has performed well in the last four financial years. However, decreased profitability, ROA & ROE, higher ADR ratio than regulatory requirement and shortage in capital conversion buffer has deterred AlphaRating from assigning higher ratings. Nevertheless, NRBGBL still has scope to improve its performance in future years.

### Asset Quality & Operating Summary (BDT in Millions)

	2019	2018	2017	2016
<b>Total Assets</b>	106,405.31	92,171.97	79,132.60	49,266.75
<b>Gross Loan</b>	82,365.60	71,556.39	59,328.38	34,958.29
<b>Loan Growth (%)</b>	15.11	20.61	69.71	67.70
<b>Pre-Tax Profit (BDT Million)</b>	875.43	979.50	1,049.10	792.32
<b>Net Interest Income</b>	2,618.76	2,461.00	2,610.41	1,729.90
<b>Non-Interest Income</b>	595.69	446.84	557.70	405.22
<b>Cost Income ratio (%)</b>	60.04	62.84	49.03	56.77
<b>Interest Spread (%)</b>	4.48	5.83	4.85	4.94
<b>Loan/ Customer deposits (%)</b>	85.16	86.33	86.01	81.53
<b>Gross NPL ratio (%)</b>	1.77	2.02	1.31	0.42
<b>Net NPL Ratio (%)</b>	(0.15)	0.44	(0.29)	(0.68)
<b>ROA (%)</b>	0.34	0.58	0.49	0.86
<b>ROE (%)</b>	6.45	9.97	7.79	9.16
<b>CRAR (%)</b>	10.27	11.89	11.26	11.83
<b>Cost of Fund (%)</b>	12.51	11.91	9.65	9.60

Data obtained from audited financial statements of 2016-2019

  
Md. Nizam Chowdhury FCCA  
Chief Operating Officer  
Alpha Credit Rating Limited

## Company Profile

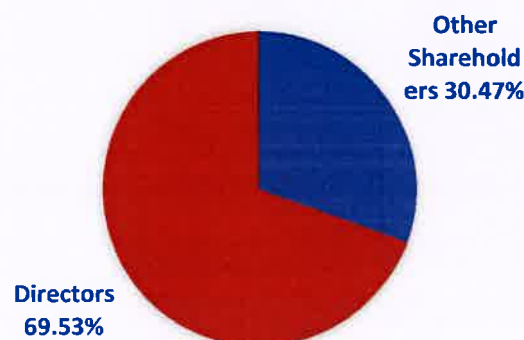
Era of globalization assisted to realize the importance of connectivity beyond the boundary of the country. With this aim three banks have been funding non-resident Bangladeshi (NRB) people. NRB Global Bank Limited is one of the fastest growing fourth generation private commercial bank. It is one of those three NRB banks. It is the brainchild of 25 (twenty five) well reputed visionary Non-Resident Bangladeshi (NRB) people and it has been approved by the regulatory bodies in 2012 to operate the business in Bangladesh. It is one of the forty-two (42) private commercial banks in Bangladesh that offers all kinds of conventional commercial banking services to its customers which includes banking services in four broad areas including Consumer banking, SME banking, NRB banking and International banking. These broad areas include deposit banking, loans and advances, export import financing, remittance facility and so on.

Under the companies act 1994 vides, NRB Global was incorporated as a public limited company dated July 21, 2013. NRB Global Bank Limited got the final approval on July 25, 2013 from the regulatory body to run the banking business in Bangladesh. Since then NRB Global embarked its banking operation on October 23, 2013 by obtaining license from Bangladesh Bank under section 32(1) of the Bank Companies Act 1991 (Amendment 2013). The authorized capital of the bank is BDT 12,000.00 million and paid up capital stood at BDT 4,675.00 million as on December 31, 2019.

## Products and Services

NRB Global Bank Limited provides assorted services and products to ease out banking process for its customers' at the most convenient way possible. Since incorporation the bank has been emphasizing on optimum customer satisfaction. NRBGBL proceeds with the vision "to become exceptional brand in the financial sector by offering service excellence and creating value for everybody encompassing customers, shareholders, partners, society and economy through transparency, technology, innovation & integrity."

## OWNERSHIP PATTERN



Currently, the bank has sixty nine (69) branches and sixty five (65) ATM booths covering commercially important locations of the country. Currently the bank has 10 islamic banking branch and 15 islamic banking window. The bank does not have any Off-shore banking unit (OBU) and subsidiary company now. The head office of business and registered office of the bank was located at Khandker Tower, 94 Gulshan Avenue, Gulshan 1, Dhaka-1212, Bangladesh however, the corporate head office is now shifted to Saiham Tower, House No: 34, Road No: 136, Gulshan Model Town, Block: S E, Dhaka-1212.

**Company Profile**

Management Quality

## Industry Overview

Company Information

## Business Risk

## Financial Risk

The general banking facilities that offered by the bank is listed below:

**Regular Deposit Scheme**

- ❖ NGB Current
- ❖ NGB Savings
- ❖ NGB Junior
- ❖ NGB Queen
- ❖ NGB Perfect
- ❖ NGB Fresher
- ❖ NGB Salary Account

**Term Deposit & Special Benefit Scheme**

- ❖ NGB DPS
- ❖ NGB Double Benefit Scheme
- ❖ NGB Fixed Deposit
- ❖ NGB Monthly Benefit Plan

**Loan Products****Retail Loan Products**

- ❖ NGB Executive Loan
- ❖ NGB Professionals Loan
- ❖ NGB Adhoc Loan
- ❖ NGB Marriage Loan
- ❖ NGB Travellers
- ❖ NGB Festival Loan
- ❖ NGB Home Loan
- ❖ NGB Auto Loan

**SME Loan Products**

- ❖ NGB Uddom (SME Business Loan)
- ❖ NGB Kishan (Agri Loan)
- ❖ NGB Proshar (Linkage Finance)
- ❖ NGB Nandini (Loan For Women Entrepreneurs)

**Specialized Products for NRBs****Loan Products**

- ❖ NRB Home Loan
- ❖ NRB Health Support Loan
- ❖ NRB Migration Loan
- ❖ NRB Sohayota Loan
- ❖ NRB Student Education Loan
- ❖ NRB Utshaho Loan

**General Credit****Mode of Finance**

- ❖ Project Loan
- ❖ Working Capital
- ❖ Syndication And Structured Finance
- ❖ Refinance Scheme Of Central Bank

**Credit Product**

- ❖ Term Loan
- ❖ Continuous Loan
- ❖ Demand Loan
- ❖ Work Order Finance
- ❖ Import Finance
- ❖ Export Finance
- ❖ ECC/PC
- ❖ Guarantees (Payment/Performance)
- ❖ Acceptance
- ❖ BTB LC

**Forex & Fund Management**

- ❖ SWIFT
- ❖ Bangladesh Electronic Fund Transfer Network (BEFTN)
- ❖ Issuing And Enchasing Foreign Drafts
- ❖ Inter-Branch Money Transfer

**Other Services**

- ❖ Green Financing
- ❖ SMS Banking
- ❖ ATM Services (through VISA, QCASH, NPSB, AMEX)
- ❖ VISA Debit/Credit Card
- ❖ Western Union
- ❖ Moneygram
- ❖ Electronic Fund Transfer
- ❖ Merchant Discounts (through NGB Cards)

**Value Added Services**

- ❖ Locker Services
- ❖ Insurance Coverage Deposit Scheme

**Upcoming Products and Services**

- ❖ Call Center
- ❖ Internet Banking
- ❖ Agent Banking

**Company Profile**

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**Branch Network**

Ever since the inception NRB Global Bank Limited has spread its wings all over Bangladesh and opened so far 69 branches in different divisions in the country. The location of the branches has been chosen on the basis of commercial importance and located in some of the vital areas of Bangladesh. But very uncommonly its branch network is located in Chattogram Division comprising 49% whereas Dhaka Division branch network comprises 36%.

<b>Dhaka Division</b>	Ashulia Branch	<b>Chittagong Division</b>	Adhunagar Branch
	Banani Branch		Agrabad Corporate Branch
	Bashabo Branch		Alangkar Branch
	Beldi Bazar Branch		Anowara Branch
	Dhanmondi Branch		Aturar Depot Branch
	Faridpur Branch		Badher Hat Branch
	Gazipura Branch		Barabkunda Branch
	Gulshan Corporate Branch		Boalkhali Chowdhury Hat Branch
	Kapasia Branch		Chambol Branch
	Joina Bazar Islami Banking Branch		Chandina Branch
	Kalatia Branch		Chakaria Islami Banking Branch
	Kaliachapra Branch		Cox's Bazar Branch
	Madhabdi Branch		Dakbangla Branch
	Mawa Branch		Dohazari Branch
	Mawna Branch		Dollai Nawabpur Branch
	Mirpur Branch		Feni Branch
	Mohakhali Branch		Gunaboti Branch
	Motijheel Branch		Ishapur Branch
	Nawabpur Branch		Jagatpur Branch
	Nayapaltan Branch		Jubilee Road Branch
Panthapath Branch	Kashipur Bazar Branch		
Pacchor Islamic Banking Branch	Khatungonj Branch		
Shyamoli Islamic Banking Branch	Link Road Branch		
Ulokhola Branch	Mehedibagh Branch		
Uttara Branch	Nandiapara Branch		
<b>Barishal Division</b>	Barishal Branch	Narayan Hat Branch	
<b>Khulna Division</b>	Jashore Islamic Banking Branch	Nasirabad Branch	
	Khulna Branch	Panchgachia Branch	
	Kushtia Islamic Banking Branch	Patherhat Branch	
	Satkhira Islami Banking Branch	Patiya Branch	
<b>Rajshahi Division</b>	Rajshahi Branch	Pekua Branch	
	Bogura Branch	Rowshan Hat Branch	
	Khukni Islami Banking Branch	Sharaf Bhata Branch	
	Tabunia Bazar Islami Banking Branch	Shindurpur Branch	
	<b>Sylhet Division</b>	Sylhet Branch	

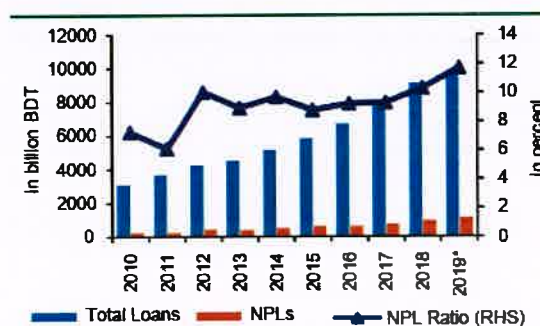
## Industry Analysis

The financial system of Bangladesh consists of scheduled and non-scheduled banks, non-bank financial institutions, microfinance institutions, insurance companies, co-operative banks, credit rating companies, merchant banks, brokerage houses and stock exchanges. Broadly, the Bangladesh financial system is bank-based financed via financial intermediaries and remains dominated by the banking sector. At the end of 2019, the total number of scheduled banks increased to 60 due to opening of new domestic private commercial banks (PCBs) during the year. Bangladesh Bank (BB) implemented a number of policy measures to emphasize risk management and corporate governance in the banks, periodic review of stability of the individual bank as well as the whole banking system, stress testing, monitoring of large borrowers, fraud-forgeries and strengthening internal control and compliance through self-assessment of anti-fraud internal controls etc. Throughout the period the balance sheet size grew to a notable extent. All of the portions of asset composition has increased other than Govt. Bill and Bond. Total assets of the banking industry increased by 11.59% and stood at BDT 14,572.90 billion. During the same period, the banking sector indicators showed some improvements compared to that of the preceding year led by the good performance of Private Commercial Banks (PCBs). Asset quality, measured by non-performing loans to aggregate loan portfolio, & NPL to regulatory capital showed mixed performance over the preceding year. The ratio of gross NPL to the total outstanding loans of the banking sector has been increased to 11.70% in Q2FY2019 compared to 10.30% at the end of December 2018. Moreover, the ratio of net NPL to the total outstanding loans of the banking sector reduced to 2.50 percent from 2.20 percent during the same period. Capital to Risk Weighted Assets Ratio (CRAR) decreased slightly compared to that of December 2018 & stood at 11.74 percent in Q2FY2019. The provision shortfall widened moderately. Increased in NPL, provision shortfall and decreased CRAR shows that position of the banking sector deteriorated in Q2FY2019.

The provision maintenance ratio at end of Q2FY2019, reached 87.10% as opposed to 88.40% recorded at end December 2018.

Key profitability indicators i.e. ROA & ROE increased moderately in last quarter. Return on Asset (ROA) climbed up at 0.30 percent at the end of Q2FY2019 from 0.25 percent at the end of December 2018. In addition, Return on Equity (ROE) also climbed to 4.68 percent at the end of Q2FY2019 from 3.86 percent at the end of December 2018. In June 2019, banking sector has been able to maintain a significant leverage ratio compared to the maintained satisfactory liquidity position throughout the year. In Q2FY2019, banking sector as a whole has been able to maintain a leverage ratio of 4.84% on solo basis; 48 out of 57 banks have successfully maintained leverage ratio of 3.00%. At the end of December 2018, the growth rate (year-on-year) of deposits was lower than that of advances (more than two percentage point less). The Advance-Deposit Ratio (ADR) stood at 77.50 percent at the end-Q2FY2019. The prudential limits of ADR for Conventional and Islamic Shariah based banks were 85.0 percent and 90.0 percent respectively. The liquidity position in the banking sector as a whole was comfortable at the end of Q2FY2019; leading to a further easing of money market conditions. Net Interest Margin (NIM) of the banking industry stood at 2.99 percent in Q2FY2019, which was 3.22 percent in FY 2018. The NIM for the SCBs and PCBs inched up whereas for DFIs and FCBs, it decreased in Q2FY2019 compared to FY 2018. Analysis of the indicator reveals that NIM for PCBs and FCBs was higher than the industry average. Furthermore, banking sector, as a whole, had no shortfall in Cash Reserve Ratio (CRR). Along with this, the banking sector was found to be fairly resilient in the face of various market risk shocks. Moreover, the individual banks & the banking system as a whole were found to be well resilient against various liquidity stress scenarios as of end Q2FY2019.

According to Bangladesh Bank's quarterly stability reports State-owned commercial banks are facing difficulty to continue business. The problems are poor capitalization, weak asset quality and substandard management quality etc. However, government has taken several steps to reform the sector, according to a recent analysis. The report (Source BMI Research a London based research firm) said Bangladesh's banking sector is one of the weakest in emerging Asia, as factors, such as low capital adequacy and poor asset and management quality, continue to challenge solvency and profitability. But in recent days this situation is changing. Under the Basel III framework, Bangladeshi banks are legally required to maintain a capital to risk-weighted asset ratio (CRAR) of at least 10 percent and a tier 1 capital ratio of at least 5.5 percent. Although the banking sector as a whole was able to maintain its CRAR above the minimum requisite, state-owned commercial banks and developmental financial institutions or specialized banks have not been compliant.



\*Up to 30 June 2019

Source: Department of Off-site Supervision (DOS), BB.

Fig: Aggregate Position of NPL To Total Loans

However, Bangladesh Bank has taken a number of initiatives in the March quarter having implications for financial stability. For instance Bangladesh bank has amended guidelines on internal control & compliance risk management, credit risk management etc. Besides Bangladesh Bank has issued integrated risk management guidelines for financial institutions to strengthen the overall risk management framework & introduces techniques of managing all possible risk under formal organizational set up with standard policies & procedure.

#### **Risk management by banks in post-Covid-19 situation**

Banks in Bangladesh are facing huge uncertainties about repayments of loans by their clients when their business are in disarray during this Covid-19 situation. The current situation might bring huge burden of non-performing loans for the banking industry if the growing credit risk in this Covid-19 environment is not addressed effectively. There are claims that some banks in different countries are identifying spurious discrepancies in the LCs to escape payment liabilities which might be the source of fraud and reputational risks for banks. If not handled properly, back-to-back LC might be a source of credit risk for the country's banks in the coming months. With the advent of the defaulted loan in the post-covid-19 stage, banks with inadequate capital might be in huge trouble. (Source: FE 29.04.2020)

## Business Risk Analysis

### Credit Risk

Credit risk refers to the risk that a borrower will default on any type of debt by failing to make required payments. The risk is primarily that of the lender and includes loss of principal and interest, disruption of cash flows and increased collection costs. Credit risk management, meanwhile, is the practice of mitigating those losses by understanding the adequacy of both an institution's capital and loan loss reserves at any given time – a process that has long been a challenge for the Bank.

The credit risk is managed through implementation of a structured set of policies established by the board in accordance with the guideline from Bangladesh Bank which are clearly segregated to different level of management. The risk management strategies of NRBGBL aims at mitigating as much risk as possible at the approval stage focusing the cash flow of the client & collateral in the light of certainty & legal enforceability. Moreover primary security must be insured and frequent valuation exercise is performed depending on the level of price volatility & nature of collateral. In spite of having clearly defined guideline & pursuance of checklist based approach, AlphaRating found several irregularities in the credit risk management system which has led the bank to bear more than four times higher NPL than that of previous year. Some instances are as follows:

- Outstanding exceeded sanctioned limit
- Legal action not taken against classified limits
- Loan sanctioned without proper security arrangement
- Inadequate loan documentation

In these regard, auditor's guideline will be strictly followed to fully implement the credit risk manual to ensure better internal control & compliance with Bangladesh Bank requirement as confirmed by management. Moreover, a professional loan recovery team has recently been established which closely monitors approval procedure, transaction behavior & compliance issue in order to reduce the credit risk to some extent.

### Interest Rate Risk

Interest rate risk arises when a banks principal and

interest cash flow both on and off-balance sheet, have mismatched re-pricing dates. The amount at risk is a function of the magnitude or direction of interest rate changes and the size and maturity structure of the mismatched position. Such risk can't be eliminated as re-pricing period of assets and liabilities are different.

### Liquidity Risk

Liquidity risk is the risk that a Bank may be unable to meet its short-term financial obligation. Usually it occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process.

To control liquidity risk, the company has formed Asset Liability Committee (ALCO), as per Bangladesh Bank guideline which shapes the structure of its assets and liabilities. The committee regularly reviews the monthly projection of fund flows & maturity ladder to ensure sufficient cash inflow on demand. However, along with significant call money borrowing in recent year, inadequate assets with less than 5 years maturity has increased the liquidity risk of NRBGBL to high. Nevertheless, 90.73% of total deposit are consists of fixed deposit which reduces the liquidity risk to some extent while compromising the profitability (more costly form of fund/investment).

### Operational Risk

A form of risk that summarizes the risks a company or firm undertakes when it attempts to operate within a given field or industry. Operational risk is the risk that is not inherent in financial, systematic or market-wide risk. It is the risk remaining after determining financing and systematic risk, and includes risks resulting from breakdowns in internal procedures, people and systems.

NRBGBL has established an effective operational risk management framework by establishing a Risk Management Committee, ensuring effective and efficient operations, reliable financial reporting and compliance with laws and regulations. Moreover, the board has established an organizational culture which enables the senior manager to transform/divert the strategic direction given by the board in order to

reduce/eliminate any risks relating to specific issues in a cost effective manner. In spite of having these deterrent in place, some instances have emerged (not availing mandatory leave, maintenance of stock & fixed asset, inappropriately filled up documents) which increases the operational risk.

### Money Laundering Risk

All financial institutions, both banks and non-banks, are susceptible to money laundering activities. Banks and other Financial Institutions conducting relevant financial business in liquid products are clearly most vulnerable to use by money launderers, particularly where they are of high value.

NRBGBL has an Anti-Money Laundering and Combating the Financing of Terrorism (CFT) policy that have been prepared in line with Bangladesh Bank (BB) policy. All the branches follow the instruction of head office to prevent money laundering activities. The bank has appointed officials such as Chief Anti Money Laundering Compliance Officer (CAMLCO) and Deputy Anti Money Laundering Compliance Officer (DAMLCO) as well as Branch wise Branch Anti Money Laundering Officer (BAMLCO). This team will arrange conference every year and train up bank employees through in-house experts and also hire experts from BB. AML division has implemented sanction list into their CBS system to monitor the relevant criteria. Accordingly, the CBS system will automatically notify if anything suspicious has come up. KYC form has also been introduced for any walk in customer. Moreover since 2016 all the branches can verify NID of any individual through election commission link.

### Portfolio Management Risk

For any financial institution, portfolio management is the crucial issue as any slackness in management of portfolio risk may cause serious setback.

The gross non-performing loan to total loans of the bank was 2.02% at the end of 2018, while country average stood at 6.00%. But in subsequent period, the position of non-performing asset has improved and while analyzing the sector wise investment growth comparing to the sector wise NPL, it is observed that the management is very cautious regarding portfolio management and sector with lower NPL gets higher priority while making further investment.

### Asset-Liability Mismatch

Asset-liability mismatch is another cause of concern for

banking company. Demand for funds to meet the increasing lending requirements has increased many times. But, the availability of funds has become inadequate, as Banking Companies are mostly dependent on loan from other banks and financial institutions and customer deposits.

While analyzing the liquidity ladder, AlphRating observed net excess in each liquidity bracket indicating relatively safer position of the company in terms of the asset liability mismatch risk.

### Market Risk

The risk is the possibility for an investor to experience losses due to factors that affect the overall performance of the financial markets. Market risk, also called "systematic risk," cannot be eliminated through diversification, though it can be hedged against. The risk that a major natural disaster will cause a decline in the market as a whole is an example of market risk. Other sources of market risk include recessions, political turmoil, changes in interest rates and terrorist attacks.

The Risk Management Unit (RMU) of the bank regularly meets to assess the overall business environment and market conditions relating to major risk management areas of the bank. Further, following the risk identified, periodically reported to Bank Risk Management Committee (BRMC).

### Information Technology Risk

Financial information are mostly processed and delivered through technological platform. Inherently it contains the risk of security breach, disaster and data contamination. Continuity of bank's operation and service completely depends on strong, reliable and secured technology.

NRBGBL follows the guideline issued by Bangladesh Bank regarding information & communication technology. Information Security, the Standard of Bangladesh Bank is being followed by the bank which covers password control, user ID maintenance, input control, network security, data encryption, virus protection and access control of all the systems including internet and emailing. To carry out the operation, NRBGBL uses Temenos (T24) latest version as core banking solution. The bank's continuity Plan (BCP) is formulated to cover operational risks and taking into account the potential for wide area disasters, data center disaster and recovery plan.

## Financial Risk Analysis

The financial analysis are done based on NRB Global's asset quality, composition and trend, fund management, capital adequacy, liquidity management, risk management and ultimate financial goals of the firms based on both quantitative and qualitative aspects of the institution. Detailed analysis is presented below:

### Asset Composition

During 2019, total asset size of NRBGBL was BDT 106,405.31 million. Total asset base of NRBGBL is showing an increasing trend since FY 2016 to 2019. However, the current growth rate in FY 2019 of 15.44% is slightly lower than the growth rate of FY 2018 of 16.40%. While analyzing the fund application of NRBGBL, it has been observed that, maximum proportion of total asset base is composed of loan and advanced, investment and cash which is increased by 15.11% , 26.74% and 18.33% in 2019 whereas balanced with other banks and financial institutions has decreased by 7.16%.

Detailed analysis of fund source revealed that 90.89% of total asset is financed by deposits and the remaining portion is funded by Borrowings from other Banks & FIs, Retained Earnings and Equity & other liability. However, in the current year the significantly fall of borrowing from other banks, financial institution and agent was noticeable, where call borrowing was main contributor.

Comparative analysis of asset composition revealed that nearly 77.41% of total asset base was invested in loans and advances/investments in 2019, which was about 77.63% in 2018. Cash holds 5.53% and Balance with other banks & financial institute holds 3.20% in 2019; those were 5.40% and 3.97% respectively in 2018.

FYE 31 December	2019	2018	2017	2016
Total Asset (Million)	106,405.31	92,171.97	79,132.60	49,266.75
Asset Growth (%)	15.44	16.40	60.62	57.80
Gross Loan (Million)	82,365.60	71,556.39	59,328.38	34,958.29
Loan Growth (%)	15.11	20.61	69.71	67.70
Gross NPL (Million)	1,461.60	1444.52	774.83	146.31
Gross NPL Ratio (%)	1.77	2.02	1.31	0.42
Net NPL (Million)	(121.62)	318.09	(173.64)	(237.10)
Net NPL Ratio (%)	(0.15)	0.44	(0.29)	(0.68)
Total Loan Loss provision/Gross NPLS (%)	96.52	69.57	116.85	249.18
Investment(Millions)	11,207.42	8,842.69	7,917.71	5,002.30
Specific Loan Loss Provision/Gross NPLS	41.95	22.02	42.96	13.22
Gross NPL / (Equity + Loan Loss Provision) (%)	20.59	22.85	13.11	2.94
Net NPL without considering General Provision (Millions)	675.95	1004.96	398.90	107.24
Net NPL Ratio without considering General Provision (%)	0.82	1.40	0.67	0.31

Data obtained from audited financial statements of 2016 to 2019

Asset Composition	2019	2018
Cash	5.54%	5.40%
Balance with other banks and other financial institutions	3.20%	3.97%
Money at call and short notice	-	-
Investment	10.53%	9.59%
Loans and advances	77.41%	77.63%
Fixed assets including premises, furniture and fixture	0.77%	0.90%
Other assets	2.55%	2.49%

Data obtained from audited financial statements of 2018 to 2019

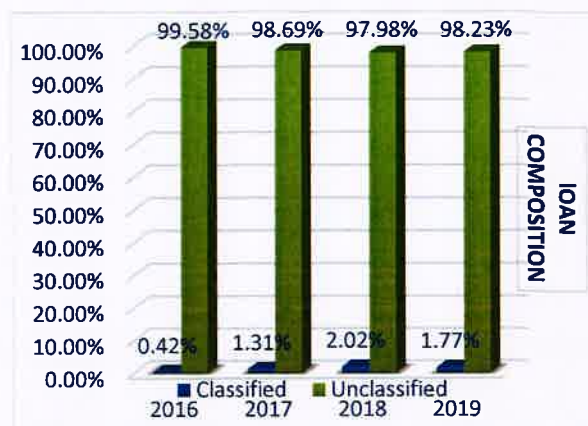
## Asset Quality

The total asset of NRBGBL's Financial Statement mainly comprise of Loans and Advances amounting to BDT 82,365.60 million which is 77.41% of the total asset base. High dependency of loans and advances increases the vulnerability of assets to credit risk. It can be observed that growth of total Loans and advances/investments was 15.11% FY 2019, which implies that the bank is focusing on expanding the core operational activities. Total loan and advances portfolio comprise of 86.87% loans/investments and 13.13% bill purchases.

It appears that, total Non-Performing Loan (NPL) of the same period has increased and reached to BDT 1,461.60 million, which was 1.18% higher than previous year. Out of the total loan portfolio, BDT 80,903.99 million is unclassified, which makes up 98.23% of the total loan portfolio and NPL makes up 1.77%. Even though total loan has increased by 15.11%, Gross NPL has climbed up by only 1.18% in this period, which demonstrates improvement of asset quality. This also affected the Gross NPL ratio and resulted in 0.25 percentile points of fall.

Net NPL ratio of the bank has decreased in FY 2019 and stood at -0.15% and without considering General Provision it was 0.82%. The Gross NPL ratio of 1.77% is much lower than the industry average.

In FY 2018, 13.45% of total NPL composed of Sub Standard, 3.48% was doubtful loan and 83.06% was Bad or Loss loan. However, at the end of FY 2019, Sub Standard has increased to 15.89% and doubtful & Bad/Loss loan has decreased to 1.96% 82.15% respectfully. NRBGBL should undertake proper measures to recover the loans. So if the bank does not become more careful while extending credit facilities, it would be really difficult for them to carry out the business maintaining quality of asset and will expose to higher credit risk. Thus, to mitigate default risk it is highly recommended to give particular attention for recovery from such clients by forming special recovery team.



Specific provision is maintained against the classified loan as reserve for future loss whereas general provision is maintained against unclassified loan to meet any unexpected event. If we consider the total provision in measuring the net NPL, it gives rise to negative net NPL due to maintenance of required provision against the loan portfolio. As per management information the Board of Director decided to maintain required provision in order to keep the loan default risk at minimum. However, if general provision is not considered then net NPL shows positive balance of BDT 675.95 million in FY 2019.

As per Central Bank's guideline, NRBGBL was required to maintain General Provision of BDT 797.57 million and Specific Provision of BDT 613.16 million in FY 2019. The bank has satisfied this requirement and maintained the required provision for both Unclassified and Classified Loans. In FY 2019 the bank reported total provision of BDT 1,410.73 million.

## NPL Position



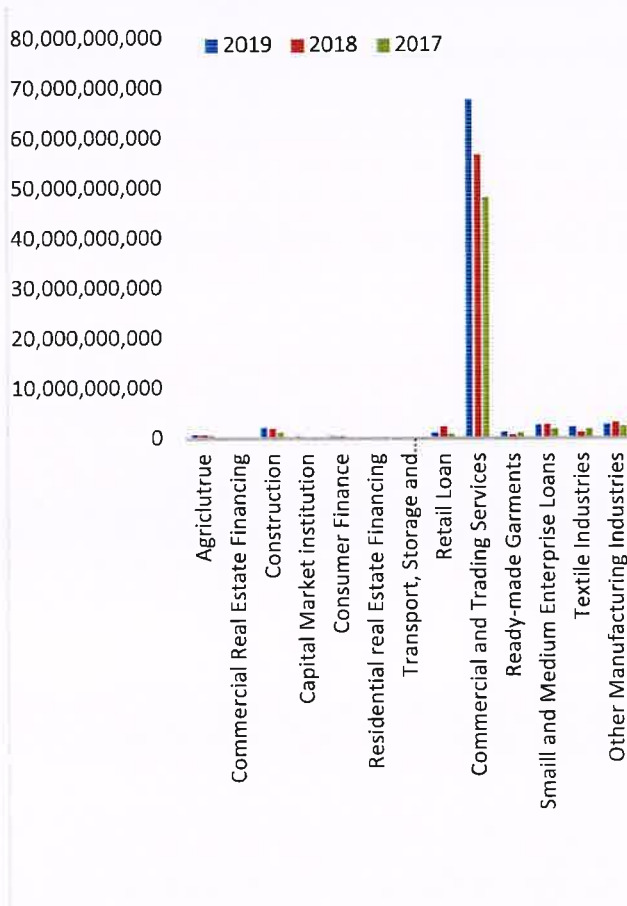
### Loan Diversification & Concentration

Portfolio diversification in an optimal way by which banks can steer away from any unpredictable downturn and survive an economic storm. AlphaRating analyzes the loan portfolio of the bank by considering the sector wise loan concentration, nature wise loan concentration and division wise. NRB Global Bank has an outstanding of BDT 82,365.60 million of loan and advances at the end of FY 2019.

An analysis of the loan portfolio reveals that the bank has maintained a broad spectrum of well diversified loan portfolio and rapidly penetrating industries like commercial and trading services. Proper diversification of asset allocation is important to reduce the level of unsystematic risk. The loan portfolio is diversified that gives the bank control and mitigates its systematic risk to some extent.

NRB Global Bank has provided loan facilities to Other General Loans sector amounting to BDT 63,450.19 million which is 77.03% of the total loan and advances. Such a supreme rate shows that loan has been concentrating in one sector. However, NRB Global reports that the Other General Loans sector also incurs a NPL of 2.08% of the total amount of loan classified. Moreover, the bank has also invested significantly in trade finance and house building sector, which captures 13.14% & 2.68% of total loan portfolio.

The region wise loan distribution of the bank reflects that although the bank has spread its financing wings almost all over the country but it covers 85.51% of the urban areas while the rural areas avail only 14.49%. Chittagong division, which includes the port city of the country grabs 67.22% of the total loan portfolio while Dhaka division grab 32.60% in 2019. The large loan facility provided by NRBGBL is BDT 11,435.90 million which is 13.88% of the total loan. However, the nature of the banking system is such that clients tend to reschedule the loan amount and delay payments and so long-term loan facilities exposes the business to sufficient credit risk.



## Performance of Rescheduled Loan

In FY 2019 NRB Global Bank has rescheduled BDT 1,499.10 million against 20 accounts and in FY 2018 the rescheduled amount was only BDT 3,111.62 million against 31 accounts. In FY 2019, among 20 accounts, 16 accounts has been rescheduled for the first time, 3 accounts have been rescheduled for the second time and 1 accounts have been rescheduled for the third time. Out of this 20 accounts, 15 accounts are classified as Bad Loss (BL). The total rescheduled amount represents 1.82% of the total loan portfolio in FY 2019. Overall rescheduled loan amount has decreased in comparison to rescheduled loan accounts in FY 2019. However, the bank should assess loan quality prior to battle against rescheduling.

## Large Loan Exposure

According to the Bangladesh Bank circular BRPD 4 dated 29<sup>th</sup> January, 2015, large loan is defined as the loan sanctioned to any individual, enterprise or any organization of a group exceeding 10% of the particular commercial bank's total capital.

SL No.	Name of Client	Total Outstanding (million)	% of Loan to Total Capital
1.	Nassa Group	749.31	11.54
2.	Givensee Garments Accessories Ltd	681.07	10.49
3.	BSB Spinning Mills Ltd	376.26	5.79
4.	SS Power Limited (non-funded)	5,885.92	90.69
5.	Shopin Trade	811.45	12.50
6	Powerpac Mutiara Jamalpur Power	833.92	12.85
7	Hotel Sarina Ltd (Syndicate)	805.43	12.41
8	Jamuna Builders Ltd.	701.40	10.81
9	Ratanpur Ship Re-Cycling Ind Ltd	591.13	9.11
	Total	11,435.90	

As on the year end of 2019 there was 09 borrowers or group of borrowers with whom amount of outstanding loans and advances exceeded 10% and the total outstanding amount increased by BDT 7,066.69 million in current year compared to FY 2018. Among the 09 large accounts, SS Power Limited alone holds 51.47% share in the total large loan and 90.69% of total capital. Powerpac Mutiara Jamalpur Power holds the second position holding 7.29% share in the total large loan amount and 12.85% of the total capital. The third position is stand by Shopin Trade with 7.10% share in the total large loan amount and 12.50% of the total capital.

Out of total large loan outstanding BDT 677.38 was classified and the remaining amount was unclassified.

As per BRPD Circular No. 02 dated January 16, 2014, aggregate outstanding principal amount of funded exposures shall not exceed 15% of the capital at any point of time. However, the bank has not extended loan facilities to exceeding the limit. As outstanding against SS Power Limited is fully non-funded.

Keen observation must be executed on large accounts to prevent any liquidity crisis in the future. While financing such large loans NRB Global Bank must ensure proper monitoring and control over credit exposure. Furthermore, the bank has been complying with the ceiling rate of loans and advances portfolio which is below 56%.

The total funded outstanding against large loan accounts as on FY 2019 was BDT 5,550.00 million and BDT 5885.92 million was for the total non-funded outstanding.

### Capital Adequacy

In FY 2019, total equity of NRBGBL's is BDT 6,490.34 million, which has been increase by 7.25% from that of the previous year. This slight increase in equity is mainly attributable to increase in paid up capital, statutory reserve and general provision in 2019.

All commercial bank needs to fulfill or satisfy the requirement of Basel III guidelines regarding risk based capital adequacy. It has been observed that, NRBGBL's has been maintaining surplus capital in all of the four years and the surplus amount has been increasing since FY 2015. In FY 2019, the bank had reported a surplus capital of BDT 169.56 million, which is 82.36% lower than that of FY 2018. However, the bank was unable to maintain required capital conversion buffer of 2.50% in FY 2019.

Capital adequacy focuses on the total position of bank's capital and it is the protection of depositors and other creditors from the potential tremors of losses that the bank might incur. In FY 2019 NRB Global Bank Limited increased it's Tier I capital by 6.17% and it has been observed that there was significant increment in statutory reserve and paid up capital. However, total risk weighted assets experienced an upgrade of 24.17% in the current year compared to previous financial year 2018. Even though In the FY 2019 Tier-1 capital decreased to 8.88%, the percentage is still well above the required level 6.00% mentioned by Bangladesh bank.

Capital Requirement	2019		2018		2017	
	Required	Held	Required	Held	Required	Held
Tier I	6.00%	8.88%	6.00%	10.39%	6.00%	9.96%
Tier II		1.39%		1.50%		1.30%
<b>Total</b>	<b>12.50%</b>	<b>10.27%</b>	<b>11.875%</b>	<b>11.89%</b>	<b>11.25%</b>	<b>11.26%</b>

## Funding & Liquidity

### Fund Management

FYE 31 December	2019	2018	2017	2016
Loans / Customers Deposits (%)	85.16	86.33	86.01	81.53
Total Customer Deposit Growth (%)	16.69	20.15	60.87	60.68
Net Loans / Stable Funding Base (%)	441.23	464.87	429.26	305.29
Net Loans / Customer Deposits (%)	83.70	85.12	84.69	80.67
Deposit / Total Liability & Equity (%)	90.89	89.92	87.17	87.04
Interbank Liabilities/Total Funding Base (%)	0.00	0.87	3.60	1.54

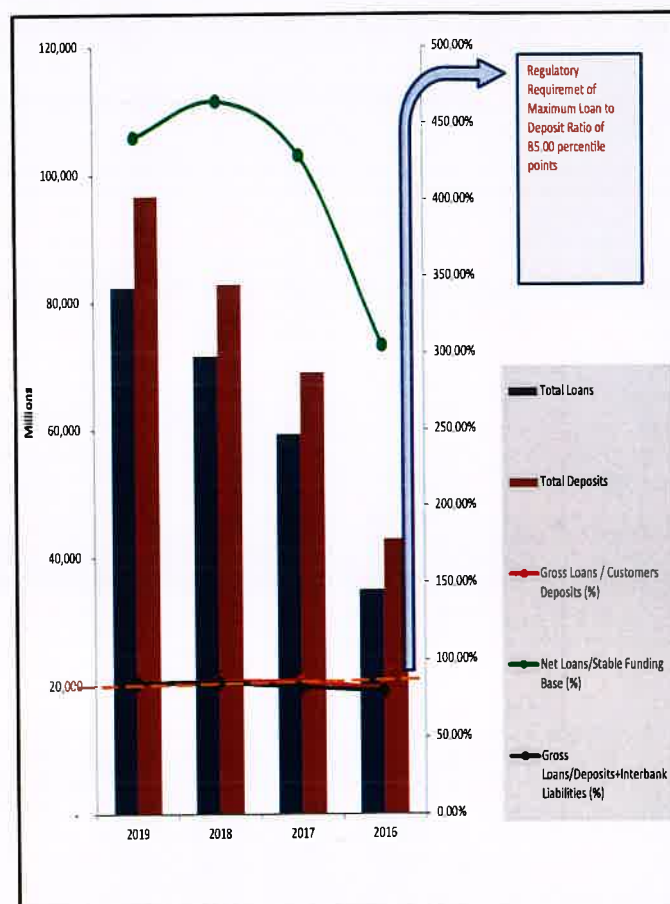
Data obtained from audited financial statements of 2016 to 2019

The fund and liquidity management showed that, deposit from customers is the key source of fund for bank. In FY 2019, NRBGBL's has financed almost 90.89% of its total asset through deposits, which is slightly higher than that of last year. At the end of FY 2019, total deposits of NRBGBL's stood at BDT 96,716.34 million, which includes Current Accounts & Other Accounts, Bills Payable, Saving Bank Deposits and Fixed Deposits.

Loan to Deposit ratio of the bank has been increasing gradually since FY 2015, however in current financial year the ratio has decreased and stood at 85.16%. It has been observed that, NRBGBL maintained higher Loan to Deposit ratio than the maximum requirement of 85.00% to be maintained as per BB circular. In last four years of operation suggesting a risky investment policy is being followed by the bank, which states that the bank is exposed to high liquidity risk. It helped the bank to earn more interest income and exposed the bank to higher liquidity risk which is the prime concern in the overall banking industry in the current period. Now NRBGBL needs to increase its deposit base to bring the ADR down to the regulatory requirement of 85.00%.

Net Loan to Stable Funding base of the bank has been decreased and reached to 441.23% in FY 2019 as the amount of loan has been raised at a slower rate than that of stable funding base.

BAFL (BO)'s total deposit to total liabilities ratio has been increased slightly in FY 2019 as fixed deposit has increased by 12,592.64 million. The balance with other banks, FI's and agents had decreased by almost 99.58%, as a result Interbank Liabilities/Total Funding Base has fallen to almost zero percent.



## Liquidity Management

To stand against liquidity pressure banks hold liquid assets as buffer. The liquid assets of NRBGBL comprises of cash in hand, balance with other banks and financial institutes, investment, loans & advances, fixed and other assets. The overall liquidity management of FY 2019 has been improved with Positive Liquidity gap of BDT 5,688.35 million, which has been increased slightly compared to prior year by 7.00%. Liquidity Statement of NRBGBL reflects that, the bank has been maintaining positive buckets in all of the buckets since FY 2018. Net Liquidity Gap in 1-3 months bucket has decreased significantly in FY 2019. The analysis reflects that, this was mainly due to having high Deposit Balance compared to Loan Outstanding. In maximum cases the deposit in short term gets renewed further at maturity. If NRBGBL is unable to realize the expected assets on time then the bank will face liquidity shortage making it difficult for NRBGBL to realize the assets. Assets such as investments in Banks and other FI's can be realized on time upon maturity; however, loans and advances are risky assets which need to be followed up on a regular basis despite the maturity time.

As per Central Bank's guideline, NRB Global Bank is required to maintain Cash Reserve Requirement (CRR) of 5.50% on bi-weekly basis and 5.00% on daily basis and time liabilities of two months prior to current month and SLR of 13% of total demand and time liabilities. In December 2019, the bank has successfully met the CRR and SLR requirements by BB with surplus.

### Liquidity Profile FY 2019

(BDT in Million)	Up to 1 Month	Up to 1-3 Months	Up to 3-12 Months	1-5 Years	Above 5 Years	Total
Assets	17,882.83	24,421.22	48,355.11	12,116.75	3,629.41	106,405.31
Liabilities	16,342.75	23,977.37	46,742.76	10,864.82	2,789.26	100,716.96
Net Excess/ (Shortage )	1,540.07	443.84	1,612.34	1,251.93	840.15	5,688.35

### Liquidity Profile FY 2018

(BDT in Million)	Up to 1 Month	Up to 1-3 Months	Up to 3-12 Months	1-5 Years	Above 5 Years	Total
Assets	16,373.52	20,452.61	42,338.36	9,823.43	3,184.04	92,171.97
Liabilities	15,739.24	18,968.10	41,571.19	8,230.83	2,346.38	86,855.74
Net Excess/ (Shortage )	634.28	1,484.51	767.17	1,592.60	837.66	5,316.23

Majority of the fund of NRB Global is managed via deposit and about 90.89% of the total asset have been financed by deposit in FY 2019. The breakdown of the deposit of the bank suggests that NRBGBL is more inclined towards fixed deposit that covers 90.56% of the total deposit amount. This total deposit has increased by 16.79% in the 2019 compared to last year.

## Earning Trend & Profitability

Net Interest Income of NRBGBL has been growing with positive growth since FY 2016 except for in FY 2018. In FY 2019, the bank has reported BDT 2,618.76 million Net Interest Income while in FY 2018 it was BDT 2,461.00 million, which represents 6.41% increase in 2019 from 2018. The reason behind this improvement was mainly because of high growth in interest income from cash credit and term loan. The bank has reported 33.31% higher non-interest income in FY 2019 compared to last financial year. These increase in non-interest income is mainly attributable to high growth in investment income.

Despite improvement in non-interest income Bank's Pre-Tax Profit has been decreased by BDT 104.08 million in 2019 due to higher operating expense and provision.

Return on assets is a measure used for evaluating the ability of an entity to generate profit by utilizing its assets whereas return on equity measures profitability as a percentage of the organization's total equity base. It has been observed that both ROA and ROE of NRBGBL has slightly decreased in 2019 than that of FY 2018 and stands on lower level than the industry average of 2.61% and 13.41% respectively. Scrutiny revealed that, decrease of profit for the year and increase of total assets & shareholders' equity is the main reason behind this adverse situation.

Net interest margin (NIM) is a measure of the difference between the interest income generated by banks and the amount of interest paid out to their lenders (for example, depositors), relative to the amount of their (interest-earning) assets. In FY 2019, NRBGBL has experienced slightly lower net interest margin as net interest income has increased at a slower rate than average interest earning asset.

On the other hand, cost-to-income ratio is important for determining the profitability of a bank. The ratio gives clear view of how efficiently the bank is being operated. In FY 2019, this indicator has gone down by 2.80 percentile points, which means that cost efficiency comparing to the level of income generated during this period has improved for the NRBGBL.

FYE 31 December	2019	2018	2017	2016
Net Interest Income (BDT Million)	2,618.76	2,461.00	2,610.41	1,729.90
Non-Interest Income (BDT Million)	595.69	446.84	557.70	405.22
Pre-Tax Profit (BDT Million)	875.43	979.50	1,049.10	792.32
ROA (%)	0.34	0.58	0.49	0.86
ROE (%)	6.45	9.97	7.79	9.16
Net interest Margin (%)	2.89	3.16	4.48	4.75
Cost Income Ratio (%)	60.04	62.84	49.03	56.77
Average Earning Asset (BDT in Millions)	90,520.91	71,556.40	58,288.03	36,393.54
Cost of Fund (%)	12.51	11.91	9.65	9.60
Interest Spread (%)	4.48	5.83	4.85	4.94

Data obtained from audited financial statements of 2016 to 2019

Moreover, NRBGBL has shown a trend of increasing earning assets since FY 2015 that suggests the bank has focused on improving operational efficiency and earned a slightly increased interest on average earning assets in current year.

In FY 2019, NRBGBL reported Interest Spread of 4.48%, which was higher than the industry average of 4.10% which means that NRBGBL is offering competitive interest rate than the rate in industry and Bank is very cautious about its quality of assets and extending credit to the quality clients without concentrating merely on short term profitability.

Instead of having the decrease in profitability and reduced ROA and ROE in FY 2019, considering the way of asset quality management the financial performance of the bank is quite satisfactory. The overall situation represents that, NRBGBL is concentrating more on long-term profitability rather than short term which would be beneficial to earn the same or better profit in the coming years.

## Management & Other Qualitative Factors

### Corporate Governance

According to Cadbury (1992), "Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society". Since Inception, NRBGBL has taken into insight of corporate influence drill in order to secure the interests of all shareholders. Moreover, the priority is to create professionalism with trust and certainty around the investing individuals, to build ability to work proficiently and to make amiable working environment for moving toward the vision of the bank. The key responsibility of the Board of Directors of NRB Global is to ensure overall governance of the Bank. They are held obligated for assembling and executing policies, risk management, internal control, internal audit and its compliances.

### Board of Directors

The board of Directors of NRBGBL consists of 18 members excluding the ChairPerson and Vice Chairperson. The number of board members is within the limit compiled with the persisting Bank Company Act. Maintaining the Corporate Governance, it has been ensured that the Chairman and Chief Executive Officer of NRBGBL are two different individuals. The board has three core committees that include Audit Committee, Executive Committee and Risk Management Committee.

### Management

The management of the bank is mainly responsible to manage risk related to administration, operation, procurement, development, training and overall integrity and objectivity of the bank. The committee is also responsible to recommend appropriate policy and procedures to asses, accomplish and regulate these risks.

### Human Resources Management

Human Resource department of NRBGBL is composed of 1,313 employees who are responsible for conducting all banking operations. The bank is now focusing on automation of everything. For instance employee database, leave management, training management and ACR management. To ensure the effective development of its human resource, NRBGBL has set a long term comprehensive future action plan. With the gradual expansion of business network, the bank is determined to have a sustainable growth by ensuring quality services. Keeping this idea in mind NRBGBL has training institute which had arranged 14 in-house training and 17 foreign/external training to improve the human resource eminence of the bank.

### Executive Committee

Executive Committee is one of the three sub-committees of Board of Directors NRBGBL and the Committee consists of 5 members and led by Chairperson of the committee, Mrs. Maimuna Khanam. The committee is responsible for looking after different issues of the bank.

### Audit Committee

An Audit Committee of NRBGBL was formed and its role and responsibilities were defined in line with BRPD Circular No. 11 issued by Bangladesh Bank on 27 October, 2013. All the members of the Audit Committee are non-executive directors. According to BB requirement banks should hold at least 4 meetings per year and the Audit Committee of NRBGBL has fulfilled the requirement. The committee is led by the Chairman, Mr. Mohammed Kutub Uddowllah and the committee looks after the audit related issues, reviews anti-fraud internal control, unaudited financial reports, inception reports etc.

### Risk Management Committee

The Risk Management Committee of NRBGBL is composed of 4 members and led by Chairman, Mr. Arif Ahmed. The risk management committee of the bank

covers the six core risk areas covered by bank as defined by BB which includes Credit Risk Management, Foreign Exchange Risk Management, Asset Liability Management, Prevention of Money Laundering, Internal Control & Compliance and Information Technology Risk. The committee takes well calculative business risks for safeguarding its capital, financial resources and profitability.

### **Management Committee (MANCOM)**

MANCOM is the highest-level policy making committee of senior members of the management team. The management team consists of 10 team members. The committee is led by Mr. Syed Habib Hasnat who joined NRB Global Bank Limited as Managing Director. He is a prominent and professional banker with more than 25 years of rewarding multi-dimensional experience in Finance and other fields of Management. The committee also appointed Additional Managing Director Mr. Md. Golam Sarwar and two Deputy Managing Director, Mr. Kazi Mashiur Rahman Jayhad and Mr. Mohammad Shamsul Islam. The committee sits regularly and discusses on issues regarding smooth running of the Bank and ensures proper implementation of the decisions.

### **Asset Liability Committee (ALCO)**

The Asset Liability Committee one of the sub-committees of MANCOM holds the responsibility of managing and controlling liquidity of the bank. It evaluates and approves various aspects related to balance sheet risk and liquidity risk of the bank. The ALCO also reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposits and lending pricing strategy and the liquidity contingency plan.

### **Management Credit Committee (MCC)**

Another sub-committees of MANCOM is MCC which holds the responsibility of assessing the credit standing and ability of repay debt of prospective borrowers of the bank.

### **Risk Management Unit**

The committee provides risk management solutions to bank in order to ensure smooth running of the organization.

### **Sustainable Finance Committee**

The committee is responsible for the provision of financial capital and risk management products and services in a way that promote but not harm economic prosperity the ecology and community well-being.

### **Corporate Social Responsibility (CSR)**

NRBGBL is involved in variety CSR activities divided in numerous broad sectors including education, health, disaster management, infrastructural development, art & development and miscellaneous. For instance, NRBGBL has donated to Prime Minister Relief Fund for helpless and tormented Rohingya regugee people in the month of October 2018 and the donated amount was BDT 10 million. In January 2017, the bank has donated BDT 0.86 million to Shapla Enterprise to distribute blanket to winter affected poor people. Furthermore, the bank also considered donating on education sector.

### **Information Technology (IT)**

Total man power of IT division in 2019 is 35 individuals and they are divided in different teams with specified responsibilities. NRB Global Bank is using Temenos (T24) latest version as core banking solution and is running 24/7 and in real-time. Being one of the fourth generation bank it has introduced Debit Card and Prepaid Cards for the customer base. ATM booths are installed acquiring all cards including cards for Q Cash member banks. NRBGBL is operating under full automation and created online MIS system. To comply with the regulation the bank always stays upgraded.

## **END OF REPORT**

## Company Information:

### Board of Directors (as on 31.12.2019)

Mr. Nizam Chowdhury	Chairman
Mrs. Maimuna Khanam	Vice Chairperson
Dr. Mohammed Faruque	Director
Mr. Arif Ahmed	Director
Mr. Morshedul Alam	Director
Mr. Subrata Kumar Bhowmick	Director
Mr. Md. Mostan Billah Adil	Director
Ms. Shahana Ferdous	Director
Dr. Nurul Akter Chowdhury	Director
Mosammat Shajada Noor Begum	Director
Mr. Bourhanul Hassan Chowdhury	Director
Ms. Rokea Yesmin	Director
Mr. Hasan Mansur	Director
Mr. Wahidul Alam Seth	Director
Mr. Osman Goni	Director
Mr. Mohammed Kutub Uddowllah	Independent Director
Mr. S.A.M. Salimullah	Independent Director
Dr. Md. Nizamul Hoque Bhuiyan	Independent Director
Mr. Syed Habib Hasnat	Ex-Officio Director

*Company Profile**Industry Overview**Business Risk**Financial Risk**Management Quality***Company Information**

## Shareholders

Directors	69.53%
Other Shareholders	30.47%

## Head Office

NRB GLOBAL BANK  
 Saiham Tower,  
 House No: 34, Road No: 136,  
 Gulshan Model Town, Block: S E,  
 Dhaka-1212, Bangladesh.  
 Phone: 88-02-9860698  
 E-mail: info@nrbglobalbank.com

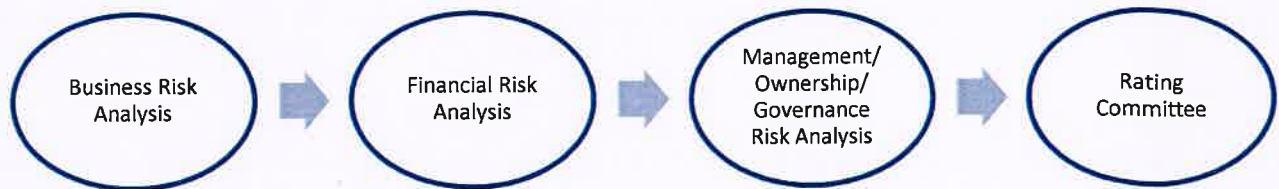
## Auditor

Hoda Vasi Chowdhury & Co.  
 Chartered Accountants

## National Office:

BTMC Bhaban (7<sup>th</sup> & 8<sup>th</sup> Level)  
 7-9 Kazi Nazrul Islam Avenue,  
 Kawran Bazar C/A,  
 Dhaka-1217, Bangladesh.  
 Phone: 88-02-9140094, 9120090  
 Fax: 88-02-8119298  
 Website: <http://www.hodavasi.com/>

AlphaRating's Research Methodology for Determining Rating of Financial Institution



Analysis is segmented into two or three sub sectors:

- ▶ Industry Outlook
- ▶ Competitive Position
- ▶ Operational Analysis

Analysis is segmented into four sub sectors:

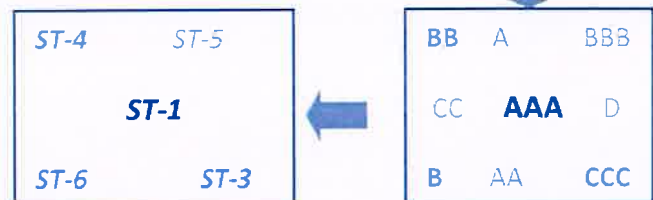
- ▶ Earnings
- ▶ Cash Flow Generating Ability & Debt Servicing Capacity
- ▶ Capital Adequacy
- ▶ Financial Flexibility

It is one of the key elements of the rating methodology since management decides what businesses to be in, what strategies should be pursued and how these activities should be financed.

Senior personnel review each company to determine the appropriate final credit rating.

- ▶ Review Modeling Assumption
- ▶ Approve Company-Specific Adjustments

Rating Outlook



POSITIVE	Rating may be raised
NEGATIVE	Rating may be lowered
STABLE	Rating is likely to remain unchanged
DEVELOPING	Rating may be raised, lowered or remain unchanged.

ST-1	Superior Capacity
ST-2	Strong Capacity
ST-3	Adequate Capacity
ST-4	Inadequate Capacity
ST-5	High Likelihood of Default, with little Capacity to Address Further Adverse Changes in Financial Circumstances
ST-6	Payment in Default

AAA	Exceptionally Strong Capacity
AA	Very Strong Capacity
A	Strong Capacity
BBB	Adequate Capacity
BB	Some Obvious Weakness in Operating Practices & Key Financial Indicators
B	Fundamental Weakness In Operating Practices & Key Financial Indicators
C	Several Immediate Problems of a Serious Nature
D	Requires Sustained External Support without which its Continued Viability is in Doubt

Notes: Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories.



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