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DRAFT INFORMATION MEMORANDUM

BBL 2nd Non-Convertible, Fully Redeemable, Coupon Bearing, Floating Rate, Subordinated Bond

of

BDT 7,000 million

for

BRAC Bank PLC

BRAC BANK

Address: Head Office, Anik Tower
220/B, Tejgaon-Gulshan Link Road, Dhaka 1208

Issue Name: BBL 2nd Subordinated Bond
Type of Security: Non-Convertible, Fully Redeemable, Coupon Bearing, Floating Rate, Subordinated Bond
Total Face Value (Issue Amount): Up to BDT 7,000,000,000 (Seven Thousand Million)
Face Value of each Bond: BDT 1,000,000 (One Million)

Coupon Rate: Average of most recent published 6-month **highest** deposit rates of Private Commercial Banks (excluding 4th & 5th Generation, Islamic and Foreign Banks) published by Bangladesh Bank in its website at the beginning of any Coupon Period + **3.0%** Margin
(As of November 2023, reference rate is 7.58%)

Credit Rating Status of the Issue
Long Term: $AA_{1(Hyb)}$ **Outlook**: Stable
Validity: 13 June 2024 **Agency:** Credit Rating Agency of Bangladesh (CRAB)

Credit Rating Status of the Issuer
Long Term: AAA **Short Term:** ST-1 **Outlook**: Stable
Validity: 30th June 2024 **Agency:** CRAB

CREDIT RATING AGENCY	LEAD ARRANGER	TRUSTEE
crab	BRAC EPL INVESTMENTS LIMITED	UCB INVESTMENT Limited

Issue Date of IM: 27th September 2023

If you have any query about this document, you may consult the issuer and the trustee

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Company Secretary
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BRAC Bank Limited

Selim Reza Farhad Hussain
Managing Director & CEO
BRAC Bank PLC.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

DISCLAIMER

BRAC Bank Limited (hereinafter referred as the "**Bank**" or the "**Issuer**") has prepared this Information Memorandum in connection with the proposed transaction outlined in it (the "**Transaction**") and the bonds proposed to be issued in the Transaction (the "**Bonds**") and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and will obtain all regulatory, governmental and corporate approvals for the issuance of the Bonds. All the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information. While all reasonable care has been taken by the Issuer in preparing this Information Memorandum, no representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Issuer or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Issuer hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Information Memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions therefore. By accepting this Information Memorandum, you agree that the Issuer will not have any such liability.

The Issuer has authorized BRAC EPL Investments Limited (the "**Arranger**") to distribute this Information Memorandum, subject to obtaining the necessary regulatory approval from Bangladesh Securities & Exchange Commission ("**BSEC**"). While all reasonable care has been taken by the Arranger in reviewing this Information Memorandum, no representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum.

Nothing in this Information Memorandum constitutes an offer of securities for sale in Bangladesh or any other jurisdiction where such offer or placement will be in violation of any law, rule or regulation.

Investing in the Bonds involves risks. You as Investor should carefully consider the risk factors mentioned in this Information Memorandum before investing in the Bonds. You should also carefully consider the representation and warranties to be provided by the Investors before investing in the Bonds. However, you are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice. You should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters, concerning any investment in the Bonds.

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REPORT TO THE ELIGIBLE INVESTORS

By investing in the Bonds, you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be), as set out below:

High Risk: You are fully aware of that any investment in the Bonds involves a high degree of risk.

Consultation with Advisers: You have,

(i) consulted with your own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary,

(ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bonds, and

(iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Issuer.

No Reliance: You acknowledge and agree that you may not rely on any investigation that the Issuer or any of its affiliates or any person or entity acting on their behalf may have conducted with respect to the Company or any of their affiliates, and none of the Issuer or its affiliates, employees, officers, directors, legal advisers or representatives has made any representation to you, express or implied, with respect to your investment in the Bonds.

Informed Decision: You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bonds, including without limitation adequate information concerning the Issuer's business, financial condition, results of operations and prospects.

Knowledge and Experience: You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bonds and are aware that you may be required to bear, and are able to bear, all risk including economic risk of an investment in the Bonds.

Information of the Company: You acknowledge that the information provided to you with regard to the Issuer and the Bonds in this Information Memorandum, has been supplied to you by the Arranger and that none of the Arranger or any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.

Review of Information Memorandum: You have reviewed this Information Memorandum in its entirety, including the risks specifically outlined in the section titled "Risk Factors", and you understand and acknowledge all of the risks described therein. Based on all of the above, you have determined that:

the Bonds are a suitable investment for you and your investment in the Bonds does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and you have obtained all approvals and consents (whether internal or external), and have made all notifications necessary for you to invest in the Bonds as contemplated; and you can

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bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment. Additionally, you confirm that you have no need for liquidity in respect of the Bonds.

Own Account: You are purchasing the Bonds for your own account, including fund account and portfolio manager account and not with a view to any distribution thereof.

No Representation or Warranty: The Arranger has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Arranger shall not owe any duty whatsoever to you in connection with the Bonds.

No Obligation to Purchase: The Arranger shall have no obligation to purchase or acquire all or any part of the Bonds purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bonds, including the non-performance by the issuance, whether to you or otherwise.

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1. MANAGEMENT'S PERCEPTION & ANALYSIS ON RISK FACTORS

1.01 Interest Rate Risk

The banking book comprises assets and liabilities primarily acquired through relationships or for stable income and legal obligations, generally held until maturity or payment by the counterparty. The primary emphasis in the banking book is on earnings or variations in economic value. Interest rate risk refers to the potential decline in a bank's financial position due to changes in interest rates over time. This risk arises from the core banking activities of a bank.

Management's Perception

BRAC Bank Limited effectively manages its Interest Rate Risk through various strategies. These include conducting Market Trend Analysis, Interest Rate Sensitivity Analysis, and GAP Analysis. The bank's Asset Liability Management Committee (ALCO) regularly evaluates the interest rate risk associated with its banking book, while the Asset Liability Management (ALM) Unit is responsible for measuring and monitoring this risk. ALM analyzes interest rate sensitivity by calculating the GAP, which represents the difference between Rate Sensitive Assets and Rate Sensitive Liabilities. Based on this analysis, necessary adjustments are made considering market dynamics and predictable events that may impact the money market. BRAC Bank also considers interest rate risk when pricing its products and offers floating or variable rate products to better manage this risk.

1.02 Exchange Rate Risk

Exchange Rate Risk pertains to the possibility of fluctuations in earnings caused by changes in exchange rates, unfavorable currency holdings or positions, and market volatility. If the local currency strengthens against major foreign currencies and the bank possesses a substantial net long position in those currencies, it may suffer financial losses. Likewise, if the local currency weakens against major foreign currencies while the bank maintains a net short position in those currencies, it may also face potential losses.

Management's Perception

BRAC Bank effectively handles exchange rate risk through the following measures:

(i) It establishes specific limits on open foreign exchange positions.
(ii) It continuously monitors the open position against these limits.
(iii) It implements and monitors a stop loss mechanism.

By keeping foreign exchange risks at minimum levels, BRAC Bank ensures the smooth execution of foreign trade and remittance transactions on behalf of its customers. Regular reconciliations are performed for all NOSTRO accounts, and any outstanding entries are promptly escalated to the relevant departments and reported to higher management for immediate settlement. The Treasury Department holds the responsibility of measuring and minimizing the bank's foreign exchange risk. The treasury personnel diligently monitor the

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price movements of foreign exchange and employ various hedging techniques to manage the bank's open position, minimizing risk and maximizing returns.

1.03 Non-Repayment Risk (Credit Risk)

Non-repayment risk refers to the risk that a borrower or counterparty may fail to fulfill their obligations as per the agreed terms. While BRAC Bank maintains a strong track record of repaying all its obligations to depositors and lenders, there is a remote possibility that the bank might be unable to repay its obligations related to issued bonds under extreme circumstances. If a default occurs, investors could experience financial losses.

Management's Perception

BBL functions within the framework of stringent regulations and rigorous oversight by Bangladesh Bank. Additionally, it is highly improbable for a reputable institution like BRAC Bank Limited to jeopardize its standing by defaulting on its obligations. Moreover, in the event of any default or non-repayment, the Trustee will provide a notice period to the Issuer to safeguard against an Event of Default and proceed with necessary actions to protect the investors' interests.

1.04 Prepayment, Call or Refunding Risk

Prepayment, call or refunding risks are the risks associated with the early repayment of the principal amount of a bond. Such risks exist in a bond that has prepayment or call option.

Management's Perception

The bond does not have voluntary prepayment option hence, the risk does not prevail.

1.05 Security Risk

Security refers to the designated revenue sources or assets that an issuer pledges to bondholders as a means of ensuring repayment of the bond. Consequently, security risk revolves around the bondholder's ability to recover their investment through the utilization of the collateral securities in the event that the issuer is unable to repay the full value of the bond(s).

Management's Perception

BRAC Bank issues unsecured subordinated bonds, which means that specific revenue sources or assets are not being pledged as collateral for the bond issuance. Nevertheless, investors will have the right to repayment from the bank's cash flow. However, it's important to note that subordinated bondholders have a lower priority compared to other loans or securities when it comes to claiming assets or earnings.

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1.06 Liquidity Risk

The Bank faces liquidity risks that can impact its capacity to fulfill its financial commitments. To ensure the Bank's ongoing ability to meet funding obligations and sustain or expand its operations, it relies on customer savings/deposits and continuous access to wholesale lending markets. However, the Bank's ability to access favorable funding sources is contingent upon several factors, including some beyond its control, such as overall market conditions and the level of confidence in the banking system.

Management's Perception

BRAC Bank's management possesses a keen understanding of the challenges associated with liquidity limitations and demonstrates competence in managing such risks through the implementation of contemporary Asset Liability Management (ALM) techniques. The ALCO consistently oversees the bank's overall liquidity position and takes proactive measures to adjust policies as necessary. As a result, the likelihood of bondholders experiencing significant losses due to liquidity risk is highly improbable.

1.07 Management Risk

Management risk encompasses the possibility that company managers may prioritize their personal interests over the welfare of the company and its shareholders. This term signifies the risk associated with situations where choices made by management result in the company or other stakeholders being worse off compared to alternative decisions. In such instances, bondholders may face financial losses.

Management's Perception

BRAC Bank is led by a team of skilled professionals who possess extensive experience and a reputable standing within the financial industry of the country. As a result, the likelihood of the management behaving in an unprofessional manner is extremely low. Additionally, the bank's management is under constant supervision from a board of directors, comprised of seasoned professionals and entrepreneurs, who diligently work to safeguard the interests of all stakeholders. Furthermore, operating within the tightly regulated banking industry provides an additional safeguard against this risk, as Bangladesh Bank monitors the management to ensure adherence to best practices in the industry.

1.08 Operational Risk

Operational risks refer to the likelihood of incurring losses from inadequate or ineffective internal procedures, personnel, systems, or external events. Acquiring loss from numerous variables such as human error, system flaws, fraud payment processing, clearing and settlement, accounting and financial reporting, information technology, compliance or external incidents like natural disasters or unstable political conditions is the outcome of Operational risk. It can also arise from legal risks, such as those arising from breaches of contracts or regulations. Consequences of operational risks can be significant, including financial losses, damage to the bank's reputation, regulatory sanctions and even bankruptcy

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Management's Perception

BBL operational risk management framework includes policies, procedures, limits and controls in its foundation. This foundation provides adequate, timely, and continuous identification, assessment, measurement, monitoring, mitigation, reporting & assurance of risks posed by its activities at the business line and bank-wide levels. At BBL we have dedicated desk within the Risk Management unit.

1.09 Business Risk

Business risk pertains to the potential for a bank to generate lower profits than expected or incur losses instead of profits. The issuer's business risk can arise from various factors, such as interest spreads, non-interest income, operating expenses, volatility in the money and capital markets, competition, government regulations, and the overall economic climate. Similar to other companies, BRAC Bank is also exposed to these business risk factors.

Management's Perception

The Bank diligently assesses the risks associated with its clients using contemporary risk evaluation techniques, enabling it to maintain a favorable asset quality in the past and anticipate the same in the future. Additionally, the Bank acknowledges that there may be systematic (market) risks originating from the external environment, which is a common occurrence for banks as well.

1.10 Industry Risk

The issuer operates within a market characterized by intense competition, as the modern banking industry has introduced greater business diversification. Banks in developed economies have expanded their operations to include investments, underwriting of securities, and portfolio management. The entry of new competitors into the market has the potential to impact the competitive landscape and potentially reduce the bank's profitability.

Management's Perception

BBL, as a strongly expanding third-generation private commercial bank, has established an admirable presence in the banking sector of Bangladesh. The Bank consistently exercises caution in providing its products and services with competitive terms and conditions, which effectively manages its exposure to industry risks. The management also emphasizes the ongoing diversification of the loan portfolio. Nonetheless, similar to other banks operating in Bangladesh, industry risk remains a significant factor of concern for BBL.

1.11 Market & Technology Related Risk

Market risk is the possibility that alterations in market circumstances will have a negative impact on the values of assets, obligations, or income. It may have an impact on both on-balance sheet and off-balance sheet positions due to interest rate movement, exchange rate fluctuation, spread variation and changes in equity valuation. Both trading books and banking books are exposed to market risk.

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The modern banking industry is highly competitive and one of the fastest growing sectors in Bangladesh. To cope with the modern economy, the banking industry has become more technology dependent. With the increasing reliance on technology, the risks associated with its usage are also escalating. Cyber-attacks, system failures, unauthorized access or transfers, and system hacking are the consequences of the rising dependence on technology in banking operations.

Management's Perception

This risk is inherent in the financial industry. BBL practices regular market condition analysis, uses VaR (value at risk) to measure potential market risk, uses stress testing to assess the sensitivity of the bank's capital in different situations, and presents the prevailing market condition to the BRMC (Board Risk Management Committee), ALCO (Asset & Liability Management Committee), ERMC (Executive Risk Management Committee) and other related stakeholders. Based on the market condition, the board and management realign the bank's strategy to cope with the market condition. Risk tolerance limits, MAT (management action trigger) and stop loss limits are also in place to manage adverse situations.

Technological advancements have played a crucial role in achieving the bank's diverse strategies. However, the risk of business interruption and disaster is still prevalent and has evolved alongside technology. Recognizing this, BRAC Bank has prioritized its business continuity plan (BCP) as a significant challenge. The aim is to prevent, if possible, and effectively manage the consequences of a disaster within the limits of the business's capabilities.

In addition to BCP, the bank is actively addressing security threats. Following a centralized management model, each branch within the bank has its own ICT systems. Various measures have been implemented, including software updates, analysis of new software, strengthening ICT-related controls, providing system knowledge training to staff, and promoting the sharing of best practices among branch users. These actions collectively enhance the bank's overall security posture and resilience.

1.12 Risk Related to Potential or Existing Government Regulations

BBL abides by guidelines issued by Bangladesh Bank, the Bangladesh Securities and Exchange Commission and other regulatory authorities. Also operates under the Companies Act, 1994, the Bank Companies Act-1991, Income Tax Ordinance, 1984, Income Tax Rules, 1984, Value Added Tax (VAT) Act, 1991, Value Added Tax (VAT) Rules, 1991, Customs Act, 1969, Bangladesh Securities and Exchange Rules, 1987 and other related regulations. The company also obtained a license from Bangladesh Bank as a bank under the Bank Companies Act, 1991. Any noncompliance with the regulatory regime may have an adverse impact on the reputation of the Bank. Moreover, sudden changes in the guidelines and regulations may affect BBL's business position.

Management's Perception

The bank's business is anticipated to be unaffected unless a policy is altered that could considerably and adversely affect the banking industry as a whole. After maintaining the required Statutory Liquidity Ratio (SLR) from their deposit, BBL has funded their assets, with which the bank has to comply consistently. It is quite improbable that the government or

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central bank will implement any fiscal measures that would have a negative impact on the industry's expansion.

1.13 Risk Related to Potential Changes in Global or National Policies

Changes in existing global or national policies can have either positive or negative impact for the Issuer. The performance of the Issuer will be hindered due to unavoidable circumstances such as political turmoil either in Bangladesh or foreign countries or both.

Management's Perception

A significant change in the global or national policies in the future, particularly in the financial sector, could affect businesses and overall economic condition of Bangladesh. Such developments may also affect the bank's business, prospects, results of operations and financial condition. The management of BBL transcribes the prevailing and upcoming future changes in the global or national policy; and responds appropriately for timely management of the risks.

1.14 Emerging Risk

Emerging Risks refer to unpredictable and uncontrollable outcomes from certain events which may have the potential to adversely impact our business. As part of our continuous risk identification process, we realized that notable emerging risks like Global Supply Chain Disruption due to crisis between Russia and Ukraine Inflation and Macroeconomic Uncertainty and Evolving Cyber Security Threats are concerns for the bank in coming days.

Management's Perception

We have initiated number of steps to address these risk factors namely thematic stress tests and portfolio reviews to assess the impact of extreme but plausible events and manage the portfolio accordingly. Vulnerable sectors are regularly reviewed and exposures to these sectors are managed as part of Credit Risk reviews. Sovereign ratings, exposures, outlooks and country risk limits are regularly monitored, and mitigating actions are taken as required. In addition, we also remained vigilant in monitoring geopolitical relationships. Increased scrutiny is applied when on-boarding clients in sensitive industries and in ensuring compliance with sanctions

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2. DETAILED DESCRIPTION & INFORMATION

Particulars of Issuer	
Name:	BRAC Bank Limited
Legal Status:	BRAC Bank Limited (the "Bank" or "BRAC Bank") is a scheduled commercial bank established under the Bank Company Act, 1991, and incorporated as a public company, limited by shares, on 20 May 1999 under the Companies Act, 1994, in Bangladesh, vide RJSC registration no. C37782(2082)/99. The primary objective of the bank is to conduct all kinds of banking businesses. On completion of all legal formalities, the bank commenced its operations on 4th July 2001. BRAC Bank has been listed on the Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly traded company from 28 January 2007 and 24 January 2007, respectively.
Details of Contact Information:	**Address:** Anik Tower, 220/B Tejgaon I/A, Tejgaon Gulshan Link Road, Tejgaon, Dhaka-1208 **Mohammad Mahbubur Rahman, FCS** Company Secretary Phone: +88 02 988 4292, 885 9202 Ext: 52038 Mobile: +8801713060835 Email: mahbubur.rahman@bracbank.com **Md. Mahbub Hossain** Head of Asset-Liability Management Phone: +88 02 988 4292, 885 9202 Ext: 52414 Mobile: +8801730077561 Email: mdmahbub.hossain@bracbank.com **Md. Abu Jafor** Manager Basel Implementation Phone: +88 02 988 4292, 885 9202 Ext: 52444 Mobile: +8801313401010 Email: abu.jafor@bracbank.com
Date Of Incorporation:	Incorporated as a Public Limited Company on 20 May, 1999 under the Companies Act, 1994 in Bangladesh
Date Of Commencement of Business:	The Bank started its operations from 04 July, 2001.
Authorized Capital:	2,000,000,000 ordinary shares of BDT 10 each Total amount – BDT 20,000,000,000
Paid-up Capital:	BDT 14,965,853,280

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Total Consolidated Equity:	BDT 81,029,610,610
Total Consolidated Liabilities:	BDT 574,907,709,477
Total Consolidated Financial Obligation:	BDT 574,907,709,477
Total Consolidated Assets:	BDT 655,937,320,087
Total Consolidated Tangible Assets:	BDT 13,463,514,348
Consolidated Net Worth:	BDT 81,029,610,610
Date of Audited Accounts Included in the IM:	For the period ended on December 31st 2022.

Particulars of Issue Manager
Not Applicable

Particulars of the Issue	
Name:	BBL 2nd Subordinated Bond
Type of Instrument:	Non-Convertible, Fully Redeemable, Coupon Bearing, Floating Rate, Subordinated Bond
Purpose of Issue:	To strengthen BBL's capital base (Tier–II Regulatory Capital Raising) in line with the Basel-III framework.
Number of Securities & Total Size of the Issue Offered:	7,000 bonds, totaling BDT 7,000,000,000
Face value and issue price of securities mentioning discount or premium thereof:	Face value: BDT 7,000,000,000 Issue Size: Same as Face Value (At Par)
Coupon Rate or Rate of Profit or Discount Rate and Yield to Maturity (YTM):	**Reference Rate + Coupon Margin** **Reference Rate:** Average of most recent published 6-month highest deposit rates of Private Commercial Banks (excluding 4th and 5th Generation, Islamic and Foreign Banks) published by Bangladesh Bank in its website at the beginning of any Coupon Period *(As of November 2023, reference rate is 7.58%)* **Coupon Margin:** 3.00% p.a.
Tenor or Maturity:	7 Years from the date of issue
Details of conversion/exchange option features:	Not applicable
Mode of redemption or conversion/exchange:	Not applicable
Mode of option (call or put), if any, in case of redemption or conversion/exchange and	Not applicable

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

discount or premium thereof:	
Rate of Return:	Reference Rate + 3.0% Margin
Applicable tax rate:	As per the tax law of People's Republic of Bangladesh
Default protection mechanism (details of credit enhancement arrangement/agreement, redemption reserve, sinking fund etc.), if any:	Not Applicable
Type of collateral securities being offered, if any:	Unsecured
Status of securities holders in case of priority of payment:	The Claims of the Investors/Bondholders shall: a) be superior to the claims of investors in equity shares; b) be subordinated to the claims of depositors and general creditors of the bank; c) pari-passu without preference amongst themselves and other unsecured debt instruments classifying as Tier 2 in terms of Basel III guidelines whether currently outstanding or issued at any time in the future.; and d) neither be secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim bank creditors. Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms in the Basel III Guidelines.
Period within which securities to be issued:	Within 6 (six) months of regulatory approval in Single or multiple tranches as per the guidance of BSEC.
Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange):	Listed on the ATB
Others:	Not Applicable

Particulars of Trustee	
Name:	UCB Investment Limited
Paid Up Capital:	BDT 1,000,000,000
Net Worth:	BDT 1,173,067,142
Name Of Issue(s) Where Performing as Trustee:	1. NRBC Bank Subordinated Bond-Bank Asia 1st Perpetual Bond 2. Mercantile Bank Perpetual Bond

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	3. Mir Akhter Zero Coupon Bond 4. Envoy Textiles Zero Coupon Bond 5. 3rd Subordinated Bond of EBL 6. MTB 5th Subordinated Bond 7. ICB 1st Mudaraba Sukuk
Others:	Not Applicable

Particulars of Credit Rating Agency	
Name:	Credit Rating Agency of Bangladesh (CRAB)
Credit Rating Status of The Issuer:	Long Term: **AAA** Short Term: **ST-1** Outlook: **Stable** Agency: CRAB
Credit Rating Status of The Issue:	Long Term: **$AA_{1(Hyb)}$** Outlook: **Stable** Agency: CRAB
Date And Validity of Rating Along with Surveillance Rating for The Issuer or Originator and For the Issue:	For the Issuer (CRAB): Date of Rating: 30th April, 2023 Valid Till: 30th June, 2024 For the Issue (CRAB) Date of Rating: 26 December 2023 Valid Till: 13 June, 2024
Latest Default Rate of The Credit Rating Company:	1-Year Default Rate – 0.00% 3-Year Cumulative Default Rate (CDR) – 0.00%
Average Time to Default of The Rated Category:	No default in this category
Rating Trigger, If Any	If the credit rating of the Issue falls below the minimum investment grade i.e., "BBB" in the long term or "ST-3" in the short term, then BRAC Bank PLC shall pay an additional fee on top of the stipulated Coupon Rate as a Risk Premium as mentioned in the below table:

Issue Rating	Risk Premium to be Added
BB	0.25%
B	0.50%
C	0.75%
D	1.00%

Others:	Not Applicable

Particulars of Originators
Not Applicable

Particulars of other Contractual Parties	
Name of the Mandated Lead Arranger (MLA)	BRAC EPL Investments Limited

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Legal status of the Mandated Lead Arranger	Private Limited Company
Details of Contact Information of the MLA:	**Anup Datta** Head of Corporate Advisory Investment Banking Department Mobile: +880 1755 6317 24 E-mail: anup.datta@bracepl.com
Legal Advisor	**Humayra Noor** Advocate, Supreme Court of Bangladesh Senior Associate, Farooq & Associates Phone: +8801707072179 Email: humayra@farooqandassociates.com
Depository	Central Depository Bangladesh Limited (CDBL)
Registrar, Paying Agent, Transfer Agent	UCB Investment Limited
Others	Not applicable

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3. DETAILS OF UTILIZATION OF PROCEEDS

3.1 Purpose of Issuance of BBL 2nd Subordinated Bond

BRAC Bank Limited has decided to raise capital through issuance of subordinated bonds in order to strengthen its capital base in accordance with Basel III guidelines of Bangladesh Bank.

3.2 Plan Regarding Use of Proceeds from the Subordinated Bonds

The proceeds from the issue will be used for undertaking general business activities of the bank including loans and investments in treasury and other securities.

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4. FEATURES OF DEBT SECURITY TO BE ISSUED

Issuer:	**BRAC Bank PLC**
The Issue:	BBL 2nd Subordinated Bond
Mandated Lead Arranger:	BRAC EPL Investments Limited (BEIL) and also referred to as the "MLA" or Arranger.
Arrangement Basis:	Best Efforts/Non-Underwritten.
Purpose:	To strengthen BBL's capital base (Tier–II Regulatory Capital Raising) in line with the Basel-III framework.
Investors:	Banks, Non-Bank Financial Institutions (NBFI), Insurance Companies, Provident & Gratuity Funds, Corporates, High Net-Worth Individuals and any other eligible investors
Currency:	Bangladesh Taka (BDT)
Issue Size:	BDT 7,000,000,000
Trustee:	UCB Investment Limited
Listing Status:	Alternative Trading Board (ATB)
Face Value of Each Bond:	BDT 1,000,000 (One Million)
Total Bonds:	7000
Minimum Application Amount:	BDT 1,000,000 (One Million)
Issue Price of Each Bonds:	100% at face value/par.
Tenor:	7 years from the date of issue
Nature of Instrument:	Non-Convertible, Fully Redeemable, Coupon Bearing, Floating Rate, Subordinated Bond
Feature:	Fully-Redeemable
Credit Rating:	**Issuer:** Long Term: **AAA** Short Term: **ST-1** Outlook: **Stable** Validity: June 30th, 2024 Rating agency: Credit Rating Agency of Bangladesh Limited (CRAB) **Issue:** Long Term: **$AA_{1(Hyb)}$** Outlook: **Stable** Validity: 13th June 2024 Rating agency: Credit Rating Agency of Bangladesh Limited (CRAB)
Form:	Registered
Payment of Coupon:	Semi-annually beginning at the end of 6 months from drawdown date and afterwards semi-annually throughout the tenor of the Bond.
Over Subscription:	In event of this issue of the bond being oversubscribed, the allotment will be a first come first serve basis.

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Applicable Bangladesh Bank Guidelines:	The Bonds are being made in pursuance of "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" on Basel III capital regulations issued by Bangladesh Bank vide BRPD Circular No- 18 dated December 21, 2014 (herein after Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014) covering criteria for inclusion of instruments in Regulatory Capital (Specific Eligibility Criteria for Subordinated Debt to Qualify as Tier 2 Capital stated in ANNEX-4 of Bangladesh Bank RBCA Guidelines-2014). The issue of Bonds and terms and conditions of the Bonds will be subject to the applicable guidelines/orders /rules/circulars issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission from time to time.
Regulatory Approval:	Upon approval from the Bangladesh Securities and Exchange Commission and No-Objection Certificate from Bangladesh Bank, the Issuer will issue the Bonds
Validity of the Consent (to be issued by BSEC:	The consent for issuance of securities under private offer shall remain valid for 06 (six) months from the date of consent or for such a period as determined by the BSEC in the consent letter.
Compliance:	The bond indenture to be aligned, where applicable, for compliance with Guideline of Risk Based Capital Adequacy" issued by Bangladesh Bank (BB). Rules & Regulations of Bangladesh Securities & Exchange Commission (BSEC) and applicable Laws of the land.
Conditions Precedent:	In form and substance satisfactory to the MLA including without limitation: (i) due diligence having been conducted and completed, (ii) documentation for Financing and appropriate business description disclosure in the offering circular, (iii)receipt by the MLA of appropriate legal opinions from external counsel, (iv) the Issuer having obtained all relevant approvals for Financing
Trustee Authority:	At any time after the Bonds have become due and repayable, the Trustee may, and without further notice in writing, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than $66^{2/3}$ per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.
Status of securities holders in case of priority of payment:	The Claims of the Investors/Bondholders shall: (i) be superior to the claims of investors in equity shares; (ii) be subordinated to the claims of depositors and general creditors of the bank; (iii) pari-passu without preference amongst themselves and other unsecured debt instruments classifying as Tier 2 in terms of Basel III guidelines whether currently outstanding or issued at any time in the future.; and

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	(iv) neither be secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim bank creditors. Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms in the Basel III Guidelines.
Mode of Placement:	Private Placement
Security:	Unsecured
Rating Trigger:	If the credit rating of the Issue falls below the minimum investment grade i.e., "BBB" in the long term or "ST-3" in the short term, then BRAC Bank of Bangladesh Limited shall pay an additional fee on top of the stipulated Coupon Rate as a Risk Premium as mentioned in the below table:
Documentation:	Will include but not limited to: • Term Sheet • Trust Deed • Subscription Agreement • Any other documentation related to the transaction Customary Capital Market documentation including force majeure, negative pledge, cross default and indemnity provisions.
Legal Counsel:	Farooq & Associates
Governing Law:	The Laws of The People's Republic of Bangladesh

Issue Rating	Risk Premium to be Added
BB	0.25%
B	0.50%
C	0.75%
D	1.00%

Rate of Return, Yield to Maturity, Coupon/Discount Rate

Reference Rate + Coupon Margin

Reference Rate: Average of most recent published 6-month highest deposit rates of Private Commercial Banks (excluding 4th and 5th Generation, Islamic and Foreign Banks) published by Bangladesh Bank in its website at the beginning of any Coupon Period.
(As of November 2023, reference rate is 7.58%)

Coupon Margin: 3.0% p.a.

Transferability/Liquidity

Transfer and transmission of the Bonds shall be subject to the Depositories Act. '1999, the rules made thereunder, the byelaws, rules and regulations of the Depositories as amended from time to time.

Prepayment, Call, Refunding, Conversion or Exchange option

Not applicable

Early redemption or Late redemption

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Incremental charge at the rate of 2% per annum payable by the Issuer to the Bondholders above the amount to be paid by the Issuer to the Bondholders on the Redemption date for failure of the Issuer to make payment to the Bondholders on the Redemption date.

Tax Features

As per the tax law of People's Republic of Bangladesh

Costs related to the issue

Particulars	Metric	Fees
Non-Regulatory Fees		27,945,000
Arranger Fee (Maximum)*	0.30% of Capital Raised	21,000,000
Legal Fee (Total)	150,000 one time	150,000
Credit Rating Fee (Total)	150,000 per year	1,050,000
Annual Trustee Fee (Total)	300,000 per year	2,100,000
Non-Regulatory Fee		27,945,000
VAT on Non-Regulatory Fee	15%	3,645,000
Incidental Expense		1,000,000
Regulatory Fees		12,172,000
BSEC Application Fee	At Actual	10,000
BSEC Consent Fee	0.10% of Capital Raised	7,000,000
BSEC Trustee Application Fee	At Actual	50,000
BSEC Trustee Registration Fee	At Actual	100,000
BSEC Annual Trustee Fee (Total)	50,000 per year	350,000
Trust Deed Stamp Duty	At Actual	1,100,000
CDBL Fee	At Actual	1,050,000
CDBL Security Deposit	At Actual	500,000
CDBL Annual Fee (Total)	26,000 per year	182,000
ATB Listing Fee	At Actual	500,000
ATB Annual Listing Fee (Total)	190,000 per year	1,330,000
Total		41,117,000
% Of Amount Raised		0.59%
Annualized Cost		0.05%

*0.30% of raised amount or BDT 10,500,000 whichever is lower

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Repayment schedule

To be redeemed at par in 5 equal annual instalments starting from end of 3rd year from the subscription closing date/deemed date of allotment and each 12 months from thereafter as per following table:

Years	Repayment (BDT)	Balance
End of 1st year	-	7,000,000,000
End of 2nd year	-	7,000,000,000
End of 3rd year	1,400,000,000	5,600,000,000
End of 4th year	1,400,000,000	4,200,000,000
End of 5th year	1,400,000,000	2,800,000,000
End of 6th year	1,400,000,000	1,400,000,000
End of 7th year	1,400,000,000	-

Call or put option, and premium or discount thereof, if any

Not applicable

Credit enhancement or guarantee, if any

Not applicable

Enforcement of charges over securities

At any time after the Bonds have become due and repayable, the Trustee may, at its sole discretion and without further notice in writing, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 662/3 per cent in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

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5. DESCRIPTION OF COLLATERAL SECURITY & TYPE OF CHARGES TO BE CREATED AGAINST ISSUE

The issue is a non-convertible, fully redeemable, coupon bearing, floating rate, subordinated bond, hence no charge on assets is to be created. The issuer only owes the bondholders an indebtedness which is secured by claims over all present and future assets of the issuer subsequent to all secured lenders/investors.

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6. RIGHTS & OBLIGATIONS OF THE ISSUER

Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladeshi Taka in Dhaka in immediately available freely transferable funds the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions- Coupon on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions *provided that*:

- every payment of principal or Coupon in respect of the Bonds or any of them made to or to the account of the Bondholders shall satisfy, to the extent of such payment;

- if any payment of principal or Coupon in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the [seventh day] after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Trustee to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and

- in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused penalty shall accrue at applicable rate of 2.00% p.a. for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenants in Clause 12.3 (*Covenant to comply with Trust Deed, Conditions and Schedules and applicable law*) and Clause 12.4 (*Covenants by the Issuer*) on trust for the Bondholders.

Following an Event of Default

At any time after any Event of Default shall have occurred, the Trustee may:
by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 12.1.1of Clause 12.1 (*Covenant to Repay*) and (so far as it concerns payments by the Issuer) Clause 21.2 (*Payment to Bondholders*) shall cease to have effect.

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Covenant to comply with Trust Deed, conditions, Schedules and applicable law

1. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the Trust Deed, the Conditions (including, without limitation, Condition 5 (*Covenants*)) and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in the Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.

2. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.

3. The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in the Trust Deed which shall be read and construed as one document with the Bonds.

Covenants by the Issuer

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:

1. Books of account

At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;

2. Event of Default

Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;

3. Corporate Governance

Comply (and shall ensure that each member of the Group will) in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the BSEC.

4. Information

So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and in such form as it shall

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require in relation to Issuer for the performance of its obligations under the Bond Documents;

5. Execution of further Documents

So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of the Trust Deed;

6. Notices to Bondholders

Send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;

7. Notification of non-payment

Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;

8. Notification of late payment

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;

9. Notification of redemption or repayment

14 (Fourteen) days prior to the Redemption Dates or purchase in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;

10. Authorized Signatories

Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same; and

11. Payments

Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

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12. Risk Premium

In case where the credit rating of the Issue falls below the minimum investment grade i.e. "BBB" in the long term or "ST-3" in the short term, the Issuer shall pay an additional interest on top of the stipulated Coupon Rate as a Risk Premium as mentioned in the below table:

Issue Rating	Risk Premium to be Added
BB	0.25%
B	0.50%
C	0.75%
D	1.00%

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7. RIGHTS & OBLIGATIONS OF THE TRUSTEE

RIGHTS

1. *Applicable Law:* Notwithstanding anything contained in the Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to the Rules.

2. *Advice*: The Trustee may in relation to the Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, or any Subsidiary) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission;

3. *Resolution or direction of Bondholders*: the Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;

4. *Trustee not responsible for investigations*: save as otherwise provided by applicable law, the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in the Trust Deed, the Bonds, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;

5. *Entry on the Register*: The Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct;

6. *Events of Default*: save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and under the Trust Deed and no

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event has happened as a consequence of which any of the Bonds may become repayable; and

7. *Right to Deduct or Withhold:* notwithstanding anything contained in the Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whenever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under the Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of the Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of the Trust Deed.

8. *Liability:* The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to the Trust Deed or the Bonds save in relation to its own gross negligence, willful default or fraud. The Clause 6.1.8 of Trust Deed shall survive the termination or expiry of the Trust Deed or the removal or termination of the Trustee.

9. *Force Majeure:* The Trustee shall not be liable for any failure or delay in the performance of its obligations under the Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labor disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by the Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.

10. *Immunities:* The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under the Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of the Trust Deed and final payment of the Bonds. The Issuer acknowledges that in any proceedings taken in relation to the Trust Deed, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

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Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

11. *Professional charges*: any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of the Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with the Trust Deed, in each case as agreed pursuant to the Fee Letter (including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person);

12. *Expenditure by the Trustee*: nothing contained in the Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it; and

13. *Trustee may enter into financial transactions with the Issuer*: no Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any Subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, for any Coupon, fees, commissions, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit.

14. *Trustee Liability*: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to the Trust Deed or the Bonds save in relation to its own gross negligence, willful default or fraud.

15. *Right to Sue*: The Trustee may sue and may be sued on behalf of the Bondholders.

POWERS & DUTIES

Applicable Law: Notwithstanding anything contained in the Trust Deed the Trustee shall have all such responsibility as set out in the applicable law including but is not limited to the Rules.

Act for Bondholders: Subject to applicable law and terms and conditions of the Trust Deed, the Trustee shall act on behalf and for the exclusive interest of the Bondholders;

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Tanzim Alamgir
Managing Director & CEO
HGB Investment Limited

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Monitoring: Trustee shall ensure that Issuer is observing the *applicable law for* the Bonds and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach;

Report to BSEC: Trustee shall submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC it shall provide copy to the Issuer and the Bondholders;

Grievances of the Bondholders: Upon receipt of a complaint from the Bondholders Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and he shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;

Trustee's determination: The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of the Trust Deed or contained in the Bonds is capable of remedy and/or not materially prejudicial to the interest of the Bondholders and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy and/or /or materially prejudicial to the interest of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders;

Determination of questions: the Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders;

Trustee's discretion: the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, on reasonable ground have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof (save as otherwise provided by applicable law) but whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;

Trustee's consent: any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;

Application of proceeds: the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Subordinated Bonds;

Error of judgment: the Trustee shall not be liable for any error of judgment made in good faith applying due diligence and without negligence by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters, save in relation to its own gross negligence, willful default or fraud;

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Tanzim Alamgir
Managing Director & CEO
PCB Investment Limited

Agents: Subject to the provisions of the Trust Act 1882 and the Rules, the Trustee may, in the conduct of the trusts of the Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) with the consent of Issuer and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person *provided that* the Trustee had exercised reasonable care in the appointment of such person;

Confidential information: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other information made available to the Trustee by the Issuer in connection with the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

Determination of Coupon Rate: The Trustee shall determine Coupon Rate in accordance with Conditions of the Bond.

Exercise of Discretion

1. Notwithstanding anything in the Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the Bondholders of not less than $66^2/_3$percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of Bondholders (subject in all cases to the Trustee having been indemnified or provided with security to its satisfaction and otherwise being satisfied that it is lawful for it to so exercise discretion, make a determination or otherwise take any action). Such direction shall specify the way in which the Trustee shall exercise such discretion or, as the case may be, make the determination or take the action to be taken by the Trustee.

2. The Trustee will be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to make any determination or the taking or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.

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Managing Director & CEO
UCB Investment Limited

8. RIGHTS & OBLIGATIONS OF OTHER CONTRACTUAL PARTIES

ARRANGER:

The ISSUER has appointed BRAC EPL Investments Limited as the Mandated Lead Arranger of the proposed Subordinated Bonds.
Rights and Obligations of the Arranger of the Subordinated Bonds include:

- Due diligence of the issue prior to submission of the proposed Bonds to external parties.
- Coordinate and provide integral support for preparation of Information Memorandum and appointment of relevant parties.
- Ensure proper documentation completion and compliance with regulatory requirements, prior to submission to regulators.
- Engage with regulators and ISSUER for approval of the Bonds.
- Support due diligence of prospective investors for investing in the Bonds.
- Complete documentation of the Bonds prior to subscription of the Bonds.
- Monitor compliance with conditions precedent prior to issuance of the Bonds.

LEGAL COUNSEL:

Pursuant to the Letter issued under Ref. BBL/HO/FIN/2023/06-240(a) dated June 11, 2023, the Issuer agrees to appoint Farooq & Associates as the Legal Counsel of the Bonds in order to provide legal advice and legal assistance or any other legal services deliverables to the Issuer in relation to the issuance as per the following scope:

- Draft, negotiate and finalize Trust Deed, Subscription Agreements and other ancillary documents in relation to the issuance of Bonds;
- Review of applications to be made by the Issuer to relevant Regulators;
- Provide necessary legal opinion on various issues as required upon execution of the Bond Documents;
- Assist with registering the required agreements, documents and related forms with the respective authorities and entities and
- Attend meetings, telephone calls, discussions, correspondences, perusals and any other services incidental to the completion of the transaction in various stages for the issuance of Bond.

CREDIT RATING AGENCY:

For the purpose of conducting the Bond Rating Service for the Bonds having total issue size of BDT 7,000,000,000.00 (SEVEN BILLION TAKA) only (which shall be referred to as "Rated Subject") the Issuer has appointed Credit Rating Agency of Bangladesh Limited (the "Credit Rating Agency" or "CRA") under the terms and covenants as detailed under Credit Rating Agency Agreement dated, 7 June 2023, executed by and between the Issuer and the CRA to be conducted as per the Bangladesh Securities and Exchange Commission (Credit Rating

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Companies) Rules, 2022 issued by the BSEC and the Standard Methodology and Ethical Code of the CRA etc.

Moreover, for providing the requested rating services for the Rated Subject, the Issuer agrees to make payment to the CRA as per the payment schedule mentioned under Credit Rating Agency Agreement dated, 7 June 2023, up to end of bond maturity for any debt instrument as per requirements of the Bangladesh Securities and Exchange Commission (Credit Rating Companies) Rules, 2022.

ANY OTHER CONTRACTUAL PARTY:

The rights and obligations of any other contractual party should be governed by the respective contract or agreement entered into by the parties therein.

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9. RIGHTS OF BONDHOLDERS

- Each Bondholder has the right to demand information from the Issuer as set out in the Trust Deed and the Condition attached in Schedule 1 Part B of the trust deed (*Terms and Conditions of the Bonds*).

- Each Bondholder has the right to receive payment of principal amount of the Bond on the Redemption Date as set out in the Condition attached in Schedule 1 Part B of the trust deed (*Terms and Conditions of the Bonds*).

- Each Bondholder has the right to receive Coupon on the Bond on the Coupon Payment Date as set out in the Condition attached in Schedule 1 Part B of the trust deed (*Terms and Conditions of the Bonds*).

- Each Bondholder has the right to attend meeting of the Bondholders and vote there in accordance with Condition 12 of the trust deed (*Meetings of Bondholders, Modification, Waiver and Substitution*).

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10. DESCRIPTION OF THE ISSUER

Since its inception in 2001, BRAC Bank Limited has adopted a values-based banking approach to promote sustainable economic development. The bank places a strong emphasis on governance, transparency, ethics, and a compliance culture. Its primary objective is to provide formal banking solutions to small and medium enterprises that have been excluded from the banking system. Over time, BRAC Bank has emerged as a prominent financial institution that actively contributes to the country's economic progress through inclusive banking practices, collateral-free financing, and strategic collaboration with the government to implement broader economic policies.

Founded by Sir Fazle Hasan Abed, a visionary, BRAC Bank has a distinctive vision of offering banking solutions to small and medium entrepreneurs who are excluded from the formal banking system. Through its collateral-free loans, BRAC Bank extends formal banking services to grassroots SME entrepreneurs, resulting in significant socio-economic upliftment and impact. The bank's approach to banking goes beyond profit-making, focusing on shared prosperity while prioritizing economic, social, and environmental considerations. Sustainable banking now constitutes a fundamental pillar of the bank's business strategy.

As a distinguished member of the Global Alliance for Banking on Values (GABV), BRAC Bank is deeply committed to humanizing finance and embraces the comprehensive '3P' philosophy of People, Planet, and Prosperity. With a collaborative mindset, the bank is dedicated to accelerating social, cultural, environmental, and economic transformations throughout Bangladesh. By doing so, BRAC Bank aims to create more inclusive communities and enhance the well-being of its people. The bank actively explores and embraces opportunities in green climate funds, bankable climate adaptation projects, and green bonds, aligning its impact with the Sustainable Development Goals (SDGs) and the government's development priorities.

10.01 Capital Structure

- Authorized capital – 2,000,000,000 ordinary shares of BDT 10 each
Total amount – BDT 20,000,000,000

- Issued, Subscribed & Paid-up Capital

Particulars *(Figures in BDT)*	**2022**	**2021**
100,000,000 Ordinary Shares of Tk. 10/- each issued for cash	1,000,000,000	1,000,000,000
1,142,355,082 Ordinary Shares of Tk. 10/- each issued as bonus share	11,423,550,820	10,379,421,530
26,400,000 Right Shares of Tk. 10/- each issued in 2008	264,000,000	264,000,000
221,652,288 Right Shares of Tk. 10/- each issued in 2014	2,216,522,880	2,216,522,880
1,149,589 Ordinary Shares of Tk. 10/- each issued as 1st bond converted share in 2016	11,495,890	11,495,890
2,237,835 Ordinary Shares of Tk. 10/- each issued as 2nd bond converted share in 2017	22,378,350	22,378,350

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2,790,534 Ordinary Shares of Tk. 10/- each issued as 3rd bond converted share in 2018	27,905,340	27,905,340
Total:	**14,965,853,280**	**13,921,723,990**

10.02 Business

The core business of BRAC bank is to provide financial services, primarily involving the acceptance of deposits and lending money to individuals & businesses. BRAC Bank has a wide range of financial services & products available for customers, as mentioned below:

SME (Deposit Products/Services)

1. Prothom Account
2. Shadhin Current Account
3. Prapti (Current Account)
4. TARA SME Deposit
5. TARA Prothom Account
6. TARA Shonchoy Monthly Deposit
7. Prachurjo Fixed Deposit
8. Shonchoy SME Deposit
9. EKOTA Current Account
10. DIPTO Fixed Deposit
11. UDDIPON Fixed Deposit

SME (Asset Products/Services)

1. Women Entrepreneur Loan
2. Agriculture Finance
3. Commercial Vehicle Financing
4. Cash Secured Loan
5. Secured Loan
6. Unsecure quick loan for CMSE
7. Loan for E-commerce & F-commerce businesses
8. Financing for new entrepreneurs
9. Business loan for remittance earners' families
10. Unsecured loan with unsecured higher loan limit

Corporate (Services)

1. Cash Management
2. Custodial Service
3. Probashi Biniyog Deposit
4. Agency
5. Buying House
6. Digital Banking
7. Employee Banking

Corporate (Deposit)

1. Current Account
2. SND Account
3. Term Deposit

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4. FCY Account

Corporate (Funded Facilities)

1. Overdraft
2. Working Capital
3. Trade Finance
4. Project Finance
5. Work Order Finance
6. Refinance
7. Lease Finance
8. Bill Discounting
9. Invoice Financing
10. Syndication Loans
11. Supply Chain Finance

Corporate (Non-Funded Facilities)

1. Import LC
2. Export LC
3. Letter of Guarantee
4. Documentary Collections

Retail (Deposit Products)

1. Flexi & Classic Deposit Schemes
2. Savings Account
3. Current Account
4. Fixed Deposit

Retail (Loan Products)

1. Personal Loan
2. Auto Loan
3. Home Loan
4. Secured Loan/Overdraft
5. Credit Cards

10.03 Shareholding Structure & Board of Directors

Shareholding Status: (as on December 31st, 2022)

Shareholders	Ownership (%)
Sponsors & Directors	46.24%
Foreign	33.64%
Others	20.12%

M Mahbubur Rahman FCS
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Board of Directors:

SL	Name	Board Position
1	Mr. Meheriar M. Hasan	Chairman
2	Mr. Asif Saleh	Nominated Director
3	Ms. Fahima Choudhury	Independent Director
4	Ms. Farzana Ahmed	Independent Director
5	Dr. Zahid Hussain	Independent Director
6	Mr. Shameran Bahar Abed	Nominated Director
7	Dr. Mustafa Kamal Mujeri	Independent Director
8	Mr. Faruq Mayeenuddin Ahmed	Independent Director
9	Mr. Salek Ahmed Abul Masrur	Independent Director
10	Mr. Selim R. F. Hussain	Managing Director & CEO

Management Committee:

SL	Name	Designation
1.	Mr. Selim R. F. Hussain	Managing Director & CEO
2.	Mr. Md. Sabbir Hossain	Deputy Managing Director & COO
3.	Mr. Mohammod Masud Rana FCA	Deputy Managing Director & CFO
4.	Mr. Tareq Refat Ullah Khan	DMD & Head of Corporate Banking
5.	Mr. Chowdhury Moinul Islam	Deputy Managing Director & CAMLCO
6.	Mr. Syed Abdul Momen	DMD & Head of SME Banking
7.	Mr. Md Shaheen Iqbal, CFA	DMD & Head of Treasury & FIs
8.	Brigadier General Md. Amin Akbar (Retd.)	Head of General Services
9.	Mr. M Sarwar Ahmed	Head of Internal Controls & Compliance
10.	Mr. Nazmur Rahim	Head of Alternate Banking Channels
11.	Mr. Ahmed Rashid Joy	Head of CRM & Acting CRO
12.	Mr. Md Mahiul Islam	Head of Retail Banking
13.	Mr. Md. Muniruzzaman Molla	Head of Operations
14.	Mr. Akhteruddin Mahmood	Head of Human Resources
15.	Mr. Ekram Kabir	Head of Communications
16	Mr. Sheikh Mohammad Ashfaque	Head of Branches
17.	Barrister Rasheed Ahmed	Head of Legal & Recovery
18	Nurun Nahar Begum	Chief Technology Officer

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Tanzim Alamgir
Managing Director & CEO
IDLC Investment Limited

10.04 Description of Encumbered & Unencumbered Assets

There were no encumbered assets. All assets were unencumbered as of December 31, 2022.

Encumbered and unencumbered assets position as of 31 Dec 2022 is as below:

Figures In BDT

Total Assets (Solo)	Encumbered	Unencumbered
563,238,978,302	-	563,238,978,302

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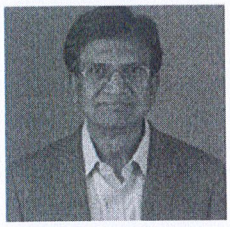
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

10.05 Profile of Board of Directors



Meheriar M. Hasan
Chairman

Mr. Meheriar M. Hasan is a global thought leader, an innovator, and a voice of authority in the realm of digital banking. He brings with him over 35 years of rich experience in breakthrough innovation and pathbreaking disruption, building direct/digital distribution channels to generate new profit sources at some of the world's largest financial institutions. He possesses an unparalleled track record in enabling businesses to accelerate profitable growth through design thinking and building multi-channel sales/ service processes and platforms.

Mr. Hasan founded Terafina Inc, a leading digital omnichannel sales solution provider in financial services. He also served as Senior Advisor to McKinsey from 2012 to 2014 and was a guest lecturer at the University of Southern California, Marshall School of Business, from 2006 to 2008. Mr. Hasan holds a Master of Science in Finance, Master of Arts in Economics, and Bachelor of Arts in Economics with a minor in Mathematics from the University of Arizona.

Some of Mr. Hasan's distinguished engagements include:

1. Defined the vision and led the building of Terafina, which was ranked amongst the top two fintech disruptors by Celent. Terafina was acquired by NCR Corporation in February 2021.
2. As head of digital banking at the US Bank, he led the build-out of one of the largest digital banking channels in the country in record time, which now delivers millions of dollars of bottom line. The digital channel ranked first in over customer experience by Keynote, a third-party benchmark.
3. As Executive Vice President at Wells Fargo, he designed and developed one of the largest direct-to-consumer/ digital lending channels in the financial services industry, resulting in 100 percent growth in revenue, 118 per cent growth in net income, and 104 per cent growth in portfolio balance over three years.
4. He designed and delivered the largest digital sales channel in the financial services industry at Wells Fargo, integrating call center and branch, which resulted in a 190 per cent growth in core bank product and investment product sales over two years.
5. He was responsible for the design, engineering, and management of B2B and B2C products for Digital Insight, the largest online banking application service provider in the US to serve credit unions and small/mid-sized banks.
6. At Transamerica, he pioneered the first private-labeled direct-to-consumer channel in the insurance industry, fully integrated with independent agencies and business back-office operations.

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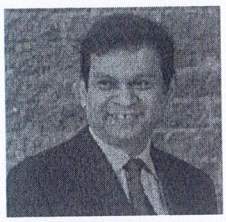
Over his long and resplendent career, Mr. Hasan, in addition to his current role, is the Director of the Board of BRAC Bank Limited and bKash Limited.



Asif Saleh
Nominated Director

Asif Saleh is the executive director of BRAC. He brings with him a diverse multi-sectoral experience in senior leadership roles in private, public, and non- government sectors, with a proven track record of effectively managing interfaces of development programming, operational and financial sustainability, and building effective partnerships, both within and outside BRAC.

Prior to joining BRAC, Mr. Saleh worked as a policy specialist for the Access to Information (a2i) Programme at the Prime Minister's Office in Bangladesh. As part of the Government's Digital Bangladesh initiative, he led the policy effort to expand affordable broadband connectivity across Bangladesh and devised the Government's m-governance strategy. He spent 12 years in Goldman Sachs in different fin-tech roles in New York and London ending his term there as an Executive Director. He has also worked in Glaxo Wellcome, IBM and Nortel.

Mr. Saleh is a non-resident fellow at the Center for Global Development in Washington, D.C. He is also an active member in a range of international networks and alliances advocating inclusive achievement of the Sustainable Development Goals. He is a member of the Millions Learning International Advisory Group, Brookings Institute, a member of the advisory group of South Africa-based Innovation Edge, an institution promoting early childhood development. He is a member of the global board for Generate Unlimited, a global body of UNICEF promoting youth skills, and also a member of the global governing council of Water Resource Group 2030.

Mr. Saleh chairs BRAC IT Services Limited, co-chairs BRAC Net, and is on the Board of BRAC Bank, bKash, and Edotco Bangladesh Ltd. He also chairs the Institute of Informatics and Development.
He was recognised for his work by Asia Society's Asia 21 programme in 2008, the Bangladeshi American Foundation in 2007, and was selected as an Asia 21 Fellow in 2012. He was selected as a Young Global Leader by the World Economic Forum in 2013.

Mr. Saleh holds a Bachelor's degree in computer science and an MBA in management and marketing from the Stern School of Business New York University.

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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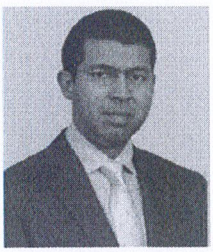

Shameran Bahar Abed
Nominated Director

Mr. Shameran Abed is the Executive Director of BRAC International.

Shameran joined BRAC Bangladesh in 2009 and BRAC International in 2012, and has been instrumental in bringing BRAC's flagship programmes of microfinance and ultra-poor graduation to global scale. Under his leadership, BRAC International's microfinance portfolio has seen impressive growth and a renewed focus on client impact. Since 2016, Shameran has also led BRAC's ultra-poor graduation work and played an instrumental role in setting up the UPGI to spearhead global advocacy and provide technical assistance to governments and other organizations.

Shameran has significant Board experience on several non-profit and corporate entities, chairing the board of bKash, BRAC Bank's mobile financial services subsidiary and one of the world's largest mobile money providers, and serving on the boards of several institutions. Shameran holds a Bachelor's Degree in Economics from Hamilton College in the United States and is a qualified Barrister in the UK.



Fahima Choudhury
Independent Director

Ms. Fahima Choudhury was appointed as an Independent Director to the Board of BRAC Bank Limited in April 2018. At present, she is also the member of the Board Risk Management Committee and the Board Audit Committee.
Since end-2018, Ms. Choudhury also serves as a BRAC Bank Nominated Director on the boards of BRAC-EPL Investments Ltd. and BRAC-EPL Stock Brokerage Ltd.; and is currently the Chair of both these companies. She is also Director of bKash Limited, nominated by BRAC Bank Limited.
Ms. Choudhury is a management consultant and a marketing communications & advertising specialist with over 25 years of experience in various entrepreneurial and leadership roles across multiple firms. Due to her long involvement in the advertising business, she has had the opportunity to serve diverse range of local and international clients across a number of sectors and industries.

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Ms. Choudhury started her career in Adcomm Limited (one of the oldest and most renowned advertising agencies in the country) rising to the position of Director, before moving on to establish her own integrated marketing communications agency called Marka. Later, Marka was acquired by Ogilvy & Mather Worldwide (part of the WPP Group), and Ms. Choudhury became the Managing Director (and shareholder) of Ogilvy & Mather Bangladesh. In the past she was also a member of Ogilvy APAC regional council, as well as Assistant General Secretary in the Advertising Agencies Association of Bangladesh. Ms. Choudhury left the advertising industry in 2020 in order to focus on her consultancy business.

Aside from this, Ms. Choudhury is also a Director of Adcomm Holdings which has business involvements in various other industries (including hospitality, media and IT).

Ms. Choudhury did her B.Sc. (Hons.) Management and M.Sc. Management from the London School of Economics & Political Science in the United Kingdom.



Dr. Zahid Hussain
Independent Director

Dr. Zahid Hussain was appointed as Independent Director to the Board of BRAC Bank Limited on September, 2020. He is also the Member of Board Audit Committee and Board Risk Management Committee of BRAC Bank Limited.

At present, Dr. Hussain is a Director of BRAC EPL Investment Limited and BRAC EPL Stock Brokerage Limited. He is also currently associated as a Consultant in the World Bank, Dhaka Office.

Dr. Hussain retired from the World Bank, which he joined on May 1, 1995, as a Lead Economist on June 30, 2019. During this time, he was a key member of the bank's macro, trade, and investment global practice providing budgetary support (development support credit) and technical assistance to the government, and prepared growth diagnostics, public expenditure reviews, periodic macroeconomic updates, and policy notes on macroeconomic management and structural issues.

Dr. Hussain was also engaged as a Lecturer at Boston University, the University of Massachusetts Boston and Framingham State College, Framingham, Massachusetts in the USA during 1987-1992.
Dr. Hussain obtained Ph.D. in Economics from Boston University, USA, in 1992 and completed Master of Arts in Political Economy from Boston University, USA, in 1987. He earned his MBA from the Institute of Business Administration, University of Dhaka, Bangladesh in 1979 where he was a member of the faculty from 1980-1984.

Dr. Hussain has published in numerous journals and articles on Economics, Management, and Business.

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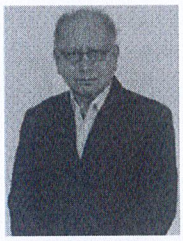

Dr. Mustafa Kamal Mujeri
Independent Director

Dr. Mustafa K. Mujeri was appointed as an Independent Director to the Board of BRAC Bank Limited in December 2021. He is also the member of the Board Executive Committee of BRAC Bank Limited.

Dr. Mujeri is currently the Executive Director of the Institute for Inclusive Finance and Development (InM) and Chairman of the Center for Inclusive Development Dialogue (CIDD). He also served as the Director General of the Bangladesh Institute of Development Studies (BIDS) and the Chief Economist of the Bangladesh Bank. During his professional career, he served as the Poverty Monitoring and Analysis Advisor of UNDP in Cambodia; Project Leader of the IDRC's Programme on Micro Impact of Macroeconomics and Adjustments Policies (MIMAP) in Bangladesh; Director Research of the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP); Visiting Faculty at the Department of Economics, University of Queensland, Brisbane; National Expert in the Bangladesh Planning Commission; and Associate Professor of Economics, University of Rajshahi.

Dr. Mujeri obtained his Ph.D. from McMaster University in Canada in 1978 and M.A in Economics from McMaster University in 1974 after completing an M.A. in Economics from the University of Rajshahi, Bangladesh in 1972. He has wide-ranging experience in research and policy-focused analysis on development issues in different UN and other international organizations and multilateral, bilateral, and private sector organizations, including NGOs. He has the experience of working and traveling in many countries and attended workshops, seminars, and meetings on a wide range of development issues.
Dr. Mujeri has published extensively in national and international journals and written several books on Bangladesh's economy that was published by some of the leading international publishing houses. He was also a part of various policy-making and other committees at both the national and international levels.

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Faruq Mayeenuddin Ahmed
Independent Director

Mr. Faruq Mayeenuddin Ahmed was appointed as an Independent Director to the Board of BRAC Bank Limited in December 2021. He is also the Chair of the Board Executive Committee of the bank.

Mr. Ahmed led Trust Bank Limited as its Managing Director and CEO from February 2018 to February 2021. Before taking up the position, he served as the Additional Managing Director of the bank.

Prior Joining Trust Bank, Mr. Ahmed served as the Additional Managing Director of The City Bank Limited and held the positions of their Chief Risk Officer and CAMLCO. He also served Mercantile Bank and AB Bank Limited as Deputy Managing Director.

After completing BSS Honours and MSS in Economics from the University of Dhaka, Mr. Ahmed started his career as a Probationary Officer with AB Bank Limited in 1984. He received Bangladesh Bank Gold Medal and BCCI (erstwhile) Gold Medal in the Banking Diploma examination in 1987 for securing the first position obtaining above 60 per cent mark. He gained hands-on experience and knowledge through working in different capacities in almost all the banking fields at home and abroad. He served the Mumbai office of AB Bank for five years as Country Manager facilitating correspondent and reimbursement banking services in India to the Bangladeshi banks. He is a well-rounded banker and has led different major sectors of banking areas in different phases of his service tenure.

Mr. Ahmed is the founder Chairman of the Association of Anti Money Laundering Compliance Officers of Banks in Bangladesh (AACOBB) and a life member of the Bangladesh Economic Association.

Mr. Ahmed has participated in various professional trainings, workshops and seminars at home and abroad. A regular columnist on banking and economic issues in the national dailies, Mr. Ahmed has so far authored more than two dozen of books and numerous articles on economy and banking, capital market, accounting, literature and travel. For his noteworthy contributions to Bangla language and literature, he received Bangla Academy Award in 2019 in the travel writing category. He also received IFIC Bank Literary Award 2011 for the excellent translation of 'A Poet Apart' - the literary biography of poet Jibanananda Das originally written by Clinton B. Seely and "City-Anando Alo Award 2019 for one of his travelogues.

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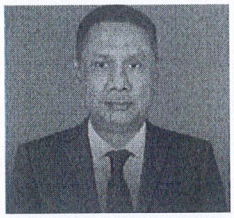

Salek Ahmed Abul Masrur
Independent Director

Mr. Salek Ahmed Abul Masrur was appointed as an Independent Director to the Board of BRAC Bank Limited in March 2022. He is also the Chair of the Board Risk Management Committee and member of the Board Executive Committee.

Presently, he is the Chief Executive Officer of The Consolidated Tea & Lands Co. (Bangladesh) Limited (known as Finlay Tea).

Mr. Masrur is a seasoned banker with 35 years of banking experience in Bangladesh and international market in senior positions.

Mr. Masrur was the Country Head of Bank Alfalah, Bangladesh from 2009 to 2019, the longest-serving CEO of any Foreign Bank. He served as Global Head of Origination and Client Coverage Islamic Banking at Standard Chartered Bank, UAE. He was also the Director Portfolio Management of Standard Chartered Bank, Singapore from Sept 2005 to June 2007. He served as Head of Client Relationship from 2002 to 2005 at Standard Chartered Bank, Bangladesh, and as Head of Corporate Banking of Citibank NA, Bangladesh from 2000 to 2001. He also served as the Head of Corporate Banking in Standard Chartered Bank from 1995 to 1999.

He started his career at ANZ Grindlays Bank as Management Trainee in 1985. He led different major sectors of banking areas in different phases during his service tenor.

Mr. Masrur was recognized for his strong leadership skills displayed through leading teams to success both locally and abroad. He also participated in a good number of professional trainings, workshops, and seminars both at home and abroad.

Mr. Masrur obtained his MBA Degree from the University of Tennessee, USA, and BBA from the Trine University in Indiana. He is CSA qualified.

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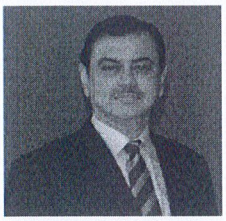

Selim R. F. Hussain
Managing Director & CEO

Selim R. F. Hussain is a Bangladeshi career banker with over 35 years of diversified local and international banking experience. He is currently heading BRAC Bank, one of the leading full-service commercial banks in Bangladesh, and one that is known for its particular focus on the SME segment.

Mr. Hussain joined BRAC Bank in November 2015 and in a relatively short time, led the bank to the top tier of the 60 odd scheduled banks in Bangladesh. He is elected Chairman of the Association of Bankers Bangladesh Limited for 2022-2023. He is a member of the Governing Board of the SME Foundation in Bangladesh, an apex semi-government institution spearheading SME development. He is also a member of the Governing Board of the Financial Alliance for Women, an international network of financial institutions dedicated to championing the female economy. Mr. Hussain is also on the Board of the Global Alliance for Banking on Values (GABV) - an international network of banks that use finance to serve people and the planet.

Mr. Hussain also represents BRAC Bank in multiple BRAC Bank subsidiaries through board directorship – at BRAC EPL Investments Ltd, BRAC EPL Stock-Brokerage Ltd, BRAC Saajan Exchange Ltd, and BRAC IT Services Limited. He is the Chairman of the Board Audit Committee of bKash, the largest mobile financial service company in Bangladesh, and also the Vice-Chairman of the Industrial Infra-structure Development Finance Company (IIDFC), a non-banking finance company. He is the Chairman of Association of Bankers Bangladesh Limited, a professional forum of the CEOs of the commercial banks in Bangladesh.

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10.06 Profile of Management

Selim R. F. Hussain
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Md Sabbir Hossain
Deputy Managing Director AND COO

Md Sabbir Hossain joined BRAC Bank Limited as a Deputy Managing Director (DMD) and the Chief Operating Officer (COO) on September 01, 2019.
Hossain brings more than two decades of diversified experience in technology and operations. He joined Standard Chartered Bank (SCB) in 1994 and contributed for more than 23 years in building state of the art technology and operational processes. During his tenure with SCB, he was Head of Banking Operations, Branch Operations, Personal Banking, Proximity Banking, Country Technology, Operational Risk & Service Quality, and finally took over the role of Head of Corporate, Institutional and Commercial Banking Operations before leaving in December 2017.
He also worked for Citibank N.A. as Country Head, Operations & Technology for a brief period of time. Prior to joining BRAC Bank, Hossain was the COO in MetLife.
He graduated from Bangladesh University of Engineering and Technology in Electrical & Electronics Engineering and completed his MBA from North South University.
He will lead the Operations, Technology and the General Services functions of the bank.

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UCB Investment Limited

Mohammod Masud Rana FCA
Deputy Managing Director and CFO

Mohammod Masud Rana joined BRAC Bank Limited as Deputy Managing Director (DMD) and Chief Financial Officer (CFO) on October 01, 2019.
With more than 23 years of diversified experience of public accounting, textile, pharmaceutical and banking, Mr. Masud brings additional technical expertise and diversified corporate experience to the leadership team at BRAC Bank. He started his career with SF Ahmed & Co. before joining BEXIMCO Garments & Textile Division in 2001 as Finance Manager. In 2004, he moved to Sanofi-Aventis as Financial Controller. He started his stint with Standard Chartered Bangladesh (SCB) in 2006 as the Financial Controller. During his tenure with SCB, he eventually went on to assume the role of CFO in 2016. Prior to joining BRAC Bank, Mr. Masud was serving the role of CFO in Dhaka Bank Limited.
He is a Fellow Chartered Accountant of ICAB and completed his Honors and Masters in Accounting from University of Dhaka

Tareq Refat Ullah Khan
Deputy Managing Director and Head of Corporate Banking

Tareq Refat Ullah Khan joined BRAC Bank Limited as the Head of Credit Risk Management on March February 01, 2017. Later on March 30, 2017, he took over charges as the Head of Corporate Banking Division.
Mr. Tareq has around 20 years of professional exposure in banking industry in various capacities. He has started his career in 1996 with IFIC Bank Ltd and performed different roles there in various positions till 2003. He has also worked for AB Bank Ltd. Prior to Joining BRAC he was working for EBL as EVP and Head of Relationship in corporate Banking Division. Mr. Tareq was awarded "CEO" and "Chairman" Award by EBL for his consecutive outstanding performances. He has also attended numerous trainings/workshops/seminars on Credit Risk, Loan structuring, corporate structure, Leadership, International Trade etc. in Home and abroad namely Malaysia, Bahrain, Germany and Italy.
Mr. Tareq completed B.Com under University of Chittagong and M.Com in Marketing from the University of Dhaka. He also completed his MBA and Credit Risk Assessment by Omega Performance Corporation, UK.
Mr. Tareq Refat Ullah Khan brings in a wealth of Corporate Relationship & Risk Management experience to BRAC Bank Limited.

Chowdhury Moinul Islam
Deputy Managing Director and CAMLCO

Chowdhury Moinul Islam joined BRAC Bank on 20 June 2021 as its Deputy Managing Director and CAMLCO.

Moinul has over 30 years of experience in the banking industry. He started his career with American Express (AmEx) Bank as Manager Internal Control. Before joining BRAC Bank, he was working as the Executive Director and Head of Conduct and Financial Crime Compliance (CFCC) Advisory with Standard Chartered Bank (SCB) Bangladesh.

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Moinul joined SCB in 2005 and worked till 2016 before moving to the United States of America where he worked as an AML Business System Analyst at SunTrust Bank. Returning from the US, he joined back in SCB.

Moinul is a seasoned professional in the area of AML/CFT compliance, internal control and risk management. He is a member of the Association of Certified Anti Monet Laundering Specialists (ACAMS) and also has CAMS certification. He completed his graduation and masters in Accounting from the University of Dhaka.

Syed Abdul Momen
Deputy Managing Director and Head of SME

Syed Abdul Momen took over as the Head of SME Banking on July 13, 2017.
Syed Abdul Momen joined BRAC Bank in August 2005. He has 13 years of multifaceted experience in the Banking Sector primarily concentrating in Technology, Operations and Business Functions.
During the first 2 years in BRAC Bank, he restructured technology infrastructure and played a crucial role in the Core Banking Platform migration. In August 2007, Momen was posted in BRAC Afghanistan Bank as Chief Operating Officer (COO) on a 2 year secondment. During his tenure in Afghanistan, he looked after the bank's SME Business & expanded bank's network in three provinces. He has also contributed in the development of SME Banking Policies & Guidelines of Central Bank of Afghanistan.
After his return from Afghanistan in 2009, he joined BRAC Bank's SME Division and ran a special collection project, which was portfolio's prime concern. After successfully driving the countrywide collection initiative, he was appointed as the Head of Small Business in July 2010 and since then he is leading the industry's largest small business portfolio. His team was awarded Chairman's Excellence Award in 2012 for extraordinary business achievement.
Mr. Momen started his career in ANZ Grindlays Bank in 1999 where he played an instrumental role in the migration of Core Banking Platform in Middle East & South Asia region including Bangladesh, Jordan, Oman, Qatar, UAE, Bahrain, Nepal, Sri Lanka after the acquisition of Grindlays Bank's operation by Standard Chartered Bank. He was also instrumental in Standard Chartered Bank's IT service delivery & business process centralization Project.
Mr. Momen is a Computer Communications Graduate from Middlesex University, UK with distinction. During his 13 years of banking career, he attended numerous seminars, trainings and workshops in and out of country.

Md. Shaheen Iqbal, CFA
Deputy Managing Director and Head of Treasury & Financial Institutions

Md. Shaheen Iqbal, Head of Treasury and Financial Institutions, has been promoted to the position of Deputy Managing Director at BRAC Bank on April 1, 2022.

Mr. Iqbal has gained extensive experience in the arena of Treasury Management and Relationship Management with global and local counterparts over the course of his illustrious career.

His career at BRAC Bank began in 2004 as Manager, Asset Liability Management (ALM). He rose to the rank of Head of Treasury & Financial Institutions in 2014 by proving his mettle in

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the fields of foreign exchange, money market, capital market, asset liability management and relationship management with global & local financial institutions.

He started his career in BEXIMCO where he gained hands-on experience in the Textile Industry. Afterwards, his overture to the banking industry began in 1999 at Dutch Bangla Bank Limited where he honed his prowess in both branch banking and international trade.

Mr. Iqbal completed his B.Sc. in Mechanical Engineering from Bangladesh Institute of Technology, Chattogram (now CUET) and M.B.A. from Institute of Business Administration (IBA), University of Dhaka. He earned prestigious Chartered Financial Analyst (CFA) charter from CFA Institute, Virginia, USA. He is currently serving as the president of the CFA Society Bangladesh, a member society of CFA Institute, USA.

Brigadier General Md. Amin Akbar (Retd.)
Head of General Services

Brigadier General Md. Amin Akbar (Retired) is an accomplished Bangladesh Army officer who joined BRAC Bank as Head of General Services Division (GSD) on December 1, 2022.

Mr. Amin brings onboard his years of experience and expertise relevant to all four functional areas of General Services: Procurement, Infrastructure, Development & Maintenance (IDM), General Administration (GA), and Safety & Security. Regarding procurement, Mr. Amin was a member of the highest procurement body (GSPC) of the Bangladesh Army and comes with an in-depth understanding of procurement processes, tools and methods. As regards IDM, he has supervised functions of Military Engineering Services (MES) and other asset management agencies in the Army responsible for property acquisition and development, construction projects and maintenance functions.

Running General Administration and Safety & Security affairs is his forte, developed through years of supervising similar functions in the Army as a senior commander and staff officer. Mr. Amin is a multi-tasker and a proponent of cross-functional teamwork. He has mastery in stakeholder management and comes with professional networks in the security and intelligence community at different tiers of the government and administration.

Mr. Amin is an MBA (Major in Finance) from the University of Dhaka. Additionally, he earned two more master's degrees, one in Strategic Studies from the USA and another in Defense Studies from National University, Bangladesh. He was a top graduate of his Staff Course class at Mirpur Cantonment and earned a prestigious 'psc' symbol. He is also a US Army Command & General Staff College, Kansas, USA graduate. As a senior leader, he attended US Army War College, Pennsylvania and earned the 'ndc' symbol. Mr. Amin is an avid golfer and enjoys intellectual discourse

M. Sarwar Ahmed
Head of Internal Control and Compliance

M. Sarwar Ahmed is the Head of Internal Control and Compliance (HoICC) of BRAC Bank Limited.
Sarwar started his career with Arab Bangladesh Bank Limited (ABBL) in 1991 as a Probationary Officer (5th Batch). After serving there in various roles, he left ABBL to join the

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Premier Bank Limited in July 1999 and contributed significantly in organizing the formal opening of the Bank and later of its Agrabad Branch.
Sarwar joined BRAC Bank Limited on 1st January, 2002 as the Credit Manager- Retail. Later on, he served as Branch and Cluster Manager in two key branches - Motijheel & Gulshan for the period from 2003 to 2006. In June 2006, he organized and headed Impaired Assets Management of BRAC Bank and continued in this role up to 2010. He assumed the role of Head of SAM - SME & Retail in July 2010. In 2013, he briefly headed SME Collections before taking over his role of Head of Monitoring in July 2013. Sarwar also double hatted as Regional Head of Distribution from June 2017 to June 2018.
Sarwar has completed his B.A. and M.A. from University of Dhaka with distinction. He also attended a good number of professional trainings, workshops and seminars at home and abroad.

Nazmur Rahim
Head of Alternate Banking Channels

Nazmur Rahim joined BRAC Bank Limited on May 04, 2016. He took over as the Head of Retail Banking on January 01, 2017.
Mr. Nazmur has 19+ years of corporate experiences in different leading organizations. He began his career as a Management Trainee in ANZ Grindlays Bank Limited and later joined Standard Chartered Bank where he worked in different senior, mainly Retail Banking, capacities including the role of Head of Portfolio, Credit Cards and Consumer Transaction Banking. Prior to joining BRAC Bank Limited, Mr. Nazmur was Head of Cards Business at AB Bank Limited
He completed his BBA from Jahangirnagar University and MBA from Victoria University of Australia.

Ahmed Rashid Joy
Head of Credit Risk Management

Ahmed Rashid Joy joined BRAC Bank Limited as Head of Credit Risk Management (CRM) on October 01, 2019.
Rashid brings more than 20 years of diversified experience in the Bangladesh financial sector. He started his banking career as a Management Trainee with Eastern Bank (EBL) in 1999. In EBL, he worked in various positions in Credit Risk Management & Consumer Finance for 10 years. In 2009, he moved to SME Banking in EBL as the Head of Medium Business. In 2011, Rashid joined International Finance Corporation (IFC) as a Financial Market Specialist. In Advisory Services across South Asia, he led various sectorial projects in SME Banking, Weather Based Index Insurance, Risk Management & Agri-Finance in Bangladesh, Bhutan and Nepal.
In 2014, he joined Mutual Trust Bank (MTBL) as an EVP and Head of SME Banking. In 2015, Rashid joined IDLC Finance Ltd. as a General Manager and Head of the SME Division. At IDLC, he was also a nominated Director in IDLC Securities Ltd. and IDLC Investment Ltd.
He completed his Masters in Bank Management (MBM) in 1998 from Bangladesh Institute of Bank Management (BIBM)

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Md. Mahiul Islam
Head of Retail Banking

Md. Mahiul Islam joined BRAC Bank Limited as Head of Retail Banking on December 1, 2019. Mahi brings with him more than 20 years of banking experience, having started his career with Standard Chartered Bank, Bangladesh. At SCB, Mahi served in various roles, including, credit card services, card operations, employee banking, retail products & segments, marketing & service quality, etc. He has, at various times, held multiple roles in the SCB Retail Banking Division and has also headed the Country Brand and Marketing unit.
Mahi completed his BBA in Finance from Independent University Bangladesh.

Md. Muniruzzaman Molla
Head of Operations

Mr. Md. Muniruzzaman Molla joined BRAC Bank Limited as the Head of Operations on 23 October 2016.
Prior to joining BRAC Bank Limited, Mr. Munir was working as Head of Country Operations in Habib Bank Limited.
Mr. Munir started his career with ANZ Grindlays Bank in 1993 where he worked in branch operations and trade finance areas. Later, he joined Citibank N.A. in 2000 where he worked in different capacities of Head of Trade Operations, Treasury & FI Operations and Head of Cash Management Operations & Citi Service. Munir completed his B.S.S. and M.S.S. from University of Dhaka.

Akhteruddin Mahmood
Head of Human Resources

Akhteruddin Mahmood joined BRAC Bank as the Head of Human Resources on January 1, 2021.
Before joining BRAC Bank, Mahmood was the Group Head of Human Resources for four years at IDLC Finance Limited.
Mahmood has over 33 years of professional experience in various foreign and local multinational companies and large-scale sectors. He started his career in the Bangladesh Air Force (BAF) in 1987. Mahmood later worked for British American Tobacco Bangladesh and Nestlé Bangladesh. He was also the Head of Learning and Training at Nestlé South Asia, based in its Regional Head Office in Gurgaon, India.

Ekram Kabir
Head of Communications

Ekram Kabir joined BRAC Bank Limited as the Head of Communications and a member of Senior Management Team on 15th May, 2019.
Mr. Ekram Kabir is a Communications Professional, bringing to us more than 28 years of experience in Media, Journalism, Communications and CSR. He started his career with The Daily Star in 1991 before moving on to The Financial Express in 1993. In 2001, he moved to the digital media and joined Ekushey Television as Senior Editor. From 2004 to 2011, he served in the BBC in different capacities. After the BBC, he took over the Editorial role in "ICE Business Times". In 2013, he became Head of News in Ekattor TV. From 2014 to 2015, he

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served as Head of Programme in ABC Radio. Prior to joining BRAC Bank, he had been working in Robi Axiata for over four years and, latterly, was Vice President managing Media, Communications and Sustainability.
Mr. Ekram Kabir completed both M.A. and B.A. in English Literature from the University of Dhaka.

Sheikh Mohammad Ashfaque
Head of Branches

A trained MIT Sloan School of Management professional, Sheikh Mohammad Ashfaque is the newest member of the BRAC Bank Management team. With 16 years of banking experience in Large Corporate, Retail Banking and Distribution Network - Ashfaque was a Management Trainee of BRAC Bank and the first homegrown talent to reach the ManCom.
He joined the bank in 2006 and successfully performed in different roles in the capacity of a Branch Manager, a Cluster Manager, the Head of Corporate Branches and the Regional Head of Branch Banking. He is now the Head of Branches of 187 Branch Distribution Network, Premium Banking and Branch Corporate Team and currently looks after 1,800 people of BRAC Bank.
Once the nominated ambassador of BRAC Bank to the GABV (Global Alliance for Banking on Values) forum, Ashfaque received extensive leadership training of multiple rounds in four different member-countries of GABV. He is now an active alumnus of the GABV forum. Throughout his career, he has received numerous awards and recognitions for his noteworthy contribution to BRAC Bank.
Ashfaque is a graduate of the University of Dhaka and an MBA from North South University majoring in Finance. He is an avid Traveler and Netflix follower.

Barrister Rasheed Ahmed
Head of Legal and Recovery

Barrister Rasheed Ahmed joined BRAC Bank on September 19, 2010. Before joining BRAC Bank, Rasheed served as Legal Affairs Manager at Orascom Telecom Limited (Banglalink).
Rasheed has over 19 years of experience in corporate legal practices, having worked with some of the most reputed law chambers in the country, and multinational companies, such as Grameenphone Limited, LM Ericsson Bangladesh Limited and Huawei Technologies Bangladesh Limited.
Rasheed obtained LL.B (Hons) and LL.M degrees from the University of Rajshahi, Bangladesh, and an LL.B (Hons) degree from the University of Wolverhampton, UK. Furthermore, he went on to acquire Post Graduate Diploma in Law from the University of Northumbria, UK, and he was called to the bar at Lincoln's Inn UK. He is also a BIBM Bangladesh Certified Expert in Anti Money Laundering and Financial Crime.

Nurun Nahar Begum
Chief Technology Officer

Nurun Nahar Begum was appointed the Chief Technology Officer (CTO) of BRAC Bank from 01 January 2022.

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Nahar joined BRAC Bank in 2001. Before the appointment of CTO, she was the Head of Core Banking in the Technology Division of the bank. She has successfully performed multiple roles within the division and has contributed enormously towards building a strong technology infrastructure of the bank in the last two decades.

Apart from her core responsibilities, Nahar also heads "TARA" - BRAC Bank's Internal Women Forum that has played a pivotal role in establishing BRAC Bank as one of the most women-friendly banks in Bangladesh.

Nahar completed both her Honors and Masters in Finance and Banking from Dhaka University. She also completed a Post-Graduate Diploma in Bank Management & IT from BRAC University and a Diploma in Programming & Information Technology from BRAC Information and Technology Institute, Dhaka.

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10.07 Description of Assets & Liabilities

As per section 33 of Bank Company Act, 1991 (amended up to 2013), MPD circular No. 03 dated 09 April 2020 for Domestic Banking Operation (DBO) & BRPD circular No. 31 dated 18 June 2020 for Offshore Banking Operation (OBO) issued by Bangladesh Bank, BRAC Bank Limited has been maintaining 3.5% & 1.5% CRR on daily basis and 4.0% & 2.0% on bi-weekly basis for DBO & OBO respectively. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2022 is maintained on the basis of weekly ATDTL of October 2022), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.

Total Cash amount for BBL Group stands at BDT 31,871,593,250 and BDT 23,459,424,430 in 2022 and 2021 respectively. Total Cash amount for BBL Standalone it stands at BDT 31,776,214,097 and BDT 22,676,943,467 in 2022 and 2021 respectively.

Cash amount rose significantly for both group and solo categories in 2022.

ASSETS

Particulars (BDT)	Consolidated		Standalone	
	2022	2021	2022	2021
Cash:				
Cash In Hand (Including Foreign Currency)	11,918,067,777	9,207,161,626	11,822,688,624	8,424,680,663
Balance With BB & Its Agent Bank(S) (Including Foreign Currency)	19,953,525,473	14,252,262,804	19,953,525,473	14,252,262,804
Total Cash	**31,871,593,250**	**23,459,424,430**	**31,776,214,097**	**22,676,943,467**
Cash In Hand:				
Local Currency	11,836,218,828	9,166,408,109	11,740,839,675	8,383,927,146
Foreign Currency	81,848,949	40,753,517	81,848,949	40,753,517
Total Currencies:	**11,918,067,777**	**9,207,161,626**	**11,822,688,624**	**8,424,680,663**
Balance With BB And Its Agent Banks				
Local Currency	17,384,764,667	12,208,257,526	17,384,764,667	12,208,257,526
Foreign Currency	1,611,159,007	961,504,172	1,611,159,007	961,504,172
Sonali Bank As An Agent Of BB (Local Currency	957,601,799	1,082,501,106	957,601,799	1,082,501,106
Total Balance	**19,953,525,473**	**14,252,262,804**	**19,953,525,473**	**14,252,262,804**

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Particulars (BDT)	Consolidated		Standalone	
	2022	2021	2022	2021
Balance With Other Banks and Financial Institutions				
Inside BD	47,797,240,230	70,561,465,538	11,127,982,840	12,261,365,946
Outside BD	5,154,104,047	7,699,847,372	5,127,551,884	7,619,585,199
Balance Inside Bd				
In Current Deposit Accounts With: Banks	17,894,986,491	15,137,298,752	127,982,840	121,365,946
Less: Inter Unit/Company Elimination	3,743,224,457	3,578,641,104	-	-
In Fixed Deposit Accounts With: Banks	32,060,644,035	57,278,619,910	7,300,000,000	5,200,000,000
Non-Banking Financial Institutions (NBFIs)	3,700,000,000	6,940,000,000	3,700,000,000	6,940,000,000
Less: Inter Unit/Company Elimination	2,115,165,839	5,215,812,020	-	-
Total Balance at The End of The Year	**47,797,240,230**	**70,561,465,538**	**11,127,982,840**	**12,261,365,946**

BBL Group has increased their investment portfolio to BDT 116,551,993,858 in 2022 from BDT 70,068,593,304 in 2021. BBL has kept their most of their holdings in government securities.

Loans & Advances portfolio (solo) has expanded to BDT 410,676,406,960 in 2022 from BDT 321,212,230,987

in 2021. A major portion of loans & advances goes to Small to Medium Enterprises.

Particulars (BDT)	Consolidated		Standalone	
	2022	2021	2022	2021
Money At Call on Short Notice	**6,826,376,000**	**3,500,000,000**	**6,826,376,000**	**3,500,000,000**
Investments:	**116,551,993,858**	**70,068,593,304**	**64,287,682,264**	**51,590,814,842**
Government	107,319,008,486	60,998,642,835	56,637,669,673	44,051,798,178
Others	9,232,985,372	9,069,950,469	7,650,012,591	7,539,016,664
Loans & Advances	**412,084,750,584**	**322,135,188,439**	**410,676,406,960**	**321,212,230,987**
Loans, Cash Credit, Overdrafts Etc.	222,711,877,598	169,128,372,833	221,303,533,974	168,205,415,381
SMEs	187,247,111,913	150,749,009,625	187,247,111,913	150,749,009,625
*Bills Purchased & Discounted	2,125,761,073	2,257,805,981	2,125,761,073	2,257,805,981

*Bills purchased and discounted excludes bills purchased and discounted of small and medium enterprises (SME).

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Particulars (BDT)	Consolidated		Standalone	
	2022	2021	2022	2021
Loans, Cash Credit, Overdrafts Etc.:	**222,711,877,598**	**169,128,372,833**	**221,303,533,974**	**168,205,415,381**
Overdrafts	14,264,660,532	9,386,377,592	14,264,660,532	9,386,377,592
Demand Loans	93,550,846,726	63,339,447,043	93,550,846,726	63,339,447,043
Term Loans	101,066,162,683	84,980,045,030	101,066,162,683	84,980,045,030
Lease Receivables	488,267,689	823,850,563	488,267,689	823,850,563
Credit Cards	10,794,068,205	8,562,449,791	10,794,068,205	8,562,449,791
Staff Loans	1,152,911,527	1,123,591,696	1,139,528,139	1,113,245,362
Margin Loans	2,383,856,084	1,769,581,139	-	-
Less: Intercompany Elimination	988,895,848	856,970,021	-	-

Particulars (BDT)	Consolidated		Standalone	
	2022	2021	2022	2021
Fixed Assets:				
Land	527,275,400	527,275,400	527,275,400	527,275,400
Office Floor Space	20,855,926	20,855,926	4,034,334	4,034,334
Furniture & Fixture	2,387,318,002	2,336,543,136	2,170,822,095	2,140,914,382
Office Equipment	1,473,696,734	1,450,379,835	1,361,168,512	1,344,953,601
It Hardware	7,029,432,768	6,284,258,630	3,275,504,031	3,049,688,043
Motor Vehicles	650,117,297	504,714,769	422,497,790	354,296,880
Leasehold Improvements	157,107,776	134,421,114	-	-
Right Of Use Assets (ROU)	7,299,267,882	6,448,373,021	6,103,024,179	5,489,602,469
Capex Work in Progress	584,054,423	585,568,883	207,119,223	251,206,514
IT Software (Finite Useful Lives)	7,542,139,410	6,081,922,651	2,800,445,366	2,322,117,221
Total Cost	**27,671,265,618**	**24,374,313,365**	**16,871,890,930**	**15,484,088,844**
Accumulated Depreciation & Amortization	14,207,751,270	11,540,143,941	9,092,544,237	8,029,221,445
Written Down Value At 31 December	**13,463,514,348**	**12,834,169,424**	**7,779,346,693**	**7,454,867,399**

Other Assets include income generating and non-income generating categories. Major portion lies in non-income.

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Other Assets stands at BDT 20,803,842,677 (group) and BDT 25,626,075,864 (solo) in 2022 and BDT 16,222,224,464 (group) and BDT 22,763,775,341 (solo) in 2021.

Particulars (BDT)	Consolidated		Standalone	
	2022	2021	2022	2021
Others Assets (Income & Non-Income Generating)	**20,803,842,677**	**16,222,224,464**	**25,626,075,864**	**22,763,775,341**
Income Generating:	**3,935,576,746**	**2,856,477,744**	**17,506,882,843**	**16,017,856,195**
Interest Receivables	3,811,701,206	2,721,178,635	3,811,701,206	2,721,178,635
Dividend Receivables	69,353,683	35,919,830	69,353,683	35,919,830
Investment In Subsidiary	-	-	13,571,306,097	13,161,378,451
Investment/Carrying Value In Associates	21,206,835	21,115,234	21,206,835	21,115,234
Investment In Swift Share	8,083,464	8,083,464	8,083,464	8,083,464
Prepaid Interest Expenses On IFFD	2	24,511,806	2	24,511,806
Receivables Against Sanchayapatra	22,879,838	44,502,037	22,879,838	44,502,037
Balance With BRAC EPL Stock Brokerage Limited	2,351,718	1,166,738	2,351,718	1,166,738
Non-Income Generating:	**16,868,265,931**	**13,365,746,720**	**8,119,193,021**	**6,749,128,070**
Stock Of Stamps	49,971,414	48,826,086	49,971,414	48,826,086
Stock Of Security Stationery	40,311,581	47,369,961	40,311,581	47,369,961
Stock Of Printing Stationery	14,557,854	12,007,770	14,557,854	12,007,770
Advance To Staff	7,503,770	6,617,457	7,503,770	6,617,457
Advance To Supplier	30,635,256	30,451,912	9,170,157	24,933,886
Advance Value Added Tax	5,858,631	4,370,000	5,858,631	4,370,000
Advance To SME Unit Offices	1,308,690	1,308,690	1,308,690	1,308,690
Advance Against Office Rent	72,000,795	68,234,617	72,000,795	68,234,617
Advance Security Deposit	16,571,559	13,362,635	12,103,651	12,103,651
Receivables From Bits	154,857,249	187,859,621	154,857,249	187,859,621
Deferred Revenue Expenditure	231,241,555	173,250,448	231,241,555	173,250,448
Deferred Tax Asset	6,411,981,091	5,233,012,588	4,769,561,708	4,147,255,591
Receivable Settlement Account-OBU/DBU	-	11,166	-	11,166
Net Plan Assets - Employees' Gratuity Fund	132,156,493	127,281,040	132,156,493	127,281,040

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Other Receivables	2,618,589,473	1,887,698,086	2,618,589,473	1,887,698,086
Other Assets Of Subsidiaries	7,080,720,520	5,524,084,643	-	-

Particulars (BDT)	Consolidated		Standalone	
	2022	2021	2022	2021
Non-Banking Assets:	**11,341,700**	**4,541,700**	**11,341,700**	**4,541,700**
Goodwill:	**1,372,563,393**	**1,427,468,911**	N/A	N/A
BRAC EPL Investments Ltd	246,289,821	246,289,821	N/A	N/A
BRAC EPL Stock Brokerage Ltd	1,126,273,572	1,126,273,572	N/A	N/A
BRAC EPL Saajan Exchange Ltd	-	54,905,518	N/A	N/A

LIABILITIES

Borrowings From Other Banks, FIs & Agents (solo) have increased to BDT 38,685,377,271 in 2022 from BDT 24,134,564,025 in 2021. **Borrowings from BB & Government Agencies (solo)** have also rose to BDT 42,184,501,809 in 2022 from BDT 23,175,903,824 in 2021.

Deposit Balance (solo) has expanded to BDT 384,466,775,242 in 2022 from BDT 314,590,914,520 in 2021. Significant portion comes from Term Deposits.

Particulars (BDT)	Consolidated		Standalone	
	2022	2021	2022	2021
Borrowings From Other Banks, FIs And Agents:	38,908,810,526	24,150,953,707	38,685,377,271	24,134,564,025
Inside BD	207,944,839	429,000,000	-	429,000,000
Outside BD	38,700,865,687	23,721,953,707	38,685,377,271	23,705,564,025
Borrowings From BB & Government Agencies:	**42,184,501,809**	**23,175,903,824**	**42,184,501,809**	**23,175,903,824**
BB - Export development fund (EDF)	16,168,162,980	9,124,444,403	16,168,162,980	9,124,444,403
SME Foundation pre finance	506,077,187	817,222,000	506,077,187	817,222,000
BB - Long term financing facility (LTFF)	785,064,454	763,079,166	785,064,454	763,079,166
BB - Green transformation fund (GTF)	232,733,347	261,070,057	232,733,347	261,070,057

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BB - Stimulus fund	55,370,628	387,594,399	55,370,628	387,594,399
BB - Working capital stimulus fund	1,514,040,573	528,491,391	1,514,040,573	528,491,391
BB - PSC stimulus package	1,367,527,000	45,242,000	1,367,527,000	45,242,000
BB - Refinancing for green initiatives	30,000,000	40,000,000	30,000,000	40,000,000
BB - SME re-finance	21,370,475,640	11,108,860,408	21,370,475,640	11,108,860,408
Joyeeta foundation pre or re-finance	155,050,000	99,900,000	155,050,000	99,900,000
Deposits & Other Accounts:	**447,058,816,329**	**364,329,900,482**	**384,466,775,242**	**314,590,914,520**
Current accounts and other accounts	187,855,608,325	164,417,743,536	123,148,401,399	109,462,945,554
Bills Payable	1,739,503,614	2,367,889,416	1,739,503,614	2,367,889,416
Savings Deposits	71,890,957,598	68,334,576,200	71,890,957,598	68,334,576,200
*Term Deposits	182,973,780,522	127,956,809,129	185,088,946,361	133,172,621,149
Other Deposits	2,598,966,270	1,252,882,201	2,598,966,270	1,252,882,201

*Term deposits include the deposit pension scheme (DPS).

Particulars (BDT)	Consolidated		Standalone	
	2022	2021	2022	2021
Other Liabilities:	**42,004,580,813**	**39,308,075,071**	**34,760,769,207**	**32,763,271,381**
Provision for loans and advances	14,602,789,573	13,213,625,459	13,390,953,803	11,994,520,290
Special general provision Covid-19	784,207,224	784,207,224	784,207,224	784,207,224
Provision for interest receivable from loan	20,676,127	13,457,003	20,676,127	13,457,003
Provisions for off balance sheet Items	911,486,554	706,746,134	911,486,554	706,746,134
Provision for diminution in value of investments	34,119,549	13,580,119	34,119,549	13,580,119
Provision for other assets	247,263,926	234,820,125	247,263,926	234,820,125
Provision against non-banking assets	6,800,000	-	6,800,000	-
Interest suspense	1,710,681,546	1,637,871,114	1,710,681,546	1,637,871,114
Withholding tax payable	546,837,799	201,214,386	546,837,799	201,214,386
VAT payable	231,322,683	208,608,833	231,322,683	208,608,833

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Excise duty payable	329,663,279	262,341,336	329,663,279	262,341,336
Provision for taxation net off AIT	5,448,621,002	5,920,521,742	4,144,359,024	5,021,558,503
Deferred tax liability	347,178,871	377,334,278	1,696,104,735	1,680,555,555
Interest payable on borrowings	733,123,758	331,043,315	733,123,758	331,043,315
Accrued expenses	4,781,984,329	5,337,303,430	1,367,743,072	2,108,043,731
CSR Fund (FX gain)	188,198,573	-	188,198,573	-
Share subscription - IPO (refund warrant)	273,606	229,509	273,606	229,509
Payable to off-shore banking unit	4	-	4	-
Unclaimed and undistributed dividend	11,588,296	9,676,218	11,588,296	9,676,218
Suppliers payable	162,427,092	125,946,941	162,427,092	125,946,941
Leased liabilities as per IFRS 16	4,465,075,566	4,085,484,681	3,861,470,127	3,603,554,604
Payable against exchange houses	60,200	100	60,200	100
Payable against insurances	6,260,997	6,155,625	6,260,997	6,155,625
Payable against proxy account	1,366,816	206,092	1,366,816	206,092
Payable against SWIFT charge	27,144,741	1,716,000	27,144,741	1,716,000
Start-up Fund	158,509,361	100,877,625	158,509,361	100,877,625
Other payables	4,188,126,315	3,716,340,999	4,188,126,315	3,716,340,999
Other liabilities of subsidiaries	2,058,793,026	2,018,766,783	-	-

10.08 Description of Previously Issued Debt and/or Securities

Description of Debt Securities:

Year	Bond	Tenor (years)	Issue Amount at Face Value	Redemption	Outstanding
2010	Subordinated 25% Convertible Bond Issue of BRAC Bank Ltd. With qualification as Tier 2	7 Years	BDT 300 Crores	Fully Redeemed	-
2022	Affordable Housing Bond	5 Years	BDT 600 Crores	Not Fully Redeemed	BDT 475.1 Crores

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Affordable Housing Bond Term Sheet:

Issuer	**BRAC Bank Limited (BBL)**
a. Basic Features of the Instrument	
The Issue	Non-Convertible Fixed Coupon Senior Bond of BRAC Bank Limited (BBL)
Investor	Part A Bonds: International investors, Part B Bonds: Banks, Corporate Houses, Insurance Companies, NBFI's,Asset Management Firms, Mutual Funds, Merchant Banks, Non-residentBangladeshis and individuals and High Net Worth Individuals etc.
Arrangement Basis	Best Efforts / Strictly Non-Underwritten
Purpose	To provide housing financing facility, including affordable housing to lower- and middle-income group
Currency	Bangladeshi Taka (BDT)
Face Value of each bond	BDT 1,000,000.00
No. of Bonds in Each Lot	1
Number of tranches	Part A Bonds: Up to 2 Part B Bonds: Up to 3
Denomination:	Denomination of each lot of bonds is indicated at BDT 1,000,000.00 Face Value
Total no. of Lots	Up to 6,000
Mode of Placement:	Private Placement
Maturity:	5 years from the Issue/Subscription date for the relevant tranche
Governing Law:	Part A Bonds: English Law (other than any clauses of the Trust Deed relating to the creation of trust under the Trust Deed as required under Bangladesh law which shall be governed accordingly) Part B Bonds: The laws of The People's Republic of Bangladesh
Security:	Unsecured
Form:	Registered
Listing:	Unlisted
Documentation / Transaction Documents	• Trust deed • Part A Subscription Agreement (with respect to the Part A Bonds) and Part B Subscription Agreement (with respect to the Part B Bonds) • Information Memorandum • Terms and Conditions (with respect to each of the Part A Bonds, and the Part B Bonds) • Any other instrument(s) relating to such transaction
Conditions Precedent:	As more particularly detailed in Part A Subscription Agreement (with respect to the Part A Bonds) and Part B Subscription Agreement (with respect to the Part B Bonds), including without limitation: (i) applicable authorizations being obtained by the Issuer, (ii) receipt by relevant subscriber of appropriate legal opinions from external counsel, (iii) required insurance policies being entered into, (iv) compliance with environmental and social action plan, and other environmental and social requirements and (v) agreement on parameters of certain on-going financial covenants.

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Tanzim Alamgir
Managing Director & CEO
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Trustee	Part A Bonds Trustee: IDLC Investments Limited Part B Bonds Trustee: IDLC Investments Limited Agent: IDLC Finance Limited
Legal Counsel	A Rahman and Associates
b. Coupon Rate	Fixed 5.50% p.a.
c. Coupon Frequency	Semi-annual
d. Transferability /Liquidity	Freely transferable
e. Prepayment, Call, Refunding, Conversion features	No voluntary prepayment/call option or conversion.
f. Late Redemption	The Issuer shall pay a late payment penalty of 2% (two per cent) above the coupon rate on any late redemption amount (including principal, coupon or fees) and be payable on the amount not paid on the due date up until the date of actual payment, unless otherwise provided in the Part A Subscription Agreement (with respect to the Part A Bonds) or the Part B Subscription Agreement (with respect to the Part B Bonds).
g. Credit Rating Trigger	In the event the credit rating of any Part A or Part B Bond tranche is downgraded by 2 notches (the "Rating Downgrade") from the rating applicable at the date of issuance of the same bonds in accordance with the Part A Subscription Agreement or Part B Subscription Agreement, as applicable (the "Initial Coupon Rate"), the coupon rate of such Part A Bond or Part B Bond, as applicable, tranche shall be subject to a risk premium of 0.25% p.a. above the Initial Coupon Rate with respect to any coupon payable following the date of the Rating Downgrade.
h. Tax Features	As per applicable law and transaction documents with respect to the Part A and Part B Bonds
i. Aggregate Cost related to the issue of the Part A and Part B Bonds	Total of Arrangement fee, "Trustee, Paying Agent, Registrar, Transfer Agent fee," (for 5 years), Bond Rating fee & Legal Counsel Fee, Other fees: BDT 28,200,000.00 (approx.) Application Fee to BSEC: BDT 10,000 Consent Fee to BSEC: 0.10% on the total face value
j. Repayment Schedule	Bullet, at final maturity of the relevant Bond tranche. For details, please see clause 16 at page 56.
k. Enforcement of Charges over securities	IDLC Investments Limited in its separate capacities as Trustee for the Part A and Part B Bonds may at its discretion take proceedings against the Issuer to enforce the obligations of the Issuer under the Trust Deed with respect to the relevant Bonds, provided that the Trustee shall not be under any obligation to do any of the foregoing unless it shall have been so requested in writing by the corresponding Bondholders (except for matters expressly stated as requiring a Resolution in the Trust Deed) or shall have been so directed by a Resolution (as further set out in the Trust Deed with respect to such Bonds).

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Convertible, Subordinated Bond Term Sheet:

Issuer:	BRAC Bank Limited
Purpose:	To raise Tier 2 Capital and undertake normal commercial banking activities with the proceeds as permitted by the Bangladesh Bank
Lead Arranger:	RSA Capital Limited
Issue Manager:	IDLC Finance Limited
Trustee:	The City Bank Limited
Investors:	90% of the total issue size shall be offered to institutional investors including onshore and offshore investors and the remaining 10% shall be offered to public through offering.
Issue Size:	BDT 3,000,000,000 (Bangladesh Taka Three Billion)
Issue Type:	Subordinated Convertible Bond Issue ("Bond") of BRAC Bank Ltd with qualification as Tier 2 capital.
Tenor:	84 months from the date of issue, bullet repayment
Face Value:	Each Bond will have a Face Value of BDT 1,000 (One Thousand)
Market Lot:	Each Market Lot will consist of 5 (five) bonds each with a Face Value of BDT 1,000 (One Thousand)
Listing Size:	Public Listing of BDT 3,000,000,000 Subordinated Convertible Bond in the ratio of 90:10 for private placement and repeat public offerings, respectively in DSE and CSE.
Reference Rate:	The Reference Rate is the latest 182-days Bangladesh Government T-Bill as published on Bangladesh Bank website or other sources of publication. "Quotation Day" means, in relation to any period for which an interest rate is to be determined, 5 business days before the first day of that period. If a Reference Rate is not available on the Quotation Day, the Trustee will be entitled to apply a Treasury Bill rate with the next lower maturity: or if such a rate is unavailable then the Issuer shall negotiate in good faith with the Trustee (upon request of the Investors) in order to arrive at a mutual agreement upon the applicable interest rate and period of interest for the Facility. Such determination thereof shall be conclusive and binding on the Issuer.
Interest Margin above the Reference Rate for the Issue:	Margin is 6.50% determined during the book building exercise and market conditions as the precise time of issuance.
Interest Floor:	The Interest Margin plus the Reference Rate will be set at 12.50% (the Interest Floor) at all times.
Interest Payment Dates:	(i) Interest on the "Bond" is to be paid semi-annually on the interest payment dates. The interest payment dates currently are determined as 15th October and 15th April during the tenor of the facility. Interest payment will be calculated on the actual number of days over a 360-day (year

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	of twelve 30-day month) basis and will be payable semi-annually.
Interest Period:	A 180-day period between an Interest Payment and the date falling immediately prior to the next occurring Interest Payment Date.
Principal Payment and Principal Payment Date:	Full Principal Payment, minus the converted portion of the bond (if any), will be in the form of a single bullet payment at the end of maturity in the event the Investors decide not to convert into common shares for the eligible convertible portion. Principal Payment Date will be the date of maturity of the Bond 84 months after the date of issue of the Bond to the Investors:
Conversion Option:	The Investor at the predetermined Principal Payment Dates of the Bond reserve the night and option to convert 25% of the Face Value of the Bond at a pre-determined Conversion Strike Price into the common shares of BRAC Bank Ltd. However, conversion is not mandatory.
Conversion Date:	The Conversion Date is the same date will be 5th, 6th & 7th anniversary of Bond issuance date.
Conversion Strike Price:	The Conversion Strike Price is the predetermined conversion price of the available convertible portion of the bond. **Conversion Strike Price** = Conversion Multiplex NAV per share as per last audited financial statements of the Bank **Conversion Multiple** = (Daily average market price of the immediate previous 6 months average market price of BRAC Bank shares in the Dhaka Stock Exchange, prior to signing date of the transaction) / (NAV per share as per last audited financial statements of the Bank prior to signing date of the transaction) = 1.70
Conversion Method:	i. 5% of issue sire at the 5th Year at the above mentioned pre-determined multiple of book value of the **immediately available last audited book value of BRAC Bank.** **Converted Face Value** = 5% of the Face Value of the bonds held by the bondholders ii. 10% of issue size at the 6th Year at the above mentioned pre-determined multiple of book value of the immediately available last audited book value of BRAC Bank **Converted Face Value** = 10% of the Face Value of the bonds hold by bondholders iii. 10% of issue size at the 7th Year at the above mentioned pre-determined multiple of book value of the immediately available last audited book value of BRAC Bank.

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	Converted Face Value = 10% of the Face Value of the bonds held by bondholders In the event of Conversion, the Investors will receive exactly the amount of shares as determined by dividing Face Value by Conversion Strike Price for determining the number shares to be received in each Investor. Fractional amount of shares will be paid in cash at existing market price. **Converted No. of Shares** = [Converted Face Value]/[Converted Strike Price]
Conversion Right:	The right of a bondholder to convert 25% of the principal amount of any bond held by himself herself into shares is called Conversion Right. A Conversion Right may only be exercised if in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the relevant percentage of the aggregate principal amount of the Bonds to be converted.
	The Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof as at the 42nd business day prior to each Conversion Date, during the period commencing 40 business days prior to such Conversion Date up to the close of business on the twentieth business day prior to such Conversion Date. The Trustee shall notify the Bondholders in accordance with not less than 2 business days prior to start of each Conversion Period of the commencement date and the final date of such Conversion Period.
Conversion Notice:	All notices are validly given if: (i) mailed to the Bondholders at their respective addresses in the Registers: (ii) published for three consecutive days in one English newspaper and one Bengali newspaper, each having wide circulation in Bangladesh; (iii) emailed to the Bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the Bondholders or published for three consecutive days in a leading newspaper as aforesaid. Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications.

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BRAC BANK

Description of Equity Securities:

	Date of Allotment	Cash Dividend	Number of Shares Issued		Amount of Shares Capital (BDT)	Total Paid upCapital (Cumulative)
			Bonus Shares	Subscription		
First (Subscription tothe Memorandum & Articles of Association) at the time of Incorporation	20-May-99	-	-	2,000,000	200,000,000	200,000,000
BRAC (subscription)	7-Jun-01	-	-	500,000	50,000,000	250,000,000
BRAC (subscription)	28-Dec-03	-	-	674,500	67,450,000	317,450,000
ShoreCap International Ltd.	15-Jan-04	-	-	875,700	87,570,000	405,020,000
International Finance Corporation	2-Sep-04	-	-	949,800	94,980,000	500,000,000
IPO	20-Dec-06	-	-	5,000,000	500,000,000	1,000,000,000
Bonus 20%	15-Jul-07	-	2,000,000	-	200,000,000	1,200,000,000
Bonus 10%	27-Apr-08	-	1,200,000	-	120,000,000	1,320,000,000
Right Share 20%	30-Aug-08	-	-	2,640,000	264,000,000	1,584,000,000
Bonus Share 30%	2-Jul-09	-	4,752,000	-	475,200,000	2,059,200,000
Bonus Share 30%	11-Apr-10	-	6,177,600	-	617,760,000	2,676,960,000
Bonus Share 20% &Cash 10%	31-Mar-11	267,696,000	5,353,920	-	535,392,000	3,212,352,000
Bonus Share 20%	5-Apr-12	-	64,247,040	-	642,470,400	3,854,822,400
Bonus Share 15%	26-May-13	-	57,822,336	-	578,223,360	4,433,045,760
Bonus Share 10% and Cash 10%	24-Apr-14	443,304,576	44,330,457	-	443,304,570	4,876,350,330
Right share 50%	6-Jun-14	-	-	221,652,288	2,216,522,880	7,092,873,210

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11. AUDITED FINANCIAL STATEMENTS OF THE ISSUER

Particulars	2021	2022
BRAC Bank Limited Standalone Balance Sheet		
Cash:	**22,676,943,467**	**31,776,214,097**
In hand	8,424,680,663	11,822,688,624
Balance w/ BB & its agents	14,252,262,804	19,953,525,473
Balance With Other Banks & FIs:	**19,880,951,145**	**16,255,534,724**
In Bangladesh	12,261,365,946	11,127,982,840
Outside Bangladesh	7,619,585,199	5,127,551,884
Money At Call or Short Notice	**3,500,000,000**	**6,826,376,000**
Investments	**51,590,814,842**	**64,287,682,264**
Government	44,051,798,178	56,637,669,673
Others	7,539,016,664	7,650,012,591
Loans & Advances	**321,212,230,987**	**410,676,406,960**
Loans, cash credit, O/D	168,205,415,381	221,303,533,974
Small & Medium Enterprises	150,749,009,625	187,247,111,913
Bills Purchase & Discounted	2,257,805,981	2,125,761,073
Fixed Assets	**7,454,867,399**	**7,779,346,693**
Other Assets	**22,763,775,341**	**25,626,075,864**
Non-Banking Assets	**4,541,700**	**11,341,700**
Total Assets	**449,084,124,881**	**563,238,978,302**
Borrowings From Other Banks	**24,134,564,025**	**38,685,377,271**
Borrowings From Central Bank	**23,175,903,824**	**42,184,501,809**
Convertible Subordinated Bond	**-**	**-**
Affordable Housing Bond	**-**	**4,751,000,000**
Call Money	**-**	**-**
Deposits & Other Accounts	**314,590,914,520**	**384,466,775,242**

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Current & Other A/C	109,462,945,554	123,148,401,399
Bill Payables	2,367,889,416	1,739,503,614
Savings Deposits	68,334,576,200	71,890,957,598
Term Deposits	133,172,621,149	185,088,946,361
Fixed Deposits	-	-
Bearer Certificate of Deposits	-	-
Other Deposits	1,252,882,201	2,598,966,270
Total Interest Bear Liabilities	**-**	**-**
Other Liabilities	**32,763,271,381**	**34,760,769,207**
Non-Controlling Interest	-	-
Total Liabilities	**394,664,653,750**	**504,848,423,529**
Total Shareholder's Equity	**54,419,471,131**	**58,390,554,773**
Paid up capital	13,921,723,990	14,965,853,280
Share premium	3,853,767,032	3,853,767,032
Statutory Reserve	10,067,956,958	11,112,086,248
General Reserve	-	-
Asset Revaluation reserve	-	-
Revaluation Reserve on Government Securities	2,490,292,927	1,337,245,165
Exchange Equalization reserve	-	-
Other Reserve	-	-
Share Money Deposit	-	-
Preference Shares	-	-
Dividend Equalization Reserve	355,218,455	355,218,455
Reserve Against Pre-Takeover Loss	-	-
Fair value Gain/(Loss) On Equity Investment	7,384,920,564	7,643,913,224
Pre-Takeover Loss	-	-
Reserve for Amortization of Held to Maturity Securities	-	-
Reserve for Revaluation of Held for Trading Securities	-	-
Reserve on Other Investment	-	-
Reserve for Building Fund	-	-
Reserve for Non-Banking Assets	-	-
Currency Translation Adjustment	15,729,653	323,536,914

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Other Adjustments	-	-
Surplus in P&L Account/Retained Earnings	16,329,861,552	18,798,934,455
Total Liabilities & Shareholders' Equity	**449,084,124,881**	**563,238,978,302**
Net Asset Value (NAV) Per Share	**36.36**	**39.02**

Particulars	**2021**	**2022**
BRAC Bank Limited **Standalone Income Statement**		
Interest Income	21,586,220,747	28,462,101,118
Interest Expense	(7,589,298,326)	(13,227,359,203)
Net Interest Income:	**13,996,922,421**	**15,234,741,915**
Investment Income	5,780,677,077	5,184,549,425
Commission & Brokerage	3,440,196,921	5,884,319,986
Other Operating Income	146,093,679	267,298,708
Total Operating Income (A)	**23,363,890,098**	**26,570,910,034**
Total Operating Expenses: (B)	**12,419,996,278**	**15,441,661,114**
Salaries & Allowances	6,625,995,876	8,151,587,989
Rent, Insurance etc.	473,700,396	507,158,511
Legal Expenses	33,352,689	30,384,953
Postage, Stamp	222,631,352	308,505,338
Stationary, Printing	221,634,405	396,662,334
MD's Salary	19,424,250	24,471,250
Directors' Fees	2,437,600	2,552,000
Auditor's Fees	1,840,000	1,840,000
Depreciation	2,191,026,040	2,304,559,343
Others	2,627,953,670	3,713,939,396
Profit Before Provision (C = A – B)	**10,943,893,820**	**11,129,248,920**
Provisions for Loans/Advances: (D)	**3,054,342,261**	**2,190,388,484**
Loans & Advances	2,810,975,910	1,945,536,063
Provisions For Off Balance Sheet	251,500,000	204,740,420
Provision For Value Diminution	(74,000,000)	20,539,430
Other Provisions	65,866,351	19,572,571
Profit Before Tax (E = C – D)	**7,889,551,559**	**8,938,860,436**
Provisions For Tax: (F)	**2,342,620,995**	**3,175,686,863**

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Current Tax	3,467,399,481	3,765,699,754
Deferred Tax	(1,124,778,486)	(590,012,891)
Net Profit After Tax (E – F)	**5,546,930,564**	**5,763,173,573**
Earnings Per Share (EPS)	**3.71**	**3.85**

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Particulars	2021	2022
BRAC Bank Limited **Standalone Cashflow Statement**		
A. Cash Flows from Operating Activities		
Interest Receipts in Cash	27,105,416,678	31,508,895,124
Interest Payment	(8,504,508,879)	(10,508,367,195)
Dividend Receipts	174,618,013	232,498,460
Fees And Commission Receipts in Cash	3,440,196,921	5,884,319,987
Recoveries On Loans Previously Written Off	707,517,594	809,572,845
Cash Payments to Employees	(6,597,572,669)	(8,135,922,799)
Cash Payments to Suppliers	(480,845,623)	(680,215,058)
Income Tax Paid	(2,557,956,724)	(4,642,899,233)
Receipts From Other Operating Activities	710,776,014	1,033,184,962
Payment For Other Operating Activities	(3,597,592,564)	(5,385,487,007)
Operating Cash Flow Before Changes in Operating Assets & Liabilities (I)	***10,400,048,761***	***10,115,580,086***
Increase/(Decrease) In Operating Assets and Liabilities		
Loans And Advances	(48,149,037,787)	(89,464,175,973)
Other Assets	(400,388,462)	(524,779,722)
Borrowings From Other Banks and Financial Institutions	11,942,273,035	33,559,411,231
Proceeds From Issuance of Affordable Housing Bond	-	4,751,000,000
Deposits From Customers	26,460,328,428	67,558,949,157
Other Liabilities	912,507,742	(996,961,563)
Cash Utilized in Operating Assets and Liabilities (II)	***(9,234,317,044)***	***14,883,443,130***
Net Cash Flows from Operating Activities (I + II) (A)	**1,165,731,717**	**24,999,023,216**
B. Cash Flows from Investing Activities		
Treasury Bills	170,075,754	(422,721,002)
Treasury Bonds	15,284,380,330	(13,316,198,255)

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Investment In Shares	(1,107,182,775)	(520,995,927)
Sale/(Investment) In Bonds	642,282,917	410,000,000
Acquisition Of Fixed Assets	(2,955,859,632)	(2,118,856,350)
Disposal Of Fixed Assets	601,254,376	17,653,002
Net Cash Used in Investing Activities (B)	**12,634,950,970**	**(15,951,118,532)**
C. Cash Flows from Financing Activities		
Proceeds From Issue of Convertible Preference Shares	-	-
Proceeds From Issue of Ordinary Shares	-	-
Cash Dividend Paid	(1,383,245,433)	(1,042,217,221)
Net Cash Flows from Financing Activities (C)	**(1,383,245,433)**	**(1,042,217,221)**
Net Increase/(Decrease) In Cash (A + B + C)	**12,417,437,254**	**8,005,687,463**
Cash And Cash Equivalents at The Beginning of The Year	**33,603,286,202**	**46,059,175,412**
Effect Of Exchange Rate Changes on Cash and Cash Equivalent	38,451,956	794,789,846
Cash And Cash Equivalents at The End of The Year	**46,059,175,412**	**54,859,652,721**
Cash And Cash Equivalents at The End of The Year:	**46,059,175,412**	**54,859,652,721**
Cash In Hand (Including Foreign Currency)	8,424,680,663	11,822,688,624
Balance With Bangladesh Bank and Its Agents Bank(S) (Including Foreign Currency)	14,252,262,804	19,953,525,473
Balance With Other Banks and Financial Institutions	19,880,951,145	16,255,534,724
Money At Call on Short Notice	3,500,000,000	6,826,376,000
Prize Bond	1,280,800	1,527,900
Net Operating Cashflow Per Share (NOCFPS)	**0.78**	**16.70**

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BRAC Bank Limited
Standalone Statement of Changes in Equity 2022

Particulars	Paid Up Capital	Share Premium	Statutory Reserve	Dividend Equalizer Reserve	Revaluation Reserve on Gov Securities	Foreign Currency Translation Reserve	Fair Value Gain/(Loss) On Equity Investments	Retained Earnings	Total
Balance as at 01 January 2022	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	15,729,653	7,384,920,564	16,329,861,552	54,419,471,131
Surplus/Deficit on A/C of revaluation of assets	-	-	-	-	-	-			-
Surplus/Deficit on A/C of revaluation of investments	-	-	-	-	(1,153,047,762)	-			(1,153,047,762)
Changes in Translation Reserve	-	-	-	-	-	307,807,261			307,807,261
Changes in OCI Reserve for investments in subsidiaries & associates	-	-	-	-	-	-	258,992,660		258,992,660
Actuarial gain/(loss)	-	-	-	-	-	-		(104,081,055)	(104,081,055)
Sub Total	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	1,337,245,165	323,536,914	7,643,913,224	16,225,780,497	53,729,142,235
Net Profit for the Year	-							5,763,173,573	5,763,173,573
Dividends for the Year 2021:									-
Stock Dividend	1,044,129,290							(1,044,129,290)	-
Cash Dividend								(1,044,129,299)	(1,044,129,299)
Start-up Fund								(57,631,736)	(57,631,736)
Statutory Reserve			1,044,129,290					(1,044,129,290)	-
Balance as at 31 December 2022	14,965,853,280	3,853,767,032	11,112,086,248	355,218,455	1,337,245,165	323,536,914	7,643,913,224	18,798,934,455	58,390,554,773

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

BRAC Bank Limited
Standalone Statement of Changes in Equity 2021

Particulars	Paid Up Capital	Share Premium	Statutory Reserve	Dividend Equalizer Reserve	Revaluation Reserve on Gov Securities	Foreign Currency Translation Reserve	Fair Value Gain/(Loss) On Equity Investments	Retained Earnings	Total
Balance as at 01 January 2021	**13,258,784,760**	**3,853,767,032**	**9,405,017,728**	**355,218,455**	**4,805,926,053**	**(13,641,635)**	**1,131,197,846**	**13,680,255,527**	**46,476,525,766**
Changes in Accounting Policy	-	-	-	-	-	-	-	-	
Restated Balance	**13,258,784,760**	**3,853,767,032**	**9,405,017,728**	**355,218,455**	**4,805,926,053**	**(13,641,635)**	**1,131,197,846**	**13,680,255,527**	**46,476,525,766**
Surplus/Deficit on A/C of revaluation of assets	-	-	-	-					-
Surplus/Deficit on A/C of revaluation of investments	-	-	-	-	(2,315,633,126)				**(2,315,633,126)**
Changes in Translation Reserve	-	-	-	-		29,371,288			**29,371,288**
Changes in OCI Reserve for investments in subsidiaries & associates	-	-	-	-			6,253,722,718		**6,253,722,718**
Actuarial gain/(loss)	-	-	-	-				(144,689,978)	**(144,689,978)**
Sub Total	**13,258,784,760**	**3,853,767,032**	**9,405,017,728**	**355,218,455**	**2,490,292,927**	**15,729,653**	**7,384,920,564**	**13,535,565,549**	**50,299,296,668**
Net Profit for the Year								5,546,930,564	**5,546,930,564**
Dividends for the Year 2020:									
Stock Dividend	662,939,230							(662,939,230)	-
Cash Dividend								(1,325,878,476)	**(1,325,878,476)**
Start-up Fund								(100,877,625)	**(100,877,625)**
Statutory Reserve			662,939,230					(662,939,230)	-
Balance as at 31 December 2021	**13,921,723,990**	**3,853,767,032**	**10,067,956,958**	**355,218,455**	**2,490,292,927**	**15,729,653**	**7,384,920,564**	**16,329,861,552**	**54,419,471,131**

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Particulars	2021	2022
BRAC Bank Limited **Consolidated Balance Sheet**		
PROPERTY AND ASSETS		
Cash	**23,459,424,430**	**31,871,593,250**
In hand (including foreign currencies)	9,207,161,626	11,918,067,777
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	14,252,262,804	19,953,525,473
Balance w/ Other Banks & FIs	**78,261,312,910**	**52,951,344,277**
In Bangladesh	70,561,465,538	47,797,240,230
Outside Bangladesh	7,699,847,372	5,154,104,047
Money At Call or On Short Notice	**3,500,000,000**	**6,826,376,000**
Investments	**70,068,593,304**	**116,551,993,858**
Government	60,998,642,835	107,319,008,486
Others	9,069,950,469	9,232,985,372
Loans, advances and lease /investments	**322,135,188,439**	**412,084,750,584**
Loans, cash credits, overdrafts etc./ investments	169,128,372,833	222,711,877,598
Small & Medium Enterprises	150,749,009,625	187,247,111,913
Bills Purchased & Discounted	2,257,805,981	2,125,761,073
Fixed Assets	**12,834,169,424**	**13,463,514,348**
Other assets	**16,222,224,464**	**20,803,842,677**
Non - banking assets	**4,541,700**	**11,341,700**
Goodwill	**1,427,468,911**	**1,372,563,393**
Total Assets	**527,912,923,582**	**655,937,320,087**
LIABILITIES AND CAPITAL		
Liabilities:		
Borrowings from other Banks, FIs & agents	**24,150,953,707**	**38,908,810,526**
Borrowings from Central Bank	**23,175,903,824**	**42,184,501,809**
Affordable Housing Bond	**-**	**4,751,000,000**
Money at Call on short notice	**-**	**-**
Deposits and other accounts	**364,329,900,482**	**447,058,816,329**

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Current Deposits	164,417,743,536	187,855,608,325
Bills payable	2,367,889,416	1,739,503,614
Savings deposits	68,334,576,200	71,890,957,598
Fixed deposits	127,956,809,129	182,973,780,522
Other deposits	1,252,882,201	2,598,966,270
Subordinated Debt	-	-
Other liabilities	**39,308,075,071**	**42,004,580,813**
Total liabilities	**450,964,833,084**	**574,907,709,477**
Capital and Shareholders' equity		
Paid-up Capital	13,921,723,990	14,965,853,280
Share premium	3,853,767,032	3,853,767,032
Statutory reserve	10,067,956,958	11,148,169,834
Dividend Equalization Fund	355,218,455	355,218,455
Revaluation reserve on government securities	2,490,292,927	1,337,245,165
Assets Revaluation reserve	-	-
Share money deposit	-	-
Fair value reserve	78,920,073	78,920,073
Translation reserve	16,632,383	328,402,260
Surplus in profit and loss account / Retained earnings	26,402,962532	29,086,051,630
Total Shareholders' equity	**57,187,474,350**	**61,153,627,729**
Non-Controlling Interest	19,760,616,148	19,875,982,881
Total Equity	**76,948,090,498**	**81,029,610,610**
Total Liabilities & Equity	**527,912,923,582**	**655,937,320,087**

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Particulars	2021	2022
BRAC Bank Limited **Consolidated Income Statement**		
Interest Income	24,225,217,948	31,365,476,735
Interest Paid	(7,912,883,508)	(12,953,873,731)
Net Interest Income	**16,312,334,440**	**18,411,603,004**
Investment Income	7,142,434,925	7,585,930,404
Commission, Exchange and Brokerage	7,992,853,236	11,522,088,039
Other Operating Income	175,087,450	313,551,635
Total Operating Income (A)	**31,622,710,051**	**37,833,173,082**
Salaries And Allowances	9,889,092,833	12,044,197,172
Rent, Taxes, Insurance, Electricity, etc.	645,414,492	697,538,365
Legal Expenses	62,840,810	62,177,773
Postage, Stamp, Telecommunication, etc.	317,984,231	411,043,177
Stationery, Printing, Advertisements, etc.	2,608,773,879	3,223,940,283
Chief Executive's Salary and Fees	19,424,250	24,471,250
Directors' Fees	4,572,209	4,534,312
Auditors' Fees	7,125,166	8,469,389
Impairment Of Goodwill	-	54,905,518
Depreciation And Repair of Bank's Assets	4,577,170,806	5,382,602,590
Other Expenses	3,383,027,192	4,474,735,716
Total Operating Expenses (B)	**21,515,425,868**	**26,388,615,545**
Operating Profit (C = A - B)	**10,107,284,183**	**11,444,557,537**
Share Of Profit/(Loss) Of Associate	3,742,052	4,860,182
Gain/(Loss) On Disposal of Control of Subsidiaries	17,373,182	2,049,419
Profit/ (Loss) Before Provisions (D)	**10,128,399,417**	**11,451,467,138**
Provision For Loans/Investments	2,971,016,470	1,938,266,664
Provision For Off-Balance Sheet Exposures	251,500,000	204,740,420
Provision For Diminution in Value of Investments	(74,000,000)	20,539,430
Other Provision	70,093,002	23,870,068
Total Provision (E)	**3,218,609,472**	**2,187,416,582**

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Total Profit / (Loss) Before Taxes (F = D – E)	**6,909,789,945**	**9,264,050,556**
Provision For Taxation: (G)	**2,257,189,651**	**3,142,053,832**
Current Tax	3,737,018,428	4,280,691,722
Deferred Tax	(1,479,828,777)	(1,138,637,890)
Net Profit After Tax (F – G)	**4,652,600,294**	**6,121,996,724**
Earnings Per Share (EPS)	**3.65**	**4.02**

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Particulars	2021	2022
BRAC Bank Limited **Consolidated Cashflow Statement**		
A. Cash Flows from Operating Activities		
Interest Receipts in Cash	30,510,937,817	37,022,269,415
Interest Payment	(8,765,182,197)	(10,349,004,887)
Dividend Receipts	225,198,769	294,041,064
Fees And Commission Receipts in Cash	36,148,193,743	44,272,349,310
Recoveries On Loans Previously Written Off	707,517,594	809,572,845
Cash Payments to Employees	(9,942,261,926)	(11,662,291,298)
Cash Payments to Suppliers	(29,490,800,154)	(34,548,789,786)
Income Tax Paid	(7,109,584,330)	(10,350,920,142)
Receipts From Other Operating Activities	592,067,664	953,966,643
Payment For Other Operating Activities	(4,049,473,180)	(5,714,933,022)
Operating Cash Flow Before Changes in Operating Assets and Liabilities (I)	***8,826,613,800***	***10,726,260,142***
Increase/(Decrease) In Operating Assets and Liabilities		
Loans And Advances	(47,587,679,964)	(90,450,491,062)
Other Assets	(376,833,057)	(484,467,659)
Borrowings From Other Banks and Financial Institutions	10,667,650,315	33,877,162,172
Proceeds From Issuance of Affordable Housing Bond	-	4,751,000,000
Deposits From Customers	31,712,233,455	80,145,069,185
Other Liabilities	483,029,607	(937,467,553)
Cash Utilized in Operating Assets and Liabilities (II)	***(5,101,599,644)***	***26,900,805,083***
Net Cash Flows from Operating Activities (I + II) (A)	**3,725,014,156**	**37,627,065,225**
B. Cash Flows from Investing Activities		
Treasury Bills	7,996,369,494	1,155,677,121
Treasury Bonds	14,187,750,778	(48,629,090,534)
Investment In Shares	(863,128,507)	(615,054,764)

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Sale/(Investment) In Bonds	642,282,917	410,000,000
Acquisition Of Fixed Assets	(4,696,385,425)	(3,541,826,973)
Disposal Of Fixed Assets	601,372,697	17,736,063
Net Cash Used in Investing Activities (B)	**17,868,261,954**	**(51,202,559,087)**
C. Cash Flows from Financing Activities		
Proceeds From Issue of Convertible Preference Shares	22,330,724,613	-
Proceeds From Issue of Ordinary Shares	-	112,140,000
Cash Dividend Paid	(1,383,245,432)	(1,042,217,221)
Net Cash Flows from Financing Activities (C)	**20,947,479,181**	**(930,077,221)**
Net Increase/(Decrease) In Cash (A + B + C)	**42,540,755,291**	**(14,505,571,083)**
Cash And Cash Equivalents at The Beginning of The Year	62,639,236,011	105,222,018,140
Effect Of Exchange Rate Changes on Cash and Cash Equivalent	42,026,838	934,394,370
Cash And Cash Equivalents at The End of The Year	**105,222,018,140**	**91,650,841,427**
Cash And Cash Equivalents at The End of The Year:	**105,222,018,140**	**91,650,841,427**
Cash In Hand (Including Foreign Currency)	9,207,161,626	11,918,067,777
Balance With Bangladesh Bank and Its Agents Bank(S) (Including Foreign Currency)	14,252,262,804	19,953,525,473
Balance With Other Banks and Financial Institutions	78,261,312,910	52,951,344,277
Money At Call on Short Notice	3,500,000,000	6,826,376,000
Prize Bond	1,280,800	1,527,900
Net Operating Cashflow Per Share (NOCFPS)	**2.49**	**25.14**

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BRAC Bank Limited

Independent Auditor's Report and Consolidated
& Separate Financial Statements
as at and for the year ended 31 December 2022

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Hoda Vasi Chowdhury & Co
Chartered Accountants

Independent Auditor's Report to the Shareholders of BRAC Bank Limited
Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of BRAC Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of BRAC Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2022 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex. For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis of exposure on portfolio basis, provision calculation and reporting are	We tested the design and operating effectiveness of key controls focusing on the following: • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Completeness of appropriate documentation before disbursement of loans as well as recording of loan balance; • Alternate procedures applied by management to assess new loan/renewal of existing loans where latest audited financial statements of the borrower is not available;

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manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation. At year end the Group reported total gross loans and advances of BDT 412,085 million (2021: BDT 322,135 million) and provision for loans and advances of BDT 15,387 million (2021: BDT 13,998 million). In addition, special general provision – COVID 19 has been also maintained as per BRPD circular no. 53 dated 22 December 2022 on the outstanding balance from clients who have taken the deferral facility due to COVID 19. We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias: • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows. Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.	• Identification of loss events, including early warning and default warning indicators; and • Reviewed quarterly Classification of Loans (CL). Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained. Due to long-term impact of COVID 19, flood situation in north-eastern areas of Bangladesh and prolonged conflict/war outside the country, many borrowers were adversely impacted during the year. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for loans vide issuing various circulars such as BRPD 14 dated 22 June 2022, and BRPD 51 dated 18 December 2022 whereby Banks are allowed to keep a loan/customer as unclassified subject to the payment of certain percent of quarterly instalment due by 31 December 2022. The Bank has calculated required provision as per Bangladesh Bank letter DBI- 4/115/2023-384 dated 03 April 2023.
See note # 8 and 17.1 to the financial statements	

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Risk	Our response to the risk
Interest income recognition	
Recognition and measurement of interest income involve complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of interest income. Moreover, as per Bangladesh Bank BRPD circular no. 53 dated 22 December 2022, considering future risk banks were allowed to recognize outstanding/ arrear interest income on loans where deferral facilities were given upon considering potential risk of future recovery and receiving certain percent of quarterly instalment due by 31 December 2022. Accordingly this has been considered as key audit matter.	We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of interest on loans and advances. For selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut-of testing to check accuracy of interest income. Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognised during the year with reference to the product wise outstanding loan balances. However, due to the current uncertainty of the overall economic situation, and in particular impacts from major global events such as continuation of COVID 19 related disruptions, Russia-Ukraine conflict, volatility in fuel and commodity price, strengthening of USD, etc., there is inherent risk that the actual recovery of accrued interest income especially from those clients receiving deferral facility could be materially different than the actual situation in future and a portion of interest accrued during the year ended 31 December 2022.
See note # 27 to the financial statements	

Risk	Our response to the risk
Adequacy of income tax provision and measurement of deferred tax assets	
Calculation of income tax provision required compliance with the Income Tax Ordinance 1984 including careful consideration of various temporary and permanent differences. Furthermore, upon final settlement of pending tax assessments any excess or short provision of current tax is also adjusted in the current year. Finally, significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years. Accordingly, this area has been considered as key audit matter.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of both current tax and deferred tax, including the assumptions used in estimating the Bank's taxable income. We reviewed tax position for those years where income tax assessment is pending and assess adequacy of tax provision recorded by the Bank. Special focus attention was given to any reversal/adjustment of income tax provision from prior year. We also assessed the completeness and accuracy of the data used for the estimations of future taxable

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At year end of 2022 the Bank reported income tax provision net off AIT of Tk 4,144 million (2021: Tk 5,022 million) and corresponding current income tax charges of Tk 3,766 million (2021: 3,467 million). In addition, total deferred tax assets of BDT 4,770 million (2021: BDT 4,147 million) and deferred tax income of BDT 590 million (2021: BDT 1,125 million) recognised by the Bank.	income. The Bank has sufficient taxable profit to recover the deferred tax assets in foreseeable future. We involved tax specialists to assess key assumptions, controls, recognition and measurement of current and deferred tax. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax including deduction of DTA on specific provision from regulatory capital.
See notes no 10.4, 17.9, 43 to the financial statements	

Risk	**Our response to the risk**
Valuation of treasury bill and bond and unquoted corporate bond	
Investment in treasury bills and a portion of treasury bonds are classified as HFT and hence measured at mark to market/fair value. On the other hand a portion of treasury bills and portfolio of corporate bonds are classified as HTM and measured at amortised cost. In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment. Similarly, impairment assessment of financial instruments measured at amortised cost also required mainly unobservable market data and assumptions. Accordingly, this is considered as a key audit matter.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds, and corporate bonds. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the corporate bonds, treasury bills and bonds valuation/impairment assessment processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note # 7 to the financial statements	

Risk	**Our response to the risk**
Impairment of goodwill in consolidated financial statements of the Group and fair value of investments in standalone financial statements of the Bank	
The Bank has adopted IFRS 9 Fair value through other comprehensive income (FVOCI) method for measurement of equity investment in subsidiaries and associates in the standalone financial statements. As all such investments are in unquoted investment, management used net assets value of the	Our audit procedures on both assessment of goodwill impairment at the Group level and carrying value of investments in subsidiaries at the Bank level included, among others:

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each investment as per the financial statements of the entity every year as fair value as management has assumed that if buyer offer any price of the Bank's investments, they will refer to NAV as reference price. The carrying value of such investment at 31 December 2022 the carrying amount was Tk 13,593 million (2021: 13,182 Tk million). Similarly, the Group has recognised goodwill of BDT 1,373 million (2021: BDT 1,427 million) which were arisen from acquisition of BRAC EPL Stock Brokerage Limited, BRAC EPL Investments Limited. The determination of fair value of the Bank's investment in subsidiary and annual impairment testing of goodwill at the Group level are considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount (i.e. the higher of the value in use or fair value e.g. NAV). Both the value in use and fair value have been determined with a number of valuation assumptions and inputs including estimates of revenue, operating costs, terminal value, growth rates and the weighted average cost of capital (discount rate).	• evaluating the appropriateness of the assumptions applied to key inputs such as revenue, operating costs, inflation and long-term growth rates used by management, including comparing these inputs with our own assessments based on our knowledge of the entity and the industry; • checking mathematical accuracy of the model, recalculating discount rate used in the model, reviewing other inputs in the model and corroborating these inputs with reference to external market information, third-party sources. • performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on recoverable amount of the respective subsidiaries; and • evaluating the adequacy of the financial statement disclosures. On winning the appeal from honourable Court in UK against suspension notice issued earlier, BRAC Saajan Exchange Limited resumed its operations in December 2022. However, considering the negative net asset value and negative cash flows, an impairment loss of goodwill amounting to BDT 54,905,518 related to BRAC Saajan has been accounted for in the consolidated financials. The Bank has continued to consider bKash Limited as its subsidiary because of holding 51% equity shares as well effective control on the Board. However, bKash has also issued convertible preference shares and these preference shareholders do not have any voting rights but has same rights as equity shareholders with respect to economic interest in the company. Accordingly, consolidated financial statements of the Group have been prepared using 35.74% instead of 51% of the economic interest on bKash considering the potential dilution.
See notes 12 and 38 to the financial statements	

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Risk	Our response to the risk
Legal and regulatory matters	
We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. As per the instruction of Bangladesh Bank, the Bank has transferred 50% of income earned through foreign exchange transactions during the months of May and June 2022, after adjustment of related income tax to a dedicated CSR Fund. Management is in discussion with Bangladesh Bank on utilization of this CSR Fund. Pursuant to BRPD Circular Letter No. 28 dated 26 July 2022 and BRPD Circular Letter No. 30 dated 27 July 2022, all schedule banks of Bangladesh are instructed to reduce certain expenses at specific percentage from the allocated amount.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over compliance with various regulatory directives and process to create provision, if any. We enquired to those charged with governance to obtain their view on compliance status of all regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We have checked the calculation of the transfer to the CSR Fund after deducting appropriate tax. We are informed that the Bank has taken several initiatives such as rationalizing the usage of office space to reduce electricity cost, restricting entertainment expenses and travelling, reducing and deferring the expenses on computer and accessories which are not urgently required etc. are disclosed in the financial statements. We also assessed the Bank's provisions and contingent liabilities disclosure.

Risk	Our response to the risk
IT systems and controls	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.	We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

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Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Group and 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should

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not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, 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 consolidated financial statements 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 Group as disclosed in 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 Group and its related entities {other than matters disclosed in these financial statements};

(iii) Financial statements for the year ended 31 December 2022 of local subsidiaries namely BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited and bKash Limited have been audited by Rahman Rahman Huq, Chartered Accountants and one associate namely BRAC IT Services Limited have been audited by Howladar Yunus & Co., Chartered Accountants. The group reporting pack of the foreign subsidiary BRAC SAAJAN Exchange Limited have been audited by Reddy Siddiqui LLP, UK. All these entities have been properly reflected in the consolidated financial statements;

(iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

(v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(vii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

(ix) the information and explanations required by us have been received and found satisfactory;

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(x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 3,000 person hours; and

(xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Sabbir Ahmed FCA, Partner
Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 11 April 2023
DVC No: 2304100770AS807408

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BRAC Bank Limited and its subsidiaries
Consolidated Balance Sheet
As at 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash	4	**31,871,593,250**	**23,459,424,430**
Cash in hand (Including foreign currency)		11,918,067,777	9,207,161,626
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		19,953,525,473	14,252,262,804
Balance with other banks and financial institutions	5	**52,951,344,277**	**78,261,312,910**
Inside Bangladesh		47,797,240,230	70,561,465,538
Outside Bangladesh		5,154,104,047	7,699,847,372
Money at call on short notice	6	6,826,376,000	3,500,000,000
Investments	7	**116,551,993,858**	**70,068,593,304**
Government		107,319,008,486	60,998,642,835
Others		9,232,985,372	9,069,950,469
Loans and advances	8	**412,084,750,584**	**322,135,188,439**
Loans, cash credit, overdrafts etc.		222,711,877,598	169,128,372,833
Small and medium enterprises		187,247,111,913	150,749,009,625
Bills purchased and discounted		2,125,761,073	2,257,805,981
Fixed assets including premises, furniture and fixtures	9	**13,463,514,348**	**12,834,169,424**
Other assets	10	**20,803,842,677**	**16,222,224,464**
Non-banking assets	11	**11,341,700**	**4,541,700**
Goodwill	12	**1,372,563,393**	**1,427,468,911**
Total property and assets		**655,937,320,087**	**527,912,923,582**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	13	**38,908,810,526**	**24,150,953,707**
Borrowings from central bank & government agencies	14	**42,184,501,809**	**23,175,903,824**
Affordable housing bond	15	**4,751,000,000**	-
Money at call on short notice		-	-
Deposits and other accounts	16	**447,058,816,329**	**364,329,900,482**
Current accounts and other accounts		187,855,608,325	164,417,743,536
Bills payable		1,739,503,614	2,367,889,416
Savings deposits		71,890,957,598	68,334,576,200
Term deposits		182,973,780,522	127,956,809,129
Other deposits		2,598,966,270	1,252,882,201
Other liabilities	17	**42,004,580,813**	**39,308,075,071**
Total liabilities		**574,907,709,477**	**450,964,833,084**
Capital and shareholders' equity			
Paid up capital	18.2	14,965,853,280	13,921,723,990
Share premium	18.7	3,853,767,032	3,853,767,032
Statutory reserve	19	11,148,169,834	10,067,956,958
Dividend equalization fund	20	355,218,455	355,218,455
Revaluation reserve on govt. securities	21	1,337,245,165	2,490,292,927
Fair value reserve		78,920,073	78,920,073
Foreign currency translation reserve	23	328,402,260	16,632,383
Surplus in profit and loss account/Retained earnings	24.1	29,086,051,630	26,402,962,532
Total shareholders' equity		**61,153,627,729**	**57,187,474,350**
Non-controlling interest	24.2	**19,875,982,881**	**19,760,616,148**
Total equity		**81,029,610,610**	**76,948,090,498**
Total liabilities and equity		**655,937,320,087**	**527,912,923,582**

M Mahbubur Rahman FCS
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UCB Investment Limited

BRAC Bank Limited and its subsidiaries
Consolidated Balance Sheet
As at 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Off balance sheet items			
Contingent liabilities			
Acceptances and endorsements	25	83,028,540,659	50,478,536,940
Irrevocable letters of credit	25	27,451,963,219	26,598,203,443
Letter of guarantees	25.2	18,607,062,875	11,793,414,671
Bills for collection	25.3	21,612,714,770	16,438,866,245
		150,700,281,523	105,309,021,299
Other commitments			
Swap deals with banks and customers	25.4	13,070,011,143	10,726,189,903
Spot and forward deals with banks and customers	25.4	2,074,308,915	18,161,597,791
		15,144,320,058	28,887,787,694
Total off balance sheet items		165,844,601,581	134,196,808,993
Net asset value (NAV) per share	49	40.86	38.21

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

Managing Director and CEO

Director

Director

Chairman

As per our report of same date.

Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 11 April 2023
DVC No: 2304100770AS807408

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BRAC Bank Limited and its subsidiaries
Consolidated Profit and Loss Account
For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Interest income	27	31,365,476,735	24,225,217,948
Interest paid on deposits and borrowing etc.	28	12,953,873,731	7,912,883,508
Net interest income		**18,411,603,004**	**16,312,334,440**
Investment income	29	7,585,930,404	7,142,434,925
Commission, exchange and brokerage	30	11,522,088,039	7,992,853,236
Other operating income	31	313,551,635	175,087,450
Total operating income (a)		**37,833,173,082**	**31,622,710,051**
Salaries and allowances		12,044,197,172	9,889,092,833
Rent, taxes, insurance, electricity etc.	32	697,538,365	645,414,492
Legal expenses		62,177,773	62,840,810
Postage, stamps, telecommunication etc.	33	411,043,177	317,984,231
Stationery, printing, advertisement etc.	34	3,223,940,283	2,608,773,879
Chief Executive's salary and fees	35	24,471,250	19,424,250
Directors' fees	36	4,534,312	4,572,209
Auditors' fees	37	8,469,389	7,125,166
Impairment of goodwill	38	54,905,518	-
Depreciation and repair of the bank's assets	39	5,382,602,590	4,577,170,806
Other expenses	40	4,474,735,716	3,383,027,192
Total operating expenses (b)		**26,388,615,545**	**21,515,425,868**
Profit before provisions (c = a-b)		**11,444,557,537**	**10,107,284,183**
Share of profit of associates	41	4,860,182	3,742,052
Gain on disposal of associates		2,049,419	17,373,182
Profit/(loss) before provisions (d)		**11,451,467,138**	**10,128,399,417**
Provision for loans/investments:			
Loans and advances		1,938,266,664	2,971,016,470
Diminution in value of investments		20,539,430	(74,000,000)
Off balance sheet items		204,740,420	251,500,000
Other provisions		23,870,068	70,093,002
Total provisions (e)	42	**2,187,416,582**	**3,218,609,472**
Total profit/(loss) before taxes (f= d-e)		**9,264,050,556**	**6,909,789,945**
Provision for taxation:			
Current tax expense		4,280,691,722	3,737,018,428
Deferred tax expense/(income)		(1,138,637,890)	(1,479,828,777)
Total provision for taxation (g)	43	**3,142,053,832**	**2,257,189,651**
Net profit/(loss) after taxation (f-g)		**6,121,996,724**	**4,652,600,294**
Attributable to:			
Equity holders of BRAC Bank Limited		6,013,972,880	5,464,672,680
Non controlling interest	24.2.1	108,023,844	(812,072,386)
		6,121,996,724	**4,652,600,294**
Retained earnings brought forward from previous year		26,402,962,532	16,368,391,545
Net profit attributable to the equity holders of the Bank		6,013,972,880	5,464,672,680
Net effect of all items directly recognised in equity/retained earnings	24.1.1	(104,780,581)	7,322,532,868
Profit available for appropriation		**32,312,154,831**	**29,155,597,093**

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BRAC Bank Limited and its subsidiaries
Consolidated Profit and Loss Account
For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Appropriations:			
Statutory reserve		1,080,212,876	662,939,230
General reserve		-	-
Dividend		2,088,258,589	1,988,817,706
Start-up Fund		57,631,736	100,877,625
		3,226,103,201	2,752,634,561
Retained surplus		**29,086,051,630**	**26,402,962,532**
Earnings per share (EPS) [previous year's figure restated]	48	**4.02**	**3.65**

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

Managing Director and CEO

Director

Director

Chairman

As per our report of same date.

Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 11 April 2023
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BRAC Bank Limited and its subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

Amount in Taka

Particulars	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Fair value reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2022	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	78,920,074	16,632,382	26,402,962,532	19,760,616,148	76,948,090,498
Surplus on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	(1,153,047,762)	-	-	-	-	(1,153,047,762)
Changes in foreign currency translation reserve	-	-	-	-	-	-	311,769,877	-	249,129	312,019,006
Remeasurements of defined benefits liability (assets)	-	-	-	-	-	-	-	(102,935,836)	2,059,119	(100,876,717)
Effect of issuance of preference share by bKash	-	-	-	-	-	-	-	-	-	-
Sub total	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	1,337,245,165	78,920,074	328,402,259	26,300,026,696	19,762,924,396	76,006,185,025
Net profit for the year	-	-	-	-	-	-	-	6,013,972,880	108,023,844	6,121,996,724
Dividend for the year 2021:										
Stock dividend	1,044,129,290	-	-	-	-	-	-	(1,044,129,290)	-	-
Cash dividend	-	-	-	-	-	-	-	(1,044,129,299)	-	(1,044,129,299)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-
Adjustment for subsidiaries holdings change	-	-	-	-	-	-	-	(1,844,745)	5,034,641	3,189,896
Start-up Fund	-	-	-	-	-	-	-	(57,631,736)	-	(57,631,736)
Statutory reserve	-	-	1,080,212,876	-	-	-	-	(1,080,212,876)	-	-
Balance as at 31 December 2022	14,965,853,280	3,853,767,032	11,148,169,834	355,218,455	1,337,245,165	78,920,074	328,402,259	29,086,051,630	19,875,982,881	81,029,610,610

For the year ended 31 December 2021

Amount in Taka

Particulars	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Fair value reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2021	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	78,920,074	(15,052,340)	16,368,391,545	5,647,578,133	53,758,551,440
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-
Restated balance	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	78,920,074	(15,052,340)	16,368,391,545	5,647,578,133	53,758,551,440
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(2,315,633,126)	-	-	-	-	(2,315,633,126)
Changes in foreign currency translation reserve	-	-	-	-	-	-	31,684,722	-	771,145	32,455,867
Remeasurements of defined benefits liability (assets)	-	-	-	-	-	-	-	(122,766,336)	39,418,996	(83,347,340)
Effect of issuance of preference share by bKash	-	-	-	-	-	-	-	7,445,299,204	14,884,920,260	22,330,219,464
Sub total	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	2,490,292,927	78,920,074	16,632,382	23,690,924,413	20,572,688,534	73,722,246,305
Net profit for the year	-	-	-	-	-	-	-	5,464,672,680	(812,072,386)	4,652,600,294
Dividend for the year 2020:										
Stock dividend	662,939,230	-	-	-	-	-	-	(662,939,230)	-	-
Cash dividend	-	-	-	-	-	-	-	(1,325,878,476)	-	(1,325,878,476)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-
Adjustment for subsidiaries holdings change	-	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	(100,877,625)	-	(100,877,625)
Statutory reserve	-	-	662,939,230	-	-	-	-	(662,939,230)	-	-
Balance as at 31 December 2021	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	78,920,074	16,632,382	26,402,962,532	19,760,616,148	76,948,090,498

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

HOOK & CO. DHAKA

BRAC Bank Limited and its subsidiaries
Consolidated Cash Flow Statement
For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
A. Cash flows from operating activities			
Interest receipts in cash		37,022,269,415	30,510,937,817
Interest payment		(10,349,004,887)	(8,765,182,197)
Dividend receipts		294,041,064	225,198,769
Fees and commission receipts in cash		44,272,349,310	36,148,193,743
Recoveries on loans previously written off		809,572,845	707,517,594
Cash payments to employees		(11,662,291,298)	(9,942,261,926)
Cash payments to suppliers		(34,548,789,786)	(29,490,800,154)
Income tax paid		(10,350,920,142)	(7,109,584,330)
Receipts from other operating activities	45	953,966,643	592,067,664
Payment for other operating activities	46	(5,714,933,022)	(4,049,473,180)
Operating cash flow before changes in operating assets and liabilities (i)		**10,726,260,142**	**8,826,613,800**
Increase/(decrease) in operating assets and liabilities			
Loans and advances		(90,450,491,062)	(47,587,679,964)
Other assets		(484,467,659)	(376,833,057)
Borrowings from other banks and financial institutions		33,877,162,172	10,667,650,315
Proceeds from issuance of affordable housing bond		4,751,000,000	-
Deposits from customers		80,145,069,185	31,712,233,455
Other liabilities		(937,467,553)	483,029,607
Cash utilised in operating assets and liabilities (ii)		26,900,805,083	(5,101,599,644)
Net cash flows from operating activities (i+ii) (a)		**37,627,065,225**	**3,725,014,156**
B. Cash flows from investing activities			
Treasury bills		1,155,677,121	7,996,369,494
Treasury bonds		(48,629,090,534)	14,187,750,778
Investment in shares		(615,054,764)	(863,128,507)
Sale/ (Investment) in bonds		410,000,000	642,282,917
Acquisition of fixed assets		(3,541,826,973)	(4,696,385,425)
Disposal of fixed assets		17,736,063	601,372,697
Net cash used in investing activities (b)		**(51,202,559,087)**	**17,868,261,954**
C. Cash flows from financing activities			
Proceeds from issue of convertible preference shares		-	22,330,724,613
Proceeds from issue of ordinary shares		112,140,000	-
Cash dividend paid		(1,042,217,221)	(1,383,245,432)
Net cash flows from financing activities (c)		**(930,077,221)**	**20,947,479,181**
Net increase/(decrease) in cash (a+b+c)		**(14,505,571,083)**	**42,540,755,291**
Cash and cash equivalents at the beginning of the year		105,222,018,140	62,639,236,011
Effect of exchange rate changes on cash and cash equivalent		934,394,370	42,026,838
Cash and cash equivalents at the end of the year	44	**91,650,841,427**	**105,222,018,140**
Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currency)		11,918,067,777	9,207,161,626
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		19,953,525,473	14,252,262,804
Balance with other banks and financial institutions		52,951,344,277	78,261,312,910
Money at call on short notice		6,826,376,000	3,500,000,000
Prize Bond		1,527,900	1,280,800
		91,650,841,427	105,222,018,140
Net operating cash flow per share (NOCFPS)	50	25.14	2.49

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

BRAC Bank Limited and its subsidiaries
Consolidated Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2022

Amount in Taka

Particulars	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
Assets						
Cash in hand and Balance with Bangladesh Bank	17,234,391,450	-	-	-	14,637,201,800	31,871,593,250
Balance with other banks and financial institutions (including foreign currencies)	13,157,601,136	24,335,099,107	15,458,644,034	-	-	52,951,344,277
Money at call and short notice	6,826,376,000	-	-	-	-	6,826,376,000
Investments	14,188,455,784	1,579,926,666	14,536,811,309	36,654,461,496	49,592,338,603	116,551,993,858
Loans and advances	37,177,621,706	67,860,734,336	163,827,804,476	122,600,813,738	20,617,776,328	412,084,750,584
Fixed assets including premises, furniture and fixtures	-	-	-	12,933,228,662	530,285,686	13,463,514,348
Other assets	8,413,433,120	90,964,829	4,923,386,161	2,242,017,867	5,134,040,700	20,803,842,677
Non - banking assets	-	-	-	-	11,341,700	11,341,700
Goodwill		-	-	-	1,372,563,393	1,372,563,393
Total Assets	96,997,879,196	93,866,724,938	198,746,645,980	174,430,521,763	91,895,548,210	655,937,320,087
Liabilities						
Borrowings from other banks, financial institutions & agents	6,445,003,282	10,636,443,541	21,827,363,703	-	-	38,908,810,526
Borrowings from central bank & government agencies	5,631,493,289	8,114,768,696	12,381,754,222	16,010,838,538	45,647,064	42,184,501,809
Affordable housing bond	-	-	-	4,751,000,000	-	4,751,000,000
Money at call and short notice	-	-	-	-	-	-
Deposits and other accounts	52,368,187,322	79,412,454,837	123,443,464,044	160,143,112,128	31,691,597,998	447,058,816,329
Other liabilities	2,580,830,319	4,601,675,819	11,369,901,768	4,639,745,829	18,812,427,078	42,004,580,813
Total Liabilities	67,025,514,212	102,765,342,893	169,022,483,737	185,544,696,495	50,549,672,140	574,907,709,477
Net Liquidity Gap	29,972,364,984	(8,898,617,955)	29,724,162,243	(11,114,174,732)	41,345,876,070	81,029,610,610

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

BRAC Bank Limited
Balance Sheet
As at 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash	4	31,776,214,097	22,676,943,467
Cash in hand (Including foreign currency)		11,822,688,624	8,424,680,663
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		19,953,525,473	14,252,262,804
Balance with other banks and financial institutions	5	16,255,534,724	19,880,951,145
Inside Bangladesh		11,127,982,840	12,261,365,946
Outside Bangladesh		5,127,551,884	7,619,585,199
Money at call on short notice	6	6,826,376,000	3,500,000,000
Investments	7	64,287,682,264	51,590,814,842
Government		56,637,669,673	44,051,798,178
Others		7,650,012,591	7,539,016,664
Loans and advances	8	410,676,406,960	321,212,230,987
Loans, cash credit, overdrafts etc.		221,303,533,974	168,205,415,381
Small and medium enterprises		187,247,111,913	150,749,009,625
Bills purchased & discounted		2,125,761,073	2,257,805,981
Fixed assets including premises, furniture and fixtures	9	7,779,346,693	7,454,867,399
Other assets	10	25,626,075,864	22,763,775,341
Non-banking assets	11	11,341,700	4,541,700
Total property and assets		563,238,978,302	449,084,124,881
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	13	38,685,377,271	24,134,564,025
Borrowings from central bank & government agencies	14	42,184,501,809	23,175,903,824
Affordable housing bond	15	4,751,000,000	-
Money at call on short notice		-	-
Deposits and other accounts	16	384,466,775,242	314,590,914,520
Current accounts & other accounts		123,148,401,399	109,462,945,554
Bills payable		1,739,503,614	2,367,889,416
Savings deposits		71,890,957,598	68,334,576,200
Term deposits		185,088,946,361	133,172,621,149
Other deposits		2,598,966,270	1,252,882,201
Other liabilities	17	34,760,769,207	32,763,271,381
Total Liabilities		504,848,423,529	394,664,653,750
Capital and shareholders' equity			
Paid up capital	18.2	14,965,853,280	13,921,723,990
Share premium	18.7	3,853,767,032	3,853,767,032
Statutory reserve	19	11,112,086,248	10,067,956,958
Dividend equalization fund	20	355,218,455	355,218,455
Revaluation reserve on govt. securities	21	1,337,245,165	2,490,292,927
Fair value gain/(loss) on equity investment	22	7,643,913,224	7,384,920,564
Foreign currency translation reserve	23	323,536,914	15,729,653
Surplus in profit and loss account/Retained earnings	24	18,798,934,455	16,329,861,552
Total shareholders' equity		58,390,554,773	54,419,471,131
Total liabilities and shareholders' equity		563,238,978,302	449,084,124,881

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

BRAC Bank Limited
Balance Sheet
As at 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Off balance sheet items			
Contingent liabilities			
Acceptances and endorsements	25	83,028,540,659	50,478,536,940
Irrevocable letters of credit	25	27,451,963,219	26,598,203,443
Letter of guarantees	25.2	18,607,062,875	11,793,414,671
Bills for collection	25.3	21,612,714,770	16,438,866,245
		150,700,281,523	105,309,021,299
Other Commitments			
Swap deals with banks and customers	25.4	13,070,011,143	10,726,189,903
Spot and forward deals with banks and customers	25.4	2,074,308,915	18,161,597,791
		15,144,320,058	28,887,787,694
Total off balance sheet items		165,844,601,581	134,196,808,993
Net asset value (NAV) per share	49	39.02	36.36

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

Managing Director and CEO

Director

Director

Chairman

As per our report of same date.

Dhaka, 11 April 2023
DVC No: 2304100770AS807408

Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

BRAC Bank Limited
Profit and Loss Account
For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Interest income	27	28,462,101,118	21,586,220,747
Interest paid on deposits and borrowing etc.	28	13,227,359,203	7,589,298,326
Net interest income		**15,234,741,915**	**13,996,922,421**
Investment income	29	5,184,549,425	5,780,677,077
Commission, exchange and brokerage	30	5,884,319,986	3,440,196,921
Other operating income	31	267,298,708	146,093,679
Total operating income (a)		**26,570,910,034**	**23,363,890,098**
Salaries and allowances		8,151,587,989	6,625,995,876
Rent, taxes, insurance, electricity etc.	32	507,158,511	473,700,396
Legal expenses		30,384,953	33,352,689
Postage, stamps, telecommunication etc.	33	308,505,338	222,631,352
Stationery, printing, advertisement etc.	34	396,662,334	221,634,405
Chief Executive's salary and fees	35	24,471,250	19,424,250
Directors' fees	36	2,552,000	2,437,600
Auditors' fees	37	1,840,000	1,840,000
Depreciation and repair of the bank's assets	39	2,304,559,343	2,191,026,040
Other expenses	40	3,713,939,396	2,627,953,670
Total operating expenses (b)		**15,441,661,114**	**12,419,996,278**
Profit before provisions (c = a-b)		**11,129,248,920**	**10,943,893,820**
Provision for loans/Investments:			
Loans and advances		1,945,536,063	2,810,975,910
Diminution in value of investments		20,539,430	(74,000,000)
Off balance sheet items		204,740,420	251,500,000
Other provisions		19,572,571	65,866,351
Total provisions (d)	42	**2,190,388,484**	**3,054,342,261**
Total profit/(loss) before taxes (e= c-d)		**8,938,860,436**	**7,889,551,559**
Provision for taxation:			
Current tax expense		3,765,699,754	3,467,399,481
Deferred tax income		(590,012,891)	(1,124,778,486)
Total provision for taxation (f)	43	**3,175,686,863**	**2,342,620,995**
Net profit after taxation (e-f)		**5,763,173,573**	**5,546,930,564**
Retained earnings brought forward from previous year		16,329,861,552	13,680,255,527
Net effect of all items directly recognised in equity-retained earnings		(104,081,055)	(144,689,978)
Profit available for appropriation		**21,988,954,070**	**19,082,496,113**

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

BRAC Bank Limited
Profit and Loss Account
For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Appropriations:			
Statutory reserve		1,044,129,290	662,939,230
General reserve		-	-
Dividend		2,088,258,589	1,988,817,706
Start-up Fund		57,631,736	100,877,625
		3,190,019,615	2,752,634,561
Retained Surplus		**18,798,934,455**	**16,329,861,552**
Earnings per share (EPS) [previous year's figure restated]	48	**3.85**	**3.71**

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

Managing Director and CEO

Director

Director

Chairman

As per our report of same date.

Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 11 April 2023
DVC No: 2304100770AS807408

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. F HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

BRAC Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2022

Amount in Taka

Particulars	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Foreign currency translation reserve	Fair value gain/(loss) on equity investment*	Retained earnings	Total
Balance as at 01 January 2022	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	15,729,653	7,384,920,564	16,329,861,552	54,419,471,131
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(1,153,047,762)	-	-	-	(1,153,047,762)
Changes in translation reserve	-	-	-	-	-	307,807,261	-	-	307,807,261
Changes in OCI reserve for investment in subsidiaries and associates	-	-	-	-	-	-	258,992,660	-	258,992,660
Actuarial gain/(loss)	-	-	-	-	-	-	-	(104,081,055)	(104,081,055)
Sub total	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	1,337,245,165	323,536,914	7,643,913,224	16,225,780,497	53,729,142,235
Net profit for the year	-	-	-	-	-	-	-	5,763,173,573	5,763,173,573
Dividends for the year 2021:									
Stock dividend	1,044,129,290	-	-	-	-	-	-	(1,044,129,290)	-
Cash dividend	-	-	-	-	-	-	-	(1,044,129,299)	(1,044,129,299)
Start-up Fund	-	-	-	-	-	-	-	(57,631,736)	(57,631,736)
Statutory reserve	-	-	1,044,129,290	-	-	-	-	(1,044,129,290)	-
Balance as at 31 December 2022	14,965,853,280	3,853,767,032	11,112,086,248	355,218,455	1,337,245,165	323,536,914	7,643,913,224	18,798,934,455	58,390,554,773

For the year ended 31 December 2021

Amount in Taka

Particulars	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Foreign currency translation reserve	Fair value gain/(loss) on equity investment	Retained earnings	Total
Balance as at 01 January 2021	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	(13,641,635)	1,131,197,846	13,680,255,527	46,476,525,766
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	(13,641,635)	1,131,197,846	13,680,255,527	46,476,525,766
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(2,315,633,126)	-	-	-	(2,315,633,126)
Changes in translation reserve	-	-	-	-	-	29,371,288	-	-	29,371,288
Changes in OCI reserve for investment in subsidiaries and associates	-	-	-	-	-	-	6,253,722,718	-	6,253,722,718
Actuarial gain/(loss)	-	-	-	-	-	-	-	(144,689,978)	(144,689,978)
Sub total	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	2,490,292,927	15,729,653	7,384,920,564	13,535,565,549	50,299,296,668
Net profit for the year	-	-	-	-	-	-	-	5,546,930,564	5,546,930,564
Dividends for the year 2020:									
Stock dividend	662,939,230	-	-	-	-	-	-	(662,939,230)	-
Cash dividend	-	-	-	-	-	-	-	(1,325,878,476)	(1,325,878,476)
Start-up Fund	-	-	-	-	-	-	-	(100,877,625)	(100,877,625)
Statutory reserve	-	-	662,939,230	-	-	-	-	(662,939,230)	-
Balance as at 31 December 2021	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	15,729,653	7,384,920,564	16,329,861,552	54,419,471,131

* Detail of fair value gain/(loss) on equity investments has been provided at Note-10 and Note-22.

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R.F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

VASI CHOWDHURY & CO DHAKA

BRAC Bank Limited
Cash Flow Statement
For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
A. Cash flows from operating activities			
Interest receipts in cash		31,508,895,124	27,105,416,678
Interest payment		(10,508,367,195)	(8,504,508,879)
Dividend receipts		232,498,460	174,618,013
Fees and commission receipts in cash		5,884,319,987	3,440,196,921
Recoveries on loans previously written off		809,572,845	707,517,594
Cash payments to employees		(8,135,922,799)	(6,597,572,669)
Cash payments to suppliers		(680,215,058)	(480,845,623)
Income tax paid		(4,642,899,233)	(2,557,956,724)
Receipts from other operating activities	45	1,033,184,962	710,776,014
Payment for other operating activities	46	(5,385,487,007)	(3,597,592,564)
Operating cash flow before changes in operating assets and liabilities (i)		*10,115,580,086*	10,400,048,761
Increase/decrease in operating assets and liabilities			
Loans and advances		(89,464,175,973)	(48,149,037,787)
Other assets		(524,779,722)	(400,388,462)
Borrowings from other banks and financial institutions		33,559,411,231	11,942,273,035
Proceeds from Issuance of affordable housing bond		4,751,000,000	-
Deposits from customers		67,558,949,157	26,460,328,428
Other liabilities		(996,961,563)	912,507,742
Cash utilised in operating assets and liabilities (ii)		14,883,443,130	(9,234,317,044)
Net cash flows from operating activities (i+ii) (a)		**24,999,023,216**	**1,165,731,717**
B. Cash flows from investing activities			
Treasury bills		(422,721,002)	170,075,754
Treasury bonds		(13,316,198,255)	15,284,380,330
Sale/ (Investment) in shares		(520,995,927)	(1,107,182,775)
Sale/ (Investment) in bonds		410,000,000	642,282,917
Acquisition of fixed assets		(2,118,856,350)	(2,955,859,632)
Disposal of fixed assets		17,653,002	601,254,376
Net cash used in investing activities (b)		**(15,951,118,532)**	**12,634,950,970**
C. Cash flows from financing activities			
Dividend paid		(1,042,217,221)	(1,383,245,433)
Net cash flows from financing activities (c)		**(1,042,217,221)**	**(1,383,245,433)**
Net increase/decrease in cash (a+b+c)		**8,005,687,463**	**12,417,437,254**
Cash and cash equivalents at the beginning of year		46,059,175,412	33,603,286,202
Effect of exchange rate changes on cash and cash equivalent		794,789,846	38,451,956
Cash and cash equivalents at the end of the year	44	54,859,652,721	46,059,175,412
Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currency)		11,822,688,624	8,424,680,663
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		19,953,525,473	14,252,262,804
Balance with other banks and financial institutions		16,255,534,724	19,880,951,145
Money at call on short notice		6,826,376,000	3,500,000,000
Prize Bond		1,527,900	1,280,800
		54,859,652,721	46,059,175,412
Net operating cash flow per share (NOCFPS)	50	16.70	0.78

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

The reconciliation of net profit with cash flows from operating activities (standalone basis) has been presented at note - 47.

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M Masud Rana FCA
DMD & Chief Financial Officer
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SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

BRAC Bank Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2022

Amount in Taka

Particulars	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
Assets						
Cash in hand and balance with Bangladesh Bank	17,139,012,298	-	-	-	14,637,201,799	31,776,214,097
Balance with other banks and financial institutions (including foreign currencies)	6,005,534,724	10,250,000,000	-	-	-	16,255,534,724
Money at call and short notice	6,826,376,000	-	-	-	-	6,826,376,000
Investments	12,702,469,598	1,579,926,666	13,033,778,937	28,024,952,278	8,946,554,785	64,287,682,264
Loans and advances	38,166,517,554	67,860,734,336	161,443,948,391	122,587,430,351	20,617,776,328	410,676,406,960
Fixed assets including premises, furniture and fixtures	-	-	-	7,249,061,007	530,285,686	7,779,346,693
Other assets	6,506,232,478	37,437,694	23,841,248	560,486,246	18,498,078,198	25,626,075,864
Non-banking assets	-	-	-	-	11,341,700	11,341,700
Total Assets	87,346,142,652	79,728,098,696	174,501,568,576	158,421,929,882	63,241,238,496	563,238,978,302
Liabilities						
Borrowings from other banks, financial institutions & agents	7,446,298,531	10,536,294,000	20,702,784,740	-	-	38,685,377,271
Borrowings from central bank & government agencies	5,631,493,289	8,114,768,696	12,381,754,222	16,010,838,538	45,647,064	42,184,501,809
Affordable housing bond	-	-	-	4,751,000,000	-	4,751,000,000
Money at call and short notice	-	-	-	-	-	-
Deposits and other accounts	46,706,467,499	72,043,815,311	121,288,961,984	141,455,809,394	2,971,721,054	384,466,775,242
Other liabilities	2,034,289,634	3,584,707,271	4,836,188,826	4,144,359,024	20,161,224,452	34,760,769,207
Total Liabilities	61,818,548,953	94,279,585,278	159,209,689,772	166,362,006,956	23,178,592,570	504,848,423,529
Net Liquidity Gap	25,527,593,699	(14,551,486,582)	15,291,878,804	(7,940,077,074)	40,062,645,926	58,390,554,773

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

HODA VASI CHOWDHURY & CO DHAKA

1 THE BANK AND ITS ACTIVITIES

1.1 BRAC Bank Limited

BRAC Bank Limited (the "Bank" or "BRAC Bank") is a scheduled commercial bank established under the Bank Company Act, 1991, and incorporated as a public company, limited by shares, on 20 May 1999 under the Companies Act, 1994, in Bangladesh, vide RJSC registration no. C-37782(2082)/99. The primary objective of the bank is to conduct all kinds of banking businesses. On completion of all legal formalities, the bank commenced its operations on 4th July 2001. At present, the bank has 187 banking branches (2021: 187 branches), 11 sub-branches, 198 Area offices (2021: 198 Area offices), 456 SME unit offices (2021: 456 SME unit offices), 1,000 agent banking outlets (2021: 785 agent outlets), 324 ATMs (2021: 373 ATMs) and 39 RCDMs and spread across the country. The registered address of the bank is: Anik Tower, 220/B Tejgaon Gulshan Link Road, Tejgaon, Dhaka-1208. BRAC Bank was listed on the Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly traded company on 28 January 2007 and on 24 January 2007 respectively. The Bank has four subsidiaries and one associate companies in related operations. A brief description of the subsidiaries and associates of the Bank has been provided in Note 1.6.

1.2 Principal activities and nature of operations

The principal activities of the Bank are banking and related activities including accepting customer deposits, lending to retail, small and medium enterprise (SME) and corporate customers, trade financing, lease financing, project financing, issuing letter of credit (LCs), inter bank borrowing and lending, dealing in government securities, equity shares etc. There have been no significant changes in the nature of operations of the Bank during the financial year under review.

As a fully operational commercial bank, BRAC Bank Limited focuses on pursuing unexplored market niches in the SME business, which hitherto has remained largely untapped within the country. Significant percentage of BRAC Bank's clients had no prior experience with formal banking. With the view to reaching clients, the Bank has established a wide network of branches, zonal offices, SME unit offices and agent banking outlets offering services in the heart of rural and urban communities.

As a founder member of GABV and being the trailblazer of values-based banking in Bangladesh, Bank always strives to contribute towards achieving the Sustainable Development Goals (SDGs), where financing for SMEs to generate employment in an environmentally-friendly manner remains as our top priority. The Bank also serving as intermediary for Triple Bottom Line (TBL) by supporting individual or enterprises delivering impact in at least one of the following categories: social empowerment (people), environmental regeneration (planet), and/or economic resiliency (prosperity).

1.3 Off-shore banking unit (OBU)

The Bank commenced its off-shore banking operation on obtaining permission from Bangladesh Bank in 2010. The Off-shore Banking Unit (OBU) is governed by the rules and guidelines of Bangladesh Bank. The consolidated and separate financial statements of the bank included the operations of OBU. In addition, a separate financial statements of OBU has been presented in **Annexure-H**. In addition, the principal activities of OBU are to provide all kinds of commercial banking services to its customers in Bangladesh in foreign currency.

1.4 Custodian Service

The Bank obtained permission to work as a security custodian from Bangladesh Securities and Exchange Commission vide its certificate no. SC-10/2009 dated 12 November 2009 under the Securities and Exchange Commission (Securities Custodian Service) Rules 2003. Financial performance of Security Custodial Services have been separately reported in **Annexure-I** along with Bank's audited financial statements in compliance with the requirement u/s 10(2) of Security Custodial Services Rules 2003. The due certificate from external auditors has been obtained on internal control and financial statements of security custodial operations of the Bank and annexed with the financial statements.

1.5 Agent banking

BRAC Bank obtained permission from Bangladesh Bank on 11 March 2018, vide reference no. BRPD(P-3)745/(50)2018-1806, to commence agent banking outlets and subsequently started commercial operations on 11 September 2018. Till 31 December 2022, the bank has already opened 1,000 agent banking outlets in 64 districts across the country. Services that are currently being dispensed include account opening (current, savings & term deposit), cash deposit and withdrawal, instant fund transfer within BRAC Bank and outside BRAC Bank accounts through BEFTN, SME loan disbursement & repayment collection, foreign remittance disbursement, corporate bill/distributor fee collection, retail loan and credit card lead generation, credit card bill collection, insurance premium collection, utility bill collection, cheque book & debit card request process & delivery, internet and SMS banking and balance inquiry etc.

1.6 Subsidiaries and associates of BRAC Bank Limited

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee. Financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor (*IAS-28: Investments in Associates and joint venture*). Significant influence is the power to participate in the financial and operating policy decisions of the investee, but there is no control over those policies. Investment in associates is accounted for in the consolidated financial statements under the 'equity method'. Under this method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognise the investor's share of profits or losses of the investee after the date of acquisition. The investor's share of the investee's profits or losses is recognised in the investor's profit and loss account. Distributions received from an investee reduce the carrying amount of the investment.

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If the holding in subsidiary disposed-off in such a way that the status of the holding now comes to 'Associate' then the fair value of the holding retained in the said entity at the date of such disposal has been considered as opening balance of investment in associate in consolidated financial statements and related gains and losses have been recognised directly in consolidated equity. Any share of profits and losses after such change/disposal have been recognised in consolidated profit and loss as per equity method.

Summary of shareholding in subsidiaries and associates

BRAC Bank's shareholding position in its four subsidiaries and one associate is summarized below:

Name of subsidiaries and associates	Face value per share	Nature of business	Total no. of ordinary shares		No. of ordinary shares held by BBL		BBL's percentage of shareholding	
			2022	2021	2022	2021	2022	2021
BRAC EPL Investments Ltd.	BDT 10	Merchant banking	258,500,000	258,500,000	258,358,734	258,358,734	99.95%	99.95%
BRAC EPL Stock Brokerage Ltd.	BDT 100	Stock brokerage	8,411,446	8,411,446	7,570,249	7,570,249	90.00%	90.00%
bKash Ltd.	BDT 100	Mobile financial services (MFS)	381,949	381,949	194,800	194,800	51.00%	51.00%
BRAC SAAJAN Exchange Ltd.	GBP 1	Remittance & exchange services	1,333,333	333,333	1,250,000	250,000	93.75%	75.00%
BRAC IT Services Ltd.	BDT 1,000	IT services	233,729	233,729	23,372	30,190	9.9996%	12.92%

1.6.1 BRAC EPL Investments Limited (subsidiary)

BRAC Bank acquired 51% shares of Equity Partners Limited on 31 July 2009. This entity was incorporated in Bangladesh on 19 April 2000 as a private limited company, under the Companies Act, 1994, and was subsequently renamed as "BRAC EPL Investments Limited". BRAC Bank acquired an additional 25% shares in the entity in 2011 and an additional 18.57% in 2016. During 2017, the bank acquired a further 5.275% in the entity. During 2019, the bank acquired another 0.10%, thus taking the total shareholding to 99.945% at the end of the year 2019.

BRAC EPL Investments was established to cater to the needs of the fast growing capital markets of Bangladesh. It works as a merchant bank with a full-fledged merchant banking license from Bangladesh Securities and Exchange Commission (BSEC). The company's service portfolio comprises lead managing initial public offerings, domestic and international placements, portfolio management and project development and consultancy.

1.6.2 BRAC EPL Stock Brokerage Limited (subsidiary)

BRAC Bank Limited acquired 51% shares of Equity Partners Securities Limited on 31 July 2009. Equity Partners Securities Limited was incorporated in Bangladesh on 16 May 2000 as a private limited company under the Companies Act, 1994. Subsequently, the management decided to rename Equity Partners Securities Limited as BRAC EPL Stock Brokerage Limited. In the year 2011, the bank acquired an additional 39% shares of EPL Stock Brokerage Limited. As a result, the bank's controlling interest has risen to 90% of EPL Stock Brokerage Limited.

BRAC EPL Stock Brokerage Limited was established to cater to the needs of the brokerage business in Bangladesh. It has corporate membership of both Dhaka Stock Exchange and Chittagong Stock Exchange.

1.6.3 bKash Limited (subsidiary)

BRAC Bank Limited formed bKash Limited, a private company limited by shares incorporated on 1 March 2010 under the Companies Act, 1994. bKash Limited was established to introduce mobile financial services in Bangladesh. The bank has obtained a license from Bangladesh Bank for bKash Limited to render mobile financial services (MFS). BRAC Bank currently holds 51% equity shares in the company.

With the consent of all existing shareholders, in 2014 Bill & Melinda Gates Foundation (B&M), in 2018 Alipay Singapore E-Commerce Private Limited ("Alipay") and in 2021 SoftBank further invested in bKash Limited in the form of convertible preference shares. As on 31 December 2021, out of the total 163,104 convertible preference shares, B&M holds 22,525 shares, Alipay holds 55,433 shares and SoftBank holds 85,146 shares. Preference shareholders do not have any voting rights but has same rights as equity shareholders with respect to economic interest in the company. These preference shares are convertible at a 1:1 basis to ordinary shares subject to consent as per shareholders' agreement. Consolidated financial statements have been prepared using 35.74% instead of 51% considering the potential dilution, or otherwise according to economic interest on bKash.

1.6.4 BRAC SAAJAN Exchange Limited (subsidiary)

At the inception, BRAC Bank Limited acquired 75%+1 shares of "SAAJAN Worldwide Money Transfer Limited" (SWMTL) in the UK. Bangladesh Bank provided necessary approvals of GBP 500,000 to acquire SWMTL and setting up two new branches in Luton and Bradford, UK. As per permission of Bangladesh Bank, SWMTL has been renamed as "BRAC SAAJAN Exchange Ltd" (BSEL). BRAC SAAJAN Exchange Limited was established to offer remittance and exchange services in the UK.

Notable that the operation of BRAC SAAJAN Exchange Limited was suspended in 2021 on regulatory ground by the local regulator in UK. Management lodged an appeal against the suspension before the Court in UK. After long hearing, the honorable Court released a verdict in 2022 in favour of BRAC Saajan and nodded the company to resume its operations. Accordingly, the company has resumed its operations in December 2022.

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Considering the minimum capital requirement as per Financial Conduct Authority (FCA), UK and to resume its full-fledged operations, the company (BRAC Saajan) converted the outstanding OD Loan facilities of BRAC Bank as additional share capital of GBP 1,000,000 (equivalent to BDT 112,140,000) with due approval from the regulators. Currently, BRAC Bank Limited holds 93.75% shares (1,250,000 no. of shares out of the total 1,333,333 shares) of BRAC SAAJAN Exchange Ltd (BSEL).

1.6.5 BRAC IT Services Limited (biTS) (associate)

BRAC IT Services Ltd. (biTS) was initially founded as Documenta™ Ltd, a digital archiving firm, in 1999. BRAC IT Services Ltd. was then formed in April 2013 through the merger of Documenta™ Ltd and the IT Division of BRAC Bank. BRAC Bank acquired 51% shares of BRAC IT Services Limited, a private company limited by shares under the Companies Act, 1994, incorporated on 9 April 2013. It currently operates as an IT services company. In the year 2017, BRAC Bank reduced its holding in BRAC IT Services Limited from 51% to 48.67% by selling 1,034 shares to BRAC. However, due to additional investment by BRAC, the holding percentage of BRAC Bank further reduced to 12.92% at the end of the year 2020.

In 2022, BRAC Bank further disposed off 6,818 no. of shares (2.92% shareholding) to BRAC upon approval from Bangladesh Bank and the bank's shareholding in biTS reduced to 9.9996%. Considering the significant management involvement, the company is still considered as an associate of the Bank as per international accounting standards (IASs)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Preparation of consolidated and separate financial statements

Preparation of separate financial statements of the bank for the year ended 31 December 2022 comprise the operation of the Domestic Banking Unit (DBU) (main operations), as well as operations of the Off-shore Banking Unit (OBU), together referred to as 'the Bank'.

Consolidated financial statements include separate financial statements of the BRAC Bank Limited and financial statements of all subsidiaries', as those of a single economic entity and together referred to as 'the Group'. There were no significant changes in the operations of the bank/group entities.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) 10: Consolidated Financial Statements. The consolidated financial statements are prepared to a common reporting year ended 31 December 2022. Intra-company transactions, balances and intra-group gains on transactions between group companies are eliminated on consolidation.

2.2 Statement of compliance with applicable laws, regulations and standards

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and has adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks with effect from 2 November 2020.

The consolidated and separate financial statements of the Group and the bank have been prepared in accordance with the IFRS adopted by FRC and in addition to this, the bank also complied with the requirements of the following laws and regulations from various government bodies:

i) The Bank Company Act, 1991, and amendment thereon;
ii) The Companies Act, 1994;
iii) Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
iv) Bangladesh Securities and Exchange Rules, 2020; Bangladesh Securities and Exchange Ordinance, 1969; Bangladesh Securities and Exchange Act, 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 and amendments thereon;
v) The Income Tax Ordinance, 1984, and amendments thereon;
vi) The Value Added Tax Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;
vii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and
viii) Financial Reporting Act, 2015.

The Central Bank of Bangladesh ('Bangladesh Bank'), as primary regulator of the banking industry, has issued a number of circulars/directives which are not consistent with the requirements specified in IASs/IFRSs. In case any requirement of the Bank Company Act, 1991, and provisions and circulars issued by Bangladesh Bank (BB) differ with those of IFRSs, the requirements of the Bank Company Act, 1991, and provisions and circulars issued by BB shall prevail.

Bank has departed from certain contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Investment in equity instruments except investment in subsidiaries and associates	
Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
As per requirements of IFRS 9: Classification and measurement of investment in equity instruments depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors, it would generally fall either under 'at fair value through profit and loss account' or under 'at fair value through other comprehensive income' where any change in the fair value (measured in accordance with IFRS 13) at the year-end is taken to the profit and loss account or other comprehensive income, respectively.	As per Banking Regulation and Policy Department (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 the book value of the last audited balance sheet, respectively. Provisions should be made for any loss arising from diminution in value of investments; otherwise investments are recognised at cost.

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ii) Subsequent measurement of Government securities

Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
Government securities refer primarily to various debt instruments which include both bonds and bills. As per requirements of IFRS 9: Financial Instruments, these investments can be categorised as "Amortised Cost (AC)", or "Fair Value Through Profit or Loss (FVTPL)", or "Fair Value through Other Comprehensive Income (FVOCI)". Investments designated as Amortised Cost are measured at amortised cost method, and interest income is recognised through profit and loss account. Any changes in fair value of investments designated as FVTPL is recognised in the profit and loss account. Any changes in fair value of investments designated as FVOCI is recognised in other reserves, as a part of equity.	As per DOS Circular no. 05, dated 26 May 2008, and subsequent clarification in DOS Circular no. 05, dated 28 January 2009, Government securities/bills are classified into Held for Trading (HFT) and Held to Maturity (HTM). 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. 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 year-end, and gains or losses on amortization are recognised in other reserves as part of equity.

iii) Provision on loans and advances

Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
As per IFRS 9: Financial Instruments, an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses, if the credit risk on these loans and advances has increased significantly since initial recognition, whether assessed on an individual or collective basis, considering all reasonable information (including that which is forward-looking). For those loans and advances for which credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12-month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after the reporting date.	As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular No. 12 dated 20 August 2017, BRPD circular No. 15 dated 27 September 2017, BRPD circular no. 1 dated 20 February 2018, BRPD Circular no. 07 dated 21 June 2018, BRPD Circular no 13 dated 18 October 2018, BRPD circular no. 3 dated 21 April 2019, BRPD circular no. 16 Dated 21 July 2020, BRPD circular no. 52 Dated 20 October 2020, BRPD circular no. 19 dated 26 August 2021, BRPD circular no. 51 dated 29 December 2021, BRPD circular no. 52 dated 29 December 2021, BRPD circular no. 03 dated 20 January 2022, BRPD circular no. 09 dated 7 April 2022, BRPD circular no. 07 dated 27 April 2022, BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022, the general provision at 0.25% to 2% under different categories of unclassified loans (good/standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also, provision for different categories of classified loans (sub-standard, doubtful and bad and loss loans) has to be provided at 20%, 50% and 100%, respectively, for loans and advances depending on time past due. Furthermore, as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 07 dated 21 June 2018, a general provision at 1% is required to be provided for all off-balance sheet exposures except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by multilateral development bank (MDB)/international bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks, in line with Basel-III). As per BRPD circular no. 16 dated 21 July 2020, provision @ 5%, 20% on SMEF financing on SS and DF except medium enterprise has to be maintained. Such provision policies are not specifically in line with those prescribed by IFRS 9. Such provision policies are not specifically in line with those prescribed by IFRS 9.

iv) Other comprehensive income

Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
As per IAS 1 Presentation of Financial Statements, other comprehensive income is a component of financial statements or the elements of other comprehensive income are to be included in single comprehensive income statements.	Bangladesh Bank has issued templates for financial statements which is followed by all banks. The templates of financial statements issued by Bangladesh Bank neither include Other Comprehensive Income nor the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) statement. As such, the bank does not prepare Other Comprehensive Income statement. However, elements of OCI, if any, are shown in the Statement of Changes in Equity.

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v) Financial instruments – presentation and disclosure	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
some disclosure and presentation requirements of IFRS 7 Financial Instruments: Disclosures and IAS 32 Financial Instruments: Presentation cannot be made in the financial statements.	In several cases, Bangladesh Bank guideline categorize, recognise, measure and present financial instruments differently from those prescribed in IFRS 9: Financial Instruments.

vi) Repo and reverse repo transactions	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IFRS 9, when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan, and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).	As per DOS Circular letter no. 6, dated 15 July 2010, and subsequent clarification in DOS Circular no. 03, dated 30 January 2012 and DOS circular no. 2, dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction, and the financial assets are de-recognised in the seller's book and recognised in the buyer's book. However, as per DMD circular letter no. 7, dated 29 July 2012, non-primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collateralised repo arrangements with Bangladesh Bank. Here, the selling bank accounts for the arrangement as a loan, thereby continuing to recognise the asset.

vii) Financial guarantees	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IFRS 9: Financial Instruments, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs if a specified debtor fails to make payment when due, in accordance with the term of debt instruments. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount, and the loss allowance determined as expected credit loss under IFRS 9. Financial guarantees are prescribed to be included within other liabilities.	As per BRPD circular no. 14, dated 25 June 2003, financial guarantees, such as Letter of Credit and Letter of Guarantee should be treated as off balance sheet items. No liability is recognised for the guarantee, except the cash margin.

viii) Cash and cash equivalents	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
Cash and cash equivalent items should be reported as cash item as per IAS 7: Statement of Cash Flows.	Some cash and cash equivalent items, such as money at call and on short notice, treasury bills, Bangladesh Bank bills and prize bonds are not shown as cash and cash equivalents. Money at call and on short notice is shown separately in the balance sheet. Treasury bills, Bangladesh Bank bills and prize bonds are shown under investment 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 Bangladesh Bank and other banks.

ix) Non-banking assets	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
There is no particular/specific guideline about non-banking assets in IFRS.	As per BRPD circular no. 22, dated 20 September 2021, there is a separate balance sheet item titled as non-banking asset that exists in the standard format.

x) Cash flow statement	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IAS 7: Statement of Cash Flows, cash flow statement can be prepared either in direct method or indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per BRPD circular no. 14, dated 25 June 2003, the cash flow statement is a mix of both the direct and indirect methods.

xi) Balance with Bangladesh Bank	
Balance with Bangladesh Bank should be treated as other asset, as it is not available for use in day to day operations, as per IAS 7: Statement of Cash Flows.	Balance with Bangladesh Bank is treated as cash and cash equivalents.

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xii) Presentation of intangible asset	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
Intangible assets must be identified and recognised, and the disclosure must be given as per IAS 38: Intangible Assets.	Intangible assets are shown in fixed assets, including premises and furniture and fixtures, as there is no specific regulation for intangible assets in BRPD circular no. 14, dated 25 June 2003.

xiii) Off balance sheet items	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IFRS, there is no requirement for disclosure of off balance sheet items on the face of the balance sheet.	As per BRPD circular no. 14, dated 25 June 2003, off balance sheet items, e.g. Letter of Credit, Letter of Guarantee and Acceptance must be disclosed separately on the face of the balance sheet.

xiv) Disclosure of appropriation of profit	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
There is no requirement to show appropriation of profit on the face of statement of comprehensive income.	As per BRPD circular no. 14, dated 25 June 2003, appropriation of profit should be disclosed on the face of profit and loss account.

xv) Loans and advances/investments net of provision	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IFRS 9, loans and advances/investments should be presented net of provision.	As per BRPD circular no. 14, dated 25 June 2003, provision on loans and advances/investments are presented separately as liability and cannot be netted-off against loans and advances.

xvi) Recognition of interest in suspense	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
Loans and advances to customers are generally classified at amortised cost as per IFRS 9, and interest income is recognised in the profit and loss account by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently becomes credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.	As per BRPD circular no. 14, dated 23 September 2012, once a loan is classified as Sub-standard, Doubtful BL (special reason), interest accrued 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 other liability in the balance sheet.

xvii) Provision on undrawn loan commitments	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IFRS 9, the bank shall recognise credit losses on undrawn loan commitments, such as Letter of Credit (L/C), Letter of Guarantee (L/G), etc., as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that the bank expects to receive.	As per BRPD Circular no. 07, dated 21 June 2018, and BRPD Circular no. 14, dated 23 September 2012, the bank is required to maintain a provision at 1% rate against off balance sheet exposures (which includes all types of undrawn loan commitments).

xviii) Name of the financial statements	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes, comprising significant accounting policies and other explanatory information.	The forms of financial statements and directives for preparation thereof of the bank companies in Bangladesh are guided by BRPD Circular no. 14, dated 25 June 2003 and subsequent amendments thereof from time to time. BRPD circular no. 14 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.

2.2.2 Summary statement of compliance with IFRSs

Ref.	Name of the standards	Status
IFRS-1	First-Time Adoption of International Financial Reporting Standards	Not applicable
IFRS-2	Share-based Payment	Not applicable
IFRS-3	Business Combinations	Complied
IFRS-4	Insurance Contracts	Not applicable
IFRS-5	Non-current assets Held for Sale and Discounted Operations	Not applicable
IFRS-6	Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS-7	Financial Instruments: Disclosures	Complied *
IFRS-8	Operating Segments	Complied *
IFRS-9	Financial Instruments	Complied *
IFRS-10	Consolidated Financial Statements	Complied
IFRS-11	Joint Arrangements	Not applicable
IFRS-12	Disclosure of Interests in Other Entities	Complied
IFRS-13	Fair Value Measurement	Complied

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IFRS-14	Regulatory Deferral Accounts	Not applicable
IFRS-15	Revenue from Contracts with Customers	Complied
IFRS-16	Leases	Complied
IAS-1	Presentation of Financial Statements	Complied *
IAS-2	Inventories	Not applicable
IAS-7	Statement of Cash Flows	Complied *
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS-10	Events after the Reporting Period	Complied
IAS-12	Income taxes	Complied
IAS-16	Property, Plant and Equipment	Complied
IAS-19	Employee Benefits	Complied
IAS-20	Accounting for Government Grants and Disclosure of Government Assistance	Complied
IAS-21	The Effect of Changes in Foreign Exchanges Rates.	Complied
IAS-23	Borrowing Cost	Complied
IAS-24	Related Party Disclosures	Complied
IAS-26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS-27	Separate Financial Statements	Complied
IAS-28	Investment in Associates and Joint Venture	Complied
IAS-29	Financial Reporting in Hyperinflationary Economies	Not applicable
IAS-32	Financial Instruments: Presentation	Complied *
IAS-33	Earnings Per Share	Complied
IAS-34	Interim Financial Reporting	Complied
IAS-36	Impairment of Assets	Complied
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS-38	Intangible Assets	Complied *
IAS-40	Investment Property	Not applicable
IAS-41	Agriculture	Not applicable

* Complied to the extent possible subject to compliance to Bangladesh Bank guidelines in this respect.
** Complied in the preparation of interim financial reports of the Bank.

2.2.3 Standards issued but not yet effective

A number of new standards and amendments to standards are issued but not yet effective for annual periods beginning after 01 January 2022 and earlier application is permitted. However, the Bank has not adopted early the following new or amended standards in preparing these financial statements.

A) Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)
B) Other standards: The following new and amended standards are not expected to have a significant impact on the bank's standalone and consolidated financial statements:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Lease liability in sale and leaseback (Amendments to IFRS 16)

2.3 Going concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation over the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the bank continued to demonstrate a healthy trend for a couple of years. The rating outlook of the bank, as reported by all the rating agencies is 'Stable'.

The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the bank's ability to continue as a going concern.

2.4 Materiality and aggregation

Each material item considered by the management as significant has been displayed separately in the financial statements. No amount has been set off, unless the Bank has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

2.5 Comparative information

Accounting policies have been consistently applied by the Bank and are consistent with those used in the previous year. Comparative information is rearranged wherever necessary to conform with the current presentation.

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2.6 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (BDT), which is the bank's functional currency. The functional currency of the Bank's Off-shore Banking Unit (OBU) and one of the Bank's subsidiaries, namely BRAC SAAJAN Exchange Limited, is in United States Dollar (USD) and Great Britain Pound (GBP), respectively. Financial statements of the above-mentioned unit and subsidiary have been translated into the presentation currency, i.e. Bangladeshi Taka (BDT), following the guidelines of *IAS 21: The Effect of Changes in Foreign Exchange Rates*. The functional and presentation currency of other subsidiaries and associates is in Bangladeshi Taka (BDT). Except as indicated, figures have been rounded-off to the nearest Taka.

2.7 Reporting period

These financial statements cover one calendar year - from 01 January to 31 December 2022.

2.8 Basis of measurement of elements of financial statements

The financial statements of the Bank have been prepared on historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marked to market with gains, if any, credited to revaluation reserve.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.

2.9 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statement in line with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the year in which the estimates are revised and in any future periods affected. Significant areas where management requiring the use of estimate and judgment:

a) Provision for loans and advances, investments and leases for future impairment
b) Useful life of fixed assets and Right of use of assets (RoU) as per IFRS 16
c) Remeasurement gain/(loss) of defined benefit obligation and plan assets
d) Deferred Tax assets/liabilities
e) Provision for gratuity fund
f) Right of use of assets (RoU) as per IFRS 16
g) Lease liabilities
h) Impairment testing of goodwill
i) Provision for taxation
j) Fair value determination of unquoted investments/shares

2.10 Foreign currency transactions

Mark-to-market valuation of foreign currency transaction

The treasury back-office values all outstanding positions (Spot and Forward including on and off balance sheet items) at the current market rate to determine the current market value of these positions. This exercise also provides the profitability of the outstanding contracts. The treasury back office gathers the market rates from an independent source i.e. other than traders (Reuters/Bloomberg, BAFEDA, calling other bank back offices) of the same organization which is required to avoid any conflict of interest. Revaluation is done daily and the profit and loss impact is adjusted accordingly.

Translation of foreign currency operations

The results of financial statements of any foreign operation (including subsidiaries, off-shore banking unit, etc.) whose functional currency is not Bangladeshi Taka are translated into Bangladeshi Taka as follows:

a. assets and liabilities for each statement of balance sheet have been translated at the closing rate on the date of the balance sheet.
b. income and expenses for the profit and loss account have been translated at average rate.

Foreign currency differences are recognised in OCI and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to NCI.

Exchange rates

The assets and liabilities as at 31 December 2022 in foreign currencies have been converted to BDT at the following rates:

Name of Currencies	2022	2021
USD 1= BDT	103.30	85.80
SGD 1= BDT	76.60	63.41
GBP 1= BDT	124.43	115.70
AUD 1= BDT	69.44	62.33
EUR 1= BDT	110.01	97.12
CHF 1= BDT	111.74	93.71

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JPY 1= BDT	0.77	0.75
CAD 1= BDT	75.97	67.12
AED 1= BDT	28.13	23.36
CNY 1= BDT	14.84	13.46

Translation reserve in separate financial statements

The functional currency of the Bank's Off-shore Banking Unit (OBU) is in United States Dollar (USD). So, translation reserve has been generated in separate financial statements for translating offshore banking operations in bank's presentation currency (BDT).

Translation reserve in consolidated financial statements

The functional currency of one of the Bank's subsidiaries BRAC SAAJAN Exchange Limited is in Great Britain Pound (GBP). As a result, in consolidated financial statements translation reserve includes the balances of separate financial statements as well as the balances for translating SAAJAN's GBP operations to bank's presentation currency (BDT).

2.11 Provisions, contingent liabilities and contingent assets

The Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. No provision is recognised for-

a. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the bank; or
b. Any present obligation that arises from past events but is not recognised because-
   i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
   ii) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognised in the financial statement since these may result in the recognition of income that may never be realised. However, due to regulations of Bangladesh Bank (Central Bank of Bangladesh) and Bank Company Act, 1991, as amended, all items of such contingent assets/liabilities are shown as off balance sheet items under balance sheet of the bank as a separate section.

2.12 Statement of changes in equity

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

2.13 Cash flow statement

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

2.14 Basis of preparation of liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following basis:

a) Balances with other bank and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
b) Investments are on the basis of their residual maturity term.
c) Loans and advances are on the basis of their repayment/ maturity schedule.
d) Fixed assets are on the basis of their useful life.
e) Other assets are on the basis of their adjustment.
f) Borrowing from other banks, financial institutions and agents as per their maturity/ repayment term.
g) Deposits and other accounts are on the basis of their maturity term and behavioural past trend.
h) Other long term liability on the basis of their maturity term.
i) Provisions and other liabilities are on the basis of their settlement.

2.14 Changes in accounting policies, estimates and errors

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors , states that the effect of a change in accounting policy and correction of errors, if material, is to be applied retrospectively, and change in an accounting estimate is to be applied prospectively. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change. The bank followed the same accordingly.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements except the recognition of defined benefit obligation and plan assets relating to the gratuity fund on the balance sheet of the Bank from 2018. The net effect in opening balance for such recognition has been charged in profit and loss considering the effect as immaterial as per IAS - 8.

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3.1 Assets and the basis of their valuation

3.1.1 Cash and Cash Equivalents

For the purpose of presentation in the cash flow statements, cash and cash equivalents includes cash in hand and cash at bank (regardless of maturity), highly liquid interest bearing investment/securities with original maturities of less than three month. Cash flow statement is prepared in accordance with IAS 7 Statement of Cash Flows. However cash flows from operating activities have been presented according to the format mentioned in BRPD circular no. 14 dated 25 June 2003.

3.1.2 Investments (Categorized and reported as per Bangladesh Bank)

Investment in securities

All investment securities are initially recognised at cost, including acquisition charges associated with the investment. Premiums are amortised and discount accredited, using the effective yield method, and are taken to discount income. The valuation method of marking-to-market for investments used are:

Held To Maturity (HTM)

Investments which have fixed or determinable payments and fixed maturity that the group has the positive intent and ability to held to maturity, other than those that meet the definition of 'Held at amortised cost others' are classified as held to maturity. These investment are subsequently measured at amortised cost, less any provision for impairment in value. Amortised cost is calculated by taking into account any discount or premium in acquisition. Any gain or loss on such investments is recognised in the statement of income when the investment is de-recognised or impaired.

Held For Trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing - in short trading or if designated as such by the management. After initial recognition, investments are measured at market value, and any change in the fair value is recognised in the statement of income for the period in which it arises. Transaction costs, if any, are not added to the value of investments at initial recognition.

Revaluation of government securities

According to DOS Circular no. 05, dated 26 May 2008, DOS Circular no. 05, dated 28 January 2009 and DOS Circular no. 02, dated 19 January 2012, HFT securities are revalued once each week using marking-to-market concept, and the HTM securities are amortised once a year according to Bangladesh Bank guidelines. HTM securities are also revaluated if they are reclassified to HFT category with the Board's approval.

Investment in quoted securities

These securities are bought and held primarily for the purpose of selling them in the future or holding for dividend income, which are reported at cost. Unrealised gains are not recognised in the profit and loss statement. But required provisions are kept for diminution in value of investment.

Investment in mutual funds

The Department of off-site Supervision (DOS) of Bangladesh Bank vide its circular letter no. 03 dated 12 March 2015 directed that investment in mutual fund (closed end) will be revalued at lower of cost and (higher of marker value and 85% of NAV). Provision should be made for any loss arising from diminution in value of investment on portfolio basis; otherwise investments are recognized at cost.

Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities. As per Bangladesh Bank DOS Circular no. 04, dated 24 November 2011, provision for diminution in value of investment was made by netting off unrealised gain (loss) of shares from market price/book value less cost price.

Besides, the Bank complied with Bangladesh Bank BRPD Circular no. 14, dated 25 June 2003, as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of the last audited balance sheet. Provisions should be made for any loss arising from diminution in value of investment."

Summary of recognition and measurement basis has been shown as under:

Investment Class	Initial Recognition	Measurement after Recognition	Recording of changes
Government Treasury Bills (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss A/C, gain to revaluation reserve
Government Treasury Bills (HTM)	Cost	Amortised cost	Amortised gain to revaluation reserve and loss to profit and loss
Government Treasury Bonds (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss A/C, gain to revaluation reserve
Government Treasury Bonds (HTM)	Cost	Amortised cost	Amortised gain to revaluation reserve and loss to profit and loss
Zero Coupon Bond	Cost	Cost	N/A
Prize Bond and Other Bond	Cost	Cost	N/A
Debentures	Cost	Cost	Profit and Loss Account

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Un-quoted Shares (ordinary)	Cost	Lower of cost or NAV of last audited account	Profit and Loss Account
Quoted Shares (ordinary)	Cost	Lower of cost or market price at balance sheet date	Loss (net off gain) to Profit and Loss Account but no unrealized gain
Mutual Fund (open-end)	Cost	Lower of cost or 95% of NAV	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.
Mutual Fund (closed-end)	Cost	Lower of cost or (higher of market value or 85% of NAV)	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.

3.1.3 Loans and advances

a) Loans and advances are stated in the balance sheet on the gross basis.

b) Interest on loans and advances is calculated daily on accrual basis for all loans accounts but charged in client statements monthly, quarterly and installment date based on product type.

c) Commission and discounts on bills purchased and discounted are recognized at the time of realization.

b) Provision for loans and advances is made on the basis of period-end review by the management following instructions contained in Bangladesh Bank BRPD Circular no. 14, dated 23 September 2012, BRPD circular no. 15, dated 23 September 2012, BRPD Circular no. 19, dated 27 December 2012, BRPD Circular no. 05, dated 29 May 2013, BRPD Circular no. 16, dated 18 November 2014, BRPD Circular no. 08, dated 02 August 2015, BRPD Circular no. 12, dated 20 August 2017, BRPD Circular no. 15, dated 27 September 2017, BRPD Circular no. 01, dated 20 February 2018, BRPD Circular no. 07, dated 21 June 2018, BRPD Circular no 13, dated 18 October 2018 and BRPD Circular no. 03, dated 21 April 2019, BRPD circular no. 52 Dated 20 October 2020, BRPD circular no. 16 dated 21 July 2020, BRPD circular No: 56 dated 10 December 2020, BRPD circular No: 14 dated 22 June 2022, BRPD circular No: 51 dated 18 December 2022. Provisions and interest suspense are separately shown under other liabilities as per the First Schedule of the Bank Company Act 1991 (amended up to 2018). The rates of provision for loans and advances are given below:

Type of Loans and Advances	Unclassified		Classified		
	Standard	Special Mention Account (SMA)	Substandard (SS)	Doubtful (DF)	Bad and Loss (BL)
Consumer financing - House building	1%	1%	20%	50%	100%
Consumer financing - Loans for professionals	2%	2%	20%	50%	100%
Consumer financing - Other than house building and professionals	2%	2%	20%	50%	100%
Loans to BHs/ MBs against share etc.	2%	2%	20%	50%	100%
Small and medium enterprise (Medium)	0.25%	0.25%	20%	50%	100%
Small and medium enterprise (Cottage, Micro, Small)	0.25%	0.25%	5%	20%	100%
Short term Agriculture/ Micro credit	1%	1%	5%	5%	100%
Credit Card	2%	2%	20%	50%	100%
All others	1%	1%	20%	50%	100%
Off Balance Sheet exposure	1%	N/A	N/A	N/A	N/A

c) Interest on classified loans and advances is kept in a suspense account as per BRPD circular no. 27, dated 31 August 2010 and recognised as income on realisation, as per BRPD circular no. 14 and 15, dated 23 September 2012. Interest is not charged on bad and loss loans as per the guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate accounts.

d) **Write off Loans and Advance:** Loans and advances are written-off to the extent that (i) there is no realistic prospect of recovery and (ii) against which legal cases are filed and classified as bad and loss, as per BRPD circular no. 02, dated 13 January 2003 and 13, dated 07 November 2013. These write-offs however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write-off accounts are meticulously maintained and followed up.

3.1.4 Fixed assets including premises, furniture and fixtures

A. Property, plant and equipment (PPE)

Property, plant and equipment (PPE) include all type of tangible assets i.e. land, office floor space, furniture & fixtures, office equipments, IT hardware and motor vehicles etc.

Recognition and measurement

All fixed assets including land are stated at cost less accumulated depreciation, as per IAS 16 Property, Plant and Equipment. Right-of-use assets are measured at cost, less any accumulated depreciation, and adjusted for any re-measurement of lease liabilities.

The cost of an item of property, plant and equipment is recognised 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.

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The cost of the items of property, plant and equipment comprises:

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

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

iii) the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as consequence of having used the item during a particular period of purpose other than to produce during that period.

Subsequent costs

Subsequent costs of enhancement of existing assets are recognised as an addition to the asset, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit and loss account during the financial period in which they are incurred.

Depreciation of PPE

Land is not depreciated. Depreciation is charged on straight-line basis. In case of acquisition of fixed assets, depreciation is charged from the month of acquisition, whereas no depreciation on assets disposed-off is charged from the month of disposal. Asset category-wise depreciation rates are as follows:

Category of assets	BRAC Bank Limited	BRAC EPL Investments Limited	BRAC EPL Stock Brokerage Limited	BRAC Saajan Exchange Limited	bKash Limited
Furniture and fixture	10%	10%-20%	12.5%	10%	20%
Building	2.5%	5%	2%	-	-
Office equipment	20%	10%-20%	20%	10%	20%
IT equipment - Hardware	20%	25%	-	-	20%
IT equipment - PC, Laptop, UPS, Printer and Scanner	33.33%	33.33%	25%	33.33%	33.33%
IT equipment - Software	10%-20%	33.33%	33.33%	20%	20%
Motor vehicles	20%	20%	20%	-	20%
Office decoration/ renovation works	10%	15%	15%	10%	20%

The consolidated financial statements of BRAC Bank for the year ended 31 December 2022 have been prepared applying uniform depreciation policy in compliance with IFRS 10 " Consolidated Financial Statements".

Gain or loss on disposal of PPE

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognised in the profit and loss account as per provision of IAS 16 Property, Plant and Equipment.

Impairment of PPE

At each balance sheet date, the bank assesses whether there is any indication that the carrying amount of the asset exceeds its recoverable amount. If any such indication exists, the Bank should estimate the recoverable amount of the asset. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and impairment loss is recognised as an expense in the profit and loss account unless the asset is carried at revalued amount in accordance with IAS 16 Property, Plant and Equipment, in which case any impairment loss of a revalued asset should be treated as revaluation decrease under the accounting standard. No impairment loss was recognised up to the reporting period in separate financial statement, as no such indication existed as on the balance sheet date.

B. Intangible assets

Software

Software acquired by the bank is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases future economic benefits embodied in the specific asset to which it relates. All expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five to ten years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

License

Value of the license is recognised at cost less accumulated impairment losses.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries represents the excess of the fair value of the purchase consideration over the fair value of the BRAC Bank group's share of the assets acquired and the liabilities and contingent liabilities assumed on the date of the acquisition and is measured at cost less accumulated impairment losses in accordance with IFRS 3 Business Combinations and IAS 36 Impairment of Assets.

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Impairment of intangible assets
Intangible assets with indefinite useful life, like goodwill etc., are tested for impairment at the end of each year. As per IAS 36 Impairment, any intangible assets with definite useful life are first reviewed for any indication of impairment. If any indication exists, then the impairment test is carried out.

C. IFRS 16 "Leases" and its relevant assumptions and disclosures
IFRS 16: "Leases" has come into force on 1 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). BRAC Bank applied IFRS 16 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments, discounted it using the bank's incremental borrowing rate at the date of initial application, and recognised a right-of-use asset at the date of the initial application on a lease by lease basis.

Right-of-use assets
The Bank recognises right-of-use assets at the date of initial application of IFRS 16. Right-of-use assets are measured at cost, less any accumulated depreciation, and adjusted for any re-measurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented under property, plant and equipment.

Lease liabilities
At the commencement date of the lease, the bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term using incremental borrowing rate at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments, and re-measuring the carrying amount to reflect any reassessment or lease modifications.

Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

Short-term leases and leases of low value assets
The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases, i.e. for which the lease term ends within 12 months of the date of initial application. The Bank recognises lease payments associated with these leases as an expense.

The contracts for premises with all branches, head office, regional offices, data centers and disaster recovery centers are considered for lease calculation.

Accounting of lease modification
IFRS 16 defines a modification as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. Any change that is triggered by a clause that is already part of the original lease contract (including changes due to a market rent review clause or the exercise of an extension option) is not regarded as a modification.

Gain or loss on termination of lease agreements
As per IFRS-16, if the lease is modified to terminate the right of use of one or more underlying assets or to shorten the contractual lease term, the bank (lessee) remeasures the lease liability at the effective date of the modification using a revised discount rate. Furthermore, it decreases the carrying amount of the right-of-use assets to reflect the partial or full termination of the lease. Any gain or loss relating to the partial or full termination is recognised in profit or loss.

D. Capital work-in-progress (CWIP)
Costs incurred, but if the related asset is yet not ready or available for use as intended by management, are recognised as capital work-in-progress and disclosed as a part of fixed assets. Once the underlying asset is ready and available for use, it is transferred to fixed assets. However, no depreciation is charged on CWIP.

E. Investment properties
Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that are associated with the investment property but not held for sale in the ordinary course of business. Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost, less accumulated depreciation and accumulated impairment loss.

3.1.5 Other assets and basis of their measurement
Other assets include mainly all other financial assets, interest and other unrealised income receivable, advance for operating expenditure and stocks of stationery and stamps etc.

a. Interest receivables
Interest receivable is the amount of interest that has been earned but has not yet been received in cash. Interest on loans and advances is calculated and accrued on a daily product basis but charged to customer accounts in different frequency based on product nature. The accrued but uncharged interest portion is reported as interest receivables on reporting date. Interest receivables is recognized only when the unconditional right to receive the cash flows of the loans and advances is established.

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b. Reporting investment in subsidiaries and associates in separate financial statements

In accordance with the IAS 27 "Separate Financial Statements", an entity may choose any of the following methods to account for investment in subsidiaries, associates and joint ventures in its separate financial statements:

- at cost;
- in accordance with IFRS 9; or
- using the equity method as described in IAS 28;

BRAC Bank adopted IFRS 9 Fair value through other comprehensive income (FVOCI) method for accounting equity investment in subsidiaries and associates since June 2020. As all of the investment are in unquoted investment, management used net assets value of the each investment as per the financial statements of the entity every year as fair value because if buyer offer any price of our investments, they will refer to NAV as reference price.

Accordingly, below cumulative fair value gain/(loss) has been directly recognised in equity in the separate financial statements of the bank till to date 31 December 2022.

Name of the subsidiaries and associates	BBL's investment at cost	Net asset value of investee	BBL's share of net asset	Gross fair value gain/(loss)	Gain/(loss) net of deferred tax
BRAC EPL Investment Ltd.	2,891,704,014	1,302,350,935	1,301,639,222	(1,590,064,792)	(1,351,555,073)
BRAC EPL Stock Brokerage Ltd.	1,344,147,500	1,457,088,870	1,311,371,003	(32,776,497)	(27,860,022)
bKash Ltd.	168,921,800	30,602,346,146	10,937,169,476	10,768,247,676	9,153,010,525
BRAC Saajan Exchange Ltd.	171,528,531	22,534,817	21,126,396	(150,402,135)	(127,841,815)
BRAC IT Services Ltd. (biTS)	23,372,000	212,076,519	21,206,835	(2,165,165)	(1,840,390)
Total	**4,599,673,845**	**33,596,397,287**	**13,592,512,932**	**8,992,839,087**	**7,643,913,224**

For shareholding percentage, please refer to Note 1.6 "Summary of shareholding in subsidiaries and associates". Economic shareholding percentage of bKash 35.74% has been used for BBL's share of net asset considering dilution for bKash's preference shares having rights like ordinary shares.

c. Reporting investment in subsidiaries and associates in consolidated financial statements

Investment in subsidiary is consolidated in the consolidated financial statements considering as a single economic entity in accordance with the IAS 27 Separate Financial Statements and IFRS 10 Consolidated Financial Statements respectively.

Investment in associate is recognised in the consolidated financial statements under equity method as per IAS 28 Investments in Associates and Joint Ventures.

The summary of accounting of equity investment in subsidiaries and associate both in consolidated and separate financial statements is as follows:

Investment class	Initial recognition	Measurement after recognition	Recording of changes
Investment in subsidiary	Cost	Fair value through other comprehensive income in separate financial statements and equity method less accumulated impairment, if any, in consolidated financial statements.	Impairment loss is adjusted automatically in OCI due to fair value accounting. Goodwill impairment is recognised in profit and loss in consolidated financial statements.
Investment in associate	Cost	Fair value through other comprehensive income in separate financial statements and equity method less accumulated impairment, if any, in consolidated financial statements.	Impairment loss is adjusted automatically in OCI due to fair value accounting. The share of post acquisition income is recognised in consolidated profit and loss account.

3.2 Liabilities and provisions

3.2.1 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest-bearing borrowings redeemable at call, on-demand and short-term deposits lodged for periods of less than 6 months. These items are brought to account at the gross value of the outstanding balance which includes accrued interest.

3.2.2 Deposits and other accounts

Deposits include non interest-bearing current deposit redeemable at call, interest bearing on-demand and short-term deposits, savings deposit and term deposit lodged for periods from 3 months to 12 years. These items are brought to account at the gross value of the outstanding balance which includes accrued interest.

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3.2.3 Other liabilities

Other liabilities comprise items such as provision for loans and advances, provision for interest receivables, provision for taxes, interest suspense, accrued expenses. Other liability is recognised in the balance sheet according to the guideline of Bangladesh Bank, IAS and IFRS, Income Tax Ordinance-1984 and internal policies of the Bank. Provisions and accrued expenses are recognised 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.

a. Provision for loans and advances

Provision for loans and advances is created for covering the Bank from possible loan losses in the future. General provision is made on the outstanding amount of loans and advances without considering the classification status following the prescribed rate of Bangladesh Bank. Classified loans and advances of the Banks are categorised as Sub-Standard, Doubtful and Bad/Loss as per Bangladesh Bank guidelines. For loans which are classified as sub-standard, doubtful or bad/loss, specific provision is created netting off security value and interest suspense from the amount outstanding.

b. Provision for other assets

Other assets excluding investment in subsidiaries is subject to making provision based on their ageing as per Bangladesh Bank BRPD circular no. 14 dated 25 June 2001 and BRPD circular no. 04 dated 12 April 2022. Full provision is kept on other assets which are outstanding for one year or more or classified as Bad/Loss.

c. Provision for diminution in value of investments

Please refer to above note 3.1.2 for detail policies for recognition, measurement and provisioning of investment.

d. Provisions for off balance sheet items

No provision is kept on items of derivatives as there is no exposure on such gross value for the Bank. Provision for other off balance sheet items made as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 7 dated 21 June 2018 except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by Multilateral Development Bank (MDB)/International Bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III).

e. Provisions for nostro accounts

Provisions for unsettled transactions on nostro accounts made are reviewed on a monthly basis by management in Risk management meeting (RMM) and certified by the Bank's external auditors on a semi-annual basis in accordance with Bangladesh Bank Foreign Exchange Policy Department (FEPD) circular letter No. (FEPD)/01/2005-677 dated 13 September 2005. At the Balance Sheet date, Bank is not required to make provision regarding un-reconciled debit entries which are outstanding for more than six (06) months in accordance with BRPD circular no. 04 dated 12 April 2022 .

f. Interest suspense

Classified loans and advances of the Banks are categorised as sub-standard, doubtful and bad/loss as per guidelines of Bangladesh Bank. Interest accrued on Sub-Standard, Doubtful and Bad/Loss loans is transferred to interest suspense account and not considered as interest income. This interest is recognised as interest income when it is realised in cash by the bank.

3.2.4 Share capital and shareholders' equity

Capital Management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve four major objectives: exceed regulatory thresholds and meet longer-term internal capital targets, maintain strong credit ratings, manage capital levels commensurate with the risk profile of the Bank and provide the Bank's shareholders with acceptable returns.

Capital is managed in accordance with the Board-approved Capital Management Planning from time to time. Senior management develop the capital strategy and oversee the capital management planning of the Bank. The Bank's Finance, Treasury and Risk Management department are key in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal matrix.

a. Authorized capital

Authorized Capital is the maximum amount of share capital that the bank is authorised by its Memorandum of Association and Article of Association to issue to shareholders.

b. Issued, Subscribed and Paid up capital

The issued share capital of the bank is the total nominal value of the shares of the bank which have been issued to shareholders and which remain outstanding.

Paid up share capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

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c. Share Premium
Share premium is the capital that the Bank raises upon issuing shares that is in excess of the nominal value of the shares. The share premium shall be utilised in accordance with provisions of section 57 of the Companies Act, 1994 and as directed by Bangladesh Securities and Exchange Commission in this respect.

d. Statutory reserve
The Bank is required to transfer at least 20% of its profit before tax to the Statutory Reserve in accordance with provisions of section 24 of the Banking Companies Act, 1991. This is mandatory until such reserve is equal to the paid up capital together with amount in the share premium account.

e. Dividend Equalization Fund
According to BRPD Circular No. 18, dated 20 October 2002, the equivalent amount of exceeding 20% cash dividend shall be kept separately under Dividend Equalization Fund which shall be treated as permanent capital. On June 02, 2016 cash dividend @ 25% (Tk. 2.5 per share of 10 each) amounting to Taka 1,776,092,275 was approved by the shareholders in 17th Annual General Meeting and the cash dividend was paid accordingly. Therefore the excess 5% cash dividend equivalent amounting to Taka 355,218,455 has been transferred to Dividend Equalization Fund. This is treated as Common Equity Tier-1 (CET1)' of the Bank.

f. Revaluation reserve on govt. securities
Revaluation reserve represents revaluation on Treasury bond (HFT and HTM) in accordance with the DOS circular no. 05, dated 26 May 2008 and DOS circular no. 05, dated 28 January 2009.

g. Remeasurements gain/(loss) of defined benefits liability (assets)
Remeasurement gain/loss arises from the actuarial valuation report carried out by professional actuary time to time on BRAC Bank Employees' Gratuity Fund. The last actuarial valuation were carried out based on 31 December 2022 and actuarial gain/loss was recognised in equity as a component of equity net of any deferred tax impact.

h. Non Controlling Interest
Non-controlling interest (NCI) in business is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. The portion of the NCI (percentage of ordinary shares owned by non-controlling shareholders) in BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited, bKash Limited and BRAC SAAJAN Exchange Limited are 0.05%, 10%, 49%, and 6.25% respectively.

3.2.5 Off-balance sheet exposures and other commitments
Off Balance Sheet Items include various non-derivative financial instruments primarily letter of credit (L/C), letter of guarantee (L/G), acceptance and endorsements, bills for collection etc. and various derivative instruments like forward contracts and currency rate swaps etc.

3.2.6 Revenue and expense recognition

Interest Income
Interest income is recognised on an accruals basis. Interest on loans and advances ceases to be taken into income when such advances are classified, kept in interest suspense account. Interest on classified advances is accounted for on a realisation basis as per Bangladesh Bank guidelines.

a. Interest and fees receivable on credit cards
Interest and fees receivable on credit cards are recognised on an accruals basis. Interest and fees cease to be taken into income when the recovery of interest and fees is in arrear for over three months. Thereafter, interest and fees are accounted for on realisation basis.

b. Income on Bills purchased and discounted
Income on Bills purchased and Discounted is recognised on accrual basis.

Interest paid on deposits and borrowings etc.
Interest paid and other expenses are recognised on an accrual basis.

Investment income
Income on investments is recognised on an accruals basis. Investment income includes interest on treasury bills, treasury bonds, zero coupon, shares, debentures etc.

Dividend Income on Shares
Dividend income from investment in shares is recognised when the right to receive the dividend is established. It is recognised when:
a) It is probable that the economic benefit associated with the transaction will flow to the entity; and
b) The amount of the revenue can be measured reliably.

Commission, exchange and brokerage
The Bank earns fees and commission from a diverse range of services provided to its customers. These include fees and commission income arising on financial and other services provided by the Bank including trade finance, credit cards, debit cards, passport endorsement, visa processing, student service, loan processing, loan syndication, locker facilities and SMS banking etc. Fees and commission income arises on services rendered by the Bank are recognised on a realisation basis.

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Other operating income
The profit on sale of fixed assets is determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal, and is recognised as an item of other income in the year in which the significant risks and rewards of ownership are transferred to the buyer.

3.2.7 Employee benefits

a. Provident Fund (Defined Contribution Plan)
A "Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. Provident Fund benefits are given to the staff of the Bank in accordance with the registered Provident Fund Rules. The commissioner of Income Tax, Large Tax Payers Unit, Dhaka has approved the Provident Fund as a recognized fund within the meaning of section 2(52) read with the provisions of part - B of the First Schedule of Income Tax ordinance 1984. The fund is operated by a Board of Trustees consisting of employees of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount of the employees' contribution to the fund. In addition, there will be an option for a voluntary contribution of a maximum of 10% (at a multiple of 5%) from the monthly basic salary of the employee at the time of payment thereof and will be paid to the Trustees account mentioned in Rule -13. Upon completion of 1 year of service length after confirmation employees are entitled to 100% of employer's contribution along with his/her own contribution. Interest earned from the investments is credited to the members' account on half yearly basis.

b. Gratuity Fund (Defined Benefit Plan)

Gratuity Fund benefits are given to the staff of the Bank in accordance with the approved Gratuity Fund rules. Employees are entitled to Gratuity benefit after completion of minimum 05 (five) years of service in the Bank. The Gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service, or in the case of service of 10 years or more at the rate of one and half month's basic pay for every completed year of service. Beyond 5 years, 6 months and more shall be considered as full year of service. Gratuity fund is a "Defined Benefit Plan" and contribution to Gratuity Fund is measured through the result of actuarial valuation of the fund.

The Bank's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. The Bank determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense, current service cost and other expenses related to defined benefit plans are recognised as salaries and allowances in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

c. Worker's Profit Participation Fund (WPPF)
Consistent with the industry practice and in accordance with section 11(1) of the Bank Company Act,1991 (as amended up to date) and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by bank in the reporting period for WPPF.

d. Life Insurance
The objective of the scheme is to provide death or permanent disability benefits to its confirmed employees and on their families with a sum equal to 50 times (in case of normal death) and 100 times (in case of accidental death) of the last drawn basic salary to the nominee.

e. Welfare Fund
The objective of the Employees' Welfare Fund is to provide regular category employees from Officer Grade-1 to Senior Principal Officer of the BRAC Bank incurring severe accidents during official job, extended illness (not less than 3 months), Education for Children, Marriage of Children which costs would not be affordable by the employee and which are not covered by any other means. All regular confirmed employees of the Bank are contributing monthly to the Fund according to the designation. The sum subscribed monthly from salaries of the employees is credited separately in an "Employee Welfare Fund" as a liability of the Bank. There are at least 3 (three) members of Management Committee to manage the fund. The Managing Director and CEO of the Bank is the Chairman of this committee and other 2 (two) members are nominated from the regular category staff.

f. Hospitalization Insurance
The Bank has introduced a health insurance scheme to its confirmed employees and their respective dependents at rates provided in the health insurance coverage policy.

g. Performance bonus
BRAC Bank provides performance bonus to the eligible employees every year. This bonus amount is being distributed among the employees based on their performance rating and management decision. The bonus amount is paid annually, normally in the following year and the costs are accounted for in the period to which it relates.

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h. Staff leave facilities

Annual leave
The provision for leave fare represents the current outstanding liability to employees at the balance sheet date. Leave Fare Assistance is a non-recurring benefit for all permanent employees of the Bank who are entitled to annual leave. According to Bangladesh Bank policy all permanent employees have to avail 15 consecutive days of mandatory leave and LFA will be given in this leave period.

Casual leave
Casual leave means a leave of absence for a very short period granted to an employee who may be unable to attend duty due to sudden illness or urgent private affairs. Casual leave up to 5 working days can be granted per year. Not more than 3 days casual leave can be taken at a time.

Sick leave
Employee may avail Sick leave up to 14 calendar days in a year. Sick Leave for more than 2 days can be taken subject to submission of medical certificates.

Paternity leave
All regular male employees are entitled to avail paternity leave for a period of 5 working days. Such leave can be taken before and/or after the birth of the child only to look after his family and home. A male employee can avail this leave only twice during his service life.

Maternity leave
Female employees of the Bank are entitled to 6 (six) months of paid maternity leave. They will be eligible to avail this paid maternity leave after 6 (six) months of continuous service with the bank for the first 2 (two) children. A female employee who wants to avail maternity leave before completion of 6 (six) months of continuous service with the bank will also be entitled to maternity leave but that would be without pay.

i. Subsidized Scheme - Staff Loan
Personal, House building and car loans are provided to the permanent staff at a subsidized rate. Criteria and details of types wise staff loan is given below:

Personal Loan: A permanent staff can avail personal loan taking approval from department head and Head of HR subject to completion of a specific service length and performance rating.

House building Loan: A permanent staff completing 5 year of service can avail house building loan taking approval from House Building Loan Committee subject to performance rating and completed service length with BRAC Bank.

Car Loan: All confirmed staff at job grade from PO can avail staff car loan taking approval from department head and head of HR.

3.2.8 Taxation

Income tax on profit for the year comprises current and deferred tax and is based on the applicable tax law in Bangladesh. It is recognised in the income statement as tax expense.

a. Current Tax
Current tax is the expected tax payable on taxable income for the year, based on tax rates and tax laws which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods are recognised as a liability or asset to the extent that it is unpaid or refundable.

b. Deferred Tax
The Bank accounted for deferred tax as per IAS 12 Income Taxes. Deferred tax is accounted for any temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base.

Deferred tax assets, including those related to the tax effects of income tax losses and credits available to be carried forward, are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences. They are also recognised for taxable temporary differences arising on investments and it is probable that temporary differences will reverse in future. Deferred tax assets associated with these interests are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profits against which to utilise the benefits of the temporary difference.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement reflects the tax consequences that would follow from the manner in which the Bank, at the reporting date, recovers or settles the carrying amount of its assets and liabilities.

3.2.9 Earnings Per Share

Earnings Per Share (EPS) has been computed by dividing the basic earning by the weighted average number of ordinary shares outstanding at the end of the year as per IAS 33 Earnings Per Share.

a. Basic earnings
This represents earnings for the year attributable to ordinary shareholders. Net profit after tax less preference dividend has been considered as fully attributable to the ordinary shareholders.

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Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

The basis of computation of number of shares is in line with the provisions of IAS 33 Earnings Per Share. The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings. In contrast, other shares were issued against consideration in cash or in kind, and accordingly there is an increase in resource generating new earnings. Therefore, the total number of shares issued in particular year are multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

b. Diluted earnings per share

The objective of diluted earnings per share is consistent with that of basic earnings per share; that is, to provide a measure of the interest of each ordinary share in the performance of an entity taking into account dilutive potential ordinary shares outstanding during the year.

As per IAS-33 "Earnings Per Share", the calculation of diluted earning per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti dilutive effect on earning per share. The bank has no dilutive instruments that is why we are not considering the diluted earning per share.

3.3 Dividend policy

Dividend on ordinary shares is recognised as a liability and deducted from retained earnings when they are approved by shareholders at the Annual General Meeting (AGM) of the Bank.

Dividend on ordinary shares for the year that is recommended by the Directors after the balance sheet date for approval of shareholders at the Annual General Meeting are disclosed in Note - 51.5 to the financial statements.

3.3.1 Dividend Distribution Policy of BRAC Bank

Bangladesh Securities and Exchange Commission (BSEC) has made it mandatory for the listed Company to have their dividend distribution policy and disclosed it in the Company's website and in the Annual Report. Accordingly, BRAC Bank has formulated the dividend distribution policy which has been approved by Board of Directors in its 303rd meeting held on 20 September 2021. The policy is also available in bank's website accordingly.

The BRAC Bank Ltd shall propose and declare dividend by ensuring compliance with the regulatory guidelines on dividend declaration and other directives from Bangladesh Securities and exchange commission (BSEC), DSE, CSE, Bangladesh Bank, NBR and other applicable regulatory requirements as well as aligned with company's business strategy.

3.4 Reconciliation of inter-bank/inter-branch account

Books of accounts with regard to interbank (in Bangladesh and outside Bangladesh) are reconciled on a monthly basis, and there are no material differences which may affect the financial statements significantly.

3.5 Statement of Segment Reporting

As per IFRS 8 "Operating Segments", an operating segment is a component of an entity:

i) That engages in business activities from which it may earn revenues and incur expenses (include revenues and expenses relating to transactions with other components of the same entity);
ii) Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and
iii) For which discrete financial information is available.

The Bank identifies segment based on its business segment as well as its subsidiaries. Business segment comprises SME, Retail, Corporate and Treasury under Conventional banking. The Bank reviews the segments at the end of each reporting period to identify which of its segments are reportable and disclose the related information for those reportable segments accordingly.

There are 4 (four) operating segments (SME, Retail, Corporate, and Treasury) on standalone basis as on 31 December 2022. Each operating segment is reportable as per latest evaluation in accordance with IFRS 8: Operating segments.

In consolidated basis, each of subsidiary can be considered as operating segment in addition to segments on standalone basis. However, no segment reporting has been made for subsidiaries as their audited financial statements have been appended with Bank's financial statements.

3.6 Related party disclosures

Related Party is a party related to an entity if:

i) Directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under control with, the company; has an interest in the company, that gives it significant influence over the company; or has join control over the company;
ii) The party is an associate (as defined in IAS 28 Investment in Associates and Joint ventures);
iii) The party is a joint venture in which the entity is a venture (as per IAS 31 Interests in Joint Ventures);
iv) The party is member of the key management of personal of the entity or its parent;
v) The party is a close member of the family of any individual referred to in (i) or (iv);
vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
vii) The party is post-employment benefit plan for the benefit of employees of the entity. or of any entity that is related party of the entity.

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BRAC Bank Limited

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

3.7 Events after the Balance Sheet Date

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

a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and
b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

The details about the events after reporting period can be found at note - 51.5.

3.8 Risk management

Risk management is a discipline at the core of every enterprise and encompasses all activities that affect its risk profile. The Standards of Risk Management, as taken up by the Bank for International Settlements (BIS) and, particularly, Basel Committee on Banking Supervision (BCBS), has been applied by bank regulators across the world. The Central Bank of Bangladesh, i.e. Bangladesh Bank also issued revised risk management guidelines in October 2018, which forms the basis of risk management of all scheduled banks in Bangladesh.

BRAC Bank Limited (BBL) rigorously follows a robust risk management framework across the organization and across all risk types, underpinned by our culture and values where we follow the three lines of defense model. Each of the three lines of defense plays distinct roles in BBL's broader governance framework. Bank's risk management framework is applied enterprise-wide and consists of three key elements: risk governance, risk appetite, and risk management tools. Major risks for BBL include credit, market, liquidity and operational risk. In line with the regulatory requirement and elevating its risk management function, BRAC Bank has established comprehensive risk management guidelines, duly approved by its Board of Directors. The bank's risk management strategy is based on a thorough awareness of diverse risks, a disciplined risk assessment process, and cautious measurement processes with ongoing monitoring. The bank is continuing to improve its risk management systems, not only to meet regulatory obligations, but also to achieve superior risk-adjusted returns and optimal capital use while keeping the organization's business objectives in mind. The bank handles risk across two strategic layers: the managerial layer and the operational layer, for effective risk management. Risk discussions are held at those levels with the goal of identifying and measuring the impact of various types of risk in core banking. Risk mitigation and viable solutions are examined, and conclusions are reached as a result.

A. Operating Environment

The Bank's operating environment during the year ended 2022 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, start of Russia-Ukraine conflict, increase in fuel and commodity prices, strengthening of US Dollars, etc. Most of these events also had significant impact on the local economic environment affecting the Bank's operations. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macro-economic situation and factor these issues into the decision making process.

B. Credit risk management

Effective credit risk management is a vital component of a comprehensive risk management strategy and critical to any bank's long-term sustainability. Considering key elements of credit risk, the bank has separate divisions for Corporate, SME, Retail and Credit Cards are entrusted with the responsibility of maintaining effective relationship with customers, marketing credit products, exploring new business opportunities, etc. For transparency in operations during the entire credit process, teams for i. Credit Approval, ii. Asset Operations, iii. Recovery Unit and Special Asset Management have been set up.

The entire process involves relationship teams of respective asset portfolios (Retail, SME and Corporate) booking clients and the underwriting team conducting thorough assessment before placing the facility for approval with the authority. Risk assessment includes borrower risk analysis, industry risk analysis, financial risk analysis, security risk analysis, account performance risk analysis, AML risk analysis and environmental & social risk analysis of the customer. Post-approval, the Credit Administration Department ensures compliance with all legal formalities, completion of documentation, including security of proposed facility, and eventual disbursement. This arrangement has not only ensured segregation of duties and accountability, but also helped in minimizing risk of compromise with quality of the credit portfolio.

To ensure sound practices in credit risk management, including taking calculated risk and maintaining asset portfolio quality, BRAC Bank follows well-established Credit Policy Guidelines, as approved by the Board of Directors and prepared in line with internationally-accepted risk management principles and best practices. The guidelines are also aligned with the 'Guidelines on Credit Risk Management (CRM) for Banks' (March, 2016) by Bangladesh Bank, the Bank Company Act, 1991 (Amended in 2013), Risk Management Guidelines for Banks (October, 2018) and credit-related circulars and instructions of Bangladesh Bank circulated from time to time. In 2022, BRAC Bank has updated its credit policy in line with with the instructions issued by Bangladesh Bank for the loan accounts at the time of sanctioning or renewal, where applicable.

In 2022, BRAC Bank has complied with the instructions given by Bangladesh Bank vide BRPD Circular letter no 04 dated 04-Jan-21 and BRPD Circular letter no 35 dated 06-Jul-21 for the loan accounts at the time of sanctioning or renewal, where applicable.

C. Foreign exchange risk management

Foreign exchange risk arises from fluctuations in currency prices, influenced by various macro and micro economic factors. Contemporary financial institutions engage in activities starting from basic currency buy, sell, imports, exports and remittances to complex structured products. Within the bank, the Treasury division is vested with the responsibility to measure and minimize risk associated with bank's foreign currency position.

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All treasury functions are clearly demarcated between treasury front office, mid office and back office which has separate and independent reporting lines to ensure segregation of duties and accountability and also helps minimize the risk of compromise. The front office is involved only in dealing activities, mid office is involved in monitoring of different limits, e.g. counterparty limits, dealers' trading limits, stop/loss limits, etc. and calculation of Value at Risk (VaR) and reports directly to the Chief Risk/Operating Officer of the bank. Treasury back office is responsible for all related processing functions with separate reporting line to the Head of Operations.

Dealing room is well-equipped with Reuter's dealing system, a number of FX trading platforms and voice loggers, etc. State-of-the-art treasury system is in place to ensure straight through processing (STP) of all deals. Dealing room also offers an FX trading platform 'BBL Electra' to counterparty banks where all deals are auto-hedged and processed through STP without creating any position for the dealing room. The robust treasury system of the Bank also facilitates the mid office in effective monitoring and risk reporting and the back office with different reports, along with easy processing of transactions. Counterparty limit is set by the Credit Committee and monitored by the mid office. Clearly expressed dealers' trading limits, stop-loss limits and currency-wise open position limits are in place that are monitored by the mid office. All Treasury including FX transactions are carried out by well-trained and dynamic dealers who ensure local and global regulatory compliance.

D. Asset liability management

Changes in market liquidity and or interest rate exposes the bank's business to the risk of loss, which may, in extreme cases, threaten the survival of the institution. Thus, it is essential that the level of balance sheet risks are effectively managed, appropriate policies and procedures are established to control and limit these risks and proper resources are made available for evaluating and controlling these risks. The Asset Liability Management Committee (ALCO) of the bank monitors liquidity and market risks of the bank and plans balance sheet & pricing strategy accordingly. Bank has dedicated ALM desk under Treasury and FI division, to support ALCO in decision making.

ALCO also reviews the country's overall economic position, the bank's liquidity position, ALM ratios, interest rate risks, capital adequacy, deposit/advances growth, cost of deposit and yield on advances, FX gap, market interest rates, loan loss provision adequacy and deposit and lending pricing strategy.

E. Operational Risk

Operational risk is the risk of direct or indirect loss resulting a wide variety of causes associated with the Bank's processes, people, technology or infrastructure, or from external factors. Operational risk is inherent in the Bank's activities and as with other risk types is managed through an overall framework with checks and balances that include implementation of three line of defence, recognised ownership of the risk by the businesses and independent risk management oversight.

The operational risk policy codifies the core governing principles for operational risk management and provides a framework for operational risk. In accordance with the policy, each business area is responsible to identify its key operational risks as well as the controls established to mitigate those risks and to ensure compliance with laws, regulations, regulatory administrative actions and the Bank's policies.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the reputation of the Bank's reputation with overall cost effectiveness and innovation. In all cases, the Bank's policy requires compliance with all applicable legal and regulatory requirements.

F. Equity Risk

Equity risk arises from movement in market value of equities held. The risks are monitored by Bank's Treasury and Fis Division under a well designed policy framework.

G. Prevention of Money Laundering (ML), Terrorist Financing (TF) and Proliferation Financing (PF)

The Bank as the legal framework of the "Money Laundering Prevention Act, 2012 (amended in 2015)" and Anti Terrorism Act, 2009 (amended in 2013), has been pursuing the policy of closed-fisted compliance with all directives and circulars issued by regulatory body to ensure the culture of good governance in all aspects of its banking services and operations. The BRAC Bank has implemented additional processes and procedures covering areas of CDD/KYC, review of high-risk accounts, Trade CDD and risk grading of customers, PEP/IP, Ultimate Beneficial Owner guideline, name screening (that includes sanctions and adverse media) are under monitoring and revision to ensure policies of the Bank remains up-to-date.

New transaction monitoring reports that has been introduced with a risk-based approach resulted in the detection and reporting of suspicious activities/transactions (SAR/STR). Further discipline was brought in improving the quality of the quarterly meeting and self-assessment reports by branches through training and guidance notes to assess themselves. As the key objectives of the Bank are to ensure the implementation of policies and procedures in line with BFIU Guidelines, improve employee awareness and commitment, integrate higher engagement and focus of Senior Management within Bank's control measures to improve overall AML-CFT Governance and better mitigate the money laundering & terrorist financing risk, thereby thriving to increase AML/CFT rating through a continuous process.

H. Internal Control and Compliance (ICC)

The bank has instituted internal control mechanism to provide reasonable assurance regarding the attainment of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies. Through internal control systems, the bank identifies weaknesses associated with the process and adopts appropriate measures to overcome these deficiencies.

The main objectives of internal control are as follows:
a) Operations objectives: Attainment of the bank's mission and vision.
b) Reporting objectives: Timely, accurate and comprehensive reporting - financial and non-financial, internal and external.
c) Compliance objectives: Conducting activities and taking specific actions in accordance with applicable laws and regulations.

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The bank has established an effective internal control system whose primary aim is to ensure the overall management of risks and also provide reasonable assurance that the objectives set by the bank will be met. It has been designed to develop a high level of risk culture among our people, establish efficient and effective operating standards, ensure reliability of internal and external information, including accounting and financial information, secure the bank's operations and assets, and comply with laws, regulatory requirements and internal policies.

The key functions that have been established in reviewing adequacy and integrity of the system of internal controls are as follows:

a) Various committees are established by the Board to assist it in ensuring the effectiveness of the bank's daily operations are in accordance with the corporate objectives, strategies and the annual budget, as well as approved policies and business directions.

b) The Internal Audit Department of the Bank checks for compliance with policies and procedures and the effectiveness of the internal control systems on an ongoing basis using samples and rotational procedures and highlights significant findings in respect of any non-compliance.

c) Audits are carried out on various departments/units, SME Service Centres and all branches in accordance with the annual audit plan, approved by the Audit Committee of the Board. Findings of the internal audit are submitted to the Audit Committee of the Board for review at their periodic meetings.

d) The Audit Committee of the Board of the bank reviews internal control issues identified by the Internal Audit Department, Bangladesh Bank, External Auditors and the management, and evaluates the adequacy and effectiveness of the risk management and internal control systems. The minutes of the Audit Committee meetings of the Board are tabled at the meetings of the Board of Directors of the bank on a periodic basis.

e) Self-assessment of anti-fraud internal controls is carried out on a semi-annual basis and is sent to Bangladesh Bank, as per requirements of DOS Circular Letter No. 10, dated 09 May 2017, issued by Bangladesh Bank.

f) In assessing the internal control system, identified officers of the bank continued to review and update all procedures and controls that are connected with significant accounts and disclosures of the financial statements of the bank.

I. Information and communication technology (ICT) security

BRAC Bank is dedicated to provide high-quality service and banking security. The bank has an ICT security strategy for cyber security and ICT risk mitigation, in accordance with the Bangladesh Bank ICT guidelines stated in BRPD circular no. 14 dated 23 October 2005 regarding "Guideline on Information and Communication Technology for Scheduled Banks", BRPD circular no. 21 dated 20 May 2010 and BRPD circular no. 09 dated 17 September 2015 and well-established frameworks and international standards and controls, such as COBIT, ITIL, ISO 27001, ISO 18788, NIST, GDPR, PCI, and SANS.

Bank has implemented multiple robust security solutions to prevent any unwanted/unauthorized/ unauthorized malware attack as well as a zero-day attack based on static behavior, to detect and prevent data leakage, unauthorized use and transmission of sensitive information, and to reduce insider threats by detecting the inappropriate actions that can lead to malware infections or data breaches, etc. The Bank has also implemented a thorough Data Leakage Prevention scheme to safeguard the data of its clients and the bank itself.

Comprehensive annual maintenance contracts (AMCs) and service level agreements (SLAs) were established with partners of major data center equipment manufacturers to guarantee 24x7 servicing for all active data center and disaster recovery site equipment. With the upgrade to the monitoring system of the data center and disaster recovery site, the bank is now able to proactively monitor all system parameters and take appropriate preventative action. Additionally, BRAC Bank has implemented the ITIL framework of best practice recommendations to ensure complete IT service management.

The BRAC bank believes integrated cyber protection and digital transformation to be essential. As a digitally oriented bank, BRAC Bank has built a comprehensive cyber security roadmap and is aiming to equip itself with the finest personnel, security solutions, processes, and procedures. BRAC Bank utilizes premier worldwide external organizations to undertake assessments and regularly assesses its cyber security posture and future readiness.

J. Implementation of BASEL- III

To cope up with the international best practices and to make the bank's capital shock absorbent 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks was introduced by Bangladesh Bank as per BASEL III. BASEL III framework has three main components referred to as pillars:

i. Pillar I addresses minimum capital requirement;
ii. Pillar II elaborates the process for assessing the overall capital adequacy aligned with risk profile of a bank as well as capital growth plan; and
iii. Finally, Pillar III gives a framework of public disclosure on the position of a bank's risk profiles, capital adequacy, and risk management system.

BRAC Bank has fully complied with all the directives provided by the Central bank from time to time, starting from Pillar I, II and III reporting requirements to periodic Stress Testing activity etc. Formation of BASEL Steering Committee chaired by the Managing Director of the bank helps us to ensure supreme governance and strict regimentation at execution level. As yet, BRAC bank has been able to successfully implement the phase in transition arrangement for Basel III, which started from the year 2015 and ended in 2020.

As per RBCA Guideline, all scheduled banks are required to calculate Capital to Risk Weighted Asset Ratio (CRAR) based on 'Solo' basis as well as on 'Consolidated' basis. The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy as issued by Bangladesh Bank vide BRPD Circular no. 18 dated December 21, 2014 and subsequent related circulars of Bangladesh Bank.

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K. Disclosure on country risk exposure

Country risk refers to the possibility that a foreign obligator may be incapable or unwilling to fulfill his obligations due to country specific economic, political, social ecological conditions. This may include the consequences of exchange control, currency devaluation, official government actions or any significant socio-political changes in the country where placements, lending and investments made. Major categories of country risk comprises of sovereign risk, contagion risk, currency risk, indirect country risk, macroeconomic risk and transfer risk.

BRAC Bank Limited manages and monitor its country risk exposure in accordance with the guidelines issued by Bangladesh Bank in its BRPD circular number 07 circulated on April 13, 2021. In compliance with this regulatory guideline, bank has assessed its position and found banks' net funded exposure to a single country is below 2% of its total asset. Hence there is no additional provision/capital requirement for exposure to any single country.

L. Disclosure on credit rating information

In compliance with Bangladesh Bank's BRPD circular No. 06, dated July 05, 2006, and with a view to assure investors and other stakeholders of the sustainable operating positions of the bank, while also safeguarding stakeholder interests, BRAC Bank is subject to ratings assessment by reputed credit rating agencies. The summary of Bank's credit rating as of 31 December 2022 is presented below:

Rating agency	Long-term rating	Short-term rating	Outlook	Valid up to
Credit Rating Agency of Bangladesh (CRAB)	AAA	ST-1	Stable	30 June 2023
Credit Rating Information and Services Ltd (CRISL)	AA+	ST-1	Stable	02 July 2023
Emerging Credit Rating Ltd (ECRL)	AA+	ST-1	Stable	30 June 2023
S&P global Ratings	B+	B	Stable	November, 2022
Moody's	Ba3	NP	Stable	September, 2022

3.9 Director's and management's responsibilities on statement

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

3.10 Approval of the financial statements

The financial statements have been approved by the Board of Directors on 11 April 2023.

3.11 General

a) Figures appearing in the financial statements have been rounded-off to the nearest Taka.
b) Figures of previous year have been rearranged, wherever considered necessary, to conform with the current year's presentation.
c) The expenses, irrespective of capital or revenue in nature, accrued/due but not paid have been provided for in the books of accounts.
d) The expenses include VAT charges on respective services or goods received.

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UCB Investment Limited

Amount in Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
4	**Cash**					
	Cash in hand (Including foreign currency)	4.1	11,918,067,777	9,207,161,626	11,822,688,624	8,424,680,663
	Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	4.2	19,953,525,473	14,252,262,804	19,953,525,473	14,252,262,804
			31,871,593,250	23,459,424,430	31,776,214,097	22,676,943,467
4.1	**Cash in hand (Including foreign currency)**					
	Local currency		11,836,218,828	9,166,408,109	11,740,839,675	8,383,927,146
	Foreign currency		81,848,949	40,753,517	81,848,949	40,753,517
			11,918,067,777	9,207,161,626	11,822,688,624	8,424,680,663
4.2	**Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)**					
	Local currency		17,384,764,667	12,208,257,526	17,384,764,667	12,208,257,526
	Foreign currency		1,611,159,007	961,504,172	1,611,159,007	961,504,172
			18,995,923,674	13,169,761,698	18,995,923,674	13,169,761,698
	Sonali Bank as an agent of Bangladesh Bank (local currency)		957,601,799	1,082,501,106	957,601,799	1,082,501,106
			19,953,525,473	14,252,262,804	19,953,525,473	14,252,262,804

4.3 Cash reserve ratio (CRR) (Bank only)

As per section 33 of Bank Company Act, 1991 (amended up to 2013), MPD circular No. 03 dated 09 April 2020 for Domestic Banking Operation (DBO) & BRPD circular No. 31 dated 18 June 2020 for Offshore Banking Operation (OBO) issued by Bangladesh Bank, BRAC Bank Limited has been maintaining 3.5% & 1.5% CRR on daily basis and 4.0% & 2.0% on bi-weekly basis for DBO & OBO respectively. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2022 is maintained on the basis of weekly ATDTL of October 2022), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.

Daily basis

Reserves maintained by the bank as at 31 December are as follows:

Average total demand and time liabilities of October 2022 and October 2021		
DBU	377,372,496,754	280,299,190,703
OBU	31,435,723,645	16,755,464,795
	408,808,220,399	297,054,655,498
Required reserve		
DBU (2022: 3.5% and 2021: 3.5%)	13,208,037,386	9,810,471,675
OBU (2022: 1.5% and 2021: 1.5%)	471,535,855	251,331,972
	13,679,573,241	10,061,803,647
Actual reserve maintained as per Bangladesh Bank statement	18,014,672,220	12,027,375,845
Surplus	4,335,098,979	1,965,572,198

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HOQUE HASAN CHOWDHURY & CO DHAKA

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021

Bi-weekly basis

The Bank maintained excess cash reserve of Tk. 4,461,126,945 against minimum requirement of 4.0% & 2.0% (of ATDTL) for DBO & OBO on bi-weekly basis which is the summation of excess cash reserve maintained over required in the last fortnight (bi-week) of 2022.

4.4 Statutory liquidity ratio (SLR) (Bank only)

As per section 33 of the Bank Company Act 1991 (amended up to 2013) & MPD circular no. 2 dated 10 December 2013 issued by Bangladesh Bank (effective from 1 February 2014), BRAC Bank Limited has been maintaining 13% SLR on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of December 2022 is based on weekly ATDTL of October 2022), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.

Required reserve (13% of ATDTL)				53,145,068,652	38,617,105,215
Actual reserve maintained (2022: 17.54%, 2021: 18.19%)	4.4.1			71,708,187,223	54,038,211,717
Surplus				18,563,118,571	15,421,106,502
4.4.1 Actual reserve maintained					
Cash in hand				11,822,688,624	8,424,680,663
Balance with Sonali Bank as per statement				956,771,049	1,081,433,955
Daily excess reserve				2,291,057,877	480,298,921
Un-encumbered approved securities (HFT)				27,931,292,483	16,203,146,653
Un-encumbered approved securities (HTM)				28,704,849,290	27,847,370,725
Un-encumbered approved securities (other eligible)				1,527,900	1,280,800
				71,708,187,223	54,038,211,717
5 Balance with other Banks and Financial Institutions					
Inside Bangladesh	5.1	47,797,240,230	70,561,465,538	11,127,982,840	12,261,365,946
Outside Bangladesh	5.2	5,154,104,047	7,699,847,372	5,127,551,884	7,619,585,199
		52,951,344,277	78,261,312,910	16,255,534,724	19,880,951,145
5.1 Balance inside Bangladesh					
In current deposit accounts with:					
Banks		17,894,986,491	15,137,298,752	127,982,840	121,365,946
Less: Inter unit/company elimination		3,743,224,457	3,578,641,104	-	-
	5.1.1	14,151,762,034	11,558,657,648	127,982,840	121,365,946
In fixed deposit accounts with:					
Banks		32,060,644,035	57,278,619,910	7,300,000,000	5,200,000,000
Non-banking financial institutions (NBFIs)	5.1.1	3,700,000,000	6,940,000,000	3,700,000,000	6,940,000,000
		35,760,644,035	64,218,619,910	11,000,000,000	12,140,000,000
Less: Inter unit/company elimination		2,115,165,839	5,215,812,020	-	-
		33,645,478,196	59,002,807,890	11,000,000,000	12,140,000,000
Total balance at the end of the year		47,797,240,230	70,561,465,538	11,127,982,840	12,261,365,946

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Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
5.1.1 Balance with other banks and financial institutions (Inside Bangladesh)					
Current accounts					
Standard Chartered Bank		164,681,276	697,558,859	34,701,716	62,953,505
Southeast Bank Limited		213,395,231	234,305,990	-	-
Al-Arafa Islami Bank Limited		-	253,887	-	-
Jamuna Bank Limited		646,577,801	241,354,134	-	23,314
Prime Bank Limited		2,000,553,679	9,230,839	544,797	9,071,179
NRB Global Bank Limited		1,200,000	1,000,000	1,200,000	1,000,000
Midland Bank Limited		14,753,454	1,593,920	1,500,000	1,500,000
Mutual Trust Bank Limited		361,222,986	3,413,896,870	-	-
Pubali Bank Limited		284,810,139	122,888,233	8,400,689	8,515,281
Janata Bank Limited		607,165	3,379,141	599,333	2,211,029
Bangladesh Krishi Bank Limited		36,252,238	7,427,580	36,252,238	6,334,880
The City Bank Limited		1,409,005,698	2,059,742,754	214,674	216,451
Agrani Bank Limited		25,137,755	10,550,205	4,418,575	5,330,389
Islami Bank Bangladesh Limited		114,723,914	4,035,199	435,579	470,174
United Commercial Bank Limited		1,780,889,910	918,964,790	201,488	202,805
National Bank Limited		297,736	3,018,628	297,736	305,559
Sonali Bank Limited		125,005,940	244,447,395	5,781,430	2,137,294
Dutch Bangla Bank Limited		11,486,431	2,106,776	11,486,431	2,106,776
IFIC Bank Limited		1,980,619	-	-	-
Rupali Bank Limited		9,219,683	2,031,388	425,233	403,045
Social Islami Bank Limited		1,213,865	1,133,586	-	-
First Security Islami Bank Limited		5,031,001	4,895,934	3,599,617	3,544,921
EXIM Bank Limited		11,281,895	12,273,490	11,281,895	11,222,970
BASIC Bank Limited		837,662	814,470	837,662	814,470
Bank Asia Limited		1,624,782	7,416,397	-	-
Standard Bank Limited		502,149	843,731	500,000	-
Meghna Bank Limited		-	1,473,335	-	-
One Bank Limited		1,066,909,962	1,591,498,158	2,370,212	68,369
Mercantile Bank Limited		1,165,240,429	386,036,905	2,433,535	2,433,535
Union Bank Limited		500,000	500,000	500,000	500,000
Trust Bank Limited		301,149,089	62,653,151	-	-
Eastern Bank Limited		2,122,017,483	1,053,264,735	-	-
Dhaka Bank Limited		1,121,797,710	334,393,959	-	-
NCC Bank Limited		1,147,004,493	116,770,312	-	-
Habib Bank Limited		8,208	2,311	-	-

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SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

HOQUE VASI CHOWDHURY & CO DHAKA

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Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
NRB Commercial Bank Limited		525,119	522,131	-	-
NRB Bank Limited		9,022	9,712	-	-
The Premier Bank Limited		1,131,603	-	-	-
AB Bank Limited		1,382,163	1,301,813	-	-
Uttara Bank Limited		1,415,982	1,336,589	-	-
Allied Bank Limited		377,762	399,608	-	-
Security deposit to bank by BRAC Sajaan Exchange Ltd		-	3,330,733	-	-
		14,151,762,034	11,558,657,648	127,982,840	121,365,946
Fixed deposit with banks					
Southeast Bank Limited		-	1,000,000,000	-	-
Mutual Trust Bank Limited		3,100,000,000	-	-	-
The City Bank Limited		-	4,000,000,000	-	-
NCC Bank Limited		8,010,000,000	1,710,000,000	3,000,000,000	1,700,000,000
Jamuna Bank Limited		114,208,772	3,009,481,081	-	2,000,000,000
Dhaka Bank Limited		-	500,000,000	-	-
United Commercial Bank Limited		3,600,000,000	6,000,000,000	2,000,000,000	-
Mercantile Bank Limited		5,578,267,327	3,073,467,327	1,500,000,000	-
Standard Chartered Bank		30,083,669	29,544,482	-	-
Prime Bank Limited		-	2,000,000,000	-	-
Standard Bank Limited		800,000,000	1,500,000,000	800,000,000	1,500,000,000
Eastern Bank Limited		200,000,000	-	-	-
Janata Bank Limited		-	7,840,000,000	-	-
Sonali Bank Limited		1,000,000,000	13,150,000,000	-	-
Pubali Bank Limited		1,000,000,000	-		
Agrani Bank Limited		-	8,240,000,000	-	-
Trust Bank Limited		6,502,000,000	-	-	-
Padma Bank Limited		10,918,428	10,315,000	-	-
		29,945,478,196	52,062,807,890	7,300,000,000	5,200,000,000
Fixed deposit with financial institutions					
Industrial and Infrastructure Development Finance Co. Limited		-	140,000,000	-	140,000,000
United Finance Limited		700,000,000	800,000,000	700,000,000	800,000,000
IPDC Finance Limited		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Delta Brac Housing Finance Corporation Limited		-	3,000,000,000	-	3,000,000,000
		3,700,000,000	6,940,000,000	3,700,000,000	6,940,000,000
		33,645,478,196	59,002,807,890	11,000,000,000	12,140,000,000
		47,797,240,230	70,561,465,538	11,127,982,840	12,261,365,946

There are some unreconciled entries as on 31 December 2022 and status of unreconciled entries has been presented in Annexure-B-2.

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SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
5.2 Balance outside Bangladesh					
On shore balance	5.2.1	10,300,711,807	13,827,605,643	10,274,159,644	13,747,343,470
Off shore balance	5.2.1	2,382,125,360	5,974,658,657	2,382,125,360	5,974,658,657
		12,682,837,167	19,802,264,300	12,656,285,004	19,722,002,127
Less: On shore to BBL off-shore placement		7,528,733,120	12,102,416,928	7,528,733,120	12,102,416,928
		5,154,104,047	7,699,847,372	5,127,551,884	7,619,585,199
5.2.1 Balance with other banks and financial institutions (outside Bangladesh)					
On shore balance					
Standard Chartered Bank-New York, USA		648,185,631	497,936,217	648,185,631	497,936,217
Standard Chartered Bank, United Kingdom		107,923,960	16,027,822	107,923,960	16,027,822
Standard Chartered Bank, Frankfurt, Germany		368,010,970	14,323,040	368,010,970	14,323,040
Mashreq Bank, New York, USA		149,848,892	69,942,687	149,848,892	69,942,687
Bank of Tokyo Mitsubishi		20,512,994	5,975,580	20,512,994	5,975,580
ICICI Bank Limited, Mumbai, India		74,637,602	6,962,245	74,637,602	6,962,245
Zuercher Kantonal Bank, Switzerland		13,630,753	3,721,299	13,630,753	3,721,299
Commerz Bank AG, Germany (USD)		6,466,957	1,908,554	6,466,957	1,908,554
Commerz Bank AG, Germany (EURO)		14,920,292	(72,805,071)	14,920,292	(72,805,071)
Commerz Bank, Frankfurt, Germany (GBP)		6,254	5,815	6,254	5,815
JP Morgan Chase Bank, New York, USA		711,997,619	331,450,001	711,997,619	331,450,001
HDFC Bank Limited, India		257,249,753	19,459,599	257,249,753	19,459,599
Habib Metro Bank Limited		-	1,790,293	-	1,790,293
JP Morgan Chase Bank, Sydney (AUD)		8,273,641	605,425,151	8,273,641	605,425,151
AB Bank Limited, Mumbai, India		44,940,238	16,637,248	44,940,238	16,637,248
AXIS Bank Limited		57,087,322	44,326,693	57,087,322	44,326,693
Abu Dhabi Commercial Bank (AED)		5,194,973	6,196,415	5,194,973	6,196,415
Kookmin Bank, Seoul, South Korea (USD)		6,039,326	6,187,529	6,039,326	6,187,529
Citi Bank N.A., New York, USA		41,089,752	24,844,680	41,089,752	24,844,680
Shanghai Pudong Development Bank Co. Ltd, China (CNY)		2,011,473	813,173	2,011,473	813,173
DBS Bank Ltd, Singapore, SGD		17,357,195	13,486,513	17,357,195	13,486,513
Punjab National Bank, Kolkata (USD)		115,867,928	30,311,059	115,867,928	30,311,059
Al Rajhi Bank, Riyadh (SAR)		3,187,340	-	3,187,340	-
Meezan Bank Limited, Gtb Karachi, ACU (USD)		70,985,659	-	70,985,659	-
Balance with different banks maintained by BRAC SAAJAN Exchange Ltd.		26,552,163	80,262,173	-	-
		2,771,978,687	1,725,188,715	2,745,426,524	1,644,926,542
Add: On shore to off shore placement		7,528,733,120	12,102,416,928	7,528,733,120	12,102,416,928
Total on shore balance		10,300,711,807	13,827,605,643	10,274,159,644	13,747,343,470

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HODA VASI CHOWDHURY & CO DHAKA

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Off shore balance					
JP Morgan Chase Bank, New York		702,418,166	138,374,290	702,418,166	138,374,290
JP Morgan AG, Frankfurt, Germany		25,564,908	425,313	25,564,908	425,313
JP Morgan Chase Bank, NA, London		1,390,286	1,459,054	1,390,286	1,459,054
BBL OBU to Other Bank OBU placement		1,652,752,000	5,834,400,000	1,652,752,000	5,834,400,000
Total off shore balance		2,382,125,360	5,974,658,657	2,382,125,360	5,974,658,657
		12,682,837,167	19,802,264,300	12,656,285,004	19,722,002,127
Less: On shore to BBL off-shore placement		7,528,733,120	12,102,416,928	7,528,733,120	12,102,416,928
		5,154,104,047	7,699,847,372	5,127,551,884	7,619,585,199

There are some unreconciled entries as on 31 December 2022 and status of unreconciled entries has been presented in Annexure-B-1 and detail balance has been presented in Annexure - C except BBL OBU to Other Bank OBU placement.

5.3 Maturity grouping of balance with other banks and financial institutions

On Demand	-	-	3,602,782,724	-
Up to 1 month	13,157,601,136	6,339,852,686	2,402,752,000	6,548,951,145
More than 1 month but not more than 3 months	24,335,099,107	21,968,040,315	10,250,000,000	8,432,000,000
More than 3 months but not more than 1 year	15,458,644,034	49,953,419,909	-	4,900,000,000
More than 1 year but not more than 5 years	-	-	-	-
More than 5 years	-	-	-	-
	52,951,344,277	78,261,312,910	16,255,534,724	19,880,951,145

6 Money at call on short notice

IDLC Finance Limited	3,000,000,000	3,500,000,000	3,000,000,000	3,500,000,000
Delta BRAC Housing Finance Corporation Limited	3,000,000,000	-	3,000,000,000	-
Pubali Bank Limited	826,376,000	-	826,376,000	-
	6,826,376,000	3,500,000,000	6,826,376,000	3,500,000,000

7 Investments

Government	7.1	107,319,008,486	60,998,642,835	56,637,669,673	44,051,798,178
Others	7.2	9,232,985,372	9,069,950,469	7,650,012,591	7,539,016,664
		116,551,993,858	70,068,593,304	64,287,682,264	51,590,814,842

7.1 Government (investment in Govt. securities)

Treasury bills	7.1.1	502,645,248	1,658,322,369	502,645,248	79,924,246
Treasury bonds	7.1.2	106,814,835,338	59,339,039,666	56,133,496,525	43,970,593,132
Prize bonds		1,527,900	1,280,800	1,527,900	1,280,800
		107,319,008,486	60,998,642,835	56,637,669,673	44,051,798,178

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BRAC Bank Limited

HODGE VASI CHOWDHURY & CO DHAKA

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
7.1.1 Treasury bills					
Treasury bills (91 Days)		-	79,924,246	-	79,924,246
Treasury bills (182 Days)		-	1,479,534,000	-	-
Treasury bills (364 Days)		502,645,248	98,864,123	502,645,248	-
		502,645,248	1,658,322,369	502,645,248	79,924,246
7.1.2 Treasury Bonds					
Treasury bonds (2 years BGTB)		15,126,121,903	13,314,480,669	7,037,969,509	-
Treasury bonds (5 years BGTB)		26,035,244,848	27,236,823,583	24,087,842,247	27,230,297,168
Treasury bonds (10 years BGTB)		17,697,865,069	8,660,373,429	9,737,871,279	8,660,373,429
Treasury bonds (15 years BGTB)		8,490,777,069	2,466,208,715	1,100,623,840	1,535,758,458
Treasury bonds (20 years BGTB)		26,973,511,049	6,544,164,077	1,677,874,250	6,544,164,077
Reverse REPO		12,491,315,400	1,116,989,193	12,491,315,400	-
		106,814,835,338	59,339,039,666	56,133,496,525	43,970,593,132
7.1.3 BB category wise investment					
Held for trading (HFT)		27,931,292,483	16,203,146,653	27,931,292,483	16,203,146,653
Held to maturity (HTM)		79,386,188,103	44,794,215,382	28,704,849,290	27,847,370,725
Other securities		1,527,900	1,280,800	1,527,900	1,280,800
		107,319,008,486	60,998,642,835	56,637,669,673	44,051,798,178
7.2 Others (investment in other than Govt. securities)					
Corporate bonds- unquoted and quoted	7.2.1	2,480,000,000	2,900,000,000	2,480,000,000	2,890,000,000
Ordinary shares and mutual funds (MFs) - unquoted and quoted	7.2.2	6,750,485,372	6,165,950,469	5,167,512,591	4,645,016,664
Preference shares	7.2.3	2,500,000	4,000,000	2,500,000	4,000,000
		9,232,985,372	9,069,950,469	7,650,012,591	7,539,016,664

* Investment in shares, mutual funds and preference shares are detailed in Annexure-D.

7.2.1 Corporate bonds- unquoted and quoted

Unquoted				
North West Power Generation Company Limited Coupon Bearing Bond	1,200,000,000	1,500,000,000	1,200,000,000	1,500,000,000
Jamuna Bank II Floating Rate Subordinated Bond	180,000,000	270,000,000	180,000,000	270,000,000
Bank Asia Floating Rate Subordinated Bond	-	20,000,000	-	20,000,000
EBL Floating Rate Subordinated Bond	-	20,000,000	-	20,000,000
Prime Bank Floating Rate Subordinated Bond	-	20,000,000	-	20,000,000
EXIM Bank Mudaraba Subordinated Floating Rate Bond	-	50,000,000	-	50,000,000

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Managing Director and CEO
BRAC Bank Limited

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
AB Bank Floating Rate Subordinated Bond II		-	60,000,000	-	60,000,000
MTBL Floating Rate Subordinated Bond		-	50,000,000	-	50,000,000
MTBL Floating Rate Subordinated Bond IV		400,000,000	400,000,000	400,000,000	400,000,000
Meghna Bank 1st Subordinate Coupon Bearing Bond		200,000,000	-	200,000,000	-
		1,980,000,000	2,390,000,000	1,980,000,000	2,390,000,000
Quoted					
Beximco Green Sukuk Al Istisna'a		-	10,000,000	-	-
Ashuganj Power Station Company Limited Bond		500,000,000	500,000,000	500,000,000	500,000,000
		500,000,000	510,000,000	500,000,000	500,000,000
		2,480,000,000	2,900,000,000	2,480,000,000	2,890,000,000
7.2.2 Ordinary shares and mutual funds (MFs) - unquoted and quoted					
Unquoted					
Industrial and Infrastructure Development Finance Company Ltd (IIDFC)		29,683,820	29,683,820	29,683,820	29,683,820
Bangladesh Rating Agency Limited (BDRAL)		10,671,700	10,671,700	10,671,700	10,671,700
Central Depository Bangladesh Limited (CDBL)		6,277,770	6,277,770	6,277,770	6,277,770
Investment in non-publicly traded mutual fund		441,872,220	249,686,370	441,872,220	249,686,370
Investment in share - IPO		46,637,763	-	-	-
Investment in DSE & CSE		96,986,595	96,986,595	-	-
		632,129,868	393,306,255	488,505,510	296,319,660
Quoted					
Investment in secondary market		6,118,355,504	5,772,644,214	4,679,007,081	4,348,697,004
		6,118,355,504	5,772,644,214	4,679,007,081	4,348,697,004
		6,750,485,372	6,165,950,469	5,167,512,591	4,645,016,664
7.2.3 Preference shares					
Union Capital Preference Share		2,500,000	4,000,000	2,500,000	4,000,000
		2,500,000	4,000,000	2,500,000	4,000,000
7.3 Maturity wise grouping of investment					
On demand		-	-	5,417,713,320	-
Up to 1 month		14,188,455,784	2,710,582,737	7,284,756,278	5,297,464
More than 1 month but not more than 3 months		1,579,926,666	220,724,640	1,579,926,666	200,000,000
More than 3 months but not more than 1 year		14,536,811,309	18,305,723,722	13,033,778,937	6,210,894,725
More than 1 year but not more than 5 years		36,654,461,496	33,494,806,504	28,024,952,278	31,885,306,402
More than 5 years		49,592,338,603	15,336,755,701	8,946,554,785	13,289,316,251
		116,551,993,858	70,068,593,304	64,287,682,264	51,590,814,842

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HODA VASI CHOWDHURY & CO. DHAKA

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
8 Loans and advances					
Loans, cash credit, overdrafts etc.	8.1.1	222,711,877,598	169,128,372,833	221,303,533,974	168,205,415,381
Small and medium enterprises	8.1.2	187,247,111,913	150,749,009,625	187,247,111,913	150,749,009,625
Bills purchased and discounted*	8.2	2,125,761,073	2,257,805,981	2,125,761,073	2,257,805,981
		412,084,750,584	322,135,188,439	410,676,406,960	321,212,230,987

* Bills purchased and discounted excludes bills purchased and discounted of small and medium enterprises (SME).

8.1.1 Loans, cash credit, overdrafts etc.

Overdrafts	14,264,660,532	9,386,377,592	14,264,660,532	9,386,377,592
Demand loans	93,550,846,726	63,339,447,043	93,550,846,726	63,339,447,043
Term loans	101,066,162,683	84,980,045,030	101,066,162,683	84,980,045,030
Lease receivables	488,267,689	823,850,563	488,267,689	823,850,563
Credit Cards	10,794,068,205	8,562,449,791	10,794,068,205	8,562,449,791
Staff loans	1,152,911,527	1,123,591,696	1,139,528,139	1,113,245,362
Margin loan	2,383,856,084	1,769,581,139	-	-
	223,700,773,446	169,985,342,854	221,303,533,974	168,205,415,381
Less: Inter company elimination	988,895,848	856,970,021	-	-
	222,711,877,598	169,128,372,833	221,303,533,974	168,205,415,381

8.1.2 Small and medium enterprises

Overdrafts	12,992,885,904	17,716,943,831	12,992,885,904	17,716,943,831
Demand loans	13,789,378,536	13,336,489,437	13,789,378,536	13,336,489,437
Term loans	160,407,248,749	119,647,429,292	160,407,248,749	119,647,429,292
Lease receivables	3,904,457	12,493,658	3,904,457	12,493,658
Bills purchased and discounted (SME)	53,694,267	35,653,407	53,694,267	35,653,407
	187,247,111,913	150,749,009,625	187,247,111,913	150,749,009,625

8.2 Bills purchased and discounted

Bills purchased and discounted (except SME)	2,125,761,073	2,257,805,981	2,125,761,073	2,257,805,981
Bills purchased and discounted (SME)	53,694,267	35,653,407	53,694,267	35,653,407
	2,179,455,340	2,293,459,388	2,179,455,340	2,293,459,388

8.3 Net loans and advances

Gross loans and advances	412,084,750,584	322,135,188,439	410,676,406,960	321,212,230,987
Less: Interest suspense	17.6 1,710,681,546	1,637,871,114	1,710,681,546	1,637,871,114
Less: Provision for loans and advances including Covid special provision	17.1 15,386,996,797	13,997,832,683	14,175,161,027	12,778,727,514
	394,987,072,241	306,499,484,642	394,790,564,387	306,795,632,359

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SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
8.4 Loans and advances under the following broad categories					
Inside Bangladesh:					
Loans		384,754,942,424	294,765,610,883	383,346,598,800	293,842,653,431
Cash credit		-	-	-	-
Overdrafts		27,257,546,436	27,103,321,423	27,257,546,436	27,103,321,423
		412,012,488,860	321,868,932,306	410,604,145,236	320,945,974,854
Outside Bangladesh:					
Loans		-	-	-	-
Cash credits		-	-	-	-
Overdrafts		72,261,724	266,256,133	72,261,724	266,256,133
		72,261,724	266,256,133	72,261,724	266,256,133
		412,084,750,584	322,135,188,439	410,676,406,960	321,212,230,987
8.5 Geographical location wise portfolio grouping					
Inside Bangladesh: Rural					
Dhaka Division		21,801,834,985	16,286,585,281	21,801,834,985	16,286,585,281
Chattogram Division		7,748,731,551	5,710,367,078	7,748,731,551	5,710,367,078
Khulna Division		2,135,336,810	1,867,179,063	2,135,336,810	1,867,179,063
Sylhet Division		684,612,772	587,922,421	684,612,772	587,922,421
Barisal Division		2,676,094,860	2,252,683,323	2,676,094,860	2,252,683,323
Rajshahi Division		-	-	-	-
Rangpur Division		-	-	-	-
Mymensingh Division		-	-	-	-
		35,046,610,978	26,704,737,166	35,046,610,978	26,704,737,166
Inside Bangladesh: Urban					
Dhaka Division		271,970,483,868	206,468,770,801	270,562,140,244	210,003,581,273
Chattogram Division		36,572,748,273	29,398,804,991	36,572,748,273	29,933,898,705
Khulna Division		19,220,934,984	14,920,391,316	19,220,934,984	14,920,391,316
Sylhet Division		6,997,893,761	6,052,596,788	6,997,893,761	5,517,503,075
Barisal Division		17,773,535,883	3,754,903,491	17,773,535,883	14,860,502,458
Rajshahi Division		6,891,514,015	20,018,904,916	6,891,514,015	5,263,466,418
Rangpur Division		12,180,549,220	6,403,619,148	12,180,549,220	9,309,338,283
Mymensingh Division		5,358,217,878	8,146,203,689	5,358,217,878	4,432,556,160
		376,965,877,882	295,164,195,140	375,557,534,258	294,241,237,688
Outside Bangladesh		72,261,724	266,256,133	72,261,724	266,256,133
		412,084,750,584	322,135,188,439	410,676,406,960	321,212,230,987

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Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
8.6 Loans and advances on the basis of significant concentration					
8.6.1 Loans and advances to directors, executives and others					
Directors, subsidiaries and others		989,873,937	857,164,160	989,873,937	857,164,160
Staffs:		-	-	-	-
Managing Director and CEO		127,336,202	117,266,663	113,952,814	106,920,329
Senior executives		1,025,575,325	1,006,325,033	1,025,575,325	1,006,325,033
Other executives and staffs		1,152,911,527	1,123,591,696	1,139,528,139	1,113,245,362
Industries:					
Agro-based		18,197,184,243	19,580,349,837	18,197,184,243	19,580,349,837
Large and medium		96,137,380,399	67,128,717,347	96,137,380,399	67,128,717,347
Small and cottage		28,146,418,322	26,021,968,591	28,146,418,322	26,021,968,591
Service industry		25,376,563,870	14,618,681,406	25,376,563,870	14,618,681,406
		167,857,546,834	127,349,717,181	167,857,546,834	127,349,717,181
Agricultural		5,687,724,141	5,753,930,713	5,687,724,141	5,753,930,713
Consumers		75,941,549,558	64,361,156,599	75,941,549,558	64,361,156,599
Trade and commercial		143,656,845,308	106,519,590,246	142,261,885,072	105,606,979,128
Others		16,798,299,279	16,170,037,844	16,798,299,279	16,170,037,844
		412,084,750,584	322,135,188,439	410,676,406,960	321,212,230,987
8.6.2 Staff loan					
Personal loan		48,030,769	58,119,303	34,647,381	47,772,969
Car and motorcycle loan		567,667,332	547,275,877	567,667,332	547,275,877
House building loan		537,213,426	518,196,516	537,213,426	518,196,516
		1,152,911,527	1,123,591,696	1,139,528,139	1,113,245,362
8.7 Overall Sector wise concentration of loans and advance					
Agriculture		5,687,724,141	5,753,930,713	5,687,724,141	5,753,930,713
Communication		3,287,943,562	1,925,739,616	3,287,943,562	1,925,739,616
Construction		1,671,888,713	1,137,737,429	1,671,888,713	1,137,737,429
Consumer credit		77,082,055,787	65,474,596,100	77,082,055,787	65,474,596,100
Other manufacturing industries		84,860,249,089	66,934,713,222	84,860,249,089	66,934,713,222
Power, Gas		1,034,096,725	1,160,503,826	1,034,096,725	1,160,503,826
Readymade garments		27,869,772,720	22,844,920,562	27,869,772,720	22,844,920,562
Residential real estate financing		574,576,479	1,077,921,947	574,576,479	1,077,921,947
Ship building		24,825,639,412	17,999,936,722	24,825,639,412	17,999,936,722

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Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Service industries		6,489,929,560	4,943,877,117	6,489,929,560	4,943,877,117
Textile		146,335,501,432	106,736,606,921	146,335,501,432	106,736,606,921
Trade service		70,285,749	70,785,749	70,285,749	70,785,749
Others		32,295,087,215	26,073,918,516	30,886,743,591	25,150,961,064
		412,084,750,584	322,135,188,439	410,676,406,960	321,212,230,987

8.8 Securities wise loans and advances including bills purchased and discounted

Collateral of moveable/immoveable assets	126,686,442,834	135,307,188,774	126,686,442,834	135,307,188,774
Local banks and financial institutions guarantee	-	-	-	-
Government guarantee	-	-	-	-
Foreign banks guarantee	-	-	-	-
Export documents	-	-	-	-
Fixed deposit receipts (FDR)	6,748,674,909	5,791,509,559	6,748,674,909	5,791,509,559
FDR of other banks	-	-	-	-
Government bonds	-	-	-	-
Personal guarantee and other securities	277,021,246,522	179,969,307,739	277,007,863,134	179,958,961,405
Other securities	1,628,386,319	1,067,182,367	233,426,083	154,571,249
	412,084,750,584	322,135,188,439	410,676,406,960	321,212,230,987

8.9 Classified and unclassified loans and advances

Unclassified				
Standard (including staff loan)	394,146,614,538	307,143,533,027	393,963,577,819	307,445,882,479
Special Mention Accounts (SMA)	1,444,198,040	1,243,788,089	1,444,198,040	1,243,788,089
	395,590,812,578	308,387,321,116	395,407,775,859	308,689,670,568
Classified				
Sub-standard	3,376,237,529	2,200,671,339	3,376,237,529	2,200,671,339
Doubtful	2,535,948,774	987,009,923	2,535,948,774	987,009,923
Bad/Loss	10,581,751,703	10,560,186,061	9,356,444,799	9,334,879,157
	16,493,938,006	13,747,867,323	15,268,631,102	12,522,560,419
	412,084,750,584	322,135,188,439	410,676,406,961	321,212,230,987

8.9.1 Business segment wise concentration of classified loans and advances/ NPL of the Bank

Corporate	6,621,370,896	6,188,357,727	6,621,370,896	6,188,357,727
Retail	3,119,523,698	3,154,195,395	1,894,216,794	1,928,888,491
Small and medium enterprises	6,753,043,412	4,405,314,201	6,753,043,412	4,405,314,201
	16,493,938,006	13,747,867,323	15,268,631,102	12,522,560,419

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Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
8.9.2 Sector wise concentration of classified loans and advances/ NPL of the Bank					
Agriculture		52,630,207	31,871,445	52,630,207	31,871,445
Communication		-	486,924,192	-	486,924,192
Construction		2,497,490	-	2,497,490	-
Consumer credit		1,894,219,834	1,356,644,787	1,894,219,834	1,356,644,787
Other manufacturing industries		4,515,403,972	2,619,111,630	4,515,403,972	2,619,111,630
Power, Gas		-	-	-	-
Readymade garments		1,793,914,272	2,370,137,460	1,793,914,272	2,370,137,460
Residential real estate financing		-	-	-	-
Ship building		-	70,785,749	-	70,785,749
Service industries		316,325,077	176,784,009	316,325,077	176,784,009
Textile		805,904,806	1,093,866,163	805,904,806	1,093,866,163
Trade service		6,671,088,591	4,944,211,307	5,445,781,687	3,718,904,403
Others		441,953,757	597,530,580	441,953,757	597,530,580
		16,493,938,006	13,747,867,323	15,268,631,102	12,522,560,419
8.9.3 Movements of classified loans and advances					
Opening balance		13,747,867,323	9,233,853,039	12,522,560,419	8,008,546,135
Additions during the year		6,324,236,743	6,875,879,905	6,324,236,743	6,875,879,905
Released during the year		(3,578,166,060)	(2,361,865,621)	(3,578,166,060)	(2,361,865,621)
		16,493,938,006	13,747,867,323	15,268,631,102	12,522,560,419
8.9.4 Loan type wise classified loans and advances					
Overdraft		2,280,501,223	1,439,279,855	2,280,501,223	1,439,279,855
Demand loan		3,301,376,505	3,440,164,860	3,301,376,505	3,440,164,860
Term loan		9,129,361,188	7,042,575,016	9,129,361,188	7,042,575,016
Lease finance		29,873,780	27,804,883	29,873,780	27,804,883
Credit cards		527,518,406	572,735,805	527,518,406	572,735,805
Margin loan		1,225,306,904	1,225,306,904	-	-
		16,493,938,006	13,747,867,323	15,268,631,102	12,522,560,419

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Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021

8.10 Details of large loan (Standalone basis)

Large loan clients are those to whom loans and advances sanctioned are 10% or more of the total regulatory capital of the Bank. Total capital of the Bank was Taka 49,118,601,214 as at 31 December 2022 and taka 44,131,714,067 as at 31 December 2021. Client wise details of large loans have been presented in below:

Number of clients	22
Amount of outstanding loans and advances	79,698,345,561
Amount of classified loans and advances	NIL

Client wise break-up is as follows:

SL	Name of clients	Funded	Non-funded	Total Outstanding
1	Meghna group of industries	2,233,750,906	4,686,834,775	6,920,585,681
2	BSRM group	5,733,020,639	683,562,443	6,416,583,082
3	Summit group	3,919,864,694	2,445,333,880	6,365,198,574
4	Abul Khair group	2,603,843,863	3,383,574,207	5,987,418,070
5	City group	2,952,999,915	2,249,590,927	5,202,590,842
6	PRAN-RFL group	4,178,180,074	479,259,185	4,657,439,259
7	Renata group	4,199,383,041	138,210,223	4,337,593,264
8	Walton group	3,860,443,442	136,684,425	3,997,127,868
9	Akij group	3,529,105,292	295,666,550	3,824,771,842
10	Bitopi group	2,789,779,566	680,690,898	3,470,470,464
11	Veon group	1,513,770,480	1,890,105,041	3,403,875,520
12	Samuda group	2,179,325,467	1,201,814,338	3,381,139,805
13	Confidence group	2,001,184,438	1,352,534,532	3,353,718,971
14	Urmi group	1,497,418,180	1,156,821,337	2,654,239,518
15	Meghna cycle group	2,052,455,417	420,108,586	2,472,564,003
16	Mir group	1,777,447,327	614,087,775	2,391,535,102
17	Badsha group	1,750,332,666	625,188,588	2,375,521,254
18	BRAC group	1,834,228,860	224,936,135	2,059,164,995
19	Square group	735,295,244	1,322,575,503	2,057,870,747
20	Robi Axiata	1,589,064,624	459,827,419	2,048,892,043
21	Yunusco group	1,464,201,374	485,584,663	1,949,786,037
22	Nesco-Desco group	-	370,258,620	370,258,620
	Grand Total	54,395,095,508	25,303,250,051	79,698,345,561

Note: Large exposures has been calculated on the basis of BRPD Circular No 01, dated 16 January 2022.

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8.11 Particulars of required provisions for loans and advances (Bank only)

Amount in Taka

Status	Outstanding loans and advances 2022	Base for provision	Percentage (%) of required provision	Required provision 2022	Required provision 2021
Unclassified					
All unclassified loans (Other than Small and Medium Enterprise Financing, Consumer Financing, BHs/MBs/SDs, Housing and loans for professional*)	138,616,008,372	138,566,463,509	1%**	1,778,829,266	1,331,178,040
Small and Medium Enterprise Financing	176,308,310,896	176,308,310,896	0.25%	440,770,777	356,006,759
Loans to BHs/MBs/SDs against share etc.*	1,140,548,317	1,140,548,317	2%	22,810,966	15,806,672
Housing Finance	12,135,153,745	12,135,153,745	1%	121,351,537	129,508,580
Loans for professionals to Set up business (LP)	5,402,713,749	5,402,713,749	2%	108,054,275	105,836,050
Consumer finance	46,213,205,233	46,213,205,233	2%	924,264,105	734,780,715
Consumer finance (Credit Card)	10,266,549,799	10,266,549,799	2%	205,330,996	159,794,280
Short Term Agricultural and Micro Credit	4,185,757,607	4,185,757,607	1%	41,857,576	39,409,917
Staff Loan	1,139,528,139	-	1%	-	-
	395,407,775,857	394,218,702,856		3,643,269,498	2,872,321,013
Classified - Specific provision					
Sub-standard	3,376,237,529	2,422,283,006	20%***	439,033,298	210,607,228
Doubtful	2,535,948,774	1,943,776,800	50%***	499,174,067	145,090,096
Bad/Loss	9,356,444,799	6,954,244,541	100%****	7,065,798,541	7,627,363,819
	15,268,631,102	11,320,304,347		8,004,005,906	7,983,061,143
	410,676,406,959	405,539,007,203			
Special General Provision Covid-19					
Special general provision Covid-19 for 2020			1%	385,747,960	564,532,639
Special general provision Covid-19 for 2021			1.5%, 2%	179,414,701	219,674,585
Special general provision Covid-19 for 2022			1% & 2%	17,320,997	-
				582,483,659	784,207,224
Total required provision for loans and advances				12,229,759,063	11,639,589,380
Total provision maintained (Note 17.1)				14,175,161,027	12,778,727,514
Excess provision over minimum required provision prescribed by Bangladesh Bank				1,945,401,964	1,139,138,134

* BHs = Brokerage Houses, MBs = Merchant Banks, SDs = stock dealers against shares

** For rescheduled loans, 50% and 100% provision has been made as per NOC circular

*** For small, micro & cottage enterprises under CMSME financing provision requirement is 5% for sub-standard and 20% for doubtful classification as per BRPD circular

**** Note that provision for bad and loss includes a provision of BDT 111,554,000 for bank guarantee as per BB audit advice in 2021

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Amount in Taka

Particulars	2022 Taka	2021 Taka
8.12 Particulars of loans and advances (Bank only)		
i) Loans considered good in respect of which Bank is fully secured	82,497,853,549	86,137,720,340
ii) Loans considered good against which Bank holds no security other than the debtor's personal guarantee	327,039,025,272	233,961,265,285
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	1,139,528,139	1,113,245,362
iv) Loans adversely classified; provision not maintained there against	-	-
	410,676,406,960	321,212,230,987
v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons	1,140,506,228	1,113,439,501
vi) Loans due from companies or firms in which the directors of the bank have interested as directors, partners or managing agents or in case of private companies as members	988,895,848	856,970,022
vii) Maximum total amount of advance including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person	1,140,506,228	1,113,439,501
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies, as members	988,895,848	856,970,022
ix) Due from banking companies	-	-
x) Information in respect of classified loans and advances	15,268,631,102	12,522,560,419
a) Classified loan on which interest has not been charged to income	440,870,144	1,466,974,668
i) Increase/decrease of provision (specific)	2,067,242,232	1,634,560,945
ii) Amount of loans written off	809,572,845	707,517,594
iii) Amount recovered against loan previously written off	7,065,798,541	7,627,363,819
b) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet	1,408,486,946	1,533,746,003
c) Interest creditable to the Interest Suspense account		
xi) Cumulative amount of the written off loan	22,743,200,267	21,108,639,322
Opening balance	2,067,242,232	1,634,560,945
Amount written off during the year	24,810,442,499	22,743,200,267
	22,675,202,492	21,652,814,618
The amount of written off loans for which law suits have been filed		

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HOQUE JASIM CHOWDHURY & CO. DHAKA

In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
8.13 Write off of loans and advances (net basis)					
Balance at the beginning of the year		12,508,427,034	11,646,828,978	12,508,427,034	11,646,828,978
Add: Write off during the year		2,067,242,232	1,634,560,945	2,067,242,232	1,634,560,945
Less: written-off recovery and interest waiver		868,939,265	772,962,889	868,939,265	772,962,889
Balance at the end of the year		13,706,730,001	12,508,427,034	13,706,730,001	12,508,427,034
8.14 Bill Purchased and Discounted under the following broad categories					
Inside Bangladesh		2,179,455,340	2,293,459,388	2,179,455,340	2,293,459,388
Outside Bangladesh		-	-	-	-
		2,179,455,340	2,293,459,388	2,179,455,340	2,293,459,388
8.15 Maturity wise grouping of loans and advances					
On demand		37,177,621,706	26,883,955,082	1,884,609,633	27,740,925,103
Up to 1 month		-	-	36,281,907,921	-
Not more than 3 months		67,860,734,336	50,194,511,523	67,860,734,336	50,194,511,523
More than 3 months but not more than 1 year		163,827,804,476	133,482,324,464	161,443,948,391	131,712,743,325
More than 1 year but not more than 5 years		122,600,813,738	97,469,578,104	122,587,430,351	97,459,231,770
More than 5 years		20,617,776,328	14,104,819,266	20,617,776,328	14,104,819,266
		412,084,750,584	322,135,188,439	410,676,406,960	321,212,230,987
8.16 Maturity wise grouping of lease receivables including SME					
On demand		913,172	1,151,132	913,172	1,151,132
Up to 1 month		512,992	-	512,992	-
Not more than 3 months		1,757,045	2,344,909	1,757,045	2,344,909
More than 3 months but not more than 1 Year		6,740,340	18,873,511	6,740,340	18,873,511
More than 1 year but not more than 5 years		482,248,597	475,272,980	482,248,597	475,272,980
More than 5 years		-	338,701,689	-	338,701,689
		492,172,146	836,344,221	492,172,146	836,344,221
8.17 Maturity wise grouping of bill purchased and discounted					
On Demand		9,568,998	-	9,568,998	-
Payable within 1 month		1,088,965,356	1,096,020,362	1,088,965,356	1,096,020,362
Over 1 month but less than 3 months		956,729,734	1,036,935,079	956,729,734	1,036,935,079
Over 3 months but less than 6 months		124,191,252	132,174,913	124,191,252	132,174,913
6 months or more		-	28,329,034	-	28,329,034
		2,179,455,340	2,293,459,388	2,179,455,340	2,293,459,388

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YASI CHOWDHURY & CO. DHAKA

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
9	**Fixed assets including premises, furniture and fixtures**					
	Land		527,275,400	527,275,400	527,275,400	527,275,400
	Office floor space		20,855,926	20,855,926	4,034,334	4,034,334
	Furniture and fixture		2,387,318,002	2,336,543,136	2,170,822,095	2,140,914,382
	Office equipment		1,473,696,734	1,450,379,835	1,361,168,512	1,344,953,601
	IT hardwares		7,029,432,768	6,284,258,630	3,275,504,031	3,049,688,043
	Motor vehicles		650,117,297	504,714,769	422,497,790	354,296,880
	Leasehold improvements		157,107,776	134,421,114	-	-
	Right of use assets (ROU) as per IFRS 16		7,299,267,882	6,448,373,021	6,103,024,179	5,489,602,469
	Capital expenditure work in progress		584,054,423	585,568,883	207,119,223	251,206,514
	IT software (finite useful lives)		7,542,139,410	6,081,922,651	2,800,445,366	2,322,117,221
	Total cost		27,671,265,618	24,374,313,365	16,871,890,930	15,484,088,844
	Accumulated depreciation and amortisation		14,207,751,270	11,540,143,941	9,092,544,237	8,029,221,445
	Written down value at 31 December		13,463,514,348	12,834,169,424	7,779,346,693	7,454,867,399
	* Fixed assets schedules on standalone basis are shown in Annexure-E.					
10	**Other assets**					
	Income generating					
	Interest receivables	10.1	3,811,701,206	2,721,178,635	3,811,701,206	2,721,178,635
	Dividend receivables		69,353,683	35,919,830	69,353,683	35,919,830
	Investment in subsidiary	10.2	-	-	13,571,306,097	13,161,378,451
	Investment/carrying value in associates	10.3	21,206,835	21,115,234	21,206,835	21,115,234
	Investment in swift share		8,083,464	8,083,464	8,083,464	8,083,464
	Prepaid interest expenses on IFFD		2	24,511,806	2	24,511,806
	Receivables against sanchayapatra		22,879,838	44,502,037	22,879,838	44,502,037
	Balance with BRAC EPL Stock Brokerage Limited		2,351,718	1,166,738	2,351,718	1,166,738
	Non- Income generating					
	Stock of stamps		49,971,414	48,826,086	49,971,414	48,826,086
	Stock of security stationery		40,311,581	47,369,961	40,311,581	47,369,961
	Stock of printing stationery		14,557,854	12,007,770	14,557,854	12,007,770
	Advance to staff		7,503,770	6,617,457	7,503,770	6,617,457
	Advance to supplier		30,635,256	30,451,912	9,170,157	24,933,886
	Advance value added tax		5,858,631	4,370,000	5,858,631	4,370,000
	Advance to SME unit offices		1,308,690	1,308,690	1,308,690	1,308,690
	Advance against office rent		72,000,795	68,234,617	72,000,795	68,234,617
	Advance security deposit		16,571,559	13,362,635	12,103,651	8,894,727
	Receivables from biTS		154,857,249	187,859,621	154,857,249	187,859,621

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In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Deferred revenue expenditure		231,241,555	173,250,448	231,241,555	173,250,448
Deferred tax asset	10.4	6,411,981,091	5,233,012,588	4,769,561,708	4,147,255,591
Receivable settlement account-OBU/DBU		-	11,166	-	11,166
Net plan assets - employees' gratuity fund	10.5	132,156,493	127,281,040	132,156,493	127,281,040
Other receivables	10.6	2,618,589,473	1,887,698,086	2,618,589,473	1,887,698,086
Other assets of subsidiaries	10.7	7,080,720,520	5,524,084,643	-	-
		20,803,842,677	16,222,224,464	25,626,075,864	22,763,775,341
10.1 Interest receivables					
Receivable against Govt. securities		925,810,324	978,845,897	925,810,324	978,845,897
Receivable against other securities		49,041,453	50,972,387	49,041,453	50,972,387
Receivable against balance with other bank		153,927,383	82,740,585	153,927,383	82,740,585
Receivable against loans and advances		2,682,922,046	1,608,619,766	2,682,922,046	1,608,619,766
		3,811,701,206	2,721,178,635	3,811,701,206	2,721,178,635
10.2 Investment in subsidiaries					
BRAC EPL Investments Limited				1,301,639,222	1,036,320,904
BRAC EPL Stock Brokerage Limited				1,311,371,003	1,241,795,091
bKash Limited				10,937,169,476	10,874,512,125
BRAC Saajan Exchange Limited				21,126,396	8,750,331
				13,571,306,097	13,161,378,451
10.3 Investment/carrying value in associates					
BRAC IT Services Limited	10.3.1	21,206,835	21,115,234	21,206,835	21,115,234
		21,206,835	21,115,234	21,206,835	21,115,234
10.3.1 Carrying value of investment in associates					
BRAC IT Services Limited					
Opening balance/fair value of residual interest retained		21,115,234	-		
Gain/(loss) on disposal/loss of shares in associates		(4,768,581)	17,373,182		
Share of profit/(loss) of equity in associate company		4,860,182	3,742,052		
		21,206,835	21,115,234		

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In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021

10.4 Deferred tax asset/(liability) (Bank only)

Particulars	Accounting base	Tax base	Deductible/(Taxable) temporary difference	Applicable tax rate	Deferred Tax Asset/ (Liability)
Balance as at 31 December 2022					
Loan loss provision including Covid-19 special provision (Note -17.1) and QJ general provision of BDT 722,066,972	10,907,648,940	-	10,907,648,940	37.50%	4,090,368,353
Actuarial valuation measurement loss	158,308,084	-	158,308,084	37.50%	59,365,532
Provision against capital market (Note -17.4)	34,119,549	-	34,119,549	10.00%	3,411,955
Fixed assets except RoU (Annexure - E)	2,858,164,885	4,060,036,190	1,201,871,305	37.50%	450,701,739
Right of use assets (RoU) as per IFRS 17 (Annexure - E)	4,183,776,896	764,211,113	(3,419,565,783)	37.50%	(1,282,337,168)
Leased Liability as per IFRS 16 (Note - 17)	3,861,470,125	-	3,861,470,125	37.50%	1,448,051,297
Deferred tax asset (a)					4,769,561,708
Deferred tax liability arises due to actuarial valuation gain	-	-	-	37.50%	-
Deferred tax liability arises from fair value gain as per IFRS 9	8,992,839,090	-	(8,992,839,090)	15.00%	(1,348,925,863)
Interest receivable from treasury bills and bonds (Note -10.1)	925,810,324	-	(925,810,324)	37.50%	(347,178,872)
Dividend receivables (Note -10)	-	-	-	20.00%	-
Deferred tax liability (b)					(1,696,104,735)
Net deferred tax asset at 31 December 2022 (a+b)					3,073,456,973
Increase of deferred tax asset recognised in profit and loss account as income					562,940,585
Decrease of deferred tax liability recognised in profit and loss account as income					27,072,306
Net Deferred tax income recognised in profit and loss account during the year ended 31 December 2022					590,012,891
Net Deferred tax liability recognised in equity during the year ended 31 December 2022					(42,621,486)
Balance as at 31 December 2021					
Loan loss provision including Covid-19 special provision (Note -17.1)	9,744,711,824	-	9,744,711,824	37.50%	3,654,266,934
Provision against capital market (Note -17.4)	13,580,119	-	13,580,119	10.00%	1,358,012
Fixed assets except RoU (Annexure - E)	2,522,794,574	3,532,771,605	1,009,977,031	37.50%	378,741,387
Right of use assets (RoU) as per IFRS 17 (Annexure - E)	4,150,429,766	847,913,185	(3,302,516,581)	37.50%	(1,238,443,718)
Leased Liability as per IFRS 16 (Note -17)	3,603,554,603	-	3,603,554,603	37.50%	1,351,332,976
Deferred tax asset (a)					4,147,255,591
Deferred tax liability arises due to actuarial valuation gain	8,221,604	-	(8,221,604)	37.50%	(3,083,101)
Deferred tax liability arises from fair value gain as per IFRS 9	8,688,141,840	-	(8,688,141,840)	15.00%	(1,303,221,276)
Interest receivable from treasury bills and bonds (Note -10.1)	978,845,897	-	(978,845,897)	37.50%	(367,067,212)
Dividend receivables (Note -10)	35,919,830	-	(35,919,830)	20.00%	(7,183,966)
Deferred tax liability (b)					(1,680,555,555)
Net deferred tax asset at 31 December 2021 (a+b)					2,466,700,036

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In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Increase of deferred tax asset recognised in profit and loss account as income					948,468,648
Decrease of deferred tax liability recognised in profit and loss account as income					176,309,838
Net Deferred tax income recognised in profit and loss account during the year ended 31 December 2021					1,124,778,486
Net Deferred tax liability recognised in equity during the year ended 31 December 2021					(1,016,784,141)

10.4.1 Recoverability/adjustment/reversal of deferred tax

Deferred tax on Specific provision on loans and advances
Specific provisions for loans are not tax allowable under local tax regulations. So, when calculating taxable income, the loan loss provision charged to the profit and loss account is added back to income. The loan recovery or write-off, however, will be accepted by the tax office as a legitimate tax expense. The Bank will either make a recovery or write off the loans at some point in the future; thus, this item only makes a transitory effect. According to IAS 12, the Bank recognizes the deferred tax on this particular provision, creating a deductible temporary difference to the degree that it can be applied as a credit. Once the underlying bad debt is either repaid or cancelled, the deferred tax will be reversed.
Deferred tax on Fixed assets including intangible assets
Accounting depreciation is not taken into consideration when determining the tax obligation according to local tax regulations. The tax authorities permit tax depreciation at various rates as per third schedule of ITO 1984 which is different from accounting depreciation rate in many cases. Hence transitory differences are created due to the varying depreciation rates and methodology against which the Bank recognises deferred tax. This is a common occurrence since the accounting depreciation rate and the tax depreciation rate differ from one another. The remaining amount of deferred tax will be released when the assets' useful economic life has passed, though.
Deferred tax on Provision against capital market investment
Capital market-related provisions are not deductible for tax purposes under local tax regulations. As a result, when calculating taxable income, such provision charged to the profit and loss account is added back to income. The tax office will, however, permit the release or reversal of the provision as an allowable expense through realized gains or losses as a result of the temporary difference that this item causes. According to IAS 12, the Bank recognizes the deferred tax on such a provision, creating a deductible temporary difference to the extent that it can be applied as a credit against other liabilities. As soon as the related provision is released or reversed, the deferred tax will also be released.
Deferred tax on Interest receivables on government securities
As per Tax Law, Tax is being paid on BGTB income on a cash basis, whereas the same income is accounted for on an accrual basis in the financial statement. This difference in interest income recognition has created a temporary difference on which the bank recognized the DT liability on the interest receivable on BGTB in the respective year, which will be reversed upon payment of tax on cash interest received in the subsequent years.
Deferred tax on Right of use assets (RoU) and lease liabilities as per IFRS 16
According to local tax regulations, lease payments are treated as an allowable expense, while accounting depreciation and interest on RoU assets under IFRS 16 are not. As a result, when calculating taxable profit, depreciation and interest expense were added back and the amount of the actual lease payment was subtracted. Due to the temporary differences caused by this, deferred tax is recognized. However, when the assets' economic useful lives are up, the remaining amount of deferred tax will be automatically released. Deferred tax assets arising from the provision on loan loss provision will recovered at the time of written off of classified loan. Deferred tax on provision for investment in capital market will be recovered when the loss be realized and deferred tax on Right of Use assets under IFRS 16 will be adjusted on termination of lease contracts.

10.5 Net plan assets - employees' gratuity fund

Fair value of plan assets	10.5.1	2,741,694,323	2,278,452,754	2,140,086,266	1,749,085,730
Less: Defined benefit obligation	10.5.2	2,609,537,830	2,151,171,714	2,007,929,773	1,621,804,690
		132,156,493	127,281,040	132,156,493	127,281,040

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	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
10.5.1	**Fair value of plan assets - gratuity fund**					
	Fair value of plan assets as on 1 January		2,278,452,754	1,968,963,855	1,749,085,730	1,511,837,864
	Interest income on plan assets		157,417,716	136,065,408	157,417,716	136,065,408
	Actual employer contributions		481,503,712	249,642,432	409,262,679	177,401,399
	Actual net benefits payments		(156,555,251)	(90,128,124)	(156,555,251)	(90,128,124)
	Remeasurement gain/(losses) on plan assets		(19,124,608)	13,909,183	(19,124,608)	13,909,183
	Fair value of plan assets as on 31 December		2,741,694,323	2,278,452,754	2,140,086,266	1,749,085,730
10.5.2	**Defined benefit obligation - gratuity fund**					
	Defined benefit obligation as on 1 January		2,151,171,714	1,620,587,088	1,621,804,690	1,163,461,097
	Current service cost		409,186,202	358,220,441	249,312,832	198,347,071
	Past service cost due to amendment of gratuity benefits		145,962,422	-	145,962,422	-
	Interest cost		-	104,711,499	-	104,711,499
	Actual net benefits payments		(156,555,251)	(90,128,124)	(156,555,251)	(90,128,124)
	Remeasurement (gain)/loss		59,772,743	157,780,810	147,405,080	245,413,147
	Defined benefit obligation as on 31 December		2,609,537,830	2,151,171,714	2,007,929,773	1,621,804,690
10.5.3	**Remeasurements gain/(loss) of defined benefits liabilities/assets**					
	Opening balance		(133,663,763)	(76,606,123)	5,138,502	149,828,479
	Remeasurement gain/(losses) on plan assets		(19,124,608)	13,909,183	(19,124,608)	13,909,183
	Remeasurement gain/(losses) on defined benefit obligation		(59,772,743)	(157,780,810)	(147,405,080)	(245,413,147)
			(212,561,114)	(220,477,750)	(161,391,186)	(81,675,485)
	Less: Deferred tax (expense)/income		62,448,633	86,813,987	62,448,633	86,813,987
			(150,112,481)	(133,663,763)	(98,942,553)	5,138,502

* Remeasurement gain/(loss) has been recognised as per actuarial valuation report 2022.

10.6	**Other Receivables**					
	Receivable against remittance		27,644,923	11,559,766	27,644,923	11,559,766
	Receivable against DD		189,500,000	133,000,000	189,500,000	133,000,000
	Receivable against cards		111,440,750	64,353,917	111,440,750	64,353,917
	Receivable from merchant		286,156,041	241,107,676	286,156,041	241,107,676
	Receivable from partners		2,679,383	220,116	2,679,383	220,116
	Receivable from co-brand ATM		27,020,242	27,020,242	27,020,242	27,020,242
	Receivable against fraud and forgery/protested bill		119,040,216	117,873,609	119,040,216	117,873,609
	Receivable from NPS		178,437,000	103,551,000	178,437,000	103,551,000
	Sundry debtors*		1,471,753,211	1,150,197,828	1,471,753,211	1,150,197,828

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Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Receivable from BACH		5,000,000	5,000,000	5,000,000	5,000,000
Coupon interest adjustment		181,239,015	13,627,536	181,239,015	13,627,536
REPO interest expenditure		-	(1,119,412)	-	(1,119,412)
Interest rate swap		18,678,692	21,305,808	18,678,692	21,305,808
		2,618,589,473	1,887,698,086	2,618,589,473	1,887,698,086

*In compliance with FRC notification no. 179/FRC/FRM/Notification/2020/2, we have already adjusted the forfeited fund previously distributed among active members of provident fund for the period from 2015 to 2021 as per the existing Fund Rules. Additionally, we have recognized other receivable of BDT 1,287,595 under sundry debtors for the forfeited fund for 2022.

10.7 Other assets of subsidiaries

BRAC EPL Investments Limited	88,878,423	65,146,951
BRAC EPL Stock Brokerage Limited	123,946,712	80,943,352
bKash Limited	6,919,169,697	5,344,095,037
BRAC Saajan Exchange Limited	32,691,029	60,971,865
	7,164,685,861	5,551,157,205
Less: Inter company transactions:		
BRAC Bank Limited	15,056,402	22,664,005
bKash Limited	68,908,939	4,408,557
	83,965,341	27,072,562
	7,080,720,520	5,524,084,643

11 Non-banking assets

	Possession date				
M/S Macca And Modina Store	16 January 2017	1,200,000	1,200,000	1,200,000	1,200,000
M/S. Akash Auto Mobile	11 June 2018	3,041,700	3,041,700	3,041,700	3,041,700
M/S Shawan Enterprise	12 January 2021	300,000	300,000	300,000	300,000
M/S SB Variety Store*.	12 October 2022	6,800,000	-	6,800,000	-
		11,341,700	4,541,700	11,341,700	4,541,700

*The Bank has been awarded ownership of the mortgaged property M/S SB Variety Store, verdict of the honourable Artharin Court of Jamalpur under Section 33(7) of Artharin Adalat Ain 2003 and reported as non-banking assets in accordance with Bank Companies Act 1991 and BRPD circular no. 14 of 2003. The value of the non-banking assets has been determined on the basis of valuation report of an independent valuer.

12 Goodwill

(i) BRAC EPL Investments Limited	246,289,821	246,289,821
(ii) BRAC EPL Stock Brokerage Limited	1,126,273,572	1,126,273,572
(iii) BRAC Saajan Exchange Limited*	-	54,905,518
Total	1,372,563,393	1,427,468,911

*Please refer to note-38 impairment of goodwill for relevant explanation

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	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
13	**Borrowings from other banks, financial institutions and agents**					
	Borrowings inside Bangladesh	13.1	207,944,839	429,000,000	-	429,000,000
	Borrowings outside Bangladesh	13.2	38,700,865,687	23,721,953,707	38,685,377,271	23,705,564,025
			38,908,810,526	24,150,953,707	38,685,377,271	24,134,564,025
13.1	**Borrowings inside Bangladesh**					
	Eastern Bank Limited		207,944,839	-	-	-
	Woori Bank		-	429,000,000	-	429,000,000
			207,944,839	429,000,000	-	429,000,000
13.2	**Borrowings outside Bangladesh**					
	State Bank of India, Hong Kong		2,479,128,000	858,000,000	2,479,128,000	858,000,000
	Nabil Bank Limited, Nepal		639,026,231	300,300,000	639,026,231	300,300,000
	HDFC Bank Limited, India		1,549,455,000	858,000,000	1,549,455,000	858,000,000
	Standard Chartered Bank, Singapore		516,485,000	2,368,080,000	516,485,000	2,368,080,000
	Asian Development Bank		3,098,910,000	2,574,000,000	3,098,910,000	2,574,000,000
	Caixabank S.A.		6,920,899,000	561,185,625	6,920,899,000	561,185,625
	The National Bank of Ras Al-Khaimah, UAE		5,164,850,000	1,716,000,000	5,164,850,000	1,716,000,000
	Abu Dhabi Commercial Bank, UAE		1,549,455,000	2,574,000,000	1,549,455,000	2,574,000,000
	CDC Group Plc, United Kingdom		886,288,260	1,471,298,400	886,288,260	1,471,298,400
	International Finance Corporation (IFC), USA		3,098,910,000	4,719,000,000	3,098,910,000	4,719,000,000
	JP Morgan Chase Bank N.A. Singapore		5,061,553,000	1,287,000,000	5,061,553,000	1,287,000,000
	Bank Muscat Saog, Oman		1,756,049,000	-	1,756,049,000	-
	Cargill Financial Services International		3,098,910,000	-	3,098,910,000	-
	Commercial Bank of Qatar		1,032,970,000	-	1,032,970,000	-
	Mizuho Bank Ltd, Singapore		1,032,970,000	-	1,032,970,000	-
	Yes Bank, India		799,518,780	-	799,518,780	-
	DBS Bank, Singapore		-	2,402,400,000	-	2,402,400,000
	Axis Bank Limited		-	858,000,000	-	858,000,000
	Siddhartha Bank Limited, Kathmandu		-	300,300,000	-	300,300,000
	First Abu Dhabi Bank PJSC, UAE		-	858,000,000	-	858,000,000
	Millennium Bank, Portugal		15,488,416	16,389,682	-	-
			38,700,865,687	23,721,953,707	38,685,377,271	23,705,564,025
13.3	**Security against borrowings from other banks, financial institutions and agents:**					
	Secured (Treasury bills)		-	-	-	-
	Unsecured		38,908,810,526	24,150,953,707	38,685,377,271	24,134,564,025
			38,908,810,526	24,150,953,707	38,685,377,271	24,134,564,025

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In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021

13.4 Disclosure regarding REPO

Disclosure regarding REPO transactions of the Bank are given as per Bangladesh Bank DOS Circular No. 6 dated 15 July 2010.

(a) (i) Disclosure regarding outstanding Repo as on 31 December 2022

Counter party name	SL. no	Agreement date	Reversal date	Amount (1st leg cash consideration) outstanding on 31 December 2022	Amount (1st leg cash consideration) outstanding on 31 December 2021
Standard Chartered Bank Dhaka	i	December 29, 2021	January 2, 2022	Nil	1,593,212,388
Standard Chartered Bank Dhaka	ii	December 30, 2021	January 2, 2022	Nil	7,757,656,399
United Commercial Bank Limited	iii	December 30, 2021	January 4, 2022	Nil	927,638,685
The City Bank Limited	iv	December 30, 2021	January 6, 2022	Nil	1,024,745,040
Prime Bank Limited	v	December 29, 2021	January 3, 2022	Nil	1,946,907,218
Prime Bank Limited	vi	December 30, 2021	January 3, 2022	Nil	442,388,250
Agrani Bank Limited	vii	December 26, 2022	January 1, 2023	5,525,476,218	Nil
Agrani Bank Limited	viii	December 27, 2022	January 3, 2023	3,064,628,767	Nil
Janata Bank Limited	ix	December 28, 2022	January 4, 2023	4,079,793,226	Nil
				12,669,898,211	13,692,547,980

(a) (ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2022

Counter party name	SL. no	Agreement Date	Reversal Date	Amount (1st leg cash consideration)	Amount (1st leg cash consideration)
				-	-
				-	-

(b) Disclosure regarding overall transaction of Repo and Reverse repo during the year 2022

Particulars	Minimum outstanding during the year 2022	Maximum outstanding during the year 2022	Daily average outstanding during the year 2022	Daily average outstanding during the year 2021
Securities sold under repo:				
i) with Bangladesh Bank	732,877,208	1,464,473,775	9,268,855	-
ii) with other banks & FIs	487,504,500	9,354,162,154	2,138,552,906	2,082,542,687
Securities purchased under reverse repo:				
i) with Bangladesh Bank	-	-	-	-
ii) with other banks & FIs	97,025,710	10,003,649,860	1,480,047,089	64,700,456

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In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
13.5 Maturity wise grouping of borrowing from other bank and financial institutions					
Repayable on demand		6,445,003,282	1,233,701,684	7,446,298,531	2,102,100,000
Not more than 3 months		10,636,443,541	5,222,479,736	10,536,294,000	4,928,405,625
More than 3 months but not more than 1 year		21,827,363,703	16,958,608,287	20,702,784,740	16,367,894,400
More than 1 year but not more than 5 years		-	736,164,000	-	736,164,000
More than 5 years		-	-	-	-
		38,908,810,526	24,150,953,707	38,685,377,271	24,134,564,025
14 Borrowings from central bank & government agencies					
BB - Export development fund (EDF)		16,168,162,980	9,124,444,403	16,168,162,980	9,124,444,403
SME Foundation pre finance		506,077,187	817,222,000	506,077,187	817,222,000
BB - Long term financing facility (LTFF)		785,064,454	763,079,166	785,064,454	763,079,166
BB - Green transformation fund (GTF)		232,733,347	261,070,057	232,733,347	261,070,057
BB - Stimulus fund		55,370,628	387,594,399	55,370,628	387,594,399
BB - Working capital stimulus fund		1,514,040,573	528,491,391	1,514,040,573	528,491,391
BB - PSC stimulus package		1,367,527,000	45,242,000	1,367,527,000	45,242,000
BB - Refinancing for green initiatives		30,000,000	40,000,000	30,000,000	40,000,000
BB - SME re-finance		21,370,475,640	11,108,860,408	21,370,475,640	11,108,860,408
Joyeeta foundation pre or re-finance		155,050,000	99,900,000	155,050,000	99,900,000
		42,184,501,809	23,175,903,824	42,184,501,809	23,175,903,824
14.1 Maturity wise grouping of Borrowings from central bank & government agencies					
Repayable on demand		5,631,493,289	1,471,515,580	5,631,493,289	1,471,515,580
Not more than 3 months		8,114,768,696	4,159,284,124	8,114,768,696	4,159,284,124
More than 3 months but not more than 1 year		12,381,754,222	11,097,209,099	12,381,754,222	11,097,209,099
More than 1 year but not more than 5 years		16,010,838,538	5,684,815,855	16,010,838,538	5,684,815,855
More than 5 years		45,647,064	763,079,166	45,647,064	763,079,166
		42,184,501,809	23,175,903,824	42,184,501,809	23,175,903,824

15 Affordable housing bond

In 2022, upon approval from Bangladesh Securities & Exchange Commission (BSEC) and permission from Bangladesh Bank, BRAC Bank issued unsecured Affordable Housing Bond amounting BDT 4,751,000,000. The bond has been fully subscribed by International Finance Corporation (IFC). The raised fund will be utilized to provide affordable housing loans to lower and middle income group at a highest interest rate of 7.50% or as revised by Bangladesh Bank time to time.

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In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
16	**Deposits and other accounts**					
	Current accounts and other accounts	16.1	187,855,608,325	164,417,743,536	123,148,401,399	109,462,945,554
	Bills payable	16.2	1,739,503,614	2,367,889,416	1,739,503,614	2,367,889,416
	Savings deposits	16.3	71,890,957,598	68,334,576,200	71,890,957,598	68,334,576,200
	Term deposits*	16.4	182,973,780,522	127,956,809,129	185,088,946,361	133,172,621,149
	Other deposits	16.5	2,598,966,270	1,252,882,201	2,598,966,270	1,252,882,201
			447,058,816,329	364,329,900,482	384,466,775,242	314,590,914,520
	* Term deposits include the deposit pension scheme (DPS).					
16.1	**Current accounts and other accounts**					
	Local currency		183,410,331,638	161,837,234,177	114,959,900,255	103,303,795,091
	Foreign currencies		8,188,501,144	6,159,150,463	8,188,501,144	6,159,150,463
			191,598,832,782	167,996,384,640	123,148,401,399	109,462,945,554
	Less: Inter unit/company elimination		3,743,224,457	3,578,641,104	-	-
			187,855,608,325	164,417,743,536	123,148,401,399	109,462,945,554
16.1.1	**Current accounts and other accounts**					
	Current deposits		177,062,146,540	155,015,630,031	108,611,715,157	96,482,190,945
	Special notice deposit		14,536,686,242	12,980,754,609	14,536,686,242	12,980,754,609
			191,598,832,782	167,996,384,640	123,148,401,399	109,462,945,554
	Less: Inter unit/company elimination		3,743,224,457	3,578,641,104	-	-
			187,855,608,325	164,417,743,536	123,148,401,399	109,462,945,554
16.2	**Bills payable**					
	Local currency		1,709,235,613	2,164,588,843	1,709,235,613	2,164,588,843
	Foreign currencies		30,268,001	203,300,573	30,268,001	203,300,573
			1,739,503,614	2,367,889,416	1,739,503,614	2,367,889,416
16.3	**Savings deposits**					
	Local currency		71,890,957,598	68,334,576,200	71,890,957,598	68,334,576,200
	Foreign currencies		-	-	-	-
			71,890,957,598	68,334,576,200	71,890,957,598	68,334,576,200

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In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
16.4 Term deposits					
Local currency		181,477,648,780	131,121,074,245	181,477,648,780	131,121,074,245
Foreign currencies		3,611,297,581	2,051,546,904	3,611,297,581	2,051,546,904
		185,088,946,361	133,172,621,149	185,088,946,361	133,172,621,149
Less: Inter unit/company elimination		2,115,165,839	5,215,812,020	-	-
		182,973,780,522	127,956,809,129	185,088,946,361	133,172,621,149
16.5 Other deposits					
Local currency	16.5.1	2,591,975,775	1,247,004,101	2,591,975,775	1,247,004,101
Foreign currencies	16.5.2	6,990,495	5,878,100	6,990,495	5,878,100
		2,598,966,270	1,252,882,201	2,598,966,270	1,252,882,201
Less: Inter unit/company elimination		-	-	-	-
		2,598,966,270	1,252,882,201	2,598,966,270	1,252,882,201
16.5.1 Other local currency deposits					
Security deposits		813,000	800,000	813,000	800,000
Security deposit from retail loan client		-	7,355,223	-	7,355,223
Sundry deposit	16.5.1.1	2,591,162,775	1,238,848,878	2,591,162,775	1,238,848,878
		2,591,975,775	1,247,004,101	2,591,975,775	1,247,004,101
16.5.1.1 Sundry deposit					
Lease deposits		-	934,785	-	934,785
Payable to NPS		2,368,101,519	1,000,841,185	2,368,101,519	1,000,841,185
EFTN and BACH adjustments account		129,174,085	201,401,857	129,174,085	201,401,857
Payable against customers, loan account and others		93,887,171	35,671,051	93,887,171	35,671,051
		2,591,162,775	1,238,848,878	2,591,162,775	1,238,848,878
16.5.2 Other foreign currency deposits					
Proceeds awaiting for remittance (BTB LC)		6,990,495	5,878,100	6,990,495	5,878,100
Remittance awaiting for disposal (RAD)		-	-	-	-
		6,990,495	5,878,100	6,990,495	5,878,100
16.6 Deposits concentration					
Deposits from banks-inside Bangladesh	16.6.1	416,079,447	3,943,113,946	416,079,447	3,943,113,946
Other than banks		446,642,736,882	360,386,786,536	384,050,695,795	310,647,800,574
		447,058,816,329	364,329,900,482	384,466,775,242	314,590,914,520

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In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
16.6.1 Deposits from banks inside Bangladesh					
Current deposits:					
NRB Bank Limited		1,346,966	1,436,920	1,346,966	1,436,920
Islami Bank Bangladesh Limited		440,548	-	440,548	-
One Bank Limited		977,208	151,297	977,208	151,297
Meghna Bank Limited		409,935,258	535,996	409,935,258	535,996
		412,699,980	2,124,213	412,699,980	2,124,213
Special notice deposit:					
Dutch-Bangla Bank Mobile Banking-Rocket		3,379,467	40,989,733	3,379,467	40,989,733
Term deposits from Banks:					
State Bank of India		-	400,000,000	-	400,000,000
Habib Bank Limited		-	500,000,000	-	500,000,000
Pubali Bank Limited		-	3,000,000,000	-	3,000,000,000
		-	3,900,000,000	-	3,900,000,000
Total deposits from banks		416,079,447	3,943,113,946	416,079,447	3,943,113,946
16.7 Payable on demand and time deposit					
i) Demand deposit					
Current deposits		165,130,420,939	145,277,838,464	100,423,214,013	90,323,040,482
Saving deposits (9% of total saving deposits)		6,470,186,184	6,150,111,858	6,470,186,184	6,150,111,858
Foreign currency deposits		8,195,491,639	6,165,028,563	8,195,491,639	6,165,028,563
Sundry deposits		2,591,162,775	1,238,848,878	2,591,162,775	1,238,848,878
Bills payable		1,739,503,614	2,367,889,416	1,739,503,614	2,367,889,416
		184,126,765,151	161,199,717,179	119,419,558,225	106,244,919,197
ii) Time deposit					
Saving deposits (91% of total saving deposits)		65,420,771,414	62,184,464,342	65,420,771,414	62,184,464,342
Foreign currency deposits		3,611,297,581	2,051,546,904	3,611,297,581	2,051,546,904
Term deposits		160,951,254,291	109,066,283,138	163,066,420,130	114,282,095,158
Deposit pension schemes (DPS)		18,411,228,650	16,838,979,087	18,411,228,650	16,838,979,087
Special notice deposit		14,536,686,242	12,980,754,609	14,536,686,242	12,980,754,609
Security deposits		813,000	8,155,223	813,000	8,155,223
		262,932,051,178	203,130,183,303	265,047,217,017	208,345,995,323
		447,058,816,329	364,329,900,482	384,466,775,242	314,590,914,520

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In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
16.8 Maturity wise grouping of deposits and other accounts					
Repayable on demand		12,889,777,748	10,678,266,582	12,889,777,748	10,678,266,582
Repayable within 1 month		39,478,409,574	29,812,031,680	33,816,689,751	26,823,992,430
Over 1 months but within 6 months		123,692,377,070	78,146,789,069	123,692,377,070	78,146,789,069
Over 6 months but within 1 year		126,570,721,489	111,672,492,397	69,640,400,225	64,921,545,685
Over 1 year but within 5 years		141,455,809,394	130,364,719,339	141,455,809,394	130,364,719,339
Over 5 years but within 10 years		2,971,721,054	3,655,601,415	2,971,721,054	3,655,601,415
Over 10 years		-	-	-	-
Total balance		447,058,816,329	364,329,900,482	384,466,775,242	314,590,914,520
Unclaimed deposits for 10 years or more		57,875,419	50,123,305	57,875,419	50,123,305

As per Bank Company Act 1991, Section 35 and BB circular letter no. BRPD 10 dated 12 September 2018, if any money or valuable asset (except deposits from Government, minor or litigation) is unclaimed for ten years or above as of 31 December every year, a three months' notice will be given to depositors concerned. Based on the response from the concerned depositors by following three months, amount will be paid to them otherwise unclaimed deposit will be deposited to Bangladesh Bank by 30 April of the following year. We reported BDT BDT 57,875,419 as 10 years and above unclaimed deposit amount as on 31 December 2022 (cut off basis) to Bangladesh Bank.

17 Other liabilities					
Provision for loans and advances	17.1	14,602,789,573	13,213,625,459	13,390,953,803	11,994,520,290
Special general provision Covid-19	17.1	784,207,224	784,207,224	784,207,224	784,207,224
Provision for interest receivable from loan	17.2	20,676,127	13,457,003	20,676,127	13,457,003
Provisions for off balance sheet items	17.3	911,486,554	706,746,134	911,486,554	706,746,134
Provision for diminution in value of investments	17.4	34,119,549	13,580,119	34,119,549	13,580,119
Provision for other assets	17.5	247,263,926	234,820,125	247,263,926	234,820,125
Provision against non banking assets (NBA)		6,800,000	-	6,800,000	-
Interest suspense	17.6	1,710,681,546	1,637,871,114	1,710,681,546	1,637,871,114
Withholding tax payable	17.7	546,837,799	201,214,386	546,837,799	201,214,386
VAT payable	17.8	231,322,683	208,608,833	231,322,683	208,608,833
Excise duty payable		329,663,279	262,341,336	329,663,279	262,341,336
Provision for taxation net off AIT	17.9	5,448,621,002	5,920,521,742	4,144,359,024	5,021,558,503
Deferred tax liability	10.4	347,178,871	377,334,278	1,696,104,735	1,680,555,555
Interest payable on borrowings		733,123,758	331,043,315	733,123,758	331,043,315
Accrued expenses		4,781,984,329	5,337,303,430	1,367,743,072	2,108,043,731
CSR Fund (FX gain)	17.14	188,198,573	-	188,198,573	-
Share subscription - IPO (refund warrant)		273,606	229,509	273,606	229,509
Payable to off-shore banking unit		4	-	4	-
Unclaimed and undistributed dividend	17.10	11,588,296	9,676,218	11,588,296	9,676,218
Suppliers payable		162,427,092	125,946,941	162,427,092	125,946,941
Leased liabilities as per IFRS 16		4,465,075,566	4,085,484,681	3,861,470,127	3,603,554,604

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In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Payable against exchange houses		60,200	100	60,200	100
Payable against insurances		6,260,997	6,155,625	6,260,997	6,155,625
Payable against proxy account		1,366,816	206,092	1,366,816	206,092
Payable against SWIFT charge		27,144,741	1,716,000	27,144,741	1,716,000
Start-up Fund	17.11	158,509,361	100,877,625	158,509,361	100,877,625
Other payables	17.12	4,188,126,315	3,716,340,999	4,188,126,315	3,716,340,999
Other liabilities of subsidiaries	17.13	2,058,793,026	2,018,766,783	-	-
		42,004,580,813	39,308,075,071	34,760,769,207	32,763,271,381

17.1 Provision for loans and advances including Covid special provision

A. General provision including Covid special provision				
Provisions held at the beginning of the year	3,818,222,914	3,254,158,676	3,818,222,914	3,254,158,676
Add: Transfer from specific provision	210,677,063	64,204,586	210,677,063	64,204,586
Add: Special general provision Covid-19	-	10,077,106	-	10,077,106
Add: Net charge to profit and loss A/C	575,618,832	490,317,074	575,618,832	490,317,074
Add: Exchange difference	169,267,474	(534,528)	169,267,474	(534,528)
Provisions held at the end of the year	4,773,786,283	3,818,222,914	4,773,786,283	3,818,222,914
B. Specific provision				
Provisions held at the beginning of the year (i)	10,179,609,769	8,552,594,541	8,960,504,600	7,493,529,932
Less: Transfer to general provision (ii)	(210,677,063)	(64,204,586)	(210,677,063)	(64,204,586)
Less: Write off during the year (iii)	(1,875,687,554)	(1,503,380,807)	(1,875,687,554)	(1,503,380,807)
Add: Provision charged for the year including special provision Covid-19 (iv)	2,172,220,677	3,178,139,884	2,179,490,076	3,018,099,324
Add: Recovery of written off bad debts (v)	809,572,845	707,517,594	809,572,845	707,517,594
Add: Exchange difference (vi)	347,744,685	16,460,737	347,744,685	16,460,737
Net charge to profit and loss A/C (vii) = (iv)-(v)	1,362,647,832	2,470,622,290	1,369,917,231	2,310,581,730
Provisions held at the end of the year (i+ii+iii+iv+v+vii)	10,613,210,514	10,179,609,769	9,401,374,744	8,960,504,600
Total provision held at the end of the year (A+B)	15,386,996,797	13,997,832,683	14,175,161,027	12,778,727,514

17.2 Provision for interest receivable from loan

Provisions held at the beginning of the year	13,457,003	13,457,003	13,457,003	13,457,003
Add: Net charge to profit and loss A/C	7,219,124	-	7,219,124	-
Provisions held at the end of the year	20,676,127	13,457,003	20,676,127	13,457,003

17.3 Provisions for off balance sheet items

Balance at the beginning of the year	706,746,134	455,246,134	706,746,134	455,246,134
Provision made during the year	204,740,420	251,500,000	204,740,420	251,500,000
Balance at the end of the year	911,486,554	706,746,134	911,486,554	706,746,134

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Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021

17.3.1 Particulars of required provisions for off balance sheet items - general provision (Bank only)

Particulars	Base for provision	Percentage (%) of required provision	Required provision 2022	Required provision 2021
Acceptances and endorsements (net of UPAS Loans)	46,851,368,815	1%	468,513,688.00	323,280,430
Irrevocable letters of credit	27,451,963,219	1%	274,519,632.00	265,982,034
Letter of guarantees	18,607,062,875	1%	186,070,629.00	117,934,147
Total required provision before considering counter guarantee			929,103,949	707,196,612
Deduction for counter guarantee			17,617,395	3,955,406
Total required provision			911,486,554	703,241,206
Total provision maintained (Note 17.3)			911,486,554	706,746,134
Excess/(short) provision			-	3,504,928

17.4 Provision for diminution in value of investments

	Consolidated		BRAC Bank Limited	
	2022	2021	2022	2021
Balance at the beginning of the year	13,580,119	87,580,119	13,580,119	87,580,119
Provision made/(released) during the year	20,539,430	(74,000,000)	20,539,430	(74,000,000)
Balance at the end of the year	34,119,549	13,580,119	34,119,549	13,580,119

Above provision includes provision for dividend receivable on preference share of BDT 1,250,000.

17.5 Provision for other assets

	Consolidated		BRAC Bank Limited	
	2022	2021	2022	2021
Provisions held at the beginning of the year	234,820,125	195,208,855	234,820,125	168,102,992
Add: Net movement during the year	12,443,801	39,611,270	12,443,801	66,717,133
Provisions held at the end of the year	247,263,926	234,820,125	247,263,926	234,820,125

17.5.1 Particulars of required provision for other assets (Bank only)

Other asset type	Other assets balance	Doubtful (50%)	Bad/Loss (100%)	Required provision 31 Dec 2022	Required provision 31 Dec 2021
Accrued interest on loans and advances	2,088,565,945	-	-	-	-
Receivables from govt./BB for interest subsidy	565,538,368	-	-	-	-
Accrued interest on investment	1,157,596,892	-	518,135	518,135	-
Dividend receivables	69,353,683		-	-	
Receivables against sanchayapatra	22,879,838			-	
Stock of stamps & stationery	104,840,850	-	-	-	-
Advance to staff & supplier	16,673,927	165,000	2,694,851	2,859,851	-
Deferred revenue expenditure	231,241,555			-	-
Advance to SME unit offices	1,308,690			-	-
Advance security deposit	84,104,446		781,000	781,000	
Advances, receivables and other settlement balances	5,927,047,081	937,674	-	937,674	

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Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Other receivables	1,406,755,963	639,676	13,669,813	14,309,489	
Receivable from partners	2,679,383	-	-	-	-
Receivable from co-brand atm	27,020,242	-	27,020,242	27,020,242	27,020,241
Receivable for fraud and forgery-protested bill	119,040,216	-	119,040,216	119,040,216	117,873,609
Receivables in cash shortage-branch	1,416,050	-	1,416,050	1,416,050	1,324,350
Receivables in cash shortage-atm	2,000	-	2,000	2,000	220,000
Receivable from BBL-RBL atm	5,144,030	-	5,144,030	5,144,030	5,144,030
Receivable from BACH	5,000,000	-	-	-	5,000,000
Proxy accounts	-	-	-	-	4,788,745
Receivables against remittance	27,644,922	-	-	-	1,600,000
Charge back receivables in suspense-cards	-	-	-	-	143,635
Receivable for outstanding priority pass bill payment	-	-	-	-	22,276
Receivable from merchant(On US)-cards	-	-	-	-	193,925
Receivable for Govt stimulus	127,545,483			-	-
Subsidy receivable from BB-financial stimulus fund	2,749,620	-	-	-	-
Unclaimed dividend paid to BSEC	60,840,320	-	60,840,320	60,840,320	60,840,320
Total required provision for other assets				232,869,007	224,171,131
Total provision maintained				247,263,926	234,820,125
Excess/(short) provision				14,394,919	10,648,994

17.6 Interest suspense

Balance at the beginning of the year	1,637,871,114	1,443,050,060	1,637,871,114	1,443,050,060
Add: Amount transferred to "interest suspense" account during the year	1,408,486,946	1,533,746,003	1,408,486,946	1,533,746,003
	3,046,358,060	2,976,796,063	3,046,358,060	2,976,796,063
Less: Amount recovered and adjusted in "interest suspense" account during the year	1,144,121,836	1,207,744,812	1,144,121,836	1,207,744,812
Less: Amount written off during the year	191,554,678	131,180,137	191,554,678	131,180,137
Balance at the end of the year	1,710,681,546	1,637,871,114	1,710,681,546	1,637,871,114

17.7 Withholding tax payable

Payable on Interest	324,275,459	81,459,135	324,275,459	81,459,135
Payable (suppliers)	10,450,449	3,669,132	10,450,449	3,669,132
Payable (staff salaries and allowance)	21,993,118	16,461,797	21,993,118	16,461,797
Payable (rent)	4,707,295	4,345,397	4,707,295	4,345,397
Payable (export)	106,535,195	36,596,076	106,535,195	36,596,076
Payable on commission paid	31,152,002	16,259,115	31,152,002	16,259,115
Payable on professional services	8,645,651	10,718,853	8,645,651	10,718,853
Payable on export cash subsidy	-	42,474	-	42,474

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Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Payable on local LC		297,114	979,909	297,114	979,909
Payable on foreign buyer agent		18,633,996	18,788,738	18,633,996	18,788,738
Freight forward agency commission		731,720	-	731,720	-
Payable on IGW services		3,446,146	859,352	3,446,146	859,352
Payable on others		15,969,654	11,034,408	15,969,654	11,034,408
		546,837,799	201,214,386	546,837,799	201,214,386
17.8 VAT Payable					
Payable on banking service		78,280,195	82,588,034	78,280,195	82,588,034
Payable - supplier		64,361,016	32,777,748	64,361,016	32,777,748
Payable - rent		13,554,752	12,437,967	13,554,752	12,437,967
Payable - DPDC, DESCO, BPDB & REB		75,126,720	80,805,084	75,126,720	80,805,084
		231,322,683	208,608,833	231,322,683	208,608,833
17.9 Provision for taxation net off AIT (BBL only)					
A. Provision for tax:					
Balance at the beginning of the year				27,502,064,330	23,934,664,849
Net addition during the year				3,765,699,754	3,567,399,481
Balance at the end of the year				31,267,764,084	27,502,064,330
B. Advance income tax:					
Balance at the beginning of the year				22,480,505,827	19,922,549,103
Add: Paid during the year				4,642,899,233	2,557,956,724
Balance at the end of the year				27,123,405,060	22,480,505,827
Provision for taxation (A-B)				4,144,359,024	5,021,558,503

Corporate tax position of the Bank has been presented in Annexure F.

17.10 Unclaimed and undistributed dividend

As on 31 December 2022, the unclaimed/undistributed dividend was BDT 11,588,296

Further to above, in pursuant to SEC/SRMIC/165-2020/part-1/182, dated July 19, 2021 and Capital Market Stabilization Fund, Rules 2021 issued by Bangladesh Securities and Exchange Commission (BSEC) regarding transfer the amount held against unclaimed dividend/undistributed /unsettled public subscription money for the period of more than 3 (three) years; we have transferred the amount BDT 60,840,320 to the Capital Market Stabilization Fund (CMSF).

17.11 Start-up fund (Bank Only)

As per SMESPD circular 04 dated March 29, 2021 and SMESPD circular letter 05 dated April 26, 2021, 1% of net profit after tax has been transferred to the fund. The details are given below:

Balance at the beginning of the year	100,877,625	-
Addition during the period (1% of PAT)	57,631,736	100,877,625
Closing balance at the end of the year	158,509,361	100,877,625

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Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
17.12 Other payables					
Payables related to cards and others		657,651,647	516,065,060	657,651,647	516,065,060
Payable to merchant		6,058,310	4,791,116	6,058,310	4,791,116
Payables to co brand ATM		3,106,745	3,106,744	3,106,745	3,106,744
Miscellaneous payable		3,521,309,613	3,192,378,079	3,521,309,613	3,192,378,079
		4,188,126,315	3,716,340,999	4,188,126,315	3,716,340,999
17.13 Other liabilities of subsidiaries					
BRAC EPL Investments Limited		73,148,145	197,875,533		
BRAC EPL Stock Brokerage Limited		702,205,336	1,008,535,941		
bKash Limited		1,319,305,112	811,129,171		
BRAC Saajan Exchange Limited		35,700,372	16,870,406		
		2,130,358,965	2,034,411,051		
Less: Inter company transactions:					
BRAC Bank Limited		68,908,939	4,408,557		
bKash Limited		2,657,000	11,235,711		
		71,565,939	15,644,268		
		2,058,793,026	2,018,766,783		

17.14 CSR Fund (FX gain)

Net CSR Fund represents the amount of CSR liability set aside from the foreign exchange gain net of tax arisen during May and June 2022 according to Bangladesh Bank directive. The calculation is presented below:

Particulars	FX income May'22	FX income Jun'22	50% of FX income for May-Jun 2022	Tax charged on income @37.5%	Net CSR Fund after tax
Net CSR Fund expense	226,964,371	375,271,061	301,117,716	112,919,144	188,198,573

18	**Share capital**		
18.1	**Authorized capital**		
	2,000,000,000 ordinary shares of Tk. 10 each	20,000,000,000	20,000,000,000
18.2	**Issued, Subscribed and Paid up capital**		
	100,000,000 Ordinary Shares of Tk. 10/- each issued for cash	1,000,000,000	1,000,000,000
	1,037,942,153 Ordinary Shares of Tk. 10/- each issued as bonus share	11,423,550,820	10,379,421,530
	26,400,000 Right Shares of Tk. 10/- each issued in 2008	264,000,000	264,000,000
	221,652,288 Right Shares of Tk. 10/- each issued in 2014	2,216,522,880	2,216,522,880
	1,149,589 Ordinary Shares of Tk. 10/- each issued as 1st bond converted share in 2016	11,495,890	11,495,890
	2,237,835 Ordinary Shares of Tk. 10/- each issued as 2nd bond converted share in 2017	22,378,350	22,378,350
	2,790,534 Ordinary Shares of Tk. 10/- each issued as 3rd bond converted share in 2018	27,905,340	27,905,340
		14,965,853,280	13,921,723,990

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18.2.1 History of paid-up capital

Given below the history of raising of share capital of BRAC Bank Limited:

Particulars	Allotment year	Number of shares issued		Total paid up shares (No of shares)	Addition in amount of share capital (BDT)	Total paid up capital (BDT)
		Bonus shares	Subscription			
First (Subscription to the Memorandum and Articles of Association) at the time of Incorporation	1999	-	2,000,000	2,000,000	200,000,000	200,000,000
BRAC (subscription)	2001	-	500,000	2,500,000	50,000,000	250,000,000
BRAC (subscription)	2003	-	674,500	3,174,500	67,450,000	317,450,000
ShoreCap International Ltd.	2004	-	875,700	4,050,200	87,570,000	405,020,000
International Finance Corporation	2004	-	949,800	5,000,000	94,980,000	500,000,000
IPO	2006	5,000,000	-	10,000,000	500,000,000	1,000,000,000
Bonus Share 20%	2007	2,000,000	-	12,000,000	200,000,000	1,200,000,000
Bonus Share 10%	2008	1,200,000	-	13,200,000	120,000,000	1,320,000,000
Right Share 20%	2008	-	2,640,000	15,840,000	264,000,000	1,584,000,000
Bonus Share 30%	2009	4,752,000	-	20,592,000	475,200,000	2,059,200,000
Bonus Share 30%	2010	6,177,600	-	26,769,600	617,760,000	2,676,960,000
Bonus Share 20%	2011	5,353,920	-	32,123,520	535,392,000	3,212,352,000
Denomination of face value from Tk.100 to Tk.10 per share	2011	-	-	321,235,200	-	3,212,352,000
Bonus Share 20%	2012	64,247,040	-	385,482,240	642,470,400	3,854,822,400
Bonus Share 15%	2013	57,822,336	-	443,304,576	578,223,360	4,433,045,760
Bonus Share 10%	2014	44,330,457	-	487,635,033	443,304,570	4,876,350,330
Right share 50%	2014	-	221,652,288	709,287,321	2,216,522,880	7,092,873,210
Fresh Issue against Bond, 1st Conversion of Bond	2016	-	1,149,589	710,436,910	11,495,890	7,104,369,100
Fresh Issue against Bond, 2nd Conversion of Bond	2017	-	2,237,835	712,674,745	22,378,350	7,126,747,450
Bonus Share 20%	2017	142,534,949	-	855,209,694	1,425,349,490	8,552,096,940
Fresh Issue against Bond, 3rd Conversion of Bond	2018	-	2,790,534	858,000,228	27,905,340	8,580,002,280
Bonus Share 25%	2018	214,500,057	-	1,072,500,285	2,145,000,570	10,725,002,850
Bonus Share 15%	2019	160,875,042	-	1,233,375,327	1,608,750,420	12,333,753,270
Bonus Share 7.50%	2020	92,503,149		1,325,878,476	925,031,490	13,258,784,760
Bonus Share 5%	2021	66,293,923	-	1,392,172,399	662,939,230	14,965,853,280
Bonus Share 7.50%	2022	104,412,929	-	1,496,585,328	1,044,129,290	14,965,853,280
Total					14,965,853,280	

18.2.2 Issued, subscribed and paid up capital

Balance at the beginning of the year	13,921,723,990	13,258,784,760	13,921,723,990	13,258,784,760
Add: Stock dividend of 2021 issued in 2022	1,044,129,290	662,939,230	1,044,129,290	662,939,230
Balance at the end of the year	14,965,853,280	13,921,723,990	14,965,853,280	13,921,723,990

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Particulars	Consolidated		BRAC Bank Limited	
	2022	2021	2022	2021

18.3 Initial public offering (IPO)

According to IPO rules 2006 "Initial public offering (IPO)" means first offering of security by an issuer to the general public. Out of the total issued, subscribed, and fully paid up capital of the bank 5,000,000 ordinary shares of Tk. 100.00 each amounting to Taka 500,000,000 was raised through Initial public offering of shares held in 2006.

18.4 Cash dividend/bonus Issue

On 28 April 2022, 15% Dividend (7.5% stock & 7.5% Cash) were approved by the shareholders at it's 23rd Annual General Meeting. The stock dividend was distributed on 06 June 2022 accordingly.

18.4.1 The Bank held its 8th EGM on 3 November 2011 and changed the face value of share from Tk. 100 per share to Tk. 10 per share and market lot of shares from 50 shares to 500 shares in each lot. The maximum limit for Authorized Share capital was increased to BDT 20,000,000,000. At 11 December 2014, DSE new Trading system launched that neutralize market lot into 1 shares.

18.5 Ordinary Shares

	No. of Shares (2022)	% of shareholding (2022)	2022 Taka	2021 Taka
Director	692,041,839	46.24%	6,920,418,390	6,437,712,840
Government	-	0.00%	-	-
Institutions	196,660,035	13.14%	1,966,600,350	1,428,665,140
Foreign	503,403,548	33.64%	5,034,035,480	5,272,976,420
General public	104,479,906	6.98%	1,044,799,060	782,369,590
	1,496,585,328	100%	14,965,853,280	13,921,723,990

18.5.1 Share trading

Trading of BRAC Bank's ordinary shares was started on 31 January 2007 at Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). The closing market price on 31 December 2022 was Tk. 38.50 at Dhaka Stock Exchange (DSE) and Tk. 38.70 at Chittagong Stock Exchange (CSE).

18.6 Classification of shareholding

Range of holding of shares	Number of shareholders (2022)	Number of shares (2022)	Percentage of holding of shares (2022)
Less than 500	8,087	1,658,147	0.11%
500 to 5,000	10,848	19,072,814	1.27%
5,001 to 10,000	2,051	14,360,555	0.96%
10,001 to 20,000	862	12,170,649	0.81%
20,001 to 30,000	356	8,812,477	0.59%
30,001 to 40,000	166	5,773,098	0.39%

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40,001 to 50,000	104	4,802,623	0.32%
50,001 to 100,000	199	14,148,651	0.95%
100,001 to 1,000,000	259	75,733,345	5.06%
Over 1,000,000	99	1,340,052,969	89.54%
Total	23,031	1,496,585,328	100%

18.6.1 Name of the directors and their shareholdings as at 31 December 2022:

Name	Status	Opening position	Closing position	% of shares held as on 31 December 2022	% of shares held as on 31 December 2021
Dr. Ahsan H Mansur (Chairman)	Independent Director	NIL	NIL	NIL	NIL
Asif Saleh (Nominated by BRAC)	Nominated Director	31,000	33,325	0.002%	0.002%
Farzana Ahmed	Independent Director	NIL	NIL	NIL	NIL
Fahima Choudhury	Independent Director	NIL	NIL	NIL	NIL
Dr. Zahid Hussain	Independent Director	NIL	NIL	NIL	NIL
Meheriar M Hasan (Nominated by BRAC)	Nominated Director	NIL	NIL	NIL	NIL
Shameran Bahar Abed (Nominated by BRAC)	Nominated Director	997,500	1,072,312	0.072%	0.071%
Dr. Mustafa Kamal Mujeri	Independent Director	NIL	NIL	NIL	NIL
Faruq Mayeenuddin Ahmed	Independent Director	NIL	NIL	NIL	NIL
Salek Ahmed Abul Masrur	Independent Director	NIL	NIL	NIL	NIL

18.7 Share premium

	Year of issuance		
5,000,000 ordinary shares @ Tk. 70 per share	2006	350,000,000	350,000,000
2,640,000 ordinary shares @ Tk. 400 per share	2008	1,056,000,000	1,056,000,000
221,652,288 ordinary shares @ Tk. 10 per share	2014	2,216,522,880	2,216,522,880
1,149,589 ordinary shares @ Tk. 32.55 per share	2016	37,419,151	37,419,151
2,237,835 ordinary shares @ Tk. 35.10 per share	2017	78,548,041	78,548,041
2,790,534 ordinary shares @ Tk. 41.31 per share	2018	115,276,960	115,276,960
		3,853,767,032	3,853,767,032

18.7.1 Particulars of share premium

Sponsor:		
BRAC	1,324,534,000	1,324,534,000
Others	192,580	192,580
Non sponsor:		
International Finance Corporation (IFC)	219,056,640	219,056,640
ShoreCap International Limited	92,473,920	92,473,920
Non Resident Bangladeshis	91,555,530	91,555,530
Mutual Funds	189,254,190	189,254,190
General Public	1,936,700,172	1,936,700,172
	3,853,767,032	3,853,767,032

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DMD & Chief Financial Officer
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SELIM R. F. HUSSAIN
Managing Director and CEO
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18.8 Capital Adequacy Ratio - As per BASEL-III

In Taka

Particulars	Consolidated		BRAC Bank Limited	
	2022	2021	2022	2021
Common equity tier-1 (going concern capital)				
Fully paid-up capital/funds from head office for the purpose of meeting the capital adequacy	14,965,853,280	13,921,723,990	14,965,853,280	13,921,723,990
Non-repayable share premium account	3,853,767,032	3,853,767,032	3,853,767,032	3,853,767,032
Statutory reserve	11,148,169,834	10,067,956,958	11,112,086,248	10,067,956,958
Retained earnings	29,086,051,630	26,402,962,532	18,798,934,455	16,329,861,552
Dividend equalization fund	355,218,455	355,218,455	355,218,455	355,218,455
Minority/Non-controlling interest in subsidiaries	19,875,982,881	19,760,616,148	-	-
Sub-total	79,285,043,112	74,362,245,115	49,085,859,470	44,528,527,987
Regulatory adjustments				
Goodwill and all other intangible assets	5,082,229,672	4,958,310,051	1,087,487,802	957,240,725
Deferred tax assets (DTA)	6,207,462,673	5,050,299,241	4,565,043,290	3,964,542,244
Sub-total	11,289,692,345	10,008,609,292	5,652,531,093	4,921,782,969
Total admissible tier-1 capital	67,995,350,767	64,353,635,823	43,433,328,377	39,606,745,018
Tier-2 capital (going concern capital)				
General provision	5,685,272,837	4,524,969,048	5,685,272,837	4,524,969,048
Sub-total	5,685,272,837	4,524,969,048	5,685,272,837	4,524,969,048
Maximum limit of tier-2 capital (Tier 2 capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)	51,989,248,501	49,708,531,248	30,833,575,176	28,375,981,919
Total admissible tier-2 capital	5,685,272,837	4,524,969,048	5,685,272,837	4,524,969,048
Total capital	73,680,623,604	68,878,604,871	49,118,601,214	44,131,714,066
Total risk weighted assets	380,318,534,649	337,281,898,721	349,831,724,733	307,359,660,182
Minimum capital requirement (MCR - 12.50%)	47,539,816,831	42,160,237,340	43,728,965,592	38,419,957,523
Surplus/ (deficiency)	26,140,806,772	26,718,367,531	5,389,635,623	5,711,756,543
Capital adequacy ratio:				
Common equity tier-1 (against standard of minimum 6%)	17.88%	19.08%	12.42%	12.89%
Total capital to risk-weighted asset ratio*	19.37%	20.42%	14.04%	14.36%
Minimum CRAR %	12.50%	12.50%	12.50%	12.50%
Surplus/(deficiency) %	6.87%	7.92%	1.54%	1.86%

* In Standalone regulatory capital calculation, fair value gain of BDT 7,643,913,224 on investment in subsidiaries and associates arisen out of application of IFRS 9 for the measurement of equity investment in subsidiaries and associate at fair value. The fair value gain/loss reported as FVOCI directly as part of equity as per IFRS 9. In absence of any specific guidelines for the treatment of Fair value gain/loss in Risk Based Capital Adequacy guidelines by Bangladesh Bank, the fair value gain /loss has not been considered as part of Tier 1 capital. However, as this has emerged from implementation of IFRS 9 (which came in to effect in 2018), we have requested Bangladesh Bank for their guidance on the same. While the fair value gain /loss is a part of Tier 1 capital according to the recommendation of International Basel Committee. Had the fair value gain/loss been considered as component of Tier-I capital as per international practice, the standalone Regulatory Capital to Risk-weighted Asset Ratio (CRAR) would have been reported at 15.72%.

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In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
19	**Statutory reserve**					
	Balance at the beginning of the year		10,067,956,958	9,405,017,728	10,067,956,958	9,405,017,728
	Transferred from profit during the year		1,080,212,876	662,939,230	1,044,129,290	662,939,230
	Balance at the end of the year		11,148,169,834	10,067,956,958	11,112,086,248	10,067,956,958
20	**Dividend equalization fund**					
	Dividend equalization fund		355,218,455	355,218,455	355,218,455	355,218,455
			355,218,455	355,218,455	355,218,455	355,218,455
21	**Revaluation reserve on govt. securities**					
	Balance at the beginning of the year		2,490,292,927	4,805,926,053	2,490,292,927	4,805,926,053
	Add: Addition during the year		527,891,705	1,277,441,975	527,891,705	1,277,441,975
	Less: Adjustment during the year		1,680,939,467	3,593,075,101	1,680,939,467	3,593,075,101
			1,337,245,165	2,490,292,927	1,337,245,165	2,490,292,927
22	**Fair value gain/(loss) on equity investment (Standalone)**					
	Balance at the beginning of the year				7,384,920,564	1,131,197,846
	Net change during the year				258,992,660	6,253,722,718
					7,643,913,224	7,384,920,564
23	**Translation reserve**					
	The functional currency of the Bank's Off-shore Banking Unit (OBU) is in United States Dollar (USD). Due to recent steepest price hike of USD against bank's presentation currency BDT, a significant increase in translation reserve has been generated both in separate and consolidated financial statements of the Bank.					
24	**Surplus in profit and loss account/Retained earnings (standalone)**					
	Balance at the beginning of the year				16,329,861,552	13,680,255,527
	Add: Remeasurements gain/(loss) of defined benefits liabilities (assets)	10.5.3			(104,081,055)	(144,689,978)
	Add: Retained surplus for the year				5,763,173,573	5,546,930,564
	Less: Transfer to statutory reserve				1,044,129,290	662,939,230
	Less: Start-up Fund				57,631,736	100,877,625
	Less: Cash dividend paid				1,044,129,299	1,325,878,476
	Less: Bonus share issued				1,044,129,290	662,939,230
	Closing balance				18,798,934,455	16,329,861,552

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In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
24.1 Surplus in profit and loss account/Retained earnings (Consolidated)					
BRAC Bank Limited		18,798,934,455	16,329,861,552		
		18,798,934,455	16,329,861,552		
BRAC EPL Investment Limited					
Opening balance		(1,607,496,637)	(1,855,049,822)		
Add: Retained surplus/(deficit) for the year		272,841,038	247,553,185		
Sub total		(1,334,655,599)	(1,607,496,637)		
BRAC EPL Stock Brokerage Limited					
Opening balance		943,567,598	711,882,093		
Add: Retained surplus/(deficit) for the year		68,281,410	231,685,505		
Less: Transfer to statutory reserve		23,213,334	-		
Sub total		988,635,674	943,567,598		
bKash Limited					
Opening balance		10,742,740,197	3,715,030,852		
Add: Retained surplus/(deficit) for the year		59,554,596	(439,513,503)		
Add: Effect of change in preference share of bKash		-	7,445,299,204		
Add: Remeasurements of defined benefits liability (assets)		1,145,219	21,923,644		
Less: Transfer to statutory reserve		12,870,252	-		
Sub total		10,790,569,760	10,742,740,197		
BRAC Saajan Exchange Limited					
Opening balance		3,364,585	146,462,896		
Add: Retained surplus/(deficit) for the year		(101,881,820)	(143,098,311)		
Less: Impairment of goodwill		(54,905,518)	-		
Add: Effect of change of shareholding		(1,844,745)	-		
Sub total		(155,267,498)	3,364,585		
Associates					
Opening balance - (biTS)		(9,074,763)	(30,190,001)		
Add: Share of profit/(loss) of equity in associate company - (biTS)		4,860,182	3,742,052		
Gain/(loss) on disposal/loss of control of associates		2,049,419	17,373,186		
Sub total		(2,165,162)	(9,074,763)		
		29,086,051,630	26,402,962,532		

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VASI CHOWDHURY & CO DHAKA

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
24.1.1	**Net effect of all items directly recognised in equity**					
	Effect of change of shareholding in subsidiaries		(1,844,745)	-		
	Effect of change in preference share of bKash		-	7,445,299,202		
	Remeasurement of defined benefits liabilities (assets)-Gratuity		(102,935,836)	(122,766,334)		
			(104,780,581)	7,322,532,868		
24.2	**Non-controlling interest**					
	BRAC EPL Investments Limited		716,701	567,516		
	BRAC EPL Stock Brokerage Limited		145,404,780	137,817,957		
	bKash Limited		19,728,452,974	19,619,313,898		
	BRAC SAAJAN Exchange Limited		1,408,426	2,916,777		
			19,875,982,881	19,760,616,148		

24.2.1 **Reconciliation of Non-controlling interest**

Particulars	BRACEPL Investments Ltd.	BRAC EPL Stock Brokerage Ltd.	bKash Limited	BRAC SAAJAN Exchange Limited
Opening balance	567,516	137,817,957	19,619,313,898	2,916,777
Share of profit/(loss)	149,185	7,586,823	107,079,957	(6,792,121)
Effect of change of shareholding	-	-	-	5,034,641
Translation adjustment	-	-	-	249,129
Remeasurements loss on defined benefits liability (assets)	-	-	2,059,119	-
	716,701	145,404,780	19,728,452,974	1,408,426

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
25	**Contingent liabilities**					
	Acceptances and endorsements		83,028,540,659	50,478,536,940	83,028,540,659	50,478,536,940
	Irrevocable letters of credit		27,451,963,219	26,598,203,443	27,451,963,219	26,598,203,443
	Total Letters of credit and acceptances and endorsements	25.1	110,480,503,878	77,076,740,383	110,480,503,878	77,076,740,383
	Letter of guarantees	25.2	18,607,062,875	11,793,414,671	18,607,062,875	11,793,414,671
	Bills for collection	25.3	21,612,714,770	16,438,866,245	21,612,714,770	16,438,866,245
	Other Commitments	25.4	15,144,320,058	28,887,787,694	15,144,320,058	28,887,787,694
			165,844,601,581	134,196,808,993	165,844,601,581	134,196,808,993

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In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
25.1	**Irrevocable letters of credit including acceptances and endorsements**					
	Letter of credit (Inland)		319,104,717	2,778,557,467	319,104,717	2,778,557,467
	Letter of credit (General)		81,869,143,598	57,860,271,470	81,869,143,598	57,860,271,470
	Back to back L/C		5,871,563,146	4,052,799,770	5,871,563,146	4,052,799,770
	Back to back bills		5,771,087,024	1,208,061,714	5,771,087,024	1,208,061,714
	Back to back bills (EDF)		16,649,605,393	11,177,049,962	16,649,605,393	11,177,049,962
			110,480,503,878	77,076,740,383	110,480,503,878	77,076,740,383
	Less: Margin		923,190,579	748,254,248	923,190,579	748,254,248
			109,557,313,299	76,328,486,135	109,557,313,299	76,328,486,135
25.2	**Letter of guarantees**					
	Letter of guarantee (Local)		8,419,835,932	10,898,451,190	8,419,835,932	10,898,451,190
	Letter of guarantee (Foreign)		2,798,693,660	576,806,964	2,798,693,660	576,806,964
	Foreign counter guarantee		7,388,533,283	318,156,517	7,388,533,283	318,156,517
			18,607,062,875	11,793,414,671	18,607,062,875	11,793,414,671
	Less: Margin		178,553,887	216,052,368	178,553,887	216,052,368
			18,428,508,988	11,577,362,303	18,428,508,988	11,577,362,303
	Balance for which the Bank is contingently liable in respect of guarantee issued favouring:					
	Government		3,986,558,266	2,948,353,668	3,986,558,266	2,948,353,668
	Bank and other financial institutions		744,161,442	589,670,734	744,161,442	589,670,734
	Others		13,876,343,167	8,255,390,270	13,876,343,167	8,255,390,270
			18,607,062,875	11,793,414,672	18,607,062,875	11,793,414,672
	Less : Margin		178,553,887	216,052,368	178,553,887	216,052,368
			18,428,508,988	11,577,362,304	18,428,508,988	11,577,362,304
25.3	**Bills for collection**					
	Outward local bills for collection		15,302,217,027	15,299,010,106	15,302,217,027	15,299,010,106
	Outward foreign bills for collection		6,310,497,743	1,139,856,139	6,310,497,743	1,139,856,139
			21,612,714,770	16,438,866,245	21,612,714,770	16,438,866,245
25.4	**Other Commitments**					
	Swap deals with banks and customers		13,070,011,143	10,726,189,903	13,070,011,143	10,726,189,903
	Spot and forward deals with banks and customers		2,074,308,915	18,161,597,791	2,074,308,915	18,161,597,791
			15,144,320,058	28,887,787,694	15,144,320,058	28,887,787,694

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Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
25.5 Significant concentration wise grouping					
i) Documentary credits and short term trade related transactions		150,700,281,523	105,309,021,299	150,700,281,523	105,309,021,299
ii) Forward asset purchased and forward deposits placed		-	-	-	-
iii) Undrawn formal standby facilities, credit lines and commitments to lend:					
-Under one year		-	-	-	-
-One year and over;		-	-	-	-
iv) Spot and forward foreign exchange rate contracts		-	-	-	-
v) Other exchange contracts		2,074,308,915	18,161,597,791	2,074,308,915	18,161,597,791
vi) Others		13,070,011,143	10,726,189,903	13,070,011,143	10,726,189,903
		165,844,601,581	134,196,808,993	165,844,601,581	134,196,808,993
25.6 Suit filed by the Bank					
No law suit has been filed by the bank against contingent liabilities. However, there are three performance guarantees under litigation between Bank's customers and beneficiaries. Adequate provisions has been kept against these contingencies.					
26 Income statement					
Income:					
Interest, discount and similar income	26.1	37,897,775,275	30,613,868,935	32,593,018,679	26,613,113,886
Dividend income	29	265,932,312	179,816,729	265,932,312	179,816,729
Fees, commission and brokerage	26.2	9,007,549,889	7,297,576,594	3,369,781,836	2,744,920,279
Gains less losses arising from government securities		757,187,142	345,451,894	757,187,142	345,451,894
Gains less losses arising from investment securities/trading shares-MF		30,512,410	228,515,315	30,512,410	228,515,315
Gains less losses arising from dealing from foreign currencies	30	2,514,538,150	695,276,642	2,514,538,150	695,276,642
Other operating income	31	313,551,635	175,087,450	267,298,708	146,093,679
		50,787,046,813	39,535,593,559	39,798,269,237	30,953,188,424
Expenses:					
Interest paid on deposits and borrowings etc.	28	12,953,873,731	7,912,883,508	13,227,359,203	7,589,298,326
Administrative expenses	26.3	18,349,072,941	15,105,621,818	9,935,583,382	8,059,931,152
Impairment of goodwill	38	54,905,518	-	-	-
Depreciation on banking assets	39	3,509,901,370	3,026,776,858	1,792,138,336	1,732,111,456
Other operating expenses	40	4,474,735,716	3,383,027,192	3,713,939,396	2,627,953,670
		39,342,489,276	29,428,309,376	28,669,020,317	20,009,294,604
Operating Profit		11,444,557,537	10,107,284,183	11,129,248,920	10,943,893,820

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In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
26.1	**Interest, discount and similar income**					
	Interest on loans and advances		27,591,738,769	21,653,006,358	27,456,551,626	21,235,466,936
	Interest on balance with other banks		870,824,757	594,251,565	5,502,854	2,173,585
	Interest on fixed deposits with other banks		2,437,768,808	1,892,247,656	534,902,237	262,867,857
	Other interest income		465,144,401	85,712,369	465,144,401	85,712,369
	Interest on government securities		3,305,864,953	4,747,356,870	3,305,864,953	4,747,356,870
	Interest on reverse repo		581,790,857	4,247,691	581,790,857	4,247,691
	Interest on corporate & subordinated bond		244,450,943	275,455,497	244,450,943	275,455,497
	Interest on interest rate swap (IRS)		5,209,823	5,319,038	5,209,823	5,319,038
	Gain (loss) on interest rate swap (IRS) position		(6,399,015)	(5,485,957)	(6,399,015)	(5,485,957)
	Investment income/loss from subsidiaries		2,401,380,979	1,361,757,848	-	-
			37,897,775,275	30,613,868,935	32,593,018,679	26,613,113,886
26.2	**Fees, commission and brokerage**					
	Fees		2,392,273,067	1,988,438,814	2,392,273,067	1,988,438,814
	Commission		6,615,276,822	5,309,137,780	977,508,769	756,481,465
			9,007,549,889	7,297,576,594	3,369,781,836	2,744,920,279
26.3	**Administrative expenses**					
	Salaries and allowances		12,044,197,172	9,889,092,833	8,151,587,989	6,625,995,876
	Rent, taxes, insurance, electricity etc.		697,538,365	645,414,492	507,158,511	473,700,396
	Legal expenses		62,177,773	62,840,810	30,384,953	33,352,689
	Postage, stamps, telecommunication etc.		411,043,177	317,984,231	308,505,338	222,631,352
	Stationery, printing, advertisement etc.		3,223,940,283	2,608,773,879	396,662,334	221,634,405
	Chief executive's salary and fees		24,471,250	19,424,250	24,471,250	19,424,250
	Directors' fees and expenses		4,534,312	4,572,209	2,552,000	2,437,600
	Auditors' fee		8,469,389	7,125,166	1,840,000	1,840,000
	Repairs and maintenance of fixed assets		1,872,701,220	1,550,393,948	512,421,007	458,914,584
			18,349,072,941	15,105,621,818	9,935,583,382	8,059,931,152
27	**Interest income**					
	Interest on loans and advances		27,591,738,769	21,653,006,358	27,456,551,626	21,235,466,936
	Interest on balance with other banks		870,824,757	594,251,565	5,502,854	2,173,585
	Interest on fixed deposits with other banks		3,470,458,213	2,333,307,976	920,914,577	515,005,098
	Other interest income		465,144,401	85,712,369	465,144,401	85,712,369
			32,398,166,140	24,666,278,268	28,848,113,458	21,838,357,988
	Less: Elimination of inter unit/company transactions		1,032,689,405	441,060,320	386,012,340	252,137,241
			31,365,476,735	24,225,217,948	28,462,101,118	21,586,220,747

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In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
28 Interest paid on deposits and borrowings etc.					
A. Interest paid on deposits:					
Current account		1,239,115,775	972,611,273	950,072,542	539,413,646
Short term deposit		165,519,630	200,927,646	165,519,630	200,927,646
Savings deposit		714,431,796	665,574,233	714,431,796	665,574,233
Term deposit		9,281,055,265	5,226,073,047	9,281,055,265	5,226,073,047
		11,400,122,466	7,065,186,199	11,111,079,233	6,631,988,572
B. Interest paid for borrowings:					
Interest on money at call and short notice		124,418,722	132,329,734	124,418,722	132,329,734
Interest on borrowings from banks and FIs		1,550,896,151	642,769,998	1,466,747,791	563,459,364
Interest on funding SWAP		85,424,425	19,776,850	85,424,425	19,776,850
Interest on re-finance and pre-finance from central bank & government agencies		509,774,721	406,218,426	509,774,721	406,218,426
Interest on repurchase agreement (REPO)		197,086,569	87,662,621	197,086,569	87,662,621
Interest expense-Affordable Housing Bond		118,840,082	-	118,840,082	-
		2,586,440,670	1,288,757,629	2,502,292,310	1,209,446,995
		13,986,563,136	8,353,943,828	13,613,371,543	7,841,435,567
Less: Elimination of inter unit/company transactions		1,032,689,405	441,060,320	386,012,340	252,137,241
		12,953,873,731	7,912,883,508	13,227,359,203	7,589,298,326
29 Investment income					
Interest on government securities		3,305,864,953	4,747,356,870	3,305,864,953	4,747,356,870
Interest on reverse REPO		581,790,857	4,247,691	581,790,857	4,247,691
Interest on corporate & subordinated bond		244,450,943	275,455,497	244,450,943	275,455,497
Interest on interest rate swap (IRS)		5,209,823	5,319,038	5,209,823	5,319,038
Dividend on shares & mutual funds		265,932,312	179,816,729	265,932,312	179,816,729
Capital gain (loss) on government securities		757,187,142	345,451,894	757,187,142	345,451,894
Capital gain (loss) on shares & mutual funds		30,512,410	228,515,315	30,512,410	228,515,315
Gain (loss) on interest rate swap (IRS) position		(6,399,015)	(5,485,957)	(6,399,015)	(5,485,957)
Investment income/(loss) of subsidiaries	29.1	2,401,380,979	1,361,757,848	-	-
		7,585,930,404	7,142,434,925	5,184,549,425	5,780,677,077
29.1 Investment income/(loss) of subsidiaries					
Dividend income		66,045,174	44,823,469		
Realised gain/(loss) during the year		(128,542,694)	(102,153,300)		
Fair value adjustment at reporting date		(40,670,769)	209,675,164		
Interest on treasury bills & bonds		2,504,549,268	1,209,412,515		
		2,401,380,979	1,361,757,848		

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BRAC Bank Limited

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
30	**Commission, exchange and brokerage**					
	Commission from sale of sanchaya patra		6,795,798	84,301,766	6,795,798	84,301,766
	Commission from issue of payment orders, DD and TT		3,519,353	5,830,538	3,519,353	5,830,538
	Commission from issue of letter of guarantee		97,011,555	73,718,628	97,011,555	73,718,628
	Commission from issue of letters of credit (Import and Export)		723,271,753	470,603,536	723,271,753	470,603,536
	Other commission		146,910,310	122,026,997	146,910,310	122,026,997
	Gain /(Loss) on foreign currency dealings		2,514,538,150	695,276,642	2,514,538,150	695,276,642
	Loan processing fees		875,409,231	560,484,117	875,409,231	560,484,117
	Account activity fees		105,643,412	179,914,635	105,643,412	179,914,635
	Import and export related fees		242,234,916	214,464,552	242,234,916	214,464,552
	Fees and commission-cards		864,187,353	645,545,812	864,187,353	645,545,812
	Relationship fees		6,399,494	3,761,463	6,399,494	3,761,463
	Loan early settlement fees		34,799,586	77,592,716	34,799,586	77,592,716
	Service charges for ATM Card		138,287,642	149,712,089	138,287,642	149,712,089
	Fund collection/ transfer fees		121,080	137,718	121,080	137,718
	Student service center fees		15,890,250	13,646,700	15,890,250	13,646,700
	Cancellation fees		23,650	69,900	23,650	69,900
	Cheque collection fees		11,730	188,100	11,730	188,100
	Custodian fees		21,759,954	20,398,110	21,759,954	20,398,110
	Other fees	30.1	87,504,769	122,522,902	87,504,769	122,522,902
	Commission and brokerage income of subsidiaries		5,684,804,213	4,593,062,686	-	-
			11,569,124,199	8,033,259,607	5,884,319,986	3,440,196,921
	Less: Elimination of inter unit/company transactions		47,036,160	40,406,371	-	-
			11,522,088,039	7,992,853,236	5,884,319,986	3,440,196,921
30.1	**Other fees**					
	Passport endorsement fees		671,712	159,400	671,712	159,400
	Locker fees		5,622,587	5,265,039	5,622,587	5,265,039
	Service fees - ATM		604,505	449,979	604,505	449,979
	Service fees - BIT		1,395,440	1,373,050	1,395,440	1,373,050
	Service fees - bKash		6,318,705	9,097,338	6,318,705	9,097,338
	Annual membership fees-premium banking		11,800	11,800	11,800	11,800
	Annual fees-SMS banking		32,316,815	37,593,510	32,316,815	37,593,510
	Annual fees-internet banking		1,320,000	1,780,000	1,320,000	1,780,000
	Syndication fees		6,120,000	-	6,120,000	-
	Valuation fees		11,385	-	11,385	-
	E-commerce acquiring fees		-	23,041,325	-	23,041,325
	Miscellaneous fees income		33,111,820	43,751,461	33,111,820	43,751,461
			87,504,769	122,522,902	87,504,769	122,522,902

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In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
31	**Other operating income**					
	Profit on sale of fixed assets		15,414,283	3,798,917	15,414,283	3,798,917
	Profit share from other bank		107,150,999	107,157,532	107,150,999	107,157,532
	Miscellaneous income		144,733,426	35,137,230	144,733,426	35,137,230
	Other operating income of subsidiaries		46,252,927	28,993,771	-	-
			313,551,635	175,087,450	267,298,708	146,093,679
32	**Rent, taxes, insurance, electricity, etc.**					
	Rent, rates and taxes	32.1	331,562,654	322,815,149	284,237,227	270,100,724
	Insurance		98,826,955	89,905,087	22,790,558	13,827,612
	Power and electricity		257,066,521	223,032,603	190,147,884	180,256,170
	WASA and sewerage		10,082,235	9,661,653	9,982,842	9,515,890
			697,538,365	645,414,492	507,158,511	473,700,396
32.1	**Rent, rates and taxes**					
	Rent, taxes, insurance, electricity, etc.		1,443,367,456	1,355,992,047	1,186,768,665	1,128,047,204
	Less: rent exp. reversal due to depreciation and interest exp. under IFRS 16 -Leases		1,111,804,802	1,033,176,898	902,531,438	857,946,480
			331,562,654	322,815,149	284,237,227	270,100,724
33	**Postage, stamp, telecommunication, etc.**					
	Postage and courier		67,630,940	51,388,405	42,979,569	34,325,260
	Telegram, telex, fax and network		146,324,119	94,216,080	119,022,158	60,469,128
	Court fees and stamps		89,136,635	78,141,242	89,136,635	78,141,242
	Telephone		107,951,483	94,238,504	57,366,976	49,695,722
			411,043,177	317,984,231	308,505,338	222,631,352
34	**Stationery, printing, advertisements, etc.**					
	Stationery and printing		176,560,577	100,607,005	160,478,031	91,173,910
	Security stationery		102,415,600	53,297,028	102,415,600	53,297,028
	Advertisement		2,944,964,106	2,454,869,846	133,768,703	77,163,467
			3,223,940,283	2,608,773,879	396,662,334	221,634,405
35	**Chief executive's salary and fees**					
	Basic salary		17,010,000	13,249,250	17,010,000	13,249,250
	Bonus and others	35.1	5,961,250	4,675,000	5,961,250	4,675,000
	House rent allowance		1,500,000	1,500,000	1,500,000	1,500,000
			24,471,250	19,424,250	24,471,250	19,424,250

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In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
35.1 Bonus and others					
Festival bonus		2,835,000	2,100,000	2,835,000	2,100,000
Performance bonus		1,000,000	1,000,000	1,000,000	1,000,000
Leave fair assistance		2,126,250	1,575,000	2,126,250	1,575,000
		5,961,250	4,675,000	5,961,250	4,675,000
36 Directors' fees					
Directors' fees represent fees paid for attending board meeting, board audit committee meeting and risk management committee meeting @ Tk. 8,000 from January to December 2022 per director per meeting.					
Meeting attendance fees		4,534,312	4,572,209	2,552,000	2,437,600
		4,534,312	4,572,209	2,552,000	2,437,600
37 Auditor's fees					
Audit fees		8,469,389	7,125,166	1,840,000	1,840,000
		8,469,389	7,125,166	1,840,000	1,840,000
38 Impairment of goodwill					
On 26 May 2021, the operations of BRAC Saajan Exchange Limited was suspended on regulatory ground by the local regulator in UK and subsequently to meet up fixed operational costs, the net asset value (NAV) becomes negative. In 2022, considering the negative net asset value and negative cash flows, an impairment loss of goodwill amounting to BDT 54,905,518 related to BRAC Saajan has been accounted for in the consolidated financials in line with International Accounting Standard (IAS) 36: Impairment of Assets.					
39 Depreciation and repair of the bank's assets					
Depreciation of property, plant and equipment					
Furniture and fixtures		154,099,718	163,899,773	139,671,303	148,736,943
Office floor space		612,569	516,375	100,858	100,858
Office equipment		90,755,778	108,234,082	81,295,046	94,567,471
IT hardware		993,221,762	810,561,705	393,579,196	353,862,417
Motor vehicles		63,815,458	88,859,710	52,113,021	64,518,382
Leasehold improvement		39,156,862	12,393,972	-	-
Right of use assets (RoU) as per IFRS 16		1,006,689,271	953,842,898	777,297,844	762,397,055
IT software		1,161,549,952	888,468,343	348,081,068	307,928,330
		3,509,901,370	3,026,776,858	1,792,138,336	1,732,111,456
Repairs and maintenance expenses					
Transportation expenses		599,399,886	528,010,816	417,009,409	371,932,390

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In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
	Equipment repairing expense		81,908,289	70,986,044	22,046,155	13,135,741
	Hardware and software maintenance expense		1,039,090,279	820,320,339	10,076,930	12,967,822
	Premises maintenance expense		152,302,766	131,076,749	63,288,513	60,878,631
			1,872,701,220	1,550,393,948	512,421,007	458,914,584
			5,382,602,590	4,577,170,806	2,304,559,343	2,191,026,040
40	Other expenses					
	Conveyance expense		88,041,422	127,323,767	88,041,422	127,323,767
	Fuel expenses	40.1	40,352,651	24,580,181	40,352,651	24,580,181
	Traveling cost		46,755,693	27,586,782	46,755,693	27,586,782
	Professional fees		86,052,814	118,553,625	86,052,814	118,553,625
	Entertainment		78,947,542	45,520,007	78,947,542	45,520,007
	SWIFT cost		-	7,663,074	-	7,663,074
	Business promotion and development		76,761,080	34,250,516	76,761,080	34,250,516
	Books, news papers and periodicals		652,924	148,861	652,924	148,861
	Donation and subscription	40.2	435,735,033	236,669,080	435,735,033	236,669,080
	Government Levy, VAT and excise duty		6,330,619	1,895,285	6,330,619	1,895,285
	Other operational loss		710,236	4,484,559	710,236	4,484,559
	Staff training and development		37,000,556	8,596,578	37,000,556	8,596,578
	Staff liveries		21,312	185,940	21,312	185,940
	Staff recruitment		4,578,608	9,478,227	4,578,608	9,478,227
	Salaries and allowance - outsourcing staff		754,643,686	414,478,552	754,643,686	414,478,552
	Staff sales incentives		646,306,662	398,905,613	646,306,662	398,905,613
	Bank charges		21,415,936	21,638,477	21,415,936	21,638,477
	Interest expense on lease liability as per IFRS 16		427,409,866	240,975,386	266,790,141	157,503,682
	Documentation charges - CIB		19,931,570	7,571,438	19,931,570	7,571,438
	IT enabled services		674,053,553	566,345,069	674,053,553	566,345,069
	Security guard cost		211,467,465	212,770,875	211,467,465	212,770,875
	Commission paid - vendor		12,224,564	9,798,827	12,224,564	9,798,827
	Cash carrying charges		66,639,796	62,792,683	66,639,796	62,792,683
	Spare parts expense		91,291,533	74,519,716	91,291,533	74,519,716
	Archiving expense		32,535,418	30,451,572	32,535,418	30,451,572
	Covid prevention expense		4,931,452	16,285,221	4,931,452	16,285,221
	Miscellaneous		9,767,130	7,955,463	9,767,130	7,955,463
	Other expenses of subsidiaries	40.3	647,212,755	712,008,189	-	-
			4,521,771,876	3,423,433,563	3,713,939,396	2,627,953,670
	Less: Elimination of inter unit/company transactions		47,036,160	40,406,371	-	-
			4,474,735,716	3,383,027,192	3,713,939,396	2,627,953,670

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VASI CHOWDHURY & CO DHAKA

In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021

40.1 Bangladesh Bank, vide BRPD circular letter no. 28 dated 26 July 2022 and subsequent clarification, instructed all commercial banks to bring down the fuel expenses by 10% and electricity expenses by 12.5% from the budgeted amount in 2nd half of 2022 considering the global economic crisis arising from Covid-19 and Russia-Ukraine war. The bank has taken following initiatives to bring down the fuel and electricity costs:

i) Strict maintenance of office time aligned with day light and switching off all lights and AC after office time;
ii) Power down computers and other office equipment at the end of the day;
iii) Maximum use of day lights clearing all obstacles behind windows;
iv) Minimizing use of office vehicle and auto switch-off engine while in traffic;
v) Continuous monitoring of using lights and minimizing where possible.

The progress status has been summarized below:

SL	Particulars	Budget-H2, 2022	Actual-H2, 2022	Saving in exp.	Savings in %
1	Fuel expense	31,927,719	26,659,391	5,268,328	17%
2	Power and electricity expenses	134,400,000	103,304,166	31,095,834	23%

40.2 The donation and subscription include the following:

i) Out of total CSR expense BDT 188,198,573 (net of income tax) made from the foreign exchange gain arisen during May and June 2022 according to Bangladesh Bank directive; BDT 48,528,973 as part of regular CSR expense to various CSR activities and remaining CSR amount of BDT 140,000,000 spent from discount on SME insurance premium as per BRPD instruction;
ii) Subscription of BDT 59,007,488 made for various sponsorship and membership held by BRAC Bank;

40.3 Other expenses of subsidiaries

BRAC EPL Investments Limited	51,090,162	27,163,142
BRAC EPL Stock Brokerage Limited	165,474,547	189,693,939
bKash Limited	399,570,392	289,758,928
BRAC SAAJAN Exchange Limited	31,077,654	205,392,180
	647,212,755	712,008,189

41 Share of profit of associates

BRAC IT Services Limited	4,860,182	3,742,052
	4,860,182	3,742,052

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In Taka

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
42	Provisions					
	Provision for loans and advances					
	Specific provision charged during the year		2,172,220,677	3,178,139,884	2,179,490,076	3,018,099,324
	Recovery of written off bad debts		(809,572,845)	(707,517,594)	(809,572,845)	(707,517,594)
	Specific provision (net off recovery) for the year		1,362,647,832	2,470,622,290	1,369,917,231	2,310,581,730
	General provision charged during the year		575,618,832	490,317,074	575,618,832	490,317,074
	Special provision Covid-19 charged during the year		-	10,077,106	-	10,077,106
	Total provision for loans and advances		1,938,266,664	2,971,016,470	1,945,536,063	2,810,975,910
	Diminution in value of Investments		20,539,430	(74,000,000)	20,539,430	(74,000,000)
	Off Balance Sheet items		204,740,420	251,500,000	204,740,420	251,500,000
	Other provisions:					
	Other assets		16,741,298	70,093,002	12,443,801	65,866,351
	Interest receivable from loan		7,128,770	-	7,128,770	-
			2,187,416,582	3,218,609,472	2,190,388,484	3,054,342,261
43	Provision for taxation					
	Current tax expense/ (income)*		4,280,691,722	3,737,018,428	3,765,699,754	3,467,399,481
	Deferred tax expense/ (income) (Net)		(1,138,637,890)	(1,479,828,777)	(590,012,891)	(1,124,778,486)
	Total provision for Taxation		3,142,053,832	2,257,189,651	3,175,686,863	2,342,620,995

* Current tax includes the reversal of surplus tax provision for 2010-2017 of BDT 14 crore based on latest assessment order from tax office.

43.1 Reconciliation of effective tax rate

Particulars	2022 (Standalone) %	2022 (Standalone) Taka	2021 (Standalone) %	2021 (Standalone) Taka
Profit before income tax as per profit and loss account		8,938,860,436		7,889,551,559
Income tax as per applicable tax rate	37.50%	3,352,072,664	37.50%	2,958,581,835
Factors affecting the tax charge for current year				
Inadmissible expenses	15.77%	1,409,234,884	51.36%	4,051,715,522
Admissible expenses in the current year (i.e. write-off etc.)	-9.33%	(833,857,792)	-35.26%	(2,781,861,936)
Tax exempted income	0.00%	-	-1.64%	(129,568,012)
Tax savings from reduced tax rates for dividend	0.00%	-	-0.40%	(31,467,927)
Tax loss/(savings) from reduced tax rates for capital gain	0.00%	-	0.00%	-
Reversal of previous years' excess tax (2010 - 2017)	-1.57%	(140,000,000)	-7.60%	(600,000,000)
Effect of deferred tax	-6.84%	(611,762,892)	-14.26%	(1,124,778,487)
Total income tax expenses	35.53%	3,175,686,864	29.69%	2,342,620,995

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	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
44	**Cash and cash equivalents**					
	Cash in hand (including foreign currency)	4.1	11,918,067,777	9,207,161,626	11,822,688,624	8,424,680,663
	Balance with Bangladesh Bank and its agents banks (including foreign currency)	4.2	19,953,525,473	14,252,262,804	19,953,525,473	14,252,262,804
	Balance with other banks and financial institutions	5	52,951,344,277	78,261,312,910	16,255,534,724	19,880,951,145
	Money at call and on short notice	6	6,826,376,000	3,500,000,000	6,826,376,000	3,500,000,000
	Prize Bond	7.1	1,527,900	1,280,800	1,527,900	1,280,800
			91,650,841,427	105,222,018,140	54,859,652,721	46,059,175,412
45	**Receipts from other operating activities**					
	Miscellaneous income		144,733,426	35,137,230	144,733,426	35,137,230
	Capital gain (loss) on shares & mutual funds		30,512,410	228,515,315	30,512,410	228,515,315
	Profit share from other banks		107,150,999	107,157,532	107,150,999	107,157,532
	Capital gain (loss) on government securities		757,187,142	345,451,894	757,187,142	345,451,894
	Gain (loss) on interest rate swap (IRS) position		(6,399,015)	(5,485,957)	(6,399,015)	(5,485,957)
	Other receipts of subsidiaries		(79,218,319)	(118,708,350)	-	-
			953,966,643	592,067,664	1,033,184,962	710,776,014
46	**Payment for other operating activities**					
	Rent, taxes, insurance, electricity etc.		484,199,987	464,325,834	484,199,987	464,325,834
	Audit fees		1,840,000	1,840,000	1,840,000	1,840,000
	Directors fees and expenses		2,552,000	2,437,600	2,552,000	2,437,600
	Repair and maintenance		588,292,005	524,909,515	588,292,005	524,909,515
	Other expenses		4,284,132,440	2,593,818,978	4,284,132,440	2,593,818,978
	Legal expenses		24,470,575	10,260,637	24,470,575	10,260,637
	Other payments of subsidiaries		329,446,015	451,880,616	-	-
			5,714,933,022	4,049,473,180	5,385,487,007	3,597,592,564

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UCB Investment Limited

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Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
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SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2022	2021	2022	2021
47	**Reconciliation of net profit with cash flows from operating activities (standalone basis)**					
	Profit before tax as per profit and loss account				8,938,860,436	7,889,551,559
	Adjustment for non-cash items:					
	Provision for loans and advances				2,755,108,908	3,518,493,504
	Provision for diminution in value of investments				20,539,430	(74,000,000)
	Provision for off balance sheet items				204,740,420	251,500,000
	Provision for other assets				19,572,571	65,866,351
	Depreciation of property plant and equipment				1,792,138,336	1,732,111,456
	Foreign exchange gain/(loss)				208,678,200	486,268,924
	Profit on sale of fixed assets				(15,414,283)	(3,798,917)
	Increase/decrease in operating assets & liabilities:					
	Loans and advances				(89,464,175,973)	(48,149,037,787)
	Other assets				(1,829,975,159)	136,271,733
	Borrowings from other banks and financial institutions				33,559,411,231	11,942,273,035
	Proceeds from issuance of affordable housing bond				4,751,000,000	-
	Deposits from customers				67,558,949,157	26,460,328,428
	Other liabilities				1,142,489,175	(532,139,845)
	Income tax paid				(4,642,899,233)	(2,557,956,724)
	Net cash flows from operating activities as per cash flow statement				24,999,023,216	1,165,731,717
48	**Earnings per share (EPS)**					
	Profit after taxation		6,121,996,724	4,652,600,294	5,763,173,573	5,546,930,564
	Profit/(loss) attributable to non controlling interest		108,023,844	(812,072,386)	-	-
	Profit attributable to ordinary shareholders of BRAC Bank Limited		6,013,972,880	5,464,672,680	5,763,173,573	5,546,930,564
	Weighted average number of shares outstanding		1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
			4.02	3.65	3.85	3.71
49	**Net asset value (NAV) per share**					
	Net asset value attributable to shareholders of parent		61,153,627,729	57,187,474,350	58,390,554,773	54,419,471,131
	Number of ordinary share outstanding at the end of the year		1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
			40.86	38.21	39.02	36.36
50	**Net operating cash flow per share (NOCFPS)**					
	Net operating cash flow		37,627,065,225	3,725,014,156	24,999,023,216	1,165,731,717
	Number of ordinary share outstanding at the end of the year		1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
			25.14	2.49	16.70	0.78

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VASI CHOWDHURY & CO DHAKA

51 General Disclosures

51.1 Audit Committee

An audit committee was constituted by the Board of Directors of BRAC Bank Limited in its 23rd meeting held on 02 March 2003. As on 31 December 2022, the Audit Committee as under:

Sl No	Name of the director	Status with the Bank	Status with the committee	Educational qualification
01	Ms. Farzana Ahmed	Independent Director	Chairman	MA (Hons) Philosophy, Politics, Economics & Chartered Accountant
02	Ms. Fahima Choudhury	Independent Director	Member	B.Sc. (Hons.) Management and M.Sc. Management from London School of Economics and Political Science, the United Kingdom
03	Dr. Zahid Hussain	Independent Director	Member	Ph.D. in Economics, Boston University

During the year ended 31 December 2022, the Audit Committee of the Board conducted 08 (Eight) meeting in which among others, the following issues were discussed:

- Risk Based Audit Plan 2023
- Revised Manual of Audit Procedures and Revised Audit Charter 2022
- Revised Audit Policy, Compliance Policy, Monitoring Policy and Internal Control & Compliance Policy 2022
- Concurrent Audit Policy 2022
- Year Summary of Internal Audit Observations for the year 2021
- Overall effectiveness of Internal Control System.
- Fraud/forgeries and operational loss report
- Annual Health Report of BRAC Bank Limited 2021
- Management Report of BRAC Bank Limited for the year ended 31 December 2021
- Summary of Audit Observations of Branch, SKB, SMESC, Departments/Division and IT Departments 2022
- Compliance Status 2020 and 2021

51.2 Particulars of Board of Directors

i) Name of Directors and the entities in which they have interest as on 31 December 2022:

Sl No	Name of director	Status with the Bank	Name of the firms/companies in which they have interest	Educational qualification
1	Dr. Ahsan H. Mansur	Chairman Independent Director	Policy Research Institute of Bangladesh (PRI) Walton Hi-Tech Industries Ltd Water Garden Resort and Spa	Ph.D in Economics, University of Western Ontario, Canada, M.A. Economics, McMaster University, Canada, M.A. in Economics, University of Dhaka, Bangladesh
2	Mr. Asif Saleh (Nominated by BRAC)	Nominated Director	BRAC IT Services Limited BRAC Net Limited Institute of Informatics and Development (IID) Edotco Bangladesh Co. Ltd. BRAC Kaiyachara Tea Company Ltd BRAC OSIRIS Impact Ventures Ltd. BRAC Kumon	Masters of Business Administration, New York University, Stern School of Management

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			Affordable Health Care Trust BRAC Probashbondhu Ltd bKash Limited	
3	Ms. Fahima Choudhury	Independent Director	Ogilvy & Mather Communications Pvt. Ltd Adcomm Ltd. Adcomm Holdings Ltd. Aktivision Advertising Ltd Graphic People Nazimgarh Resorts Ltd Northbrook Consultants Ltd Screaming Girl Production Ltd. Software People BRAC EPL Investments limited BRAC EPL Stock Brokerage Limited. Northern Resort bKash Limited	B.Sc. (Hons.) Management and M.Sc. Management from London School of Economics and Political Science, the United Kingdom
4	Ms. Farzana Ahmed	Independent Director	Kids Tutorial	MA (Hons) Philosophy, Politics, Economics & Chartered Accountant
5	Dr. Zahid Hussain	Independent Director	BRAC EPL Stock Brokerage Limited BRAC EPL Investment Limited World Bank, Bangladesh	Ph.D. in Economics, Boston University
6	Mr. Meheriar M Hasan (Nominated by BRAC)	Nominated Director	Toyota Financial Savings Bank bKash Limited	Master of Science in Finance, USA, BA in Economics
7	Mr. Shameran Bahar Abed	Nominated Director	bKash Limited BRAC OSIRIS Impact Ventures Ltd.	BA in Economics, USA, Bar-at-Law, UK
8	Dr. Mustafa Kamal Mujeri	Independent Director	Institute for inclusive Finance and Development (InM)	Ph.D. in Economics from McMaster University, Canada M.A in Economics from McMaster University
9	Mr. Faruq Mayeenuddin Ahmed	Independent Director	N/A	MSS in Economics, University of Dhaka
10	Mr. Salek Ahmed Abul Masrur	Independent Director	N/A	MBA ,The University of Tennessee, USA, BBA The Tri-State University of Indiana.
11	Mr. Selim R.F. Hussain	Managing Director & CEO	Industrial and Infrastructure Development Finance Company (IIDFC) BRAC EPL Investments Ltd. BRAC EPL Stock Brokerage Ltd. bKash Limited BRAC IT Services Limited BRAC Sajaan Exchange Ltd Association of Bankers, Bangladesh	MBA (IBA), University of Dhaka

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The bank carried out transactions with related parties in the normal course of business on an arms length basis. As on 31 December 2022, the bank had following transactions with the 'Related Party/(ies)' as defined in the BRPD circulars no. 14 issued by the Bangladesh Bank on 25 June 2003.

	Taka
Details of transactions with related parties can be found at Annexure-J	Nil
ii) Significant contracts where bank is a party and wherein Directors have interest:	Nil
iii) Shares issued to Directors and executives without consideration or exercisable at discount	Nil
iv) Lending Policies to related parties:	
Lending to related parties is effected as per requirement of section 27(1) of the Banking Companies Act ,1991.	989,873,937
v) Loan and advances to Directors and subsidiaries:	Unclassified
Classification Status	Nil
vi) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Banking Companies	Nil
vii) Investment in the Securities of Directors and their related concern	

51.3 Claim not Acknowledged as Debt

There was no claim against the Bank not acknowledged as debt as on 31 December 2022.

51.4 Number of Employees

The number of employees including contractual engaged for the whole year or part there of who received a total yearly remuneration of Tk. 36,000 or above were 7,863 (2021: 7,619).

51.5 Events after the Balance Sheet Date

A. The Board of Directors in its 343rd Board meeting held on 11 April 2023 has proposed total 15% dividend (Cash dividend: 7.50% and stock dividend: 7.50%) subject to the approval of the shareholders at the next Annual General Meeting.

Managing Director and CEO

Director

Director

Chairman

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Managing Director & CEO
UCB Investment Limited

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BRAC Bank Limited

Annexure - A

BRAC Bank Limited and its subsidiaries
Highlights on the overall Activities
As at 31 December 2022

Amount in Taka unless otherwise specified

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Paid-up capital	18.2	14,965,853,280	13,921,723,990	14,965,853,280	13,921,723,990
Total capital including general provisions	18.8	73,680,623,604	68,878,604,871	49,118,601,214	44,131,714,066
Capital surplus	18.8	26,140,806,772	26,718,367,531	5,389,635,623	5,711,756,543
Total assets		655,937,320,087	527,912,923,582	563,238,978,302	449,084,124,881
Total deposits	16	447,058,816,329	364,329,900,482	384,466,775,242	314,590,914,520
Total loans and advances	8	412,084,750,584	322,135,188,439	410,676,406,960	321,212,230,987
Total contingent liabilities and commitments	25	165,844,601,581	134,196,808,993	165,844,601,581	134,196,808,993
Income from investments	29	7,585,930,404	7,142,434,925	5,184,549,425	5,780,677,077
Profit after tax and provisions		6,121,996,724	4,652,600,294	5,763,173,573	5,546,930,564
Amount of classified loans during the current year	8.9	16,493,938,006	13,747,867,323	15,268,631,102	12,522,560,419
Provision kept against classified loans	17.1	10,613,210,514	10,179,609,769	9,401,374,744	8,960,504,600
Provisions surplus/deficit	8.11	1,945,401,964	1,139,138,134	1,945,401,964	1,139,138,134
Interest earning assets		632,686,260,328	507,237,092,081	547,340,438,588	434,883,338,336
Non-interest earning assets		23,251,059,759	20,675,831,501	15,898,539,714	14,200,786,545
Credit deposit ratio (Loans and Advances/Deposits)*		-	-	79.94%	81.86%
Percentage of classified loans against total loans and advances		4.00%	4.27%	3.72%	3.90%
NPL coverage ratio (incl. GP)		110%	121%	111%	124%
Total Capital to Risk-weighted Asset Ratio		19.37%	20.42%	14.04%	14.36%
Cost of fund		4.33%	4.16%	4.83%	4.49%
Cost to income ratio		70%	68%	58%	53%
Return on investment (ROI) [PAT/(Shareholders equity+Borrowings)]		4.78%	5.79%	4.69%	6.04%
Return on assets (ROA) [PAT/Average assets]		1.02%	1.11%	1.14%	1.31%
Return on equity (ROE) [PAT/Average shareholders equity]		10.16%	10.38%	10.22%	11.00%
Earnings per share [previous years figure restated]	48	4.02	3.65	3.85	3.71
Net income per share [(PAT-Dividend on preference share/No. of Ordinary Shares)] [previous years figure restated]		4.02	3.65	3.85	3.71
Price earning ratio (Market price per share/EPS)		-	-	10.00	13.88
Net Asset Value per Share (NAV) [(Shareholders equity- Preference Share)/No. of Ordinary Share] [previous years figure restated]	49	40.86	38.21	39.02	36.36
Net Operating Cash Flow Per Share [previous years figure restated]	50	25.14	2.49	16.70	0.78

* Credit deposit ratio has been computed as per Bangladesh Bank guideline.

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Managing Director and CEO
BRAC Bank Limited

Annexure B-1

BRAC Bank Limited

Statement of outstanding unreconciled entries in nostro accounts (foreign)

As at 31 December 2022

Nostro Account represents outstanding transactions (net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as at 31 December 2022 is given below:

Amount in USD

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	306	1,862,242	69	16,370,163	39	18,902,906	720	41,224,756
02	More than 03 months but less than 06 months	-	-	1	635	-	-	40	585,830
03	More than 06 months but less than 09 months	-	-	1	2,953.14	-	-	12	403,325
04	More than 09 months but less than 12 months	-	-	-	-	-	-	7	106,199
05	More than 12 months	-	-	-	-	-	-	2	65,559
	Total	306	1,862,242	71	16,373,751	39	18,902,906	781	42,385,668

As at 31 December 2021

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	509	17,105,576	253	16,159,227	69	3,592,222	804	31,786,404
02	More than 03 months but less than 06 months	-	-	2.00	42,215.41	-	-	79	328,671
03	More than 06 months but less than 09 months	-	-	1.00	2,547.91	-	-	6	25,719
04	More than 09 months but less than 12 months	-	-	-	-	-	-	3	7,257
05	More than 12 months	-	-	-	-	-	-	1	2,103
	Total	509	17,105,576	256	16,203,990	69	3,592,222	893	32,150,154

All unadjusted entries are subsequently adjusted on regular basis.

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BRAC Bank Limited

Annexure B-2

BRAC Bank Limited
Statement of outstanding unreconciled entries in nostro accounts (local)
As at 31 December 2022

Amount in Taka

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	12	2,606,294	-	-	208	11,116,157	31	12,102,911
02	More than 03 months but less than 06 months	2	361,270	4	403	7	2,006,046	11	1,969,898
03	More than 06 months but less than 09 months	-	-	-	-	-	-	3	20,904
04	More than 09 months but less than 12 months	-	-	-	-	-	-	-	-
05	More than 12 months	-	-	27	734,389	24	2,118,119	18	847,269
	Total	14	2,967,564	31	734,792	239	15,240,322	63	14,940,982

As at 31 December 2021

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	4	546,434	-	-	75	11,881,903	6	10,296,527
02	More than 03 months but less than 06 months	-	-	-	-	-	-	-	-
03	More than 06 months but less than 09 months	1	4,000	-	-	-	-	1	79,713
04	More than 09 months but less than 12 months	-	-	-	-	-	-	1	420,287
05	More than 12 months	-	-	27	734,389	23	2,115,119	16	347,269
	Total	5	550,434	27	734,389	98	13,997,022	24	11,143,796

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BRAC Bank Limited

Annexure - C

BRAC Bank Limited
Balance with other banks-outside Bangladesh (Nostro Account)
As at 31 December 2022

Amount in Taka

Name of Bank	Currency	A/C Type	2022			2021		
			Amount in foreign currency	Exchange rate	Equivalent Taka	Amount in foreign currency	Exchange rate	Equivalent Taka
DBU balance:								
Standard Chartered Bank, New York, USA	USD	CD	6,274,971	103.30	648,185,631	5,803,452	85.80	497,936,217
Standard Chartered Bank, United Kingdom	GBP	CD	867,336	124.43	107,923,960	138,528	115.70	16,027,822
Standard Chartered Bank, Frankfurt, Germany	EUR	CD	3,345,369	110.01	368,010,970	147,482	97.12	14,323,040
Mashreq Bank, New York, USA	USD	CD	1,450,661	103.30	149,848,892	815,183	85.80	69,942,687
Bank of Tokyo Mitsubishi UFJ Ltd	JPY	CD	26,540,649	0.77	20,512,994	8,019,542	0.75	5,975,580
ICICI Bank Limited, Mumbai, India	USD	CD	722,553	103.30	74,637,602	81,145	85.80	6,962,245
Zuercher Kantonal Bank, Switzerland	CHF	CD	121,981	111.74	13,630,753	39,709	93.71	3,721,299
Commerz Bank AG, Germany (USD)	USD	CD	62,605	103.30	6,466,957	22,244	85.80	1,908,554
Commerz Bank AG, Germany (EURO)	EUR	CD	135,632	110.01	14,920,292	(749,663)	97.12	(72,805,071)
Commerz Bank, Frankfurt, Germany (GBP)	GBP	CD	50	124.43	6,254	50	115.70	5,815
JP Morgan Chase Bank, New York, USA	USD	CD	6,892,723	103.30	711,997,619	3,863,054	85.80	331,450,001
HDFC Bank Limited, India	USD	CD	2,490,389	103.30	257,249,753	226,802	85.80	19,459,599
Habib Bank Limited, Pakistan	USD	CD	-	103.30	-	20,866	85.80	1,790,293
JP Morgan Chase Bank, Sydney (AUD)	AUD	CD	119,146	69.44	8,273,641	9,713,312	62.33	605,425,151
AB Bank Limited, Mumbai, India	USD	CD	435,059	103.30	44,940,238	193,907	85.80	16,637,248
AXIS Bank Limited, Kolkata (ACU)	USD	CD	552,652	103.30	57,087,322	516,628	85.80	44,326,693
Abu Dhabi Commercial Bank (AED)	AED	CD	184,696	28.13	5,194,973	265,268	23.36	6,196,415
Kookmin Bank, Seoul, South Korea (USD)	USD	CD	58,466	103.30	6,039,326	72,116	85.80	6,187,529
Citi Bank N.A., New York, USA	USD	CD	397,783	103.30	41,089,751	289,565	85.80	24,844,680
Shanghai Pudong Development Bank Co. Ltd, China (CNY)	CNY	CD	135,569	14.84	2,011,473	60,410	13.46	813,173
DBS Bank Ltd, Singapore (SGD)	SGD	CD	226,591	76.60	17,357,195	212,688	63.41	13,486,513
Punjab National Bank, Kolkata (USD)	USD	CD	1,121,697	103.30	115,867,928	353,276	85.80	30,311,059
Al Rajhi Bank, Riyadh (SAR)	SAR	CD	116,019	27.47	3,187,340			
Meezan Bank Limited, Gtb Karachi, ACU (USD)	USD	CD	687,200	103.30	70,985,659			
					2,745,426,523			1,644,926,542
OBU balance:								
JP Morgan Chase Bank, New York	USD	CD	6,799,986	103.30	702,418,166	1,612,754	85.80	138,374,289
JP Morgan AG, Frankfurt, Germany	EUR	CD	233,019	109.71	25,564,909	4,373	97.27	425,313
JP Morgan Chase Bank, NA, London	GBP	CD	11,183	124.32	1,390,286	12,609	115.72	1,459,054
					729,373,361			140,258,656
Total					3,474,799,884			1,785,185,198

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HODA VASI CHOWDHURY & CO DHAKA

Annexure - D

BRAC Bank Limited
Investment in shares, mutual funds and quoted bonds
As at 31 December 2022

Amount in Taka

Sl. no	Name of the company	Industry	Face value	No. of shares	Cost of holding	Average costing price	Market Price	Total market value (Tk)
	Quoted ordinary shares							
1	Bata Shoe Company (Bangladesh) Limited	Tannery Industries	10	86,193	91,771,631	1,064.72	952.30	82,081,594
2	Berger Paints Bangladesh Ltd.	Miscellaneous	10	360,946	614,266,461	1,701.82	1,722.60	621,765,580
3	Eastern Bank Limited	Bank	10	1,575,243	44,926,754	28.52	31.80	50,092,727
4	Grameenphone Limited	Telecommunication	10	3,100,427	1,000,947,718	322.84	286.60	888,582,378
5	Linde Bangladesh Limited	Fuel & Power	10	98,165	128,911,193	1,313.21	1,397.70	137,205,221
6	Marico Bangladesh Limited	Pharmaceuticals & Chemicals	10	494,626	1,069,411,830	2,162.06	2,421.50	1,197,736,859
7	Renata Limited	Pharmaceuticals & Chemicals	10	127,981	129,022,131	1,008.14	1,217.90	155,868,060
8	Singer Bangladesh Limited	Engineering	10	2,039,109	355,561,149	174.37	151.90	309,740,657
9	Square Pharmaceuticals Limited	Pharmaceuticals & Chemicals	10	6,071,734	1,244,188,214	204.91	209.80	1,273,849,793
					4,679,007,081			4,716,922,869
	Quoted corporate Bond							
1	APSCL redeemable coupon bearing bond	Corporate Bond	5,000	100,000	500,000,000	5,000.00	5,500.00	550,000,000
					500,000,000			550,000,000
	Unquoted shares and mutual funds							
1	Industrial and Infrastructure Development Finance Co. Limited (IIDFC)		10	10,449,259	29,683,820			
2	Central Depository Bangladesh Limited (CDBL)		10	2,284,721	6,277,770			
3	The Bangladesh Rating Agency Limited (BRAL)		100	106,717	10,671,700			
4	Blue Wealth 1st Balance Fund		10	2,500,000	25,000,000			
5	EDGE Al-Amin Shariah Consumer Fund		10	2,500,000	25,000,000			
6	EDGE High Quality Income Fund		10	2,500,000	25,000,000			
7	Ekush Growth Fund		10	2,500,000	25,000,000			
8	HFAML Shariah Unit Fund		10	2,000,000	20,000,000			
9	IDLC Balanced Fund		10	4,511,370	45,113,700			
10	VIPB Accelerated Income Unit Fund		10	4,600,000	51,198,000			
11	VIPB Growth Fund		10	2,014,000	20,140,000			
12	VIPB NLI 1ST Unit Fund		10	7,218,585	72,185,850			
13	VIPB SEBL 1st Unit Fund		10	13,323,467	133,234,670			
					488,505,510			
	Preference shares							
1	Union Capital Preference Share		2,500,000	1	2,500,000			
					2,500,000			

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BRAC Bank Limited

HODA VASI CHOWDHURY & CO. DHAKA

Annexure - E

BRAC Bank Limited
Schedule of Fixed Assets
As at 31 December 2022

Amount in Taka

Particulars	Cost				Depreciation				Written-down value as at 31 December 2022
	Opening balance as on 01 January 2022	Addition/ Revaluation during the year	Disposals/ Adjustments during the year	Total balance as at 31 December 2022	Opening balance as on 01 January 2022	Charge during the year	Disposals/ Adjustments during the year	Total balance as at 31 December 2022	
Property, plant & equipments (PPEs)									
Land	527,275,400	-	-	527,275,400	-	-	-	-	527,275,400
Office floor space	4,034,334	-	-	4,034,334	923,190	100,858	-	1,024,048	3,010,286
Furniture & fixture	2,140,914,383	117,645,818	87,738,105	2,170,822,096	1,530,914,211	139,671,303	86,961,413	1,583,624,101	587,197,995
Office equipments	1,344,953,601	84,716,918	68,502,007	1,361,168,512	1,204,097,640	81,295,046	68,478,599	1,216,914,087	144,254,425
IT Hardware	3,049,688,043	602,165,146	376,349,158	3,275,504,031	2,303,039,328	393,579,196	376,152,265	2,320,466,259	955,037,772
Motor vehicles	354,296,880	68,200,910	-	422,497,790	286,197,878	52,113,021	-	338,310,899	84,186,891
Right of use assets (RoU)	5,489,602,469	811,886,704	198,464,994	6,103,024,179	1,339,172,702	777,297,844	197,223,267	1,919,247,279	4,183,776,900
Capital expenditure work in progress	251,206,513	502,011,558	546,098,849	207,119,222	-	-	-	-	207,119,222
Sub-total	13,161,971,623	2,186,627,053	1,277,153,112	14,071,445,564	6,664,344,949	1,444,057,267	728,815,544	7,379,586,672	6,691,858,891
Intangible assets:									
With definite useful lives:									
IT Software	2,322,117,221	478,328,146	-	2,800,445,367	1,364,876,496	348,081,068	-	1,712,957,564	1,087,487,802
Sub-total	2,322,117,221	478,328,146	-	2,800,445,367	1,364,876,496	348,081,068	-	1,712,957,564	1,087,487,802
As at 31 December 2022	15,484,088,844	2,664,955,199	1,277,153,112	16,871,890,930	8,029,221,445	1,792,138,336	728,815,544	9,092,544,237	7,779,346,693

As at 31 December 2021

Amount in Taka

Particulars	Cost								Written-down value as at 31 December 2022
	Opening balance as on 01 January 2021	Addition/ Revaluation during the year	Disposals/ Adjustments during the year	Total balance as at 31 December 2021	Opening balance as on 01 January 2021	Charge during the year	Disposals/ Adjustments during the year	Total balance as at 31 December 2022	
Property, plant & equipments (PPEs)									
Land	527,275,400	-	-	527,275,400	-	-	-	-	527,275,400
Leasehold Building	4,034,334	-	-	4,034,334	822,332	100,858	-	923,190	3,111,144
Furniture & fixture	2,096,550,341	58,151,911	13,787,869	2,140,914,383	1,395,740,435	148,736,943	13,563,167	1,530,914,211	610,000,172
Office equipments	1,307,461,739	48,474,903	10,983,041	1,344,953,601	1,120,463,136	94,567,471	10,932,967	1,204,097,640	140,855,961
IT Hardware	2,900,091,204	171,197,743	21,600,904	3,049,688,043	1,970,565,211	353,862,417	21,388,300	2,303,039,328	746,648,715
Motor vehicles	354,296,880	-	-	354,296,880	221,679,496	64,518,382	-	286,197,878	68,099,002
Right of use assets (RoU)	4,374,375,108	2,600,924,979	1,485,697,618	5,489,602,469	1,465,505,184	762,397,055	888,729,537	1,339,172,702	4,150,429,767
Capital expenditure work in progress	402,817,173	108,642,199	260,252,859	251,206,513	-	-	-	-	251,206,513
Sub-total	11,966,902,179	2,987,391,735	1,792,322,291	13,161,971,623	6,174,775,794	1,424,183,126	934,613,971	6,664,344,949	6,497,626,674
Intangible assets:									
With definite useful lives:									
IT Software	2,093,396,465	228,720,756	-	2,322,117,221	1,056,948,166	307,928,330	-	1,364,876,496	957,240,725
Sub-total	2,093,396,465	228,720,756	-	2,322,117,221	1,056,948,166	307,928,330	-	1,364,876,496	957,240,725
As at 31 December 2021	14,060,298,644	3,216,112,491	1,792,322,291	15,484,088,844	7,231,723,960	1,732,111,456	934,613,971	8,029,221,445	7,454,867,399

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BRAC Bank Limited

Annexure-F

BRAC Bank Limited
Statement of Tax Position
As at 31 December 2022

Amount in Taka

Accounting year	Assessment year	Gross tax provision in financial statements	Adjustment of excess/deficit provision during 2022	Net tax provision in financial Statements	Tax as per latest assessment	(Short)/Excess provision	Advance tax as per assessment order	Present status
2009	2010-2011	1,140,000,000	-	1,140,000,000	1,226,332,530	(86,332,530)	1,225,978,580	Assessment in progress and filed appeal before Honorable High Court against the Order of The Taxes Appellate Tribunal
2010	2011-2012	1,416,240,000	-	1,416,240,000	1,316,974,555	99,265,445	1,228,668,951	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2011	2012-2013	1,460,000,000	-	1,460,000,000	1,535,641,921	(75,641,921)	1,256,758,569	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2012	2013-2014	1,530,000,000	-	1,530,000,000	1,537,477,180	(7,477,180)	1,304,653,579	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2013	2014-2015	1,797,698,269	-	1,797,698,269	1,536,388,741	261,309,528	1,088,661,543	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2014	2015-2016	2,097,475,597	-	2,097,475,597	1,916,762,068	180,713,529	1,250,930,480	Appeal in progress before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2015	2016-2017	2,250,022,595	-	2,250,022,595	2,269,625,619	(19,603,024)	1,540,453,195	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2016	2017-2018	2,629,520,979	-	2,629,520,979	2,177,689,835	451,831,144	1,739,275,075	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2017	2018-2019	3,196,240,955	-	3,196,240,955	2,880,663,875	315,577,080	2,402,077,500	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2018	2019-2020	2,523,031,538	-	2,523,031,538	2,601,281,979	(78,250,441)	2,459,662,676	Appeal filled to Commissioner Taxes of Appeal against the DCT Assessment Order
2019	2020-2021	3,718,904,812	-	3,718,904,812	3,432,353,978	286,550,834	3,432,353,978	Tax return submitted for the assessment
2020	2021-2022	2,728,499,267	(191,123,342)	2,537,375,925	2,466,141,523	71,234,402	2,174,170,846	Tax return submitted for the assessment
2021	2022-2023	4,067,399,481	(500,000,000)	3,567,399,481	3,899,871,425	(332,471,944)	3,771,290,998	Tax return submitted for the assessment
2022	2023-2024	3,905,699,754	(140,000,000)	3,765,699,754				Not yet due to submit Tax Return

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SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Annexure-G

BRAC Bank Limited
Statement of Segment Reporting
For the year ended 31 December 2022

Amount in Taka

Particulars	SME	Retail	Corporate	Treasury	Total
Total external revenue	14,800,252,361	1,492,851,642	3,449,646,545	6,828,159,486	26,570,910,034
Inter segment revenue /(expenses)	(6,887,543,453)	6,230,297,901	1,866,871,065	(1,209,625,513)	-
Total segment revenue	7,912,708,908	7,723,149,543	5,316,517,610	5,618,533,973	26,570,910,034
Total segment operating expenses	6,909,617,085	6,292,696,657	1,661,389,682	577,957,690	15,441,661,114
Segment operating profit/(loss)	1,003,091,823	1,430,452,886	3,655,127,928	5,040,576,283	11,129,248,920

For the year ended 31 December 2021

Amount in Taka

Particulars	SME	Retail	Corporate	Treasury	Total
Total external revenue	11,628,176,923	1,508,130,376	4,199,827,507	6,027,755,292	23,363,890,098
Inter segment income /(expenses)	(4,051,915,294)	5,224,979,657	418,513,593	(1,591,577,956)	-
Total segment revenue	7,576,261,629	6,733,110,033	4,618,341,100	4,436,177,336	23,363,890,098
Total segment operating expenses	5,395,517,168	5,285,573,794	1,415,952,685	322,952,631	12,419,996,278
Segment operating profit/(loss)	2,180,744,461	1,447,536,239	3,202,388,415	4,113,224,705	10,943,893,820

Segmental assets and liabilities
The necessary information regarding assets and liabilities of operating segments (excluding subsidiaries) are not separable and individually identifiable and so the assets and liabilities of the respective segments have not been presented here.

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Managing Director and CEO
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BRAC Bank Limited
Off-shore Banking Units

Financial Statements
as at and for the year ended 31 December 2022

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM F.F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Annexure - H

Off-shore Banking Units
Balance Sheet
As at 31 December 2022

Particulars	Note	2022		2021	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash		-	-	-	-
Cash in hand (Including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		-	-	-	-
Balance with other banks and financial institutions	3	23,060,934	2,382,125,360	69,634,716	5,974,658,656
Inside Bangladesh		-	-	-	-
Outside Bangladesh		23,060,934	2,382,125,360	69,634,716	5,974,658,656
Money at call on short notice		-	-	-	-
Investments		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
Loans and advances	4	478,265,314	49,403,372,046	402,592,989	34,542,478,506
Loans, cash credit, overdrafts etc.		457,081,025	47,215,098,555	375,658,784	32,231,523,671
Small and medium enterprises		1,312,019	135,527,658	1,712,685	146,948,408
Bills purchased and discounted		19,872,270	2,052,745,833	25,221,520	2,164,006,427
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	5	9,795,692	1,005,074,422	9,272,615	795,603,813
Total Property and Assets		511,121,940	52,790,571,828	481,500,320	41,312,740,975
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	6	447,328,736	46,207,716,494	422,378,794	36,240,100,482
Money at call and short notice		-	-	-	-
Deposits and other accounts	7	21,650,219	2,236,402,572	9,716,023	833,634,780
Current accounts and other accounts		626,567	64,722,483	809,354	69,442,595
Bills payable		-	-	-	-
Savings deposits		-	-	-	-
Fixed deposits		20,300,041	2,096,933,295	8,633,540	740,757,724
Other deposits		723,611	74,746,794	273,129	23,434,461
Other liabilities	8	48,012,922	4,214,678,041	54,361,285	4,496,927,343
Total Liabilities		516,991,877	52,658,797,107	486,456,102	41,570,662,605
Capital and Shareholders' Equity					
Paid up share capital		-	-	-	-
Statutory reserve		-	-	-	-
Revaluation reserve		-	-	-	-
Foreign currency translation reserve		-	329,930,810	-	12,610,122
Surplus in profit and loss account/Retained earnings	9	(5,869,937)	(198,156,089)	(4,955,782)	(270,531,752)
Total shareholders' equity		(5,869,937)	131,774,721	(4,955,782)	(257,921,630)
Total Liabilities and Shareholders' Equity		511,121,940	52,790,571,828	481,500,320	41,312,740,975

M Mahbubur Rahman FCS
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Off-shore Banking Units
Balance Sheet
As at 31 December 2022

Particulars	Note	2022		2021	
		USD	Taka	USD	Taka
Off balance sheet items					
Contingent liabilities					
Acceptances and endorsements		10,857,616	1,121,559,199	12,205,159	1,032,165,486
Letter of guarantees		1,580,960	163,308,451	-	-
Irrevocable letter of credits		-	-	5,118,638	436,927,963
Bills for collection		14,422,755	1,489,827,345	13,693,469	1,129,567,424
Other contingent liabilities		-	-	176,241	-
Total		26,861,331	2,774,694,995	31,193,507	2,598,660,873
Other commitments					
Swap deals with banks and customers		-	-	-	-
Spot and forward deals with banks and customers		-	-	-	-
		-	-	-	-
Total off balance sheet items		26,861,331	2,774,694,995	31,193,507	2,598,660,873

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Managing Director & CEO
UCB Investment Limited

Off-shore Banking Units
Profit and Loss Account
For the year ended 31 December 2022

Particulars	Note	2022		2021	
		USD	Taka	USD	Taka
Interest income	10	21,862,980	2,087,787,637	10,637,272	905,068,309
Interest paid on deposits and borrowing etc.	11	15,802,206	1,514,202,169	6,883,601	576,258,553
Net interest income		6,060,774	573,585,468	3,753,671	328,809,756
Investment income		-	-	-	-
Commission, exchange and brokerage	12	602,932	55,988,752	508,614	43,131,460
Other operating income	13	391,005	36,401,181	529,967	45,018,624
Total operating income		7,054,711	665,975,401	4,792,252	416,959,840
Salaries and allowances		1,088,154	102,230,848	830,182	70,720,500
Rent, taxes, insurance, electricity etc.	14	89,169	8,355,139	78,498	13,874,663
Legal expenses		52	4,996	-	-
Postage, stamps, telecommunication etc.	15	4,932	459,035	4,024	342,605
Stationery, printing, advertisement etc.	16	9,218	871,479	4,466	381,255
Depreciation and repairs to bank's assets		119,857	11,275,665	103,166	8,785,868
Other expenses		677,532	63,737,066	202,099	17,215,042
Total operating expenses		1,988,914	186,934,228	1,222,435	111,319,933
Profit before provisions		5,065,797	479,041,173	3,569,817	305,639,907
Provision for:					
Loans and advances	17	4,787,320	406,665,510	10,976,329	938,079,064
Off balance sheet items		-	-	-	-
Others		-	-	-	-
Total provision		4,787,320	406,665,510	10,976,329	938,079,064
Profit/(loss) before taxes		278,477	72,375,663	(7,406,512)	(632,439,157)
Provision for tax:					
Current tax expense		-	-	-	-
Deferred tax expense/ (income)		-	-	-	-
Total provision for tax	18	-	-	-	-
Total profit/(loss) after taxes		278,477.00	72,375,663	(7,406,512)	(632,439,157)



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Off-shore Banking Units
Cash Flow Statement
For the year ended 31 December 2022

	Particulars	2022		2021	
		USD	Taka	USD	Taka
A.	**Cash flows from operating activities**				
	Interest receipts in cash	15,581,532	1,394,352,068	9,543,342	809,552,379
	Interest payment	(12,722,680)	(1,171,094,674)	(6,790,073)	(566,899,959)
	Fees and commissions receipts	602,932	55,988,753	508,613	43,131,459
	Cash payments to employees	(1,088,154)	(102,230,848)	(830,183)	(70,720,500)
	Cash payments to suppliers	(14,150)	(1,330,513)	(8,489)	(723,860)
	Receipts from other operating activities	391,005	36,401,181	530,005	45,021,853
	Payment for other operating activities :	(418,015)	(43,711,111)	(346,800)	(36,747,012)
	Operating cash flow before changes in operating assets and liabilities (i)	**2,332,470**	**168,374,856**	**2,606,415**	**222,614,360**
	Increase/decrease in operating assets and liabilities				
	Loans and advances to customers	(75,672,323)	(14,860,893,539)	(157,942,112)	(13,795,814,994)
	Other assets	(6,933,789)	483,784,961	67,943	(577,465)
	Deposits from other banks/borrowings	24,949,943	9,967,616,012	154,703,199	13,540,915,651
	Deposits from customers	11,934,195	1,402,767,792	146,412	22,121,222
	Other liabilities	(3,184,278)	(796,591,722)	2,730,913	201,113,661
	Cash utilised in operating assets and liabilities (ii)	(48,906,252)	(3,803,316,496)	(293,645)	(32,241,925)
	Net cash (used)/flows from operating activities (I+ii)	**(46,573,782)**	**(3,634,941,640)**	**2,312,770**	**190,372,435**
B.	**Cash flows from investing activities**				
	Investment in commercial paper	-	-	-	-
	Net cash used in investing activities	-	-	-	-
C.	**Cash flows from financing activities**	-	-	-	-
D.	**Net increase/(decrease) in cash (A+B+C)**	**(46,573,782)**	**(3,634,941,640)**	**2,312,770**	**190,372,435**
E.	Cash and cash equivalents at beginning of year	69,634,716	5,974,658,656	67,321,946	5,708,975,151
	Exchange difference	-	42,408,344	-	75,311,070
	Cash and cash equivalents at the end of year (D+E)	**23,060,934**	**2,382,125,360**	**69,634,716**	**5,974,658,656**
	Cash and cash equivalents at the end of the year:				
	Cash in hand (including foreign currency)	-	-	-	-
	Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	-	-	-	-
	Balance with other banks and financial institutions	23,060,934	2,382,125,360	69,634,716	5,974,658,656
		23,060,934	**2,382,125,360**	**69,634,716**	**5,974,658,656**

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Off-Shore Banking Units

Notes to the financial statements as at and for the year ended 31 December 2022

1 **Status of the units**

Off-shore Banking Units of BRAC Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The bank commenced the operation of its Off-shore banking Unit from 2010 after obtaining necessary approval from Bangladesh Bank.

1.1 **Principal Activities**

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its off-shore Banking units in Bangladesh.

2 **Summary of significant accounting policies and basis of preparation**

2.1 A summary of the principle accounting policies which have been applied consistently (unless otherwise stated), are set out below:

a) Basis of accounting

The off-shore Banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Companies Act 1991, International Financial Reporting Standards and other applicable directives issued by Bangladesh Bank.

b) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

c) Foreign currency transactions and translations to presentation currency

Foreign currency transactions are converted into equivalent functional currency i.e. USD using the exchange rates ruling on the dates of respective transactions as per IAS -21" The Effects of Changes in Foreign Exchange Rates".

All revenue items have been translated to presentation currency i.e. BDT at average rate and all balance sheet items except retained earnings were translated to presentation currency at the closing rate. Any resulting differences have been recognised as foreign currency

Commitments for outstanding forward foreign exchange contracts disclosed in the financials are translated at contracted rates. Contingent liabilities/ commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

2.2 **Reporting period**

These financial statements cover one calendar year from 1 January to 31 December 2022.

2.3 **Cash and cash equivalents**

For the purpose of presentation in the cash flow statements, cash and cash equivalents includes cash in hand and cash at bank, highly liquid interest bearing investment/securities with original maturities of less than three month.

As per IAS 7 Statement of Cash Flows, cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry . The method selected is applied consistently. As per BRPD 14 dated 25 June 2003, cash flow statement should be a mixture of direct and indirect method.

2.4 **Loans and advances**

a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.
b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

2.5 **Provision for liabilities**

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

2.6 **General**

a) Figures appearing in these financial statements have been rounded off to the nearest Taka and rearranged wherever necessary.

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Particulars	2022		2021	
	USD	Taka	USD	Taka
3 Balance with other banks and financial institutions				
JP Morgan Chase Bank, New York	6,799,986	702,418,166	1,612,754	138,374,289
JP Morgan AG, Frankfurt, Germany	247,489	25,564,908	4,957	425,313
JP Morgan Chase, N.A., London	13,459	1,390,286	17,005	1,459,054
BBL OBU to Other Bank OBU placement	16,000,000	1,652,752,000	68,000,000	5,834,400,000
	23,060,934	2,382,125,360	69,634,716	5,974,658,656
4 Loans and advances				
Loans, cash credits, overdrafts etc. (note 4.1)	457,081,025	47,215,098,555	375,658,784	32,231,523,671
Small and medium enterprises	1,312,019	135,527,658	1,712,685	146,948,408
Bills purchased and discounted (note 4.2)	19,872,270	2,052,745,833	25,221,520	2,164,006,427
	478,265,314	49,403,372,046	402,592,989	34,542,478,506
4.1 Overdrafts	2,259,757	233,426,083	5,150,889	441,946,251
Demand loans	409,950,673	42,346,674,651	326,653,467	28,026,867,478
Term loans	44,870,595	4,634,997,821	43,854,428	3,762,709,942
	457,081,025	47,215,098,555	375,658,784	32,231,523,671

Particulars	2022		2021	
	USD	Taka	USD	Taka
4.2 Bills purchased and discounted	19,872,270	2,052,745,833	25,221,520	2,164,006,427
Bills purchased and discounted SME	-	-	-	-
	19,872,270	2,052,745,833	25,221,520	2,164,006,427
5 Other assets				
Interest receivables	9,207,982	944,365,760	2,926,535	250,930,191
Deferred revenue expenditure	587,710	60,708,662	200,313	17,186,834
Receivables against collateral margin-swap	-	-	-	180,000
Receivable settlement account-OBU/DBU	-	-	6,145,767	527,306,788
	9,795,692	1,005,074,422	9,272,615	795,603,813
6 Borrowings from other banks, financial institutions and agents				
Inside Bangladesh:				
Woori Bank, Dhaka	-	-	5,000,000	429,000,000
On Shore to BBL Off Shore	72,822,436	7,522,339,223	141,090,169	12,105,536,457
	72,822,436	7,522,339,223	146,090,169	12,534,536,457
Outside Bangladesh:				
State Bank of India, Hong Kong	24,000,000	2,479,128,000	-	-
Nabil Bank Limited, Nepal	6,186,300	639,026,231	3,500,000	300,300,000
HDFC Bank Limited, India	15,000,000	1,549,455,000	10,000,000	858,000,000
Standard Chartered Bank, Singapore	5,000,000	516,485,000	27,600,000	2,368,080,000
DBS Bank Singapore	-	-	28,000,000	2,402,400,000
Asian Development Bank	30,000,000	3,098,910,000	30,000,000	2,574,000,000
Axis Bank Limited	-	-	20,000,000	1,716,000,000
Caixabank S.A.	67,000,000	6,920,899,000	30,000,000	2,574,000,000
Siddhartha Bank Limited, Kathmandu	-	-	10,000,000	858,000,000
The National Bank of Ras Al-Khaimah, UAE	50,000,000	5,164,850,000	17,148,000	1,471,298,400
Abu Dhabi Commercial Bank, UAE	15,000,000	1,549,455,000	55,000,000	4,719,000,000
First Abu Dhabi Bank PJSC, UAE	-	-	10,000,000	858,000,000
CDC Group Plc, United Kingdom	8,580,000	886,288,260	6,540,625	561,185,625

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International Finance Corporation (IFC), USA	30,000,000	3,098,910,000	15,000,000	1,287,000,000
JP Morgan Chase Bank N.A. Singapore	49,000,000	5,061,553,000	3,500,000	300,300,000
Bank Muscat Saog	17,000,000	1,756,049,000	10,000,000	858,000,000
Cargill Financial Services International	30,000,000	3,098,910,000		
Commercial Bank Of Qatar	10,000,000	1,032,970,000		
Mizuho Bank Ltd, Singapore	10,000,000	1,032,970,000	-	-
Yes Bank, India	7,740,000	799,518,780	-	-
	374,506,300	38,685,377,271	276,288,625	23,705,564,025
	447,328,736	46,207,716,494	422,378,794	36,240,100,482

7 Deposit and other accounts

Local currency:				
Current and other accounts	-	-	-	-
Bills payable	-	-	-	-
Saving deposits	-	-	-	-
Fixed deposits	-	-	-	-
Other deposits	-	-	-	-
	-	-	-	-
Foreign currency:				
Current and other accounts	626,567	64,722,483	809,354	69,442,595
Bills payable	-	-	-	-
Saving deposits	-	-	-	-
Fixed deposits	20,300,041	2,096,933,295	8,633,540	740,757,724
Other deposits	723,611	74,746,794	273,129	23,434,461
	21,650,219	2,236,402,572	9,716,023	833,634,780
Total Deposit and other accounts	21,650,219	2,236,402,572	9,716,023	833,634,780

8 Other liabilities

Provisions for loans and advances	16,631,233	1,717,956,454	24,297,996	1,958,679,094
Special provision COVID-19	361,561	37,348,170	435,293	37,348,170
Provision on interest receivable	91,394	9,440,739	21,488	1,843,706
Interest suspense	1,028,776	106,269,450	1,918,811	164,633,977
Provision for taxation net off AIT	654,488	67,606,624	787,956	67,606,624
Interest payable on borrowings	4,068,022	420,214,461	1,275,007	109,395,602
Accrued expenses	419,620	35,607,707	(48,975)	(4,054,049)
Suppliers payable	(680)	(70,212)	(231,137)	(19,901,732)
Payable to on-shore	23,280,472	1,709,927,600	27,431,048	2,105,368,327
Payable against SWIFT charge	9,048	934,644		
Others payable	1,468,988	109,442,404	(1,526,202)	76,007,624
	48,012,922	4,214,678,041	54,361,285	4,496,927,343

Particulars	2022		2021	
	USD	Taka	USD	Taka

9 Surplus in profit and loss account/ retained earnings

Balance at the beginning of the year	(4,955,782)	(270,531,752)	2,450,290	235,781,082
Adjustment to retained earnings	(1,192,632)	-	440	126,126,323
Add: Retained surplus for the year	278,477	72,375,663	(7,406,512)	(632,439,157)
	(5,869,937)	(198,156,089)	(4,955,782)	(270,531,752)

VASI CHOWDHURY & CO DHAKA

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Managing Director & CEO
UCB Investment Limited

10	**Interest income**				
	Interest on loans and advances	21,824,509	2,084,233,475	10,634,503	904,832,171
	Interest on money at call and short notice	-	-	-	-
	Interest on Funding SWAP	-	-	-	-
	Other interest income	38,471	3,554,162	2,769	236,138
		21,862,980	2,087,787,637	10,637,272	905,068,309
11	**Interest paid on deposits and borrowing etc.**				
	Interest on deposits	490,650	46,309,807	240,178	13,228,827
	Interest on borrowing from banks & FIs	15,298,529	1,466,632,860	32,869	559,529,636
	Interest on funding SWAP	-	-	6,602,017	721,430
	Interest on money at call and short notice	13,027	1,259,502	8,537	2,778,660
		15,802,206	1,514,202,169	6,883,601	576,258,553
12	**Commission, exchange and brokerage**				
	Commission from letters of credit-foreign	151,603	14,154,755	140,757	11,934,049
	Import and export related fees	451,439	41,845,080	367,868	31,198,363
	Other fees	(110)	(11,083)	(11)	(952)
		602,932	55,988,752	508,614	43,131,460
13	**Other operating income**				
	Miscellaneous income	391,005	36,401,181	529,967	45,018,624
		391,005	36,401,181	529,967	45,018,624
14	**Rent, taxes, insurance, electricity etc.**				
	Rent, rates and taxes	78,667	7,369,485	68,008	5,792,896
	Insurance	1,731	163,568	1,543	7,319,806
	Power and electricity	8,002	749,423	8,029	683,964
	WASA and sewerage	769	72,663	918	77,997
		89,169	8,355,139	78,498	13,874,663
15	**Postage, stamp, telecommunication etc.**				
	Postage and courier	977	88,099	661	56,171
	Court fees & stamps	789	74,829	255	21,737
	Telephone- Office	3,166	296,107	3,108	264,697
		4,932	459,035	4,024	342,605
16	**Stationery, printing, advertisement etc.**				
	Stationery and printing	3,368	318,286	1,473	125,394
	Security stationery	2,383	221,764	1,309	111,589
	Advertisement	3,467	331,429	1,684	144,272
		9,218	871,479	4,466	381,255
17	**Provisions for loans and advances**				
	For classified loans and advances	1,830,399	178,850,259	9,487,900	810,646,253
	For unclassified loans and advances	2,883,633	220,308,571	1,488,429	127,432,811
	Provision for interest receivable	73,288	7,506,680	-	-
		4,787,320	406,665,510	10,976,329	938,079,064

18 **Provision for tax**

Offshore Banking Unit (OBU) is an integral business unit of the Bank. The income from OBU is included in the separate financial statement of the Bank and tax has been provided on total income of the Bank including income from OBU. Hence provision for tax has not been calculated for OBU portion separately.

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Hoda Vasi Chowdhury & Co
Chartered Accountants

To whom it may concern

This is to certify that as detailed in the **Annexure-I**, BRAC Bank Limited made the custodian transactions on account of custodian services provided during the year ended 31 December 2022, which have been verified with the books of account, invoices and other related documents as produced to us for our verification.

We also certify that management of the Bank prepared and fairly presented of the income and expenses in accordance with the requirement of the Securities and Exchange Commission (Securities Custodian Service) Rules 2003, and made necessary disclosures in the Bank's audited financial statements for the year ended 31 December 2022.

Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 11 April 2023

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

M Masud Rana FCA
DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Annexure - I

BRAC Bank Limited
Custodian Service
For the year ended 31 December 2022

Particulars	2022 Taka	2021 Taka
Operating income		
Commission, exchange and brokerage	21,789,916	20,405,215
Total operating income	**21,789,916**	**20,405,215**
Operating expenses		
Salaries and allowances	2,780,388	2,805,181
Rent, taxes, insurance, electricity etc.	960,135	963,510
Postage, stamps, telecommunication etc.	149,391	121,790
Stationery, printing, advertisement etc.	924	909,363
Depreciation on and repairs to bank's assets	258,547	1,220,677
Other expenses	148,164	9,800,386
Total operating expenses	**4,297,549**	**15,820,907**
Operating profit	**17,492,367**	**4,584,308**

M Mahbubur Rahman FCS
Company Secretary
BRAC Bank Limited

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DMD & Chief Financial Officer
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Annexure - J

BRAC Bank Limited
Details of transactions with related parties
For the year ended 31 December 2022

Amount in Taka

SL No.	Name of the related parties (Companies)	Relationship with BBL	Balance type	Opening balance on 01 January 2022	Additions for deposit made/loan disbursed/interest or fees charged	Deductions for deposit withdrawn/ loan recovered	Closing balance on 31 December 2022
1	BRAC and Its associated organization	Parent Company	Deposits	14,622,760,969	267,474,069,607	267,159,314,152	14,937,516,424
2	bKash Limited	Subsidiary	Deposits	8,539,255,713	502,155,899,099	505,488,223,013	5,206,931,799
3	BRAC EPL Investments Limited	Subsidiary	Deposits	15,685,315	17,348,369,036	17,253,111,165	110,943,186
4	BRAC EPL Stock Brokerage Limited	Subsidiary	Deposits	242,464,433	7,014,725,820	6,679,549,425	577,640,828
5	BRAC IT Services Limited (biTS)	Associates	Deposits	111,170,288	493,299,919	548,651,894	55,818,313
6	BRAC SAAJAN Exchange Limited	Subsidiary	Deposits	60,647,285	41,598,001	98,224,767	4,020,519
7	Edotco Bangladesh Co. Limited	Common Board member	Deposits	120,116,043	836,366,282	955,782,510	699,815
8	Policy Research Institute of Bangladesh (PRI)	Common Board member	Deposits	849,010	875,660	812,710	911,960
9	RSA Advisory Ltd.	Common Board member	Deposits	15,515	99,340,601	95,458,288	3,897,828
10	Blue-Wealth Assets Limited	Common Board member	Deposits	4,425	48,168	690	51,903
11	Walton Hi-Tech Industries Limited	Common Board member	Deposits	55,108,388	4,938,786,419	4,991,914,807	1,980,000
12	Water Garden Resort and Spa	Common Board member	Deposits	343,359	12,361,366	12,581,115	123,610
13	Affordable Health Care	Common Board member	Deposits	71,814,240	-	71,740,690	73,550
14	BRAC EPL Investments Limited	Subsidiary	Continuous loan	590,713,888	1,045,238,154	1,371,158,390	916,634,124
15	BRAC Saajan Exchange Limited	Subsidiary	Continuous loan	266,256,133	223,156,832	29,162,423	72,261,724
17	IPDC Finance Limited	Common Board member	Term placement	3,000,000,000	N/A		3,000,000,000
19	BRAC IT Services Limited (biTS)	Associates	Receivables	187,859,621	N/A		154,857,249
20	Key Management Personnel (Note - 8.6)	Senior Management	Loans and Advances	106,920,329	N/A		113,952,814
21	BRAC Bank Employees' Gratuity Fund (Post employment benefit plan)	Details of transactions with BRAC Bank Employees' Gratuity Fund can be found at note no 10.5					

SL No.	Name of the related parties (Directors)	Relationship with BBL	Balance type	Opening balance on 01 January 2022	Closing balance on 31 December 2022	Credit Card Limit	Lien Amount
1	Asif Saleh	Director	Credit card	106,081	58,602	500,000	500,000
2	Selim Reza Farhad Hussain	Director	Credit card	64,568	509,113	1,000,000	1,000,000
3	Fahima Choudhury	Director	Credit card	15,176	63,702	500,000	500,000
4	Shameran Bahar Abed	Director	Credit card	1,340	346,672	500,000	500,000

Note: In addition, BRAC Bank has credit exposure on NGOs where its Directors are involved in the capacity of executive committee members. As on 31 December 2022, the Bank has credit exposures amounting BDT 845,333,012. However, as per Bangladesh Bank letter ref: BRPD (R-2)651/9(25)ka/2016-6852; such exposure shall not come under the purview of related party exposures as given to non-profit organisations.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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DMD & Chief Financial Officer
BRAC Bank Limited

SELIM R. F. HUSSAIN
Managing Director and CEO
BRAC Bank Limited

12. BRIEF OVERVIEW AND COMPARATIVE FINANCIAL STATEMENTS

Particulars	2018	2019	2020	2021	2022
BRAC Bank Limited Standalone Balance Sheet					
Cash:	**22,374,550,269**	**22,829,508,087**	**19,243,096,656**	**22,676,943,467**	**31,776,214,097**
In Hand	6,654,775,781	6,726,443,188	7,091,907,372	8,424,680,663	11,822,688,624
Balance W/ BB & Its Agents	15,719,774,488	16,103,064,899	12,151,189,284	14,252,262,804	19,953,525,473
Balance With Other Banks & FIs:	**14,878,545,136**	**15,799,498,546**	**14,358,762,046**	**19,880,951,145**	**16,255,534,724**
In Bangladesh	12,484,067,930	13,203,670,424	7,928,558,845	12,261,365,946	11,127,982,840
Outside Bangladesh	2,394,477,206	2,595,828,122	6,430,203,201	7,619,585,199	5,127,551,884
Money At Call or Short Notice	-	-	-	**3,500,000,000**	**6,826,376,000**
Investments	**25,765,118,241**	**45,943,571,923**	**68,896,004,194**	**51,590,814,842**	**64,287,682,264**
Government	20,341,016,406	39,175,469,934	61,821,887,388	44,051,798,178	56,637,669,673
Others	5,424,101,835	6,768,101,989	7,074,116,806	7,539,016,664	7,650,012,591
Loans & Advances	**238,008,103,268**	**264,091,181,535**	**273,063,193,200**	**321,212,230,987**	**410,676,406,960**
Loans, Cash Credit, Overdraft	154,400,126,194	145,604,630,622	136,374,612,915	168,205,415,381	221,303,533,974
Small & Medium Enterprises	80,422,409,963	115,109,495,430	134,621,356,804	150,749,009,625	187,247,111,913
Bills Purchase & Discounted	3,185,567,111	3,377,055,483	2,067,223,481	2,257,805,981	2,125,761,073
Fixed Assets	**4,300,651,117**	**8,188,718,148**	**6,828,574,683**	**7,454,867,399**	**7,779,346,693**
Other Assets	**10,023,235,468**	**12,485,056,383**	**14,525,819,425**	**22,763,775,341**	**25,626,075,864**
Non-Banking Assets	**66,471,775**	**66,471,775**	**66,471,775**	**4,541,700**	**11,341,700**
Total Assets	**315,416,675,274**	**369,404,006,397**	**396,981,921,979**	**449,084,124,881**	**563,238,978,302**
Borrowings From Other Banks	**22,958,478,616**	**22,901,981,186**	**11,913,324,935**	**24,134,564,025**	**38,685,377,271**
Borrowings From Central Bank	**8,344,796,525**	**12,487,885,372**	**23,370,068,779**	**23,175,903,824**	**42,184,501,809**
Convertible Subordinated Bond	-	-	-	-	-
Affordable Housing Bond	-	-	-	-	**4,751,000,000**
Money at Call on short notice	-	**1,273,500,000**	**84,801,100**	-	-
Deposits & Other Accounts	**233,509,350,234**	**268,309,328,462**	**289,054,405,724**	**314,590,914,520**	**384,466,775,242**
Current & Other A/C	57,549,473,597	70,387,783,800	98,756,904,331	109,462,945,554	123,148,401,399
Bill Payables	2,428,242,638	1,911,038,678	1,797,962,669	2,367,889,416	1,739,503,614
Savings Deposits	38,320,761,103	44,538,393,041	57,230,594,232	68,334,576,200	71,890,957,598
Term Deposits	-	-	-	133,172,621,149	185,088,946,361

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Fixed Deposits	133,600,242,355	149,378,664,153	130,621,972,707	-	-
Bearer Certificate Of Deposits	-	-	-	-	-
Other Deposits	1,610,630,541	2,093,448,790	646,971,785	1,252,882,201	2,598,966,270
Total Interest Bear Liabilities	**264,812,625,375**	**304,972,695,020**	**324,422,600,538**	**361,901,382,369**	**470,087,654,322**
Other Liabilities	**18,966,098,060**	**25,512,078,465**	**26,082,795,675**	**32,763,271,381**	**34,760,769,207**
Non-Controlling Interest	-	-	-	-	-
Total Liabilities	**283,778,723,435**	**330,484,773,485**	**350,505,396,213**	**394,664,653,750**	**504,848,423,529**
Total Shareholder's Equity	**31,637,951,839**	**38,919,232,912**	**46,476,525,766**	**54,419,471,131**	**58,390,554,773**
Paid Up Capital	10,725,002,850	12,333,753,270	13,258,784,760	13,921,723,990	14,965,853,280
Share Premium	3,853,767,032	3,853,767,032	3,853,767,032	3,853,767,032	3,853,767,032
Statutory Reserve	6,428,088,086	8,129,149,416	9,405,017,728	10,067,956,958	11,112,086,248
General Reserve	-	-	-	-	-
Asset Revaluation Reserve	478,558,600	478,558,600	-	-	-
Revaluation Reserve on Government Securities	5,593,264	98,965,051	4,805,926,053	2,490,292,927	1,337,245,165
Exchange Equalization Reserve	-	-	-	-	-
Other Reserve	-	-	-	-	-
Share Money Deposit	-	-	-	-	-
Preference Shares	-	-	-	-	-
Dividend Equalization Reserve	355,218,455	355,218,455	355,218,455	355,218,455	355,218,455
Reserve Against Pre-Takeover Loss	-	-	-	-	-
Fair Value Gain/(Loss) On Equity Investment	-	1,261,102,670	1,131,197,846	7,384,920,564	7,643,913,224
Pre-Takeover Loss	-	-	-	-	-
Reserve For Amortization of Held to Maturity Securities	-	-	-	-	-
Reserve For Revaluation of Held for Trading Securities	-	-	-	-	-
Reserve On Other Investment	-	-	-	-	-
Reserve For Building Fund	-	-	-	-	-
Reserve For Non-Banking Assets	-	-	-	-	-
Currency Translation Adjustment	(3,001,421)	29,914,158	(13,641,635)	15,729,653	323,536,914
Other Adjustments	-	-	-	-	-
Surplus In P&L Account/Retained Earnings	9,794,724,973	12,378,804,260	13,680,255,527	16,329,861,552	18,798,934,455
Total Liabilities & Equity	**315,416,675,274**	**369,404,006,397**	**396,981,921,979**	**449,084,124,881**	**563,238,978,302**
Net Asset Value (NAV) Per Share	**25.65**	**29.35**	**33.38**	**36.36**	**39.02**

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Particulars	2018	2019	2020	2021	2022
BRAC Bank Limited Standalone Income Statement					
Interest Income	25,112,079,316	29,692,102,368	24,708,585,875	21,586,220,747	28,462,101,118
Interest Expense	(11,574,281,608)	(14,654,308,149)	(13,501,818,343)	(7,589,298,326)	(13,227,359,203)
Net Interest Income:	**13,537,797,708**	**15,037,794,219**	**11,206,767,532**	**13,996,922,421**	**15,234,741,915**
Investment Income	2,961,103,311	3,071,620,681	6,456,643,091	5,780,677,077	5,184,549,425
Commission & Brokerage	2,573,498,361	3,168,228,463	2,560,275,778	3,440,196,921	5,884,319,986
Other Operating Income	92,523,606	110,459,191	111,861,433	146,093,679	267,298,708
Total Operating Income (A)	**19,164,922,986**	**21,388,102,554**	**20,335,547,834**	**23,363,890,098**	**26,570,910,034**
Total Operating Expenses: (B)	**10,342,648,570**	**11,440,476,712**	**11,733,817,498**	**12,419,996,278**	**15,441,661,114**
Salaries & Allowances	4,681,288,758	5,578,849,064	6,228,455,055	6,625,995,876	8,151,587,989
Rent, Insurance etc.	1,408,720,244	701,300,962	491,971,548	473,700,396	507,158,511
Legal Expenses	55,210,529	31,142,353	32,746,130	33,352,689	30,384,953
Postage, Stamp	272,339,766	230,319,874	204,617,611	222,631,352	308,505,338
Stationary, Printing	292,462,722	269,486,898	220,659,472	221,634,405	396,662,334
MD's Salary	13,971,499	18,775,000	18,775,000	19,424,250	24,471,250
Directors' Fees	1,297,200	1,066,520	1,596,800	2,437,600	2,552,000
Auditor's Fees	1,644,500	1,840,000	1,840,000	1,840,000	1,840,000
Depreciation	1,155,998,577	2,050,466,915	2,081,241,194	2,191,026,040	2,304,559,343
Others	2,459,714,775	2,557,229,126	2,451,914,688	2,627,953,670	3,713,939,396
Profit Before Provision (C = A – B)	**8,822,274,416**	**9,947,625,842**	**8,601,730,336**	**10,943,893,820**	**11,129,248,920**
Provisions for Loans/Advances: (D)	**749,868,328**	**1,442,319,190**	**1,866,602,808**	**3,054,342,261**	**2,190,388,484**
Loans & Advances	683,745,138	1,096,128,805	2,365,157,113	2,810,975,910	1,945,536,063
Provisions For Off Balance Sheet	(37,000,000)	(192,000,000)	63,083,635	251,500,000	204,740,420
Provisions For Value Diminution	116,400,000	534,400,000	(563,219,881)	(74,000,000)	20,539,430

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Other Provisions	(13,276,810)	3,790,385	1,581,941	65,866,351	19,572,571
Profit Before Tax (E = C – D)	**8,072,406,088**	**8,505,306,652**	**6,735,127,528**	**7,889,551,559**	**8,938,860,436**
Provisions For Tax: (F)	**2,525,102,089**	**2,859,504,264**	**2,194,295,579**	**2,342,620,995**	**3,175,686,863**
Current Tax	2,523,031,538	3,718,904,812	2,537,375,925	3,467,399,481	3,765,699,754
Deferred Tax	2,070,551	(859,400,548)	(343,080,346)	(1,124,778,486)	(590,012,891)
Net Profit After Tax (E – F)	**5,547,303,999**	**5,645,802,388**	**4,540,831,949**	**5,546,930,564**	**5,763,173,573**
Earnings Per Share (EPS)	**4.50**	**4.26**	**3.26**	**3.71**	**3.85**

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Particulars	2018	2019	2020	2021	2022
BRAC Bank Limited Standalone Cashflow Statement					
A. Cash Flows from Operating Activities					
Interest Receipts in Cash	26,625,922,434	31,838,943,779	28,096,473,305	27,105,416,678	31,508,895,124
Interest Payment	(9,397,279,034)	(13,904,507,701)	(15,516,804,726)	(8,504,508,879)	(10,508,367,195)
Dividend Receipts	116,439,566	123,760,324	96,094,680	174,618,013	232,498,460
Fees And Commission Receipts in Cash	2,573,498,362	3,151,040,824	2,560,275,778	3,440,196,921	5,884,319,987
Recoveries On Loans Previously Written Off	783,059,719	786,257,664	633,704,077	707,517,594	809,572,845
Cash Payments to Employees	(4,727,144,076)	(5,650,932,696)	(6,243,757,705)	(6,597,572,669)	(8,135,922,799)
Cash Payments to Suppliers	(551,866,420)	(556,139,283)	(423,015,776)	(480,845,623)	(680,215,058)
Income Tax Paid	(3,336,896,324)	(2,706,854,957)	(3,564,500,491)	(2,557,956,724)	(4,642,899,233)
Receipts From Other Operating Activities	1,207,046,620	642,094,138	1,689,098,017	710,776,014	1,033,184,962
Payment For Other Operating Activities	(4,520,990,091)	(4,275,850,196)	(3,439,275,865)	(3,597,592,564)	(5,385,487,007)
Operating Cash Flow Before Changes in Operating Assets & Liabilities (I)	**8,771,790,756**	**9,447,811,896**	**3,888,291,294**	***10,400,048,761***	***10,115,580,086***
Increase/(Decrease) In Operating Assets and Liabilities					
Loans And Advances	(35,448,722,522)	(26,083,078,267)	(8,972,011,665)	(48,149,037,787)	(89,464,175,973)
Other Assets	(149,709,898)	(329,557,246)	1,207,569,075	(400,388,462)	(524,779,722)
Borrowings From Other Banks and Financial Institutions	(203,243,800)	5,360,091,417	(1,295,171,744)	11,942,273,035	33,559,411,231
Proceeds From Issuance of Affordable Housing Bond	-	-	-	-	4,751,000,000
Deposits From Customers	32,397,970,444	33,837,248,816	22,632,432,701	26,460,328,428	67,558,949,157
Other Liabilities	(1,658,012,152)	473,789,477	1,153,663,554	912,507,742	(996,961,563)
Cash Utilized in Operating Assets and Liabilities (II)	***(5,061,717,928)***	***13,258,494,197***	***14,726,481,921***	***(9,234,317,044)***	***14,883,443,130***
Net Cash Flows from Operating Activities (I + II) (A)	**3,710,072,828**	**22,706,306,093**	**18,614,773,215**	**1,165,731,717**	**24,999,023,216**
B. Cash Flows from Investing Activities					
Treasury Bills	(4,743,711,736)	(6,482,003,710)	12,463,112,715	170,075,754	(422,721,002)
Bangladesh Bank Bills	2,497,936,800	-	-		
Treasury Bonds	1,096,934,546	(12,351,679,718)	(34,318,050,369)	15,284,380,330	(13,316,198,255)
Sale/(Investment) In Shares	(577,870,023)	(207,711,895)	(465,347,240)	(1,107,182,775)	(520,995,927)
Sale/(Investment) In Bonds	927,000,000	(1,131,615,340)	159,332,423	642,282,917	410,000,000
Redemption of BBL Bond	(2,706,965,700)	-	-		
Acquisition Of Fixed Assets	(802,330,855)	(1,219,205,803)	(758,893,262)	(2,955,859,632)	(2,118,856,350)
Disposal Of Fixed Assets	56,906,904	12,760,488	108,701,537	601,254,376	17,653,002
Net Cash Used in Investing Activities (B)	**(4,252,100,064)**	**(21,379,455,978)**	**(22,811,144,196)**	**12,634,950,970**	**(15,951,118,532)**
C. Cash Flows from Financing Activities					
Proceeds From Issue of Convertible Preference Shares	-	-	-	-	-
Proceeds From Issue of Ordinary Shares	-	-	-	-	-

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Cash Dividend Paid	**(347,296)**	**(172,484)**	**(918,394,579)**	(1,383,245,433)	(1,042,217,221)
Net Cash Flows from Financing Activities (C)	**(347,296)**	**(172,484)**	**(918,394,579)**	**(1,383,245,433)**	**(1,042,217,221)**
Net Increase/(Decrease) In Cash (A + B + C)	**(542,374,532)**	**1,326,677,631**	**(5,114,765,560)**	**12,417,437,254**	**8,005,687,463**
Cash And Cash Equivalents at The Beginning of The Year	**37,682,669,776**	**37,254,193,005**	**38,630,874,333**	**33,603,286,202**	**46,059,175,412**
Effect Of Exchange Rate Changes on Cash and Cash Equivalent	113,897,761	50,003,697	87,177,429	38,451,956	794,789,846
Cash And Cash Equivalents at The End of The Year	**37,254,193,005**	**38,630,874,333**	**33,603,286,202**	**46,059,175,412**	**54,859,652,721**
Cash And Cash Equivalents at The End of The Year:	**37,254,193,005**	**38,630,874,333**	**33,603,286,202**	**46,059,175,412**	**54,859,652,721**
Cash In Hand (Including Foreign Currency)	6,654,775,781	6,726,443,188	7,091,907,372	8,424,680,663	11,822,688,624
Balance With Bangladesh Bank and Its Agents Bank(S) (Including Foreign Currency)	15,719,774,488	16,103,064,899	12,151,189,284	14,252,262,804	19,953,525,473
Balance With Other Banks and Financial Institutions	14,878,545,136	15,799,498,546	14,358,762,046	19,880,951,145	16,255,534,724
Money At Call on Short Notice	-	-	-	3,500,000,000	6,826,376,000
Prize Bond	1,097,600	1,867,700	1,427,500	1,280,800	1,527,900
Net Operating Cashflow Per Share (NOCFPS)	**3.01**	**17.13**	**13.37**	**0.78**	**16.70**

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Particulars	2018	2019	2020	2021	2022
BRAC Bank Limited **Consolidated Balance Sheet**					
PROPERTY & ASSETS					
Cash	**22,394,474,142**	**23,066,672,434**	**19,987,803,891**	**23,459,424,430**	**31,871,593,250**
In hand (including foreign currencies)	6,674,699,654	6,963,607,535	7,836,614,607	9,207,161,626	11,918,067,777
Balance with Bangladesh Bank & its agent bank (including foreign currencies)	15,719,774,488	16,103,064,899	12,151,189,284	14,252,262,804	19,953,525,473
Balance w/ Other Banks & FIs	**44,651,943,921**	**46,597,711,756**	**42,650,004,620**	**78,261,312,910**	**52,951,344,277**
In Bangladesh	41,918,719,170	43,826,875,635	35,478,313,372	70,561,465,538	47,797,240,230
Outside Bangladesh	2,733,224,751	2,770,836,121	7,171,691,248	7,699,847,372	5,154,104,047
Money At Call or On Short Notice	-	-	-	**3,500,000,000**	**6,826,376,000**
Investments	**35,133,273,327**	**55,951,591,605**	**94,094,812,131**	**70,068,593,304**	**116,551,993,858**
Government	27,925,905,144	47,735,405,086	85,498,396,233	60,998,642,835	107,319,008,486
Others	7,207,368,183	8,216,186,519	8,596,415,898	9,069,950,469	9,232,985,372
Loans, advances and lease /investments	**238,400,399,660**	**264,870,263,857**	**273,438,940,961**	**322,135,188,439**	**412,084,750,584**
Loans, cash credits, overdrafts etc./ investments	154,792,422,586	146,383,712,944	136,750,360,676	169,128,372,833	222,711,877,598
Small & Medium Enterprises	80,422,409,963	115,109,495,430	134,621,356,804	150,749,009,625	187,247,111,913
Bills Purchased & Discounted	3,185,567,111	3,377,055,483	2,067,223,481	2,257,805,981	2,125,761,073
Fixed Assets	**6,265,160,203**	**10,873,480,720**	**10,605,635,911**	**12,834,169,424**	**13,463,514,348**
Other assets	**9,665,434,144**	**12,001,435,386**	**13,862,504,994**	**16,222,224,464**	**20,803,842,677**
Non - banking assets	**66,471,775**	**66,471,775**	**66,471,775**	**4,541,700**	**11,341,700**
Goodwill	**1,427,468,911**	**1,427,468,911**	**1,427,468,911**	**1,427,468,911**	**1,372,563,393**
Total Assets	**358,004,626,083**	**414,855,096,444**	**456,133,643,194**	**527,912,923,582**	**655,937,320,087**
LIABILITIES AND CAPITAL					
Liabilities:					
Borrowings from other Banks, FIs & agents	22,958,478,616	23,461,531,027	**12,572,789,394**	**24,150,953,707**	**38,908,810,526**
Borrowings from Central Bank	8,344,796,525	12,487,885,372	**23,370,068,779**	**23,175,903,824**	**42,184,501,809**
Affordable Housing Bond	-	-	-	-	**4,751,000,000**
Money at Call on short notice	-	1,273,500,000	**84,801,100**	-	-
Deposits and other accounts	**259,960,769,145**	**297,754,929,671**	**333,615,619,705**	**364,329,900,482**	**447,058,816,329**
Current deposits	84,212,957,634	101,846,330,888	143,332,071,057	164,417,743,536	187,855,608,325
Bills payable	2,428,242,638	1,911,038,678	1,797,962,669	2,367,889,416	1,739,503,614
Savings deposits	38,320,761,103	44,538,393,041	57,230,594,232	68,334,576,200	71,890,957,598
Fixed deposits	133,388,177,229	147,365,718,274	130,608,019,962	127,956,809,129	182,973,780,522
Other deposits	1,610,630,541	2,093,448,790	646,971,785	1,252,882,201	2,598,966,270
Subordinated Debt	-	-	-	-	-
Other liabilities	**25,040,396,495**	**33,213,605,195**	**32,731,812,776**	**39,308,075,071**	**42,004,580,813**

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Total liabilities	**316,304,440,781**	**368,191,451,265**	**402,375,091,754**	**450,964,833,084**	**574,907,709,477**
Capital and Shareholders' Equity					
Paid-up Capital	10,725,002,850	12,333,753,270	13,258,784,760	13,921,723,990	14,965,853,280
Share premium	3,853,767,032	3,853,767,032	3,853,767,032	3,853,767,032	3,853,767,032
Statutory reserve	6,428,088,086	8,129,149,416	9,405,017,728	10,067,956,958	11,148,169,834
Dividend Equalization Fund	355,218,455	355,218,455	355,218,455	355,218,455	355,218,455
Revaluation reserve on government securities	5,593,264	98,965,051	4,805,926,053	2,490,292,927	1,337,245,165
Assets Revaluation reserve	478,558,600	478,558,600	-	-	-
Share money deposit	-		-	-	-
Fair value reserve	78,920,073	78,920,073	78,920,073	78,920,073	78,920,073
Translation reserve	(17,674,822)	23,670,247	(15,052,339)	16,632,383	328,402,260
Surplus in profit and loss account / Retained earnings	13,342,589,185	15,230,405,214	16,368,391,545	26,402,962532	29,086,051,630
Total Shareholders' Equity	**35,250,062,723**	**40,582,407,358**	**48,110,973,307**	**57,187,474,350**	**61,153,627,729**
Non-Controlling Interest	6,450,122,579	6,081,237,821	5,647,578,133	19,760,616,148	19,875,982,881
Total Equity	**41,700,185,302**	**46,663,645,179**	**53,758,551,440**	**76,948,090,498**	**81,029,610,610**
Total Liabilities & Equity	**358,004,626,083**	**414,855,096,444**	**456,133,643,194**	**527,912,923,582**	**655,937,320,087**

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Particulars	2018	2019	2020	2021	2022
BRAC Bank Limited Consolidated Income Statement					
Interest income	27,477,932,316	32,622,685,991	27,079,940,016	24,225,217,948	31,365,476,735
Interest paid	(11,660,482,140)	(14,697,927,471)	(13,724,700,661)	(7,912,883,508)	(12,953,873,731)
Net Interest Income	**15,817,450,176**	**17,924,758,520**	**13,355,239,355**	**16,312,334,440**	**18,411,603,004**
Investment Income	2,791,093,074	3,057,465,086	8,182,278,016	7,142,434,925	7,585,930,404
Commission, exchange and brokerage	7,226,644,875	6,599,171,455	6,846,329,406	7,992,853,236	11,522,088,039
Other operating income	172,534,141	238,083,987	170,205,482	175,087,450	313,551,635
Total Operating Income (A)	**26,007,722,266**	**27,819,479,048**	**28,554,052,259**	**31,622,710,051**	**37,833,173,082**
Salaries and allowances	6,436,945,569	7,869,286,126	9,043,103,741	9,889,092,833	12,044,197,172
Rent, taxes, insurance, electricity, etc.	1,532,970,820	824,047,162	619,719,635	645,414,492	697,538,365
Legal expenses	76,193,857	57,680,540	67,443,988	62,840,810	62,177,773
Postage, stamp, telecommunication, etc.	321,719,919	313,422,992	301,320,117	317,984,231	411,043,177
Stationery, printing, advertisements, etc.	2,169,679,696	2,496,364,990	2,842,951,296	2,608,773,879	3,223,940,283
Chief Executive's salary and fees	13,971,499	18,775,000	18,775,000	19,424,250	24,471,250
Directors' fees	3,009,464	3,005,897	3,304,211	4,572,209	4,534,312
Auditors' fees	6,305,738	7,624,501	7,895,608	7,125,166	8,469,389
Impairment of goodwill	-	-	-	-	54,905,518
Depreciation and repair of Bank's assets	2,026,717,532	3,501,473,890	3,898,055,827	4,577,170,806	5,382,602,590
Other expenses	4,026,750,022	3,767,683,277	3,542,809,289	3,383,027,192	4,474,735,716
Total operating expenses (B)	**16,614,264,116**	**18,859,364,375**	**20,345,378,712**	**21,515,425,868**	**26,388,615,545**
Operating Profit (C = A – B)	**9,393,458,150**	**8,960,114,673**	**8,208,673,547**	**10,107,284,183**	**11,444,557,537**
Share of profit/(loss) of associate	1,915,700	(3,564,399)	-	3,742,052	4,860,182
Gain/(loss) on disposal of control of subsidiaries	-	5,001,679	-	17,373,182	2,049,419
Profit/ (Loss) Before Provisions (D)	**9,395,373,850**	**8,961,551,953**	**8,208,673,547**	**10,128,399,417**	**11,451,467,138**
Provision for loans/investments	683,745,138	1,096,128,805	2,365,157,113	2,971,016,470	1,938,266,664
Provision for off-balance sheet exposures	(37,000,000)	(192,000,000)	63,083,635	251,500,000	204,740,420
Provision for diminution in value of investments	116,400,000	534,400,000	(563,219,881)	(74,000,000)	20,539,430
Other provision	(10,762,161)	22,481,808	7,481,732	70,093,002	23,870,068

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Total provision (E)	**752,382,977**	**1,461,010,613**	**1,872,502,599**	**3,218,609,472**	**2,187,416,582**
Total profit / (loss) before Taxes (F = D – E)	**8,642,990,873**	**7,500,541,340**	**6,336,170,948**	**6,909,789,945**	**9,264,050,556**
Provision for taxation: (G)	**2,972,922,104**	**2,917,954,740**	**2,294,780,169**	**2,257,189,651**	**3,142,053,832**
Current tax	2,994,171,667	3,993,350,029	2,840,345,166	3,737,018,428	4,280,691,722
Deferred tax	(21,249,563)	(1,075,395,289)	(545,564,997)	(1,479,828,777)	(1,138,637,890)
Net Profit After Tax (F – G)	**5,670,068,769**	**4,582,586,600**	**4,041,390,779**	**4,652,600,294**	**6,121,996,724**
Earnings Per Share (EPS)	**4.50**	**3.73**	**3.17**	**3.65**	**4.02**

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Particulars	2018	2019	2020	2021	2022
BRAC Bank Limited					
Consolidated Cashflow Statement					
A. Cash Flows from Operating Activities					
Interest Receipts in Cash	28,522,108,889	34,687,360,158	32,195,001,006	30,510,937,817	37,022,269,415
Interest Payment	(9,444,568,536)	(13,911,791,386)	(15,636,013,075)	(8,765,182,197)	(10,349,004,887)
Dividend Receipts	130,303,495	147,292,311	130,763,062	225,198,769	294,041,064
Fees And Commission Receipts in Cash	23,498,969,584	27,086,387,248	28,610,570,178	36,148,193,743	44,272,349,310
Recoveries On Loans Previously Written Off	783,059,719	786,257,664	633,704,077	707,517,594	809,572,845
Cash Payments to Employees	(6,101,784,101)	(7,877,332,293)	(8,965,734,511)	(9,942,261,926)	(11,662,291,298)
Cash Payments to Suppliers	(18,632,476,521)	(20,906,139,145)	(25,375,595,894)	(29,490,800,154)	(34,548,789,786)
Income Tax Paid	(6,237,375,921)	(6,115,860,037)	(7,175,081,433)	(7,109,584,330)	(10,350,920,142)
Receipts From Other Operating Activities	1,257,727,644	596,472,391	1,810,225,196	592,067,664	953,966,643
Payment For Other Operating Activities	(4,852,031,161)	(4,760,977,173)	(4,028,702,697)	(4,049,473,180)	(5,714,933,022)
Operating Cash Flow Before Changes in Operating Assets and Liabilities (I)	***8,923,933,091***	***9,731,669,738***	***2,199,135,909***	***8,826,613,800***	***10,726,260,142***
Increase/(Decrease) In Operating Assets and Liabilities					
Loans And Advances	(35,188,943,781)	(26,058,586,421)	(8,638,680,349)	(47,587,679,964)	(90,450,491,062)
Other Assets	(519,357,958)	(417,143,954)	1,565,213,895	(376,833,057)	(484,467,659)
Borrowings From Other Banks and Financial Institutions	580,819,179	5,316,638,248	(911,149,627)	10,667,650,315	33,877,162,172
Proceeds From Issuance of Affordable Housing Bond	-	-	-	-	4,751,000,000
Deposits From Customers	37,895,555,125	36,821,447,652	37,742,136,950	31,712,233,455	80,145,069,185
Other Liabilities	(1,382,610,506)	413,807,234	1,055,798,882	483,029,607	(937,467,553)
Cash Utilized in Operating Assets and Liabilities (II)	**1,385,462,059**	**16,076,162,759**	**30,813,319,751**	***(5,101,599,644)***	***26,900,805,083***
Net Cash Flows from Operating Activities (I + II) (A)	**10,309,395,150**	**25,807,832,497**	**33,012,455,660**	**3,725,014,156**	**37,627,065,225**
B. Cash Flows from Investing Activities					
Treasury Bills	(12,328,600,474)	(7,457,050,124)	11,618,356,004	7,996,369,494	1,155,677,121
Bangladesh Bank Bills	2,497,936,800	-	-	-	-
Treasury Bonds	1,096,934,546	(12,351,679,718)	(48,589,867,351)	14,187,750,778	(48,629,090,534)
Investment In Shares	(591,052,996)	(104,611,148)	(371,439,457)	(863,128,507)	(615,054,764)
Sale/(Investment) In Bonds	927,000,000	(1,131,615,340)	159,332,423	642,282,917	410,000,000
Redemption of BBL Bonds	(2,706,965,700)	-	-	-	-
Acquisition Of Fixed Assets	(1,472,629,813)	(2,242,222,279)	(2,146,251,314)	(4,696,385,425)	(3,541,826,973)
Disposal Of Fixed Assets	62,349,104	14,704,488	110,651,527	601,372,697	17,736,063
Net Cash Used in Investing Activities (B)	**(12,515,028,533)**	**(23,272,474,121)**	**(39,219,218,168)**	**17,868,261,954**	**(51,202,559,087)**
C. Cash Flows from Financing Activities					

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Proceeds From Issue of Convertible Preference Shares	7,495,209,445	-	-	22,330,724,613	-
Proceeds From Issue of Ordinary Shares	-	-	-	-	112,140,000
Cash Dividend Paid	(347,296)	(2,980,595)	(921,492,906)	(1,383,245,432)	(1,042,217,221)
Net Cash Flows from Financing Activities (C)	**7,494,862,149**	**(2,980,595)**	**(921,492,906)**	**20,947,479,181**	**(930,077,221)**
Net Increase/(Decrease) In Cash (A + B + C)	**5,289,228,766**	**2,532,377,781**	**(7,128,255,414)**	**42,540,755,291**	**(14,505,571,083)**
Cash And Cash Equivalents at The Beginning of The Year	**61,659,571,597**	**67,047,515,663**	**69,666,251,890**	62,639,236,011	105,222,018,140
Effect Of Exchange Rate Changes on Cash and Cash Equivalent	98,715,300	86,358,446	101,239,535	42,026,838	934,394,370
Cash And Cash Equivalents at The End of The Year	**67,047,515,663**	**69,666,251,890**	**62,639,236,011**	**105,222,018,140**	**91,650,841,427**
Cash And Cash Equivalents at The End of The Year:	**67,047,515,663**	**69,666,251,890**	**62,639,236,011**	**105,222,018,140**	**91,650,841,427**
Cash In Hand (Including Foreign Currency)	6,674,699,654	6,963,607,535	7,836,614,607	9,207,161,626	11,918,067,777
Balance With Bangladesh Bank and Its Agents Bank(S) (Including Foreign Currency)	15,719,774,488	16,103,064,899	12,151,189,284	14,252,262,804	19,953,525,473
Balance With Other Banks and Financial Institutions	44,651,943,921	46,597,711,756	42,650,004,620	78,261,312,910	52,951,344,277
Money At Call on Short Notice	-	-	-	3,500,000,000	6,826,376,000
Prize Bond	1,097,600	1,867,700	1,427,500	1,280,800	1,527,900
Net Operating Cashflow Per Share (NOCFPS)	**8.36**	**19.46**	**23.71**	**2.49**	**25.14**

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13. FINANCIAL RATIOS FOR THE LAST 5 ACCOUNTING YEARS (2018-2022)

Ratios (Solo)	2018	2019	2020	2021	2022
Current Ratio	N/A	N/A	N/A	N/A	N/A
Quick Ratio	N/A	N/A	N/A	N/A	N/A
Breakeven Point	N/A	N/A	N/A	N/A	N/A
Debt-Equity Ratio Before Bond Issue (times)	8.37	7.84	6.98	6.65	8.05
Debt-Equity Ratio After Bond Issue (times)	N/A	N/A	N/A	N/A	8.17
Debt-Total Assets (times)	0.84	0.83	0.82	0.81	0.83
Accounts Receivable Turnover Ratio	N/A	N/A	N/A	N/A	N/A
Gross Profit Margin %	62	59	60	75	67
Operating Income %	6.45	6.25	5.31	5.52	5.25
Net Profit Margin %	18	16	13	18	14
Return On Assets (ROA) %	1.87	1.64	1.19	1.31	1.14
Return On Equity (ROE) %	19.25	15.60	10.69	11.00	10.22
Earnings Per Share (EPS) in BDT	4.50	4.26	3.26	3.71	3.85
Net Asset Value (NAV) Per Share in BDT	25.65	29.35	33.38	36.36	39.02
Cost of Fund %	6.75	7.04	6.41	4.49	4.83
Cost Income Ratio %	54	53	58	53	58
Capital Adequacy Ratio / CRAR %	13.67	15.07	14.55	14.36	14.04
Non-Performing Loan Ratio (NPL) %	3.10	3.99	2.93	3.90	3.72
Total Debt to Tangible Asset Ratio (times)	82.94	97.11	130.79	172.66	204.30
Net Operating Cash Flow to Net Income (times)	0.67	4.02	4.10	0.21	4.34
AD Ratio %	82.8	82.1	76.7	81.9	79.9

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14. CREDIT RATING SUMMARY

Credit Rating Status of BBL 2nd Subordinated Bond

Date of Declaration	Valid Till	Long Term Rating	Short Term Rating	Outlook
December 26, 2023	June 13, 2024	$AA_{1(Hyb)}$	N/A	Stable
Credit Rating Agency: Credit Rating Agency of Bangladesh (CRAB)				

Credit Rating Status of BRAC Bank PLC

Date of Declaration	Valid Till	Long Term Rating	Short Term Rating	Outlook
April 30, 2023	June 30, 2024	AAA	ST-1	Stable
Credit Rating Agency: Credit Rating Agency of Bangladesh (CRAB)				

CRAB has assigned "$AA_{1\ (hyb)}$" (pronounced Double A one hybrid) rating in the long term to BRAC Bank's issue of 2nd Subordinated Bond (upto BDT 7,000 million), in line with CRAB's standard notching practices. The rating outlook is stable, reflecting the outlook on the Issuer. The rating of the Bond includes "Hyb" as the subordinated bond has been structured for Tier-II own fund eligibility according to Bangladesh Bank regulation, thus combines both debt and equity characteristics. The rating outlook is stable, reflecting the outlook of the issuer.

CRAB performed the rating based on audited financial statements as of December 31st, 2022, unaudited financial statements as of March 31st, 2023 and other relevant information up to the date of rating declaration. The proposed BDT 7,000 million bond will be issued to strengthen BBL's capital base (Tier II Regulatory Capital Raising) in line with the Basel III framework. The redemption of principal of the Bonds will be started from third year and final maturity of the Bond will be at the end of seventh year from the issue date.

The bond rating reflects the Issuer's (BRAC Bank) strength in strong brand value, its ownership structure as well as strong tier-I capital. The bank also has sound liquidity with good funding profile and relatively low large loan concentration on the back of its SME focused business model. BRAC Bank also continuously maintains substantial additional provision for loans against regulatory requirement as a cushion. The Bank's robust network of branches & alternative delivery channels are also considered while assigning the rating. On the other hand, BRAC Bank's relatively higher cost to income ratio and 3.7% Non-Performing Loan (NPL) ratio are a subject of concern.

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Tanzim Alamgir
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15. LATEST DEFAULT STUDY & TRANSITION MATRIX

CRAB Ratings' Default Study 2022

Rating Category	1 Year Default Rate	3 Year Cumulative Default Rate (CDR)
AAA	0.00%	0.00%
AA	0.00%	0.00%
A	0.00%	0.00%
BBB	0.00%	0.00%
BB	0.00%	0.00%
B	0.00%	0.00%
CCC	0.00%	0.00%

CRAB Ratings' Transition Matrix 2022

Previous Rating	Rating After 1 Year						
	AAA	AA	A	BBB	BB	B	CCC
AAA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	1.51%	97.73%	0.76%	0.00%	0.00%	0.00%	0.00%
A	0.00%	4.23%	93.46%	2.31%	0.00%	0.00%	0.00%
BBB	0.00%	0.00%	5.80%	94.20%	0.00%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	32.86%	64.28%	2.86%	0.00%
B	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
CCC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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16. DESCRIPTION OF TRUSTEE

UCB Investment Ltd (UCBIL) is a fully owned subsidiary of United Commercial Bank Limited – one of the leading private commercial banks in Bangladesh. It was incorporated in Bangladesh with the Registrar of Joint Stock Companies & Firms (RJSCF), vide registration number: C-94654/11 dated 3rd August 2011 as a private limited company under the Companies Act (Act XVIII) of 1994. It obtained full-fledged Merchant Banker & Portfolio Management license (Reg No: MB97/2020) from Bangladesh Securities and Exchange Commission (BSEC) on 5th October 2020.

The company has been inaugurated on 29th November 2020, and Mr. Tanzim Alamgir is appointed as the founding Managing Director and Chief Executive Officer of the company. The company aims to play a vital role in bridging the gap in professional financial management services in the country and the gap between investors and investment opportunities. The registered address of the company is Bulus Center, Road: 34, Plot: CWS- (A)-1, Gulshan Avenue, Dhaka-1212.

With its group of versatile financial consultants, UCBIL covers all investment banking services including Corporate Advisory, Fixed Income Securities, Syndicate Loans, IPO Management, Portfolio Management, and many more. The entity aims at delivering top-class, customized investment solutions to its clients to cater to their specific needs and be their long-term growth partner.

Board of Directors	Status in Board
Mr. Nabil Mustafizur Rahman	Chairman
Mr. Touhid Shipar Rafiquzzaman	Independent Director
Mr. Md. Shah Alam Bhuiyan	Director, representative of UCB
Mr. Md. Abdullah Al Mamoon	Director, representative of UCB
Mr. Alamgir Kabir	Director, representative of UCB
Mr. Tanzim Alamgir	Managing Director & CEO

Shareholders	% of Share Holdings	No. of Shares
United Commercial Bank Limited	99.999999%	99,999,999
Mohammed Habibur Rahman	0.000001%	1

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SL	Name of the issue	Tenure	Value of debt (million)	Repayment amount/Principal Redemption	Latest outstanding amount (as of May, 2023)	Default	Remarks
1	**NRBC Bank Subordinated Bond-1**	07 years	3,000	-	3,000	Nil	-
2	**Bank Asia Perpetual Bond**	Perpetual	5,000	-	5,000	Nil	-
3	**Mercantile Bank Perpetual Bond**	Perpetual	5,000	-	5,000	Nil	-
4	**Mir Akhter Zero Coupon Bond**	04 Years	2,499	-	2,499	Nil	-
5	**Envoy Textiles Zero Coupon Bond**	05 Years	2,000	-	2,000	Nil	-
6	**3rd Subordinated Bond of BDT 500 Crore**	07 years	5,000	-	5,000	Nil	-
7	**MTB 5th Subordinated Bond**	07 years	5,000	-	5,000	Nil	-
8	**ICB 1st Mudaraba Sukuk**	10 years	10,000	-	10,000	Nil	-

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17. MODUS OPERANDI OF THE ISSUE

Application Procedure

Upon receiving the Consent Letter, the Information Memorandum shall be published by the Issuer on its official website, within the timeframes specified in the Consent Letter; provided further that a notice regarding the publication of Information Memorandum in the website mentioning web-addresses shall be circulated in at least one Bangla and one English language national daily newspaper. The approved Information Memorandum shall be made available in the website of the Issuer until the final date for subscription of the Bonds. The Bonds thereafter shall be distributed 100% through private placement on a best effort basis. Each Investor (Bondholder) shall enter into a separate Subscription Agreement with respect to their investment with the Issuer and shall be bound by the terms and conditions contained in the Subscription Agreement and the Trust Deed containing in details the rights and obligations of the Investor(s).

The Issuance of Bond

Notwithstanding anything contained anywhere in this Trust Deed, the Bonds shall be issued in dematerialized form as per the CDBL Bye Laws and the Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard.

The Bond shall be rated by the Credit Rating Agency and its periodical surveillance rating shall be done by the Credit Rating Agency in line with the provisions of the Bangladesh Securities and Exchange Commission, (Credit Rating Companies) Rules, 2022 up to the full and final redemption or conversion of the issued securities.

Allotment

On the Closing Date, to be determined, the Issuer shall allot and issue the Bonds to the Investor(s). The Bonds will be allotted according to the Rules.

Refund

Not applicable at the time of Issuance. However, subject to receiving proper consent from the regulatory authorities Refund in relation to the subscription may be possible upon mutual agreement between the Issuer and each Bondholder.

Transfer

Bonds are transferable subject to the Terms and Conditions set out in the Trust Deed.

Repayment and Coupon Payment

The Coupon generated on the Bonds shall be paid semi-annually beginning at the end of __ months from drawdown dates. The Coupon Payment Dates shall be determined depending upon

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the Issue Date. Unless previously redeemed or purchased or cancelled, the principal of the Bonds will amortize, and paid annually on a pro rata basis to the Bondholders in instalments of 20% per year in 5 annual tranches commencing at the end of 36th, 48th, 60th, 72nd and 84th month respectively from the date of drawdown. The final maturity of the Bonds will at the end of seventh year from the Issue Date of the Bonds.

Repayment and Redemption features of the Bond

The Coupon generated on the Bonds shall be paid semi-annually beginning at the end of __ months from drawdown dates. The Coupon Payment Dates shall be determined depending upon the Issue Date. Unless previously redeemed or purchased or cancelled, the principal of the Bonds will amortize, and paid annually on a pro rata basis to the Bondholders in instalments of 20% per year in 5 annual tranches commencing at the end of 36th, 48th, 60th, 72nd and 84th month respectively from the date of drawdown. The final maturity of the Bonds will at the end of seventh year from the Issue Date of the Bonds.

Trading or Listing with the Stock Exchange

The Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard, and comply with the regulatory requirements and guidelines relating to listing circulated from time to time.

REDEMPTION FEATURES

Each Bond shall be redeemed in accordance with Condition 8 of the Trust Deed (*Redemption, Repurchase and Cancellation*).

Details of Conversion or Exchange Option

Not Applicable.

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18. COST STRUCTURE

Particulars	Metric	Fees
Non-Regulatory Fees		27945000
Arranger Fee*	*0.30% of Capital Raised*	21,000,000
Legal Fee (Total)	*150,000 one time*	150,000
Credit Rating Fee (Total)	*150,000 per year*	1,050,000
Annual Trustee Fee (Total)	*300,000 per year*	2,100,000
Non-Regulatory Fee		27,945,000
VAT on Non-Regulatory Fee	*15%*	3,645,000
Incidental Expense		1,000,000
Regulatory Fees		**12,172,000**
BSEC Application Fee	*At Actual*	10,000
BSEC Consent Fee	*0.10% of Capital Raised*	7,000,000
BSEC Trustee Application Fee	*At Actual*	50,000
BSEC Trustee Registration Fee	*At Actual*	100,000
BSEC Annual Trustee Fee (Total)	*50,000 per year*	350,000
Trust Deed Stamp Duty	*At Actual*	1,100,000
CDBL Fee	*At Actual*	1,050,000
CDBL Security Deposit	*At Actual*	500,000
CDBL Annual Fee (Total)	*26,000 per year*	182,000
ATB Listing Fee	*At Actual*	500,000
ATB Annual Listing Fee (Total)	*190,000 per year*	1,330,000
Total		**41,117,000**
% Of Amount Raised		**0.59%**
Annualized Cost		**0.05%**

* 0.30% of raised amount or BDT 10,500,000 whichever is lower

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