

Strictly Private & Confidential

**Information Memorandum**

**Affordable Housing Bond**

**Issuer:** BRAC Bank Limited

**Corporate Head Office:** 220/B Tejgaon I/A, Dhaka- 1208, Bangladesh

**Type of Security:** Non-convertible redeemable unsecured fixed coupon senior bond

Issued in Two Parts as set out below

**Total Face Value of Part A and Part B:** up to BDT 6,000,000,000  
(each Part A and Part B Bond, a “**Bond**”)

**Part A Issuance:**

**Part A Issue Amount:** Up to BDT equivalent of USD 50 million (such amount being approximately up to BDT 4,250,000,000)

**Beneficiaries:** Part A Bondholders

**Trustee:** IDLC Investments Limited (in its capacity as trustee for the Part A Bondholders)

**Part B Issuance:**

**Part B Issue Amount:** Up to BDT 1,750,000,000 and the remaining unsubscribed amount of Part A Bonds (if any, provided the aggregate amount of the Part B Bonds does not exceed BDT 6,000,000,000)

**Beneficiaries:** Part B Bondholders

**Trustee:** IDLC Investments Limited (in its capacity as trustee for the Part B Bondholders)

**Common Terms:**

**Coupon Rate:** 5.50% p.a.

**Tenor:** Five Years from the date of the relevant issuance

**Face Value of Each Bond is:** BDT 1,000,000

**Face Value of Each Lot of Bond:** BDT 1,000,000

**Bonds in Each Lot:** 1

**Number of Lot:** Up to 6,000

**Total Number of Securities:** Up to 6,000

**Total Issue Price of the Bonds:** Up to BDT 6,000,000,000

**Issue Price of Each Bond:** BDT 1,000,000

**Issue Price of Each Lot of Bond:** BDT 1,000,000

**Total Issue Amount:** Up to BDT 6,000,000,000 (Face Value)

**Credit Rating status of the Issuer:** AA+ (CRISL), AA1 (CRAB), AA+ (ECRL), B+ (S&P), Ba3 (Moody’s)

**Credit Rating status of the Issue:** AA1 (CRAB)

*Arranger*

BRAC BANK LIMITED



“If you have queries about this document, you may consult the issuer or originator, issue manager and the trustee”

## ARRANGER'S DISCLAIMER

BRAC Bank Limited (the “**Issuer**” or “**BBL**”) has authorized BRAC BANK Limited (the “**Arranger**”) to distribute this Information Memorandum in connection with the proposed transaction outlined in it (the “**Transaction**”) and the Part A and Part B Bonds proposed to be issued in the Transaction (each, a “**Bond**”).

“**BRAC Bank Limited**” means BRAC Bank Limited and any group, subsidiary, associate or affiliate of BRAC Bank Limited and their respective directors, representatives or employees and/or any persons connected with them. Nothing in this Information Memorandum (the “**IM**”) constitutes an offer of securities for sale of any jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, Governmental and corporate approvals for the issuance of the Bond. All the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger.

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 or any of the information or opinions contained therein, and the Arranger 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 therefrom.

By accepting this Information Memorandum, you agree that the Arranger will not have any such liability. You should carefully read and retain this Information Memorandum. However, you are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with clients’ own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Bond.

## CONTACT LIST

<b>BRAC BANK LIMITED (Arranger)</b>	
<p><b>Md. Shaheen Iqbal, CFA</b> <b>Head of Treasury &amp; Financial Institutions</b> Head Office: Anik Tower (11th Floor), 220/B Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh Tel: +88 02-8801261 (Direct) Cell: +88-0171-304-9433 Email: shaheen.iqbal@bracbank.com Website: www.bracbank.com</p>	<p><b>Fouzia Rahman</b> <b>Head of Markets</b> Treasury &amp; Financial Institutions Head Office: Anik Tower (11th Floor), 220/B, Tejgaon I/A , Bangladesh Tel: +88 02-8801260 (Direct) Cell:+88 01713 493 937 Email: fouzia.rahman@bracbank.com Web : www.bracbank.com</p>
<p><b>Noman Nasir</b> <b>Head of FI Relationships</b> Treasury &amp; Financial Institutions Head Office: Anik Tower (11th Floor) 220/B, Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh Tel: +88 02 8801261 (Direct) Cell:+88 01713 493 933 Email: noman.nasir@bracbank.com</p>	
<b>BRAC BANK LIMITED (Issuer)</b>	
<p><b>Md. Shaheen Iqbal, CFA</b> <b>Head of Treasury &amp; Financial Institutions</b> Head Office: Anik Tower (11th Floor) 220/B, Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh Tel: +88 02-8801261 (Direct) Cell: +88 0171 304 9433 Email: shaheen.iqbal@bracbank.com</p>	<p><b>Fouzia Rahman</b> <b>Head of Markets</b> Treasury &amp; Financial Institutions Head Office: Anik Tower (11th Floor) 220/B, Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh Tel: +88 02 8801260 (Direct) Cell:+88 01713 493 937 Email: fouzia.rahman@bracbank.com</p>
<p><b>Noman Nasir</b> <b>Head of FI Relationships</b> Treasury &amp; Financial Institutions Head Office: Anik Tower (11th Floor) 220/B, Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh Tel: +88 02 8801261 (Direct) Cell:+88 01713 493 933 Email: noman.nasir@bracbank.com</p>	

**TABLE OF CONTENTS**

<b>Sl. No.</b>	<b>Description</b>	<b>Page No.</b>
<b>3</b>	Report to Eligible Investors	7
<b>4</b>	Risk factors and Management's perception about the Risks	7
<b>4.a</b>	Interest Rate Risks	7
<b>4.b</b>	Exchange Rate Risks	7
<b>4.c</b>	Non-Repayment Risks (i.e. Credit Risks)	8
<b>4.d</b>	Prepayment, Call or Refunding Risks	8
<b>4.e</b>	Security Risks	8
<b>4.f</b>	Liquidity Risks	8
<b>4.g</b>	Management Risks	9
<b>4.h</b>	Operational Risks	9
<b>4.i</b>	Business Risks	9
<b>4.j</b>	Industry Risks	10
<b>4.k (i)</b>	Market Related Risks	10
<b>4.k(ii)</b>	Technology Related Risks	10
<b>4.l</b>	Risks related to potential or existing Government Regulations	11
<b>4.m</b>	Risks related to potential changes in global or national policies	11
<b>4.n</b>	Risks Highlighted in Credit Rating Report & Mitigants	11
<b>5</b>	Detailed description and information as mentioned in schedule A (Part I & II)	12
<b>6</b>	Details of the Utilization of the Proceeds	15
<b>7</b>	Features of the Debt Security to be Issued	15
<b>7.a</b>	Basic Features of the Instrument	15
<b>7.b</b>	Coupon Rate	16
<b>7.c</b>	Coupon Frequency	16
<b>7.d</b>	Transferability/Liquidity	16
<b>7.e</b>	Prepayment, Call, Refunding, conversion features	16
<b>7.f</b>	Late Redemption	16
<b>7.g</b>	Credit Rating Trigger	16
<b>7.h</b>	Tax Features	16
<b>7.i</b>	Costs related to the issue	17
<b>7.j</b>	Repayment Schedule	17
<b>7.k</b>	Enforcement of Charges over securities	17
<b>8</b>	Description of Collateral Security and type of charges to be created against issue	17
<b>9</b>	Rights & Obligations of the Issuer	17
<b>10</b>	Rights & Obligations of the Trustee	19
<b>11</b>	Rights & Obligations of Eligible Investors	21
<b>12</b>	Description of the Issuer: BRAC Bank Limited	23
<b>12.a</b>	Capital Structure	23
<b>12.b</b>	Business of BRAC Bank Limited	24
<b>12.c</b>	Management of BRAC Bank Limited	30
<b>12.d</b>	Description of encumbered and unencumbered assets with value thereof	34
<b>12.e</b>	Brief Profile of Board of Directors	35
<b>12.f</b>	Description of Assets and Liabilities (As of September 30, 2020)	39
<b>12.g</b>	Description of previously issued debt or equity securities	42
<b>13</b>	Auditors Report along with Audited Financial Statements as at of the issuer, BRAC Bank Limited	44
<b>14</b>	Brief Overview and Comparative Financial Statements	49
<b>15</b>	Ratios for the Last Five Accounting Years	55
<b>16</b>	Repayment Schedule of the Bond	56
<b>17</b>	Credit Rating Report of The Issue	56
<b>18</b>	Latest Default Matrix and Transition Statistics	57

<b>19</b>	Description of The Trustee	57
<b>19.a</b>	Due Diligence Certificate of the Trustee	59
<b>20</b>	Modus Operandi of The Issue	60
<b>20.a</b>	Application Procedure	60
<b>20.b</b>	Allotment	60
<b>20.c</b>	Transfer	60
<b>20.d</b>	Repayment	61
<b>21</b>	Termination and Final Settlement of The Proposed Bond	61

#### **Tables**

<b>Sl. No.</b>	<b>Description</b>	<b>Page No.</b>
<b>1</b>	Table 1: Features of the Debt Securities	15
<b>2</b>	Table 2: Capital Structure	23
<b>3</b>	Table 3: Brief Overview and Comparative Financial Statements (Solo)	49
<b>4</b>	Table 4: Brief Overview and Comparative Financial Statements (Consolidated)	52
<b>5</b>	Table 5: Ratios for the last five accounting years (Solo)	55
<b>6</b>	Table 6: Ratios for the last five accounting years (Consolidated)	55
<b>7</b>	Table 7: Company Credit Rating	56
<b>8</b>	Table 8: Bond Credit Rating	57

#### **Annex**

<b>Sl. No.</b>	
<b>1</b>	Credit rating report of BRAC Bank Limited
<b>2</b>	Credit rating report on the bond of BRAC Bank Limited
<b>3</b>	Auditors report on financial statements of BRAC Bank Limited for the period ended

## **PART A and PART B Bonds**

As set out in this Information memorandum, the Issuer will conduct the issuance in two parts:

- (a) Part A Bonds: in respect of the Part A Bonds (International investors with an issue amount of up to BDT equivalent of USD 50 million); and
- (b) Part B Bonds: in respect of the Part B Bonds (Investors, other than the Part A Bond investors) with an issue amount of the remainder of the total amount after the Part A Bond issuance.

Part A and Part B Bonds will have separate Subscription Agreement regarding the terms of subscription of the relevant Investors. The Trust Deed will create separate settlement of trust for the appointment of IDLC Investments Limited as trustee with respect to each of the Part A and Part B Bonds.

*Please refer to the terms of the relevant Subscription Agreement and Trust Deed for further details.*

### 3. REPORT TO THE ELIGIBLE INVESTORS

Issuer has obtained information regarding Bangladesh economy from various Government publications and other sources. In the consideration of belief that its sources are reliable, it should be kept in mind that it has not independently verified information it has obtained from industry and Government sources and information from its internal surveys has not been verified by any independent sources. In addition, the information provided about the Trustee for Part A Bonds and/or Part B Bonds (i.e. IDLC Investments Limited) is received from the Trustee and the Arranger does not accept any responsibility for the information contained in the section entitled “The Trustee”. Further, the Arranger does not accept any responsibility for the information contained in the section entitled “Credit Rating”. The Arranger also does not make any representation concerning the accuracy or completeness of the information contained in the section “The Trustee” or in the section “Credit Rating”. The distribution of this Information Memorandum and the offering can be made both inside and outside Bangladesh. The offerings will not be offered to the public at large in Bangladesh, or outside Bangladesh.

The Arranger may withdraw this offering at any time, and also reserves the right to reject any offer to purchase the Part A Bonds or Part B Bonds in whole or in part and to sell to any prospective investor less than the full amount of the relevant Bonds sought by such investor. The Issuer has obtained approval of the Bangladesh Securities and Exchange Commission (BSEC), Bangladesh for issue of Bonds and the distribution of this Information Memorandum. Bangladesh Securities and Exchange Commission has given their consent to issue the Part A Bonds and Part B Bonds through its letter No.....dated: .....

### 4. RISK FACTORS AND MANAGEMENT’S PERCEPTION ABOUT THE RISKS

Following are certain issues for the investors to consider before taking an investment decision in this offer. In some of the risk factors and management proposals thereof, reference has been described below in addition to the other information contained in this Information Memorandum:

#### a. Interest Rate Risk

The banking book consists of assets and liabilities contracted basically on account of relationship or for steady income and statutory obligations and are generally held till maturity/payment by counterparty. The earnings or changes in the economic value are the main focus in banking book. Interest rate risk is the risk that a bank will experience deterioration in its financial position as interest rates move over time. Interest rate risk in the banking book arises from a bank’s core banking activities.

**Management Perception:** BRAC Bank Limited addresses its Interest Rate Risk in an efficient and effective manner. Interest rate risk management strategies of the Bank include Market Trend Analysis, Interest Rate Sensitivity Analysis and GAP Analysis. Asset Liability Committee (ALCO) regularly review interest rate risk on the banking book while Asset Liability Management (ALM) Unit is responsible for measuring and monitoring interest rate risk. ALM analyzes interest rate sensitivity by computing GAP i.e. the difference between Rate Sensitive Assets and Rate Sensitive Liabilities and take decision for necessary adjustment with the market dynamics taking into consideration of predictable events that may impinge on the money market. BRAC Bank also takes interest rate risk into consideration while product pricing. It also offers floating/variable rate products to better manage interest rate risk.

#### b. Exchange Rate Risk

Exchange Rate Risk refers to the potential change in earnings resulting from exchange rate fluctuations, adverse exchange positioning/ holding and market volatility. If the local currency appreciates against the major foreign currencies and the bank holds a significant net long position in foreign currencies during that time, the bank might incur loss. Similarly, if the local currency depreciates against the major foreign currencies while the bank holds a net short position in foreign currencies, the bank might lose.

**Management’s Perception:** BRAC Bank manages exchange rate risk by (i) setting specific limits on open foreign exchange position (ii) monitoring open position against these limits and (iii) setting and monitoring stop loss mechanism. BRAC Bank keeps the foreign exchange risks at minimum levels while performing its foreign trade and remittance transactions on behalf of the customers. All NOSTRO accounts are reconciled on a regular basis and outstanding entries are escalated to concerned departments and reported to higher management for immediate

settlement. The Treasury Department is vested with the responsibility to measure and minimize the risk associated with the bank's foreign exchange risk. Treasury personnel continuously monitor price movements of foreign exchange and use various hedging techniques to manage the bank's open position in a way that minimizes risk and optimizes return.

**c. Non-Repayment Risk (i.e. Credit risk)**

Non-repayment risk is defined as the risk of default on a debt that may arise from a borrower failing to make required payments. In the first resort, the risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs.

**Management's Perception:** The management of the Bank appreciating the magnitude and impact of non-repayment risk has put in place proper system and process to measure and monitor risk emphasizing on early alertness to arrest any deterioration of the quality of assets. BRAC Bank identifies risks by physical visits to the project sites on regular basis. Visits are made by Relationship Managers as well as by Credit Inspection Team of CRM. The Bank has established an open credit culture through delegation of authority among the mid-management of CRM division. To support the SME borrowers' businesses which are geographically spread-out all over the country including the rural areas, the Bank has established 16 CRM centers across the country. These centers perform an independent pre-approval visit to ensure credit-worthiness for the proposal to consider, hence covering 100% of the SME underwriting throughout the country.

**d. 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 Perception: The bond does not have voluntary prepayment option hence, the risk does not prevail.

**e. Security Risk**

Security Risk pertains from the adverse changes in the value of collaterals securing the credit exposure of the Bank and it takes the worst turn in case of default situation. In banking arena, components of security risk are more related with the operational part i.e. failure of system, process, procedure or occurrence of any other incident due to supervisory lapses on the part of management. Besides, security risk also arises from the failure to protect the information assets (data security) having direct impact on the business portfolio of the Bank.

**Management's Perception:** As part of risk mitigation the management attaches importance on strengthening supervisory control and oversight over the functionaries of the Bank to avert the risk of any breakdown in the process. Besides, realizing the added importance of securing the data/information due measures have been initiated to keep the servers well protected by restraining the access only to the authorized person(s).

**f. Liquidity Risk**

The Bank's businesses are subject to liquidity risks and could affect the Bank's ability to meet its financial obligations. In order for the Bank to continue to meet its funding obligations and to maintain or grow its business generally, it relies on customer savings/deposits as well as ongoing access to the wholesale lending markets. The ability of the Bank to access funding sources on favorable economic terms is dependent on a variety of factors, including a number of factors outside of its control, such as general market conditions and confidence in the banking system.

**Management's Perception:** The management of BRAC Bank is well aware of the risks involving liquidity constraint and is capable of handling such risks by practicing modern Asset Liability Management (ALM) techniques. The ALM committee regularly monitors the overall liquidity position of the bank and proactively makes policy changes in due course of time. To manage liquidity risk, BRAC Bank maintains various liquidity ratio limits and monitors those on day-to-day basis. It also conducts GAP analysis to better manage liquidity risk.



### **g. Management Risk**

Management risk refers to the chance that company managers may put their own interests ahead of the interest of the company and shareholders. The term signifies the risk of the situation that may occur if the company or any of its stakeholders other than the management would have been better off without the choices made by management.

**Management's Perception:** BRAC Bank Limited has well established management structure with diverse knowledge, skills, experience and expertise in core areas of banking operations in its bid to attain optimal utilization of available resources. We also constantly endeavor to streamline the corporate governance as it is a value laden concept which requires infusion of coherence among the stakeholders by removing the conflict of interest. Our board is very much alive to the element of 'Good Governance' and accordingly they provide strategic policy direction for smooth operation of the Bank by activating the professional team under the active leadership of the Managing Director and CEO.

### **h. Operational Risk**

The business of the bank depends on the ability to process a large number of transactions efficiently and accurately. Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk may also arise from error and fraud due to lack of internal control and compliance across the bank.

**Management's Perception:** BBL has established an Operational Risk Management (ORM) department to address operational risk and to frame and implement policies to encounter such risks. Appropriate Operational Risk Management Frameworks are in place at BBL to address operational risks. The ORM department assesses operational risk across the company as a whole and ensures that an appropriate framework exists to identify, assess, report and manage operational risk. The bank organizes both on the job and off the job training facilities so that the employees can be equipped to properly handle operational challenges. Most importantly, BRAC Bank has procured latest sophisticated technology and world class hardware to ensure smooth operation process. The management is very confident that it has the capability of combatting any future operational challenges.

### **i. Business Risk**

Business risk is the possibility that a company will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk is influenced by numerous factors, including business environment, economic situation and government regulations.

**Management perception:** In order to compensate for the high cost of funds, BBL is responding by providing superior service and offering innovative financial solutions to clients.

BBL has a robust risk management system to counter any adverse business risk and to maneuver in a hostile business environment. Most business risks have been covered in credit, liquidity and market risk. Additionally, the following measures are in place to counter and mitigate business risks:

- Regular review of impact of global economic meltdown and taking appropriate measures;
- Innovative and convenient financial products and services;
- Taking prompt actions on customer complaints;
- Frequent assessment of clients' satisfaction;
- Regular review of performance against budgets and targets;
- Review and analysis of competitors' performance;

Minimizing risk by forecasting future market condition gives BBL competitive edge over other competitors in the local market. In order to mitigate the prospective risks of the market, bank's research and treasury team regularly assesses the market information. This assessment updates the management about the current market situation, current global phenomena, price index of raw materials, refinance scheme taken by central bank and regulatory steps taken by various regulatory bodies. This also helps to make future prediction on any industry and the market as a whole.

## **j. Industry Risk**

Industry risk is the possibility that a specific industry will not perform up to the level or at par. When problems plague one industry, they affect the individual organizations of that particular industry. They may also cross over into other industries. The issuer is operating in a highly competitive market as modern banking industry has brought greater business diversification. Some banks in the industrialized world are entering into investments, underwriting of securities and portfolio management. The entry of new competitors may also deteriorate the competitive environment and result in lower profitability of the bank.

**Management Perception:** Most of the mitigants of industry risk have been covered under credit, liquidity, business, and regulatory risks. BRAC Bank has established strong deposit base reducing wholesale market dependency to very low to zero. Being a third generation private commercial bank, BRAC Bank has already carved out a commendable position in the banking industry of Bangladesh. Since inception, BRAC Bank has stressed upon sustainable and consistent growth by addressing unsystematic risks in its banking operation.

The bank always takes special care for superior value addition in its service to clientele, and has succeeded in diversifying its business portfolio across the thrust sectors of the economy. BRAC Bank has contributed meaningfully over the years in harnessing deposits by launching different attractive schemes befitting the requirement of different customer segments. BRAC Bank focuses on pursuing unexplored niche markets in the small and medium enterprise business which has remained largely untapped in the country. The bank not only makes profit by mobilizing fund from urban to rural areas, but also performs social responsibility by creating and supporting the entrepreneurial class.

## **k(i) Market Related Risk**

Market Risk is defined as the possibility of loss to a bank caused by changes or movements in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. Bank's exposure to market risk arises from investments (interest related instruments and equities) in trading book and the foreign exchange positions. The objective of the market risk management is to minimize the impact of losses on earnings and equity.

**Management perception:** The Company's Asset Liability Management Committee (ALCO) regularly meets to assess prevailing market risks. ALCO members analyze the changes in interest rates and market conditions, and conduct an analysis on the asset-liability maturity gap and product repricing, thereby taking effective measures to monitor and control interest rate risks. BBL clearly defines policies and procedures for limiting and controlling ALM risks by delineating responsibility and accountability and defining authorized instruments and position-taking opportunities. ALCO ensures that the company embraces the policies and procedures that enable effective ALM risk management. These include maintaining:

- An interest rate risk, liquidity risk, and forex risk management review process
- Appropriate limits on risk taking
- Adequate systems of risk measurement
- A comprehensive risk reporting system and effective internal controls

## **k(ii) Technology Risk**

Risk that customers may suffer service disruptions, or that customers or the group may incur losses arising from system defect such as failures, faults, or incompleteness in computer operations, or illegal or unauthorized use of computer system. As the banking industry is becoming more and more technology dependent, the risks arising from technology use is increasing day by day. The bank might be exposed to risks such as cyber-attack, system collapse, system hacking, unauthorized electronic fund transfers, etc.

**Management perception:** Technology continues to be a strong pillar in the bank's idea to attract customers through superior banking experience. In line with the key trends which are shaping technology today, the bank has rolled out its own banking app "Astha" along with various initiatives leveraging mobility, digitalization and innovations in payment technology. BRAC Bank, the only local bank, has its own FX trading platform "electra", that provides G7 currency pricing both streaming and RFQ. BRAC bank follows the guideline stated in BRPD Circular No. 14 dated

23 October 2005 regarding "Guideline on Information and Communication Technology for Scheduled Banks" and BRPD Circular No. 21 dated 20 May 2010 "Guideline on ICT Security.

The information security team of the bank works as a 3rd eye for Information Assurance and ICT risk management. Its' vision is to become the "center of excellence" for information security management within the banking industry and to be the forerunner in this trend as BRAC Bank has a mission to provide proactive security analysis and develop robust security architecture, and ingrain security awareness into the bank's culture. This team also work in partnership with various Information Resources departments such as Internal Audit, Compliance and Information Technology, as well as regulatory bodies such as the Bangladesh Bank to support bank's goals.

#### **I. Risk Related to Potential or Existing Government Regulations**

The issuer operates its business under the specific guidelines laid by the Bangladesh Bank, the Bangladesh Securities and Exchange Commission and other regulatory bodies. The bank is also regulated by the Bank Companies Act 1991, Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984 and Value Added Tax (VAT) Act 1991. Moreover, Bangladesh Bank sets policy rates including Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) of banking institutions from time to time. Any abrupt changes in the policies and regulations made by the authorities may adversely affect the business of the company.

**Management's Perception:** Unless any policy change that may negatively and significantly affect the industry as a whole, the business of the bank is expected not to be affected materially. Like all the scheduled banks in Bangladesh, BRAC Bank has been funding their assets from its deposits after maintaining the required SLR including CRR consistently, and complying with any such changes. BRAC Bank is capable of dealing with consequences of unfavorable policy or regulatory changes.

#### **m. 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 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.

#### **n. Risks Highlighted in Credit Rating Report & Mitigants**

<b>Sl.</b>	<b>Risk Factor</b>	<b>Mitigants</b>
1.	Spread pressure	Lower spreads are usually allowed for less risky clients and as such, are expected to provide value in the form of lower interest suspense.
2.	Impact of investment income & OPEX on profit	Management's strict adherence to regulatory guideline of restricting investments to a maximum of 25% of equity enables the company to limit this risk.
3.	Potential NPL & liquidity strain due to ongoing pandemic	At the time of the credit rating report, business activity had been suffering immensely due to the pandemic. However, the company's NPL ratio was still restricted to 2.93%. This was, to a great extent, a result of the company's efforts towards ensuring collections by successfully emphasizing the collection drives throughout the pandemic.
4.	Shortfall in short & long term liquidity bucket	As per the Asset Liability Management guideline for banks issued by Bangladesh Bank, liquidity gap in a particular bucket cannot exceed 16.5% of the outflow in that bucket. Management ensures liquidity profile management in compliance with this guideline to mitigate this risk. Also, over 80% of the company's liabilities are comprised of Term Deposits, while over 70% of these are renewed at maturity. This effectively allows the company to carry this portion over several maturities. Moreover, the company's efforts towards

		obtaining long-term funds through bond issuance is in part, to reinforce its mitigation strategy against this very risk.
5.	Fixed rate of return of the bond leading to higher interest rate risk	Currently, market yields are quite low as per the interest rate cycle and hence, this is a very suitable time for booking long-term funds such as bonds.

## 5. DETAILED DESCRIPTION AND INFORMATION OF THE ISSUER :

<b>1.a. Name of the issuer</b>	: BRAC Bank Limited
<b>b. Legal status of the issuer</b>	: 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 (2019: 187 branches), 456 SME unit offices (2019: 456 SME unit offices), 375 ATMs (2019: 424 ATMs) and 481 agent outlets (2019: 301 agent outlets) spread across the country.  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.
<b>c.(i) Registered address and telephone number of the issuer</b>	: The registered address of the bank is: Anik Tower, 220/B Tejgaon I/A, Tejgaon Gulshan Link Road, Tejgaon, Dhaka-1208.  Telephone No +88 02 8801255-60 (Dealing Room)
<b>c.(ii) Name, address and telephone number of the contact person</b>	<b>Md. Shaheen Iqbal, CFA</b> <b>Head of Treasury &amp; Financial Institutions</b> Head Office: Anik Tower (11th Floor), 220/B, Tejgaon I/A Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh Tel: +88 02-8801261 (Direct) Cell: +88-0171-304-9433 Email: <a href="mailto:shaheen.iqbal@bracbank.com">shaheen.iqbal@bracbank.com</a>  <b>Fouzia Rahman</b> <b>Head of Markets</b> Treasury & Financial Institutions Head Office: Anik Tower (11th Floor), 220/B, Tejgaon I/A Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh Tel: +88 02-8801260 (Direct) Cell:+88 01713 493 937 Email: <a href="mailto:fouzia.rahman@bracbank.com">fouzia.rahman@bracbank.com</a>
<b>d. Date of incorporation (in case of companies)</b>	: Incorporated as a Public Limited Company on 20 May, 1999 under the Companies Act, 1994 in Bangladesh
<b>e. Date of commencement of business</b>	: The Bank started its operations from 04 July, 2001.
<b>f. Authorized capital (in case of companies)</b>	: BDT 20,000,000,000 (2,000,000,000 ordinary shares of Tk. 10 each)

<b>g. Paid-up Capital (in case of companies)</b>	: The paid up capital of Bank is BDT 13,258,784,760 as of Dec 31, 2020
<b>h. Total Equity of the issuer</b>	: Consolidated total equity BDT 48,567,965,432 excluding minority interest as of Dec 31, 2020
<b>i. Total Liabilities of the issuer</b>	: BDT 350,547,305,963 as of Dec 31, 2020
<b>j. Total Financial Obligations</b>	: Consolidated total liabilities BDT 402,417,001,503 as of Dec 31, 2020
<b>k. Total Assets</b>	: BDT 397,502,390,329 as of Dec 31, 2020
<b>l. Total Tangible Assets</b>	: BDT 396,465,942,031 as of Dec 31, 2020
<b>m. Net worth of the issuer</b>	: Consolidated net worth BDT 48,567,965,432 excluding minority interest as of Dec 31, 2020
<b>n. Others</b>	: N/A
<b>2a. Issue manager</b>	: BRAC Bank Limited
<b>b. Legal status of the issue manager</b>	: Same as issuer
<b>c. Contact Information</b>	: <b>Md. Shaheen Iqbal, CFA</b> <b>Head of Treasury &amp; Financial Institutions</b> Head Office: Anik Tower (11th Floor), 220/B, Tejgaon I/A Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh Tel: +88 02-8801261 (Direct) Cell: +88-0171-304-9433 Email: <a href="mailto:shaheen.iqbal@bracbank.com">shaheen.iqbal@bracbank.com</a>  <b>Fouzia Rahman</b> <b>Head of Markets</b> Treasury & Financial Institutions Head Office: Anik Tower (11th Floor), 220/B, Tejgaon I/A Tejgaon-Gulshan Link Road, Dhaka-1208, Bangladesh Tel: +88 02-8801260 (Direct) Cell:+88 01713 493 937 Email: <a href="mailto:fouzia.rahman@bracbank.com">fouzia.rahman@bracbank.com</a>
<b>d. Name of the issue managed by the issue manager:</b>	: Affordable Housing Bond
<b>e. Others</b>	: N/A
<b>3a. Name of the Issue</b>	: Affordable Housing Bond
<b>b. Type of debt instrument to be issued</b>	: Coupon-bearing non-convertible redeemable unsecured fixed coupon Senior Bonds
<b>c. Purpose of the Issue</b>	: To provide affordable housing financing facility to lower and middle income group
<b>d. Number of securities being offered and the total issue amount</b>	See Part 7, Table 1 below
<b>e. Face Value and issue price</b>	See Part 7, Table 1 below
<b>f. Coupon rate/discount rate and YTM</b>	See Part 7, Table 1 below
<b>g. Tenor/Maturity</b>	See Part 7, Table 1 below
<b>h. Prepayment, Call, Refunding, Conversion features</b>	See Part 7, Table 1 below
<b>i. Mode of redemption</b>	See Part 7, Table 1 below
<b>j. Mode of Option</b>	: Not Applicable

<b>k. Rate of return</b>	: As the Coupon Rate
<b>l. Applicable tax rate</b>	: 5% withholding tax (subject to change by Government, if any) will apply under section 51 of ITO 1984 against any interest, profit, or discount payment on securities approved by the Government or the BSEC.
<b>m. Default protection mechanism</b>	See Part 7, Table 1 below
<b>n. Type of collateral securities being offered</b>	: Not Applicable
<b>o. Status of securities holders in case of priority of payment:</b>	: Senior
<b>p. Period within which securities to be issued</b>	: To be issued within 180 days from BSEC consent or as per terms approved by BSEC
<b>q. Nature of tradability</b>	: A Subscriber shall have the right to freely transfer, novate or assign all or a portion of its rights and obligations under the Subscription Agreement.
<b>r. Others</b>	: Not Applicable
<b>4.a. Name of trustee</b>	: IDLC Investments Limited DR Tower (4th Floor) Bir Protik Gazi Golam Dastagir Road Purana Paltan, Dhaka 1000
<b>b. Paid-up capital of the Trustee</b>	: BDT 2,200,000,000 as of December 31, 2020
<b>c. Net worth of the Trustee</b>	: BDT 3,162,109,157 as of December 31, 2020
<b>d. Name of the issue(s) where performing as trustee:</b>	: Affordable Housing Bond
<b>e. Others</b>	: Not Applicable
<b>5.a. Credit Rating Company</b>	: Credit Rating Agency of Bangladesh Limited (CRAB)
<b>b. Credit Rating Status of the issuer</b>	: CRAB : Long Term: <b>AA1</b> , Short Term: ST-1, Outlook: Stable ECRL : Long Term: <b>AA+</b> , Short Term: ST-1, Outlook: Stable CRISL : Long Term: <b>AA+</b> , Short Term: ST-1, Outlook: Stable S&P Global : Long Term: <b>B+</b> , Short Term: B, Outlook: Stable Moody's : Long Term: <b>Ba3</b> , Short Term: NP, Outlook: Stable
<b>c. Credit Rating Status of the issue</b>	: CRAB : Long Term: <b>AA1</b> , Outlook: Stable
<b>d. Date, validity of rating, and surveillance rating</b>	: Issuer: CRAB : Date of Rating: 17 Jun 2021; Valid Till: 30 Jun 2022 ECRL : Date of Rating: 01 Jul 2021; Valid Till: 30 Jun 2022 CRISL : Date of Rating: 28 Jun 2021; Valid Till: 27 Jun 2022 S&P Global : Date of Rating: 02 Dec 2020; Valid Till: 01 Dec 2021 Moody's : Date of Rating: 26 Aug 2021; Valid Till: 25 Aug 2022  Issue (CRAB) : Date of Rating: 26 Aug 2021; Valid Till: 31 Mar 2022
<b>e. Latest default rate of the credit rating company:</b>	: 1-Year Default Rate 0.00% 3-Year Cumulative Default Rate (CDR) 0.00%
<b>f. Average time to default of the rated category:</b>	: No default in the rated category
<b>g. Rating trigger, if any:</b>	See Part 7, Table 1 below
<b>h. Others</b>	: Not Applicable
<b>6. Particulars of originators, if any</b>	: Not Applicable

<b>7. Particulars of other contractual parties</b>	: Not Applicable
<b>Date of audited accounts, which is included in the IM</b>	: For the period ended on Dec 31, 2020

## 6. DETAILS OF THE UTILIZATION OF PROCEEDS

The issuer plans to raise BDT 6,000,000,000.00 through issuance of coupon bearing bonds to provide housing finance facility and utilize the proceeds as hereunder:

### PART A Bonds

The issuer will utilize the BDT equivalent of USD 50,000,000.00 (such amount being approximately up to BDT 4,250,000,000<sup>1</sup>) through issuance of the Part A coupon bonds to provide housing financing facility, including affordable finance facility to lower and middle income groups, as set out in Section 2.01 of the Part A Subscription Agreement.

### PART B Bonds

The issuer will utilize up to BDT 1,750,000,000 and the remaining unsubscribed amount of Part A Bonds (if any, provided the aggregate amount of the Part B Bonds shall not exceed the aggregate amount of BDT 6,000,000,000) to provide housing financing facility including lower and middle income group.

## 7. FEATURES OF THE DEBT SECURITY TO BE ISSUED

**Table 1: Features of the Debt Securities**

<b>Issuer</b>	<b>BRAC Bank Limited (BBL)</b>
<b>a. Basic Features of the Instrument</b>	
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-resident Bangladeshis 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 bond 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

<sup>1</sup> @ USD/BDT exchange rate of 1USD = BDT 85.

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	<ul style="list-style-type: none"> <li>• Trust deed</li> <li>• Part A Subscription Agreement (with respect to the Part A Bonds) and Part B Subscription Agreement (with respect to the Part B Bonds)</li> <li>• Information Memorandum</li> <li>• Terms and Conditions (with respect to each of the Part A Bonds, and the Part B Bonds)</li> <li>• Any other instrument(s) relating to such transaction</li> </ul>
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.
Trustee	Part A Bonds <i>Trustee:</i> IDLC Investments Limited Part B Bonds <i>Trustee:</i> IDLC Investments Limited <i>Agent:</i> IDLC Finance Limited
Legal Counsel	A Rahman and Associates
<b>b. Coupon Rate</b>	Fixed 5.50% p.a.
<b>c. Coupon Frequency</b>	Semi-annual
<b>d. Transferability /Liquidity</b>	Freely transferable
<b>e. Prepayment, Call, Refunding, Conversion features</b>	No voluntary prepayment/call option or conversion.
<b>f. Late Redemption</b>	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).
<b>g. Credit Rating Trigger</b>	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.
<b>h. Tax Features</b>	As per applicable law and transaction documents with respect to the Part A and Part B Bonds



<b>i. Aggregate Cost related to the issue of the Part A and Part B Bonds</b>	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
<b>j. Repayment Schedule</b>	Bullet, at final maturity of the relevant Bond tranche. For details, please see clause 16 at page 56.
<b>k. Enforcement of Charges over securities</b>	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).

**8. DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED AGAINST ISSUE**

The issue is an unsecured non-convertible bond and the issuer owes bondholders an indebtedness subsequent to all secured lenders/investors. Therefore, BRAC Bank Limited Housing Finance Bond (including the Part A and Part B Bonds) is not covered by any collateral or security and hence no charge to be created against the issue.

**9. RIGHTS & OBLIGATIONS OF THE ISSUER**

*Capitalized terms not defined herein shall have meaning as ascribed to such terms in Part A Subscription Agreement with respect to the Part A Bonds, Part B Subscription Agreement with respect to Part B Bonds, relevant section of the Trust Deed and/or corresponding Terms and Conditions with respect to each of the Part A and Part B Bonds (as the case may be).*

*Please refer to the terms of the Part A Subscription Agreement, relevant part of the Trust Deed and Terms and Conditions for the Part A Bonds for an exhaustive list of the Issuer’s rights and obligations regarding the Part A Bonds. Similarly, please refer to the terms of the Part B Subscription Agreement, relevant part of the Trust Deed and Terms and Conditions for the Part B Bonds for an exhaustive list of the Issuer’s rights and obligations regarding the Part B Bonds.*

**9.1 Covenants to Repay**

The Issuer will on any date when any Bonds become due to be redeemed in accordance with the relevant Subscription Agreement (being the Part A Subscription Agreement with respect to the Part A Bonds, and Part B Subscription Agreement with respect to Part B Bonds) and applicable Trust Deed conditions unconditionally pay to or to the order of the Trustee (in its applicable capacity) in BDT in immediately available funds the principal amount of the relevant Bonds becoming due for redemption on that date and will until such payment (both before and after judgment) unconditionally so pay to or to the order of the Trustee interest on the principal amount of the Part A Bonds or Part B Bonds outstanding as set out in the relevant Subscription Agreements and Trust Deed, as well as any other amounts due and payable in connection with such redemption. The Trustee will hold the benefit of this covenant on trust for itself and the relevant Bondholders.

Any payment to be made in respect of the Part A Bonds or Part B Bonds by the Issuer or the Trustee may be made as provided in the relevant Terms and Conditions and applicable Subscription Agreement, and any payment so made will to that extent be a good and complete discharge to the Issuer or the Trustee, as the case may be.

## **9.2 Compliance with Transaction Documents**

The Issuer shall comply with, perform and observe all those provisions of the Transaction Documents for the Part A Bonds or Part B Bonds which are expressed to be binding on it (including make all payments due under the relevant Transaction Documents as and when they are due and payable). All amounts payable by the Issuer under the Trust Deed or any other Transaction Document to the Bondholders or, as the case may be, the Trustee shall be made for value on the due date in BDT by electronic transfer/other available modes to the Designated Account of that Bondholders communicated in writing to the Issuer or in case of the Trustee, in an account communicated in writing to the Issuer by the Trustee.

## **9.3 Compliance with Applicable Law**

The Issuer shall comply with, perform and observe all those provisions of the Applicable Laws including, but not limited to Debt Securities Rules.

## **9.4 Books of Account**

The Issuer shall keep proper books of account and, so far as permitted by Applicable Law, allow the Trustee and anyone appointed by it, access to its books of account at all reasonable times during normal business hours.

## **9.5 Notice of Events of Default**

The Issuer shall notify the Trustee in writing immediately becoming aware or being notified of the occurrence of any Potential Event of Default or Event of Default without waiting for the Trustee to take any further action, and provide to the Trustee a notice setting forth the details of the Event of Default or Potential Event of Default, and the action which the Issuer proposes to take with respect thereto.

## **9.6 Information**

The Issuer shall, so far as permitted by Applicable Law, give to the Trustee such information as it requires to perform its functions and/or exercise its rights, powers and discretion as Trustee (as separately acting with respect to each of the Part A and Part B Bonds) under the Trust Deed.

## **9.7 Reporting Requirements**

The Issuer shall send to the Trustee (as separately acting with respect to each of the Part A and Part B Bonds) such financial information, notices and other information as set out in the relevant Terms and Conditions for such Bonds.

## **9.8 Notices to Bondholders**

The Issuer shall, prior to the giving of any notice, send to the Trustee at least five Business Days (or such shorter period as may be agreed by the Trustee) prior to the date of publication, a copy of the form of each notice to be given to Bondholders and, once given, two copies of each such notice, such notice to be in a form approved by the Trustee.

## **9.9 Notification of non-payment**

The Issuer shall notify the Trustee in the event that it does not, on or before the due date for payment of any sum in respect of the relevant Bonds, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds.

## **9.10 Further Acts**

The Issuer shall so far as permitted by applicable law, do such further things as may be necessary in the opinion of the Trustee to give effect to the relevant provisions Trust Deed with respect to each of the Part A and Part B Bonds.

## **9.11 Notice of Late Payment**

The Issuer shall forthwith upon request by the Trustee give or procure to be given notice to the relevant Bondholders of any unconditional payment to the Trustee of any sum due in respect of the corresponding Bonds made after the due date for such payment.

## **9.12 Legal Opinions**

The Issuer shall prior to making any modification or amendment or supplement to the part of the Trust Deed relating to the Part A Bonds or Part B Bonds, procure the delivery of (a) legal opinion(s) as to any relevant law, addressed to the Trustee (in its applicable capacity), dated the date of such modification or amendment or supplement, as the case may be, and in a form acceptable to the Trustee from legal advisers acceptable to the Trustee.

### **9.13 Authorization and Consents**

The Issuer shall obtain, comply with and do all that is necessary to maintain in full force and effect any consent, approval, authorization, exemption, filing, license, order, recording or registration (i) to enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under the relevant Bonds, the Trust Deed and the Transaction Documents, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make such relevant Bonds, the Trust Deed and the Transaction Documents admissible in evidence in Bangladesh and England.

**9.14 Acceleration after Default.** If any Event of Default or Potential Event of Default occurs and is continuing (whether it is voluntary or involuntary, or results from operation of law or otherwise), the Trustee (acting in accordance with the relevant provisions of the Trust Deed) may, by notice to the Issuer, require the Issuer to repay the outstanding amounts under the Part A Bonds or Part B Bonds or such part thereof as is specified in that notice. On receipt of any such notice, the Issuer shall immediately repay outstanding amounts under the Part A Bonds or Part B Bonds (or that part thereof specified in that notice) and pay all interest accrued on it, any other costs in accordance with the relevant Subscription Agreement, and any other amounts then payable under the Transaction Documents to which it is a party. The Issuer waives any right it might have to further notice, presentment, demand or protest with respect to that demand for immediate payment.

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

## **10. RIGHTS & OBLIGATIONS OF THE TRUSTEE**

*Rights and obligations of IDLC Investments Limited in its capacity as Trustee for the Bonds.*

*Capitalized terms not defined herein shall have meaning as ascribed to such terms in Part A Subscription Agreement with respect to the Part A Bonds, Part B Subscription Agreement with respect to Part B Bonds, relevant section of the Trust Deed and/or corresponding Terms and Conditions with respect to each of the Part A and Part B Bonds (as the case may be). Each reference to “the Trustee” herein shall be deemed to be a reference to the Trustee for the Part A Bonds, with respect to the Part A Bonds and Part A Bondholders, and to the Trustee for the Part B Bonds, with respect to the Part B Bonds and Part B Bondholders. For the avoidance of doubt, the Trustee for the Part A Bonds shall only be entitled to exercise the rights of (and owe any obligations to) the Part A Bondholders, and the Trustee for the Part B Bonds shall only be entitled to exercise the rights of (and owe any obligations to) the Part B Bondholders.*

*Please refer to the terms of the Part A Subscription Agreement, relevant part of the Trust Deed and Terms and Conditions for the Part A Bonds for an exhaustive list of the rights and obligation of the Trustee regarding the Part A Bonds. Similarly, please refer to the terms of the Part B Subscription Agreement, relevant part of the Trust Deed and Terms and Conditions for the Part B Bonds for an exhaustive list of the rights and obligations of the Trustee regarding the Part B Bonds.*

**10.1.** The Trustee shall have all such duties and obligations as set out in the applicable laws including but is not limited to the Debt Securities Rules and the Trusts Act.

**10.2.** The Trustee shall manage and administer the relevant Bonds in accordance with the terms of the Trust Deed applicable to the Part A Bonds or Part B Bonds (as appropriate) and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith and to implement, give effect to and facilitate the terms and conditions of the relevant Bonds and such other documents, deeds and agreements in contemplation thereof.

**10.3.** To the extent permitted by Applicable Laws of Bangladesh, the Trustee shall act on behalf and for the exclusive interests of the relevant Bondholders and be liable to sue and to be sued on behalf of them.

**10.4.** The Trustee shall ensure that the Issuer is observing Applicable Laws (including, but not limited to, the requirements of the Debt Securities Rules) and the terms and conditions of the Transaction Documents. Promptly upon

becoming aware of any breach of Applicable Laws or the Transaction Documents by the Issuer, the Trustee shall immediately inform the Bondholders and the Issuer of such breach.

**10.5.** The Trustee shall open and maintain such accounts as it deems necessary for discharging the functions of Trustee in pursuant to the provision of the Trust Deed, the Trusts Act and the Debt Securities Rules.

**10.6.** The Trustee shall hold and keep the money and assets representing the Trust Property and to deposit and withdraw such moneys and assets as may be required from time to time.

**10.7.** The Trustee shall monitor timely payment of all amounts due and payable by the Issuer to the Bondholders pursuant to the relevant Transaction Documents and submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of amounts payable to the relevant Bondholders. When Trustee shall submit such report to the BSEC, it shall provide a copy of such report to the Issuer and each of the Bondholders.

**10.8.** Upon receipt of a complaint from the Bondholders, the Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and it 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.

**10.9.** On the requisition of the Bondholders in accordance with the provision of the Trust Deed, the Trustee shall call any Meeting of the Bondholders and to facilitate the proceedings of such Meeting as it deems appropriate in accordance with the terms of the Trust Deed applicable to the Part A Bonds or Part B Bonds (as appropriate).

**10.10.** Upon instruction by the Bondholders in accordance with the Trust Deed, as applicable to the Part A Bonds or Part B Bonds (as appropriate), to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of the Trust Deed after distribution of amounts standing to their credit. The Trustee shall, if required, inspect or call for books of accounts, records, register of the Issuers and the Trust Property to the extent necessary for discharging its relevant obligations under the Trust Deed.

#### **10.11. APPOINTMENT, RETIREMENT AND REMOVAL OF THE TRUSTEE**

The Issuer has the power of appointing new trustees but no person will be so appointed unless previously approved by a Resolution. A trust corporation will at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee will be notified by the Issuer to the Bondholders as soon as practicable.

Any Trustee may retire or be removed, in each case, at any time in accordance with Rule 14 of the Debt Securities Rules. A Trustee shall not be responsible for any costs, charges and expenses occasioned by such retirement or removal.

The Trustee may by prior written notice to the Issuer appoint anyone to act as an additional trustee jointly with the Trustee: (a) if the Trustee considers the appointment to be in the interests of the Bondholders; (b) to conform with a legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed; or (c) to obtain a judgment or to enforce a judgment or any provision of the Trust Deed in any jurisdiction.

Subject to the provisions of the Trust Deed, the Trustee may confer on any person so appointed such functions as it thinks fit, provided that such additional trustee shall agree to be bound by the provisions of the Trust Deed. The Trustee may by written notice to the Issuer and that person remove that person. At the Trustee's request, the Issuer will forthwith do all things as may be required to perfect such appointment or removal and it irrevocably appoints the Trustee as its attorney in its name and on its behalf to do so. The Trustee shall not be responsible for monitoring or supervising any such additional trustee and shall not be liable for the acts and/or omissions, or any misconduct, negligence, default, fraud or breach of duty of any additional trustee. The obligations and liabilities of each co-trustee shall be several and not joint. If there are more than two Trustees, the majority of them will be competent to perform the Trustee's functions provided such majority includes a trust corporation.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder (provided it is a trust corporation), without the execution or filing of any paper or any further

act on the part of any of the parties hereto. Notice shall be given to the Issuer by the Trustee as soon as practicable if any such event occurs. No trustee or co-trustee may be appointed or removed, and no Trustee or co-trustee hereunder may retire without the prior written approval of the BSEC.

## **11. RIGHTS & OBLIGATIONS OF ELIGIBLE INVESTORS**

*Capitalized terms not defined herein shall have meaning as ascribed to such terms in Part A Subscription Agreement with respect to the Part A Bonds, Part B Subscription Agreement with respect to Part B Bonds, relevant section of the Trust Deed and/or corresponding Terms and Conditions with respect to each of the Part A and Part B Bonds (as the case may be).*

*Please refer to the terms of the Part A Subscription Agreement, relevant part of the Trust Deed and Terms and Conditions for the Part A Bonds for an exhaustive list of the rights and obligation of the eligible investors regarding the Part A Bonds. Similarly, please refer to the terms of the Part B Subscription Agreement, relevant part of the Trust Deed and Terms and Conditions for the Part B Bonds for an exhaustive list of the rights and obligations of the eligible investors regarding the Part B Bonds.*

### **11.1. Binding Obligation**

The Bondholders for the Part A Bonds or Part B Bonds have the rights and obligations under the relevant Transaction Documents applicable to the Part A Bonds or Part B Bonds (as appropriate) to which they are a party or otherwise expressed as benefitting them or as being binding on them.

### **11.2. Severability of Bondholder's Obligations and Individual Rights**

The Rights of each Bondholder are separate and independent rights and any debt arising under the relevant Bonds and the Terms and Conditions to a Bondholder from the Issuer shall be a separate and independent debt. An amendment or waiver to the applicable Terms and Conditions for the Part A Bonds or Part B Bonds (shall require the consent of the relevant Bondholders by way of a Resolution.

### **11.3. Powers**

Each Bondholder has the right to participate in Meetings of the Part A Bondholders (for Part A Bondholders) and of the Part B Bondholders (for Part B Bondholders) and vote therein in accordance with the relevant provisions of the Trust Deed.

### **11.4. Subscription**

The Investors will subscribe and pay the aggregate purchase price for the relevant Tranche in accordance with the Part A Subscription Agreement or Part B Subscription Agreement, as applicable.

### **11.5. Compliance**

The Bondholder(s) Bondholder for the Part A Bonds and Part B Bonds (as applicable) are obligated to comply with all applicable laws and regulations of Bangladesh.

### **11.6. Indemnity**

(a) The Issuer shall indemnify Part A Bondholders and their respective officers, directors, employees, agents and representatives (each, an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, and expenses (including fees, charges and disbursements of counsel) incurred by or asserted against any Indemnitee arising out of, in connection with, or related to (i) the execution, delivery or performance of any Transaction Document or any other agreement or instrument contemplated thereby or the consummation of the transactions contemplated hereby, (ii) the Bonds or the use of proceeds thereof, (iii) non-compliance with any law or regulation, including any environmental law or regulation, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is party thereto; provided that such indemnity will not be available to any Indemnitee to the extent that such losses, claims, damages, liabilities or expenses resulted directly from such Indemnitee's gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction. (b) To the maximum extent permitted by applicable law, the Issuer shall not assert, and hereby agrees to waive, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive

damages arising out of, in connection with, or relating to, the relevant Subscription Agreement or any agreement or instrument contemplated hereby, the Bonds or the use of the proceeds thereof.

#### **11.7 Payment**

The Bondholders will subscribe for the relevant Bonds in accordance with the Part A or Part B Subscription Agreement (as applicable).

#### **11.8 Termination**

The Trust shall be extinguished on the date on which the Trustee is satisfied (acting in accordance with a Resolution of the relevant Bondholders) that: (a) all indebtedness and other liabilities of any nature of the Issuer due, owing or incurred under or in connection with the applicable Transaction Documents, whether present, future, actual or contingent, matured or unmatured, liquidated or unliquidated, has been irrevocably, indefeasibly and unconditionally paid and discharged in full; (b) the Issuer has no liability to the Trustee or any Bondholder under any Transaction Document applicable to such Bondholders (other than any contingent liability in respect of an indemnity provided by the Issuer under the Transaction Documents applicable to such Bondholders where there is no outstanding claim for payment in respect of any such indemnity), (c) and the Subscription Period with respect to the relevant Bonds has ended and the Issuer has no further right to request a subscription under the terms of the relevant Subscription Agreement with respect to the Part A Bonds or Part B Bonds.

#### **11.9. Protection of Interest**

The Bondholders are entitled to have their interests protected/preserved by the Trustee for such Bonds.

## 12 (a) Capital Structure

**Table 2: Capital Structure of BRAC Bank Limited**

**As on 31 December 2020**

<b>Sl No.</b>	<b>Shareholder's Group</b>	<b>No. of Shares Hold</b>	<b>% of Total Shares</b>	<b>No. of Shareholders</b>
1	Sponsors & Directors:			
	I. Local (Corp. Body)	612,092,251	46.165	1
	II. Local (Individual)	1,041,711	0.079	7
	III. Govt. of Bangladesh	-	-	
	IV. Foreign (Individual + Corporate Body)	-	-	
2	Associated Companies	Nil	Nil	Nil
3	Govt. of Bangladesh (other than in Sl. No.)	Nil	Nil	Nil
4	Corporate Bodies:			
	I. Local (Other than in Sl. No. 1)	77,577,206	5.85	447
	II. Foreign (Other than in Sl. No. 1)	524,694,542	39.57	79
5	General Investors:			
	I. Local Individual	81,212,459	6.126	17814
	II. Non - Resident Bangladeshis (NRBs)	1,174,983	0.09	272
	III. Foreign Individual	Nil	Nil	Nil
6	Other, if any (please specify)			
	I. Mutual Fund and others Fund	28,085,324	2.12	40
	<b>Total</b>	<b>1,325,878,476</b>	<b>100</b>	<b>18660</b>

## **12 (b) (i) Business of BRAC Bank Limited**

### **Background:**

BRAC Bank Limited began with the vision to provide banking solutions to the ‘unbanked’ Small and Medium Entrepreneurs. Taking inspiration from its parent organization BRAC, the largest NGO in the world, BRAC Bank introduced small ticket loans to the small and medium enterprises (SME), to specifically bring the grassroots entrepreneurs under the umbrella of formal banking service. Approximately half of BRAC Bank’s lending portfolio comprises of small and medium enterprises – popularly known as the ‘SME’.

In 2001 BRAC Bank did not start its journey like any other conventional bank. The visionaries who led the bank realized that the previously neglected Small and Medium Enterprises (SME) sector plays significant role in generating growth and creating employment in the country. Over the past few decades, traditional banks were reluctant to invest in this sector. At a time when it was almost impossible for the SME entrepreneurs to get financing from the banking sector in Bangladesh, BRAC Bank stepped forward and came to finance these unbanked SME entrepreneurs and continues to provide financial support to them to this day.

### **Business Model:**

BRAC Bank had to break away from the traditional banking systems by developing new ways to assess credit proposals to reach people who rarely had access to banks outside metro areas – the journey proved to be a massive success. The Business Model innovated was simple: mobilize funds from the urban markets for lending towards semi-urban and rural. The Bank operates under a "triple bottom line" agenda where profit, environment, and social responsibility shake hands as it strives for a poverty free, enlightened Bangladesh.

Over the last decade, BRAC Bank has emerged as the market leader in the SME business. Since its inception, BBL has disbursed more than BDT 739,000 million to the SME borrowers all across the country and thus played a pivotal role in overall socio economic development. However, over recent times, the focus has increased on Retail and Corporate businesses to cater to the full set of banking needs of potential markets as well as to diversify the bank’s portfolio. Having laid this strong foundation on the trust and confidence of more than 1.1 million customers, BRAC Bank is speeding ahead to become The Best Bank in the country in the coming years.

### **SME Banking**

BBL’s SME Banking, the largest segment of the company, provides various financing solutions for the Micro, Small and Medium Enterprises of Bangladesh. In 2019, IFC conducted a diagnostic test on BBL SME Banking and proposed to alleviate customer segment adulteration between Medium Enterprise Finance (MEF) and Small Enterprise Finance (SEF) teams. To maximize client outreach, SME Banking was restructured to increase focus on the smaller segments of SMEs. As such, clients with large exposures, along with their respective relationship managers, were shifted to our Corporate Banking under the name Local Corporate, which has brought increased synergy in the corporate vertical while facilitating SME Banking’s strategic goal of moving towards smaller ticket loans.

Through our SME Banking division, we bring forward holistic solutions to the wide variety of challenges faced by companies. In addition to products and services, we provide support beyond liquidity mobilization working as a partner with our clients to ensure their sustainable growth and transformation. BRAC Bank’s SME vision remains unchanged to help SMEs move forward through access to institutional finance and support. SME division has acquired a wealth of competencies to serve this dynamic and complex segment profitably since its inception in 2001. BRAC Bank’s SME finance has emerged as a model through dedicated and customer-focused sales network that is intimate with the market and its needs, robust and well-penetrated distribution network, strong risk assessment and loan underwriting/sanction standards, customer facilitation initiatives including an industry leading loan TAT, and commitment to the sector through a long-term approach.

In a unique initiative to serve the diverse needs of the market with both focus and agility, our SME universe consists of following dedicated divisions:

- Small business
- Emerging corporates
- Agriculture
- MFI (microfinance)
- Supply chain



- E-commerce and ICT (information, communication, technology)
- Business transformation and products (Special concentration)
- Business support

### **Retail Banking**

Retail banking division is on a mission of enabling growth and advancing progress by serving as a trusted partner to our customers, while striving to maintain public trust and create economic value. It focuses on digital transformation, enabling it to move closer to customers in helping them enrich their life journeys in every way possible.

Major developments in retail banking:

- Launched 11 new retail deposit products
- Received the prestigious “VISA Excellence” award in cards business
- Expanded Employee Banking platform through 70+ new customer acquisition
- Facilitated remittance ease for our NRB customers through 7 new partnerships with exchange houses/banks
- Achieved robust growth across TARA deposit portfolio
- Special focus on Senior Citizen and School Banking products

Retail banking currently has 6 business units:

- Retail deposit products and NFB
- Credit Cards Division
- Retail Lending Division
- Employee Banking Division
- Merchant Acquiring Division
- Premium Banking Division

### **Corporate Banking**

Corporate Banking Division of BRAC Bank started its operations on a full-fledged basis in 2009 and since then, it has evolved as one of the most preferred financial partner of the corporate customers. It offers comprehensive suite of products & services to cater the growing needs of corporate customers from various business segments. BRAC Bank leverages a team of expert and dedicated relationship managers to provide the best corporate banking experience by identifying business requirements and solutions through its diversified products and services. Continuous investment in technology to integrate various solutions under single umbrella and reduction of dependency on manual correspondence further ensures superior customer experience and best in class corporate banking services.

Major developments in corporate banking:

- YoY CASA TD ratio improved from 40:60 to 64:36 with positive impact on Cost of Deposit
- Disbursed salary to more than 25,000 RMG workers under the government’s financial stimulus fund
- Rolled out stimulus packages to 64 large manufacturing and service sector accounts
- On-boarded new deposit accounts of airlines, MNCs, government entities etc.
- Arranged a workshop with major IATA partners, with the objective of serving the requirements of this specific client segment
- Enriched CORPnet platform, BBL in-house digital payment & collection solution through adding new features, thus expanding our capacity to on-board a number of new corporate customers
- Booked several other industry-leading accounts
- Continued to shield portfolio quality from accounts susceptible to heightened risk
- Focused on strengthening our capital market presence to become the go-to IPO bank for several funds
- Recovered a portion from previously written-off portfolios, thus ensuring profitability accretion
- Buying house portfolio further expanded through onboarding major buying house accounts

With a view to ensuring resilience, agility, efficiency and a more growth-focused platform, we initiated several changes in our Corporate Banking organogram. Some of the changes that were brought forward comprise renaming “Trade Development and Cash Management” as “Transaction Banking” comprising of several sub-units such as: Local

Corporate, Global Corporates & Airlines, Public Sector, Capital Market, Trade Development, Products & Services - under it to ensure a more organized and structured approach.

### **Treasury and FI Division**

The Treasury and Financial Institutions (FI) Division of BRAC Bank caters to a diverse customer group through a number of highly integrated, specialized and dedicated desks. Alongside managing the bank's funds, meeting regulatory requirements and managing day-to-day liquidity, BBL's specialist Treasury team acts as the "market-maker" and it is one of the top treasury teams in the market offering 360 degree treasury solutions. Being one of the most active in the market in terms of local currency, foreign currency, fixed income and derivatives transactions, the team has provided uninterrupted, efficient and non-intrusive treasury services to all interbank participants and corporate clients defying all odds even amidst the unprecedented COVID-19 pandemic in the year 2020 with accuracy, speed and sensitivity through the following desks:

**Money Market Desk (MM Desk):** MM Desk provides diverse solutions, including call money, repo, reverse repo, term money (across different tenors), swaps, etc. The desk, focused on remaining adept and adroit, efficiently adhered to all regulatory requirements (CRR/SLR) as well as guidelines in managing the bank's proprietary portfolio, while also capitalizing on all profitable opportunities.

**Investments Desk:** It manages the bank's overall liquid asset buffers to optimize RoI. The desk also helps diversify the bank's investment avenues and opportunities and generates alternate sources of revenue. It also manages capital markets operations through investments in shares, treasury bonds, corporate bonds, preference shares, mutual funds, zero coupon bonds and debentures. Overall, the desk invests surplus capital in securities that help meet predefined targets.

**Foreign Exchange Trading Desk:** With a highly active presence in the market, our FX Trading Desk conducts proprietary FX trading- mainly in G7 currencies- and offers pricing facilities to other players in the interbank market. Incidentally, BBL treasury is a major source of FX liquidity in the interbank market. FX Trading Desk participates in market-making through two-way quotations. Based on the position/convenience of interbank counterparties, our FX traders quote live two-way quotes over the phone, over Reuters Dealing System or through Electra.

Notably, Electra is a foreign exchange electronic trading platform launched by BRAC Bank. It is the first online FX trading platform launched by any local bank in Bangladesh. Electra provides live two-way pricing of G7 currencies and BDT pairs. Facilitated by Electra, BBL treasury crossed USD 1 billion mark this year in terms of the volume of FX coverage solutions provided to the bank's counter-parties. Thus, this team of enterprising FX dealers provided one of the most competitive FX pricing solutions in the market and struck favorable deals with other banks for their cross-currency FX needs.

**Corporate Sales and Derivatives:** BBL's dynamic FX Sales Desk caters to the FX needs of several corporate accounts across diverse industries, including FMCG, pharmaceuticals, cement and construction materials, RMG and textiles, power, petroleum and lubricants, food, edible oil and telecoms, among others. The desk offers corporate counter-parties a wide range of solutions- ranging from simple spot purchases and sales to derivatives for hedging exchange rate movements.

Derivatives Desk helps corporate clients to hedge exchange/interest rate movements, which has a direct impact on their profitability and hence is a crucial risk management tool. Similar to the FX Sales Desk, this desk also caters to the hedging requirements of a large number of corporate accounts across numerous industries. The desk also offers advisory services on prevailing market conditions, thus enabling clients to take more informed decisions with respect to their FX/interest rate exposures.

**Asset Liability Management (ALM) Desk:** Our well-equipped ALM Desk ensures sustenance of all liquidity ratios as prescribed by regulations with sufficient buffers/margins. Further, ALM Desk also provides ALCO with global and local market insights to support their strategic decision-making process.

**Financial institutions (FI):** BBL’s dedicated Financial Institutions (FI) team is mandated with the onus of establishing and managing relationships with domestic and international banks and financial institutions. The team works towards establishing new business lines to facilitate the bank’s growing FX business. In addition, it is also responsible for sourcing liabilities for the bank’s Offshore Banking Unit (OBU) book through bank and multilateral borrowings.

As a bank of global repute, BRAC Bank is an active partner of the Global Trade Finance Program of the International Finance Corporation (IFC) and also of Asian Development Bank (ADB), along with other global correspondents. The bank has 381 global correspondent relationships across the world to facilitate cross-border transactions, including imports, exports and remittances. The bank has 26 overseas Nostro accounts in 10 currencies and also more than 200 Nostro accounts with local banks to serve SMEs and remittance clients pan-Bangladesh.

Our FI team also offers various trade finance facilitation services, including import/export bill discounting and UPAS to other domestic banks in Bangladesh. The wing is also highly active in sourcing guarantee business against overseas banks’ counter-guarantees.

### **Company Chronicle & Information**

- Inauguration of banking operations: 4 Jul 2001
- First SME Unit Office: 1 Jan 2002
- First installation of ATM: 3 Apr 2005
- 24x7 Phone Banking opening: 9 Sep 2006
- Initial public offering of shares held: 2006
- Listing with CSE: 24 Jan 2007
- Listing with DSE: 28 Jan 2007
- Credit Card launching: 6 Feb 2007
- Introduction of Probashi Banking: 14 Apr 2007
- Off-shore Banking launched: 21 Jun 2010
- e-Commerce launching for online shopping: 8 Dec 2010
- Launching of Internet Banking for Corporate Customers: 17 Sep 2012
- Core Banking System Upgrade: 10 Apr 2018
- Launch of Agent Banking Channel: 30 Oct 2018
- Inaugurated the 301th Agent Banking outlet: Dec 2019

Observed the 19<sup>th</sup> founding anniversary of BRAC Bank: 4 Jul 2020

### **Distribution Network**

Service point classification	Number
Business Region	7
Total Branches (Including SME SC/KB)	187
SME Zonal offices	185
Premium Lounges	18
ATMs	375
CDMs	96
SME Unit Office	456
Agent Banking Outlet	481

### **Achievements and Recognitions**

- "SME Bank of the Year - Asia" in silver category at the "Global SME Finance Awards" for the second consecutive year;

- "Best Bank in Bangladesh" by Asiamoney - a leading financial publication in the Asia-Pacific region the third consecutive time;
- "Best Operations Bank in South Asia" at the '9th IFC Trade Finance Awards FY 2019 - Operations' by International Finance Corporation (IFC), a company of the World Bank Group;
- "Access to Finance Champion" by the Financial Alliance for Women for the fourth consecutive year;
- "Excellence in Credit Cards Business"; "Excellence in POS Acquiring Business"; "Excellence in e-Commerce Business"; and the newly introduced "Excellence in Commercial Business"; - four awards from VISA for performance in the VISA cards and payment business;
- Runner up for PMO (Project Management Office) at the country's first-ever Project Management Excellence Awards 2020;
- "Excellence in Mastercard POS Acquiring Business 2019-20" category by Mastercard;
- "Best Presented Annual Reports" - three awards for the 2019 annual report at the 20th ICAB National Awards;
- First bank in Bangladesh to possess the ISO 27001:2013 certification for establishing a robust information security management system.
- Only member of the Global Alliance for Banking on Values (GABV) from Bangladesh sharing the 3P Philosophy – People, Planet and Profit with the other partners of GABV
- BRAC Bank has become the first Bangladeshi Bank to be rated the best by three of the top domestic credit rating agencies in Bangladesh (CRAB AA1/ST-1, CRISL- AA+/ ST-1 and Emerging Credit Rating- AA+/ ST-1) and two of the world's leading credit rating agencies (S&P Global Ratings - B+ and Moody's Investor Service - Ba3) – portraying quality portfolio, higher capital base, stability and steady growth trends.
- First Bangladeshi bank to achieve ISO18788:2015 certificate for standard of management of security operations (2020)
- Received the '2020 U.S. Dollar Clearing MT103' and '2020 U.S. Dollar Clearing MT202' Quality Recognition Awards from JPMorgan Chase & Co.

### **Principal Products and Services:**

#### *Principal Products and Services of BRAC Bank Limited*

<b>SME Banking</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Probashi Banking</b>
<b>Loan Products</b> <ul style="list-style-type: none"> <li>• Anonno Rin</li> <li>• Apurbo Rin</li> <li>• Anonno Plus</li> <li>• TARA</li> <li>• Shomridhhi Rin</li> <li>• Bahon</li> <li>• Prebartan</li> <li>• Nirman</li> <li>• Swapno</li> <li>• Kuri</li> <li>• Agriculture Finance</li> <li>• Shohoj</li> </ul> <b>Deposit Products</b> <ul style="list-style-type: none"> <li>• Prapti Current Account</li> <li>• Prachurjo Fixed Deposit</li> <li>• Shonchoy SME Deposit</li> <li>• Shadhin Current Account</li> <li>• Probidhhi Fixed Deposit</li> <li>• Tara Uddokta Account</li> </ul>	<ul style="list-style-type: none"> <li>• Premium Banking</li> <li>• Retail Deposit Products (Current, Savings, FDR, DPS etc.)</li> <li>• Retail Loan Products (Home Loan, Car Loan, Personal Loan etc.)</li> <li>• Secured Loan/ OD</li> <li>• Credit Cards (Signature, Platinum, Gold etc.)</li> <li>• Non-stop Banking</li> <li>• Locker Services</li> <li>• Foreign Exchange and Related Services</li> <li>• ATM &amp; CDM</li> <li>• Smart Banking App "Asta"</li> <li>• Internet Banking</li> <li>• SMS Banking</li> </ul>	<ul style="list-style-type: none"> <li>• Funded &amp; Non-funded facilities</li> <li>• Cash Management</li> <li>• Custodial Services</li> <li>• Employee Banking</li> <li>• Current/ Savings/ SND/ Term /FCY Account</li> <li>• CORPnet</li> </ul>	<ul style="list-style-type: none"> <li>• Accounts and Deposits</li> <li>• Investments</li> <li>• Remittance</li> </ul>

## **12 (b) (ii) Subsidiaries**

### **BRAC EPL Stock Brokerage Limited**

BRAC EPL Stock Brokerage Limited (BESL) is the third-largest stock brokerage house among 250 brokers in Bangladesh, with a dominant market share of over 55% in the foreign portfolio investment execution segment. The company offers brokerage services to a universe of over 20,000 clients, which includes local institutions, retail investors, non-resident Bangladeshis (NRBs) and 60 foreign institutional clients from across its 8 branches and 106 employees. It has membership at both of the country's stock exchanges; the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE).

### **BRAC EPL Investment Limited**

BRAC EPL Investments Limited (BEIL) is a full-fledged investment bank and portfolio management services enterprise. Since its inception in 2009, the company has built a successful track-record of executing and closing even the most challenging transactions, including arranging structured debt and equity facilities for leading local and foreign clientele.

Being a part of the BRAC family and rooted in values, integrity and ethics, BEIL possesses a robust network comprising local and global institutions, enabling seamless foreign and local capital mobilization. Its' longstanding and trust-based relation with regulators and other external stakeholders, such as stock exchanges, auditors, lawyers and consultants, allow the Company to provide customized, harmonized and effective solutions to fulfill clients' financial needs and requirements.

The Company operates out of seven offices, including a Corporate Head Office in Dhaka, and six branches located in Mohakhali and Gulshan (both in Dhaka), Chittagong, Sylhet, Chowmuhani and Comilla.

### **BRAC SAAJAN Exchange Limited**

BRAC Saajan Exchange Ltd, an Exchange Company incorporated in England and Wales on 10th January 2008 and is a subsidiary of BRAC Bank Limited, Bangladesh. The Company has been formed through acquisition of the erstwhile "Saajan Worldwide Money Transfer Limited" in 2011.

The Company mainly provides remittance services to the large Bangladeshi Communities living outside Bangladesh. Apart from remittance services the Company also caters to the needs of the NRBs through its parent organization BRAC Bank Limited.

Apart from serving the Bangladeshi community, BRAC Saajan is also serving other large ethnic groups, such as the Indian, Pakistani and Sri Lankan communities. The company has a vision to expand its remittance network globally. Recently it has opened a new service with one of the leading banks in Poland, enabling the fast, convenient transfer of money to family in Poland.

### **bKash**

bKash Limited (bKash) is a Bank-led Mobile Financial Service Provider in Bangladesh operating under the license and approval of the Central Bank (Bangladesh Bank) as a subsidiary of BRAC Bank Limited. bKash provides safe, convenient and easy ways to make payments and money transfer services via mobile phones to both the unbanked and the banked people of Bangladesh. At present, bKash is one of the leading Mobile Financial Services Provider in the world. bKash started as a joint venture between BRAC Bank Limited, Bangladesh and Money in Motion LLC, USA in 2010. In April 2013, IFC, a member of the World Bank Group, became an equity partner and in March 2014, Bill & Melinda Gates Foundation became the investor of the company. In April 2018, Ant Financial (Ali Pay), an affiliate of globally reputed Alibaba Group, became an investor in bKash. The ultimate objective of bKash is to ensure access to a broader range of financial services for the people of Bangladesh. It has a special focus to serve the low income masses of the country to achieve broader financial inclusion by providing services that are convenient, affordable and reliable. Currently, bKash is running a network of more than 200,000 agents throughout urban and rural areas of Bangladesh with over 50 million verified accounts.

In 2017, bKash was ranked as the 23rd company in the annual list of Fortune Magazine's 'Change the World in 2017' among the top 50 companies to make changes based on social issues. bKash has been recognized as the Best Brand of Bangladesh for the second consecutive time (2019 and 2020) in a consumer survey conducted by the Bangladesh Brand Forum. bKash has also been selected as the No. 1 Mobile Financial Services Brand for the fourth time in a row in the MFS category.

### **c. Management of BRAC Bank Limited (BBL)**

#### **SELIM R. F. HUSSAIN MANAGING DIRECTOR & CEO**

Mr. Selim R. F. Hussain joined BRAC Bank Limited as the Managing Director & CEO on November 8, 2015. Mr. Hussain is a career banker and an immediate past CEO & Managing Director of IDLC Finance Limited who is widely recognized and highly acclaimed across the financial sector for being the architect of IDLC Finance's meteoric rise over the past six years. He was also the Chairman of the Board of Directors from 2010 to 2012 of IDLC Finance's two subsidiaries – IDLC Investments Limited and IDLC Securities Limited.

Mr. Hussain has an Honours degree in Accounting from Dhaka University and an MBA (Major in Finance) from the Institute of Business Administration, also from Dhaka University. He worked in various roles with the two largest multi-national banks in Bangladesh, ANZ Grindlays Bank and Standard Chartered Bank, for twenty four years, before moving to the IDLC Group in 2010. He has resided and worked in India and Australia for significant periods of his career and, prior to taking over the helm at IDLC Finance Limited, was the Head of Finance & Strategy for Standard Chartered Bank's Consumer Banking Division in Mumbai, India. Mr. Hussain was also CFO for Standard Chartered Bank, Bangladesh, from 2002 to 2007. Hussain was also a Director at the Credit Rating Agency of Bangladesh (CRAB) and the Vice Chairman of the Bangladesh Leasing & Finance Co Association (BLFCA) since 2012. Hussain is married with one son and aside from enjoying reading and traveling, he is a keen cricket and football enthusiast.

#### **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 is leading the Operations, Technology and the General Services functions of the bank.

#### **MOHAMMOD MASUD RANA FCA DEPUTY MANAGING DIRECTOR AND CFO**

Mohammad 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**

Mr. 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.

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.

**MD. SHAHEEN IQBAL, CFA**  
**HEAD OF TREASURY AND FINANCIAL INSTITUTIONS**

Currently serving as the Head of Treasury & Financial Institutions at BRAC Bank, Md. Shaheen 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.

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

Mr. Iqbal has earned the Chartered Financial Analyst designation (CFA Charter) from the CFA Institute, USA. He completed his MBA from the Institute of Business Administration (IBA), University of Dhaka and his B.Sc. in Mechanical Engineering from Bangladesh Institute of Technologies (currently known as CUET). He remains keen on all matters pertaining to financial markets particularly investment analysis and financial derivatives.

**RIGADIER GENERAL TUSHAR KANTI CHAKMA (RETD.)**  
**HEAD OF GENERAL SERVICES**

Brigadier General Tushar Kanti Chakma (Retd.) joined BRAC Bank Limited on September 01, 2016 as Head of GSS & Procurement.

Mr. Tushar brings 35 years' rich experience from the Bangladesh Army. He has served the armed forces as a top professional in many different capacities, some of his notable assignments being Advisor to the Chief of Army regarding armored warfare, vehicles, procurement & technical management, Director of Trust Bank Limited. In his early years, he also served as Brigade Major of 93 Armored Brigade.

Mr. Tushar has a Bachelor of Arts and Master of Science from the National University and has also completed his NDC and PSC

**SARWAR AHMED**  
**HEAD OF INTERNAL CONTROL AND COMPLIANCE**

Mr. 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 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.

**SYED ABDUL MOMEN**  
**HEAD OF SME BANKING**

Mr. 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.

**NAZMUR RAHIM**  
**HEAD OF ALTERNATE BANKING CHANNELS**

Mr. 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 (CRM)**

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 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).

**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.

**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 HR**

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**

Mr. 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 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 has 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.

**d. Description of encumbered and unencumbered assets with value thereof**

All assets were unencumbered as on December 31, 2020. Encumbered and unencumbered assets position as on 31 Dec 2020 is as below:

		in BDT
Total Assets	Encumbered Assets	Unencumbered assets
397,502,390,329.00	-	397,502,390,329.00

## **e. Brief Profile of the Board of Directors**

### **DR. AHSAN H. MANSUR CHAIRMAN**

Dr. Ahsan H. Mansur was elected as the Chairman of BRAC Bank's Board on August 26, 2019.

He joined the Board of the bank as an Independent Director in May 2017.

Dr. Mansur started his career as a Lecturer, Department of Economics, Dhaka University, in 1976. He left for Canada for higher studies in Economics in the same year. As a graduate student and research assistant, he was also offering regular Economics courses at the undergraduate level at the University of Western Ontario, Canada (1978-81). Dr. Mansur joined the International Monetary Fund under its Economist Program in 1981 and thereafter completed his PhD in Economics (on general equilibrium analysis) from the University of Western Ontario in 1982.

During his long career at the IMF, Dr. Mansur has worked with Middle Eastern, Asian, African and Central American countries. He worked in important functional departments (Fiscal Affairs and Policy Review and Development departments) and area departments (Middle East and Central Asia and Asian departments) of the IMF. He also served as the IMF Senior Resident Representative to Pakistan during 1998-2001 and as the Fiscal Advisor to the Minister of Finance, Government of Bangladesh (1989-91). During his assignment in Bangladesh, Dr. Mansur was primarily involved with the successful introduction of Value Added Tax in Bangladesh in 1991. Most recently, he served as the Division Chief of the Gulf Cooperation Council (GCC) Division and was the IMF Mission Chief for Saudi Arabia, Kuwait and Oman. After taking early retirement from the IMF, with a view to establishing an institute aimed at policy analysis, in coordination with other professionals, Dr. Mansur joined the Policy Research Institute of Bangladesh as its founder Director and Executive Director.

Dr. Mansur has published extensively in various prestigious journals (including *Econometrica*, *Journal of Economic Theory* and *IMF Staff Papers*), edited books on special economic topics and in the *IMF Occasional Paper* and *Working Paper* series. His most recently edited book (with Fernando Delgado) is *Stock Market Developments in the Countries of the Gulf Cooperation Council*, published by Palgrave Macmillan in its *Finance and Capital Markets Series*, November 2008.

He received Ford Foundation Dissertation Fellowship in International Economics, awarded through an open world-wide competition, 1979-81; Special University Scholarship, University of Western Ontario, 1977-81; Graduate Students Award, University of Western Ontario, 1977-81; McMaster University Graduate Scholarship, 1976-77 and First Grade Merit Scholarship, University of Dhaka, 1970-75.

Dr. Mansur obtained Ph.D (University of Western Ontario, London, Canada, 1982); M.A. McMaster University, Canada, 1977) and B.A. Economics (Hons. First class with distinction in Math), University of Dhaka, Bangladesh, 1974.

### **KAZI MAHMOOD SATTAR INDEPENDENT DIRECTOR**

Mr. Kazi Mahmood Sattar was appointed as an Independent Director to the Board of BRAC Bank Limited in October 2015. He was also appointed to the Board Audit Committee in December 2015.

Mr. Sattar has over 32 years of experience in local and international banks. He led The City Bank Limited and Eastern Bank Limited as the Managing Director & CEO for 13 years. He is currently the Chairman of the Board of RSA Advisory Limited, a financial advisory firm. He is also an Independent Director with Unique Hotel & Resorts Limited (owner of The Westin Dhaka).

As an Independent Director of BRAC Bank, he has been nominated as a Board Director to bKash and Brac Sajaan Exchange Limited. He started his career with ANZ Grindlays Bank as management trainee in 1981. He worked overseas with ANZ Grindlays Bank in Mumbai, India and Melbourne, Australia, for nearly 20 years.

Mr. Sattar graduated in 1981 from Dhaka University with a Bachelors in Business Management (Honours) having a major in Finance. He was the Chairman of the 'Association of Banker's Bangladesh'(ABB), the SWIFT User group in Bangladesh and of the Boards of City Brokerage Limited and City Bank Capital Resource Limited.

He was awarded The Best Leadership Award by the Asian Banker in 2010.

## **ASIF SALEH**

### **NOMINATED DIRECTOR**

Asif Saleh was appointed the executive director of BRAC Bangladesh on August 1, 2019. He brings with him a diverse multi-sectoral experience in senior leadership roles in private, public and non-government sectors with proven track record of effectively managing interfaces of development programming, operational and financial sustainability and building effective partnerships, both within and outside BRAC.

Mr Saleh has been deeply anchored in driving the strategic direction of BRAC. He joined the organisation in 2011, and took up an increasingly important role in leading advocacy for social change, information technology, communications and social innovation. He has been instrumental in BRAC's concentration on emerging development challenges in the areas of urban poverty, youth skills development, inclusive growth and migration. As the senior director of the empowerment programme cluster, he led BRAC's new programmatic areas, namely, the urban development programme, human rights and legal aid services, skills development programme and migration programme. He also led the development of BRAC's five-year strategic plan in 2016.

Prior to joining BRAC, Mr Saleh worked as a policy specialist for the Access to Information (A2i) Programme at the Prime Minister's Office. 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 was also a key part of the Union Digital Centre team that created digital service centres in every union in Bangladesh. Since then, he has actively promoted the role of technology and frugal innovation in the development sector. He spent 12 years in Goldman Sachs in different fin-tech roles and institutional client sales 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 the founder of Drishtipat, a global organisation with chapters across the globe focusing on human and economic rights of Bangladeshis. 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 is 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, which addresses the question of how to scale quality education for all children and youth. He is also a member of the South Africa-based Innovation Edge, an institution promoting early childhood development.

Mr Saleh chairs BRAC IT Services Limited and is on the Board of BRAC Bank and BRAC Net. He is also a board member of multiple non-profits, such as 1 Degree Initiative, Spreeha, Institute of Informatics and Development, and Maya.

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.

## **FAHIMA CHOUDHURY**

### **INDEPENDENT DIRECTOR**

Ms. Fahima Choudhury was appointed as an Independent Director to the Board of Directors of BRAC Bank Limited in April 2018.

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

Ms. Fahima Choudhury is Managing Director of the country's leading advertising company, Ogilvy & Mather Communications Pvt. Ltd.

She sat in the Board of Adcomm Limited, a renowned marketing communications and advertising agency in the country. She was also Founder and Managing Partner of Marka, a marketing communications and advertising agency.

**FARZANA AHMED**  
**INDEPENDENT DIRECTOR**

Ms Farzana Ahmed has been appointed as Independent Director of BRAC Bank Limited on January 29, 2020.

Prior to joining in BRAC Bank Limited, She worked at Asian Development Bank, Philippines as a Lead, Evaluation Specialist, and Independent Evaluation Department. Before that she also served as a Lead, Results Management Specialist (Public Sector Management), Strategy and policy department , Principal coordinator of the Asia Pacific Community of Practice on Managing for development Results in Asian Development Bank, Philippines. She was a Senior Portfolio Management Specialist, South East Asia Regional Department (SERD) in Asian Development Bank, Philippines

Ms. Farzana started her career as a trainee-Assistant Manager at Peat Marwick Mitchell in United Kingdom. She then joined at Peat Marwick in Sydney, Australia as Senior Management Consultant/Manager. In 1986, she served as Audit Manager of group Audit Services at Rothmans Holdings Ltd., Australia. In 1987, she then joined at Port Waratah Services Ltd. in Australia as a Company Accountant.

In 1989, she joined Broken Hill Proprietary Ltd, Australia as Chief Accountant Operations at Australian Manganese Company Ltd. From 1992 she worked in Broken Hill Proprietary Limited, Australia as a Divisional Controller, BHP Research. In 1996 she worked as a Chief Financial Officer- Asia/Finance Manager - Corporate & International, Westfield Ltd. Australia. In 1998, she joined in Asian Development Bank in Philippines; she designed and introduced the Capital Budget for the ADB.

In 2001, Ms. Farzana worked as Senior Financial Management Specialist, Indonesia Resident Mission, Asian Development Bank, Philippines. She was an Adviser, Program Implementation, and Australian Agency for International Development (AusAID) in Indonesia from 2007 to 2008.

Ms. Farzana got her BA (Hons) from Oxford University, England (Majoring in Economics) and also awarded an MA (Hons) in 1991. She is an ACA-Institute of Chartered Accountants in England & Wales. She has keen interest in sports and children education.

**DR. ZAHID HUSSAIN**  
**INDEPENDENT DIRECTOR**

Dr. Zahid Hussain has been appointed as Independent Director to the Board of BRAC Bank Limited on September 27, 2020.

Dr. Hussain served as a Consultant in the World Bank Dhaka Office from July 01, 2019, to June 30, 2020. He has also served as a Lead Economist in the World Bank Dhaka Office from May 01, 1995, to June 30, 2019. During this time, he was a key member of the Bank's macro, trade, and investment global practice that provides budgetary support (development support credit) and technical assistance to the government, and prepares growth diagnostics, public expenditure reviews, annual 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.

He got a Ph.D. in Economics from Boston University, USA, in 1992. He completed his Master of Arts in Political Economy from Boston University, USA, in 1987. He earned his MBA from the Institute of Business Administration, Dhaka University, Bangladesh, in 1979.

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

**MEHERIAR M HASAN**  
**NOMINATED DIRECTOR**

Mr. Meheriar M Hasan has been appointed as Nominated Director to the Board of BRAC Bank Limited on November 15, 2020.

Mr. Hasan is a proven thought leader and seasoned operator in the Digital Banking space in the USA and brings 30+ years of hands-on experience building direct/digital distribution channels to generate new profit sources for consumer and commercial banks, insurance, and consumer finance companies.

Mr. Hasan positions organizations to differentiate their value in the marketplace and gain a significant competitive advantage through his ability to identify prospective customers, exceed customer expectations, and deepen customer relationships with the organizations.

Currently, Mr. Hasan is the founder and CEO of Terafina Inc, a leading digital Omni Channel Sales solution provider in the financial services market in the USA. He also served as Senior Advisor to Mckinsey and Company and as a guest lecturer at the University of Southern California, Marshall School of Business from 2006-2008.

Mr. Hasan holds a Master of Science in Finance, Master of Arts in Economics, and a Bachelor of Arts in Economics with a minor in Mathematics from the University of Arizona.

#### **SHAMERAN ABED NOMINATED DIRECTOR**

Shameran Abed is a Senior Director of BRAC's Microfinance and Ultra-Poor Graduation programs. BRAC's microfinance program serves more than 8 million clients in seven countries in Asia and Africa and has total assets exceeding USD 3.5 billion. BRAC's ground-breaking ultra-poor graduation program has graduated more than two million households out of the direst forms of poverty and social deprivation and has inspired the global uptake of the 'graduation approach' to tackle extreme poverty.

Shameran also chairs the board of BRAC Bank's mobile financial services subsidiary, bKash, and serves on the boards of several institutions that include BRAC UK, BRAC IT Services Ltd, and the Global Alliance for Banking on Values (GABV). Additionally, he is the chairman of the Microfinance Network and is also a member of the Partnership for Responsible Financial Inclusion (PRFI) and the World Economic Forum Financial Inclusion Steering Committee. He also serves on the global advisory board of Pinbox Solutions, a global social enterprise committed to digital micro pension inclusion in developing countries.

Shameran is a lawyer by training, having been called to the Bar by the Honourable Society of Lincoln's Inn in London, UK. He completed his undergraduate studies at Hamilton College in the United States, majoring in Economics and minoring in Political Science.

#### **SELIM R. F. HUSSAIN MANAGING DIRECTOR & CEO**

Mr. Selim R. F. Hussain joined BRAC Bank Limited as the Managing Director & CEO on November 8, 2015. Mr. Hussain is a career banker and an immediate past CEO & Managing Director of IDLC Finance Limited who is widely recognized and highly acclaimed across the financial sector for being the architect of IDLC Finance's meteoric rise over the past six years. He was also the Chairman of the Board of Directors from 2010 to 2012 of IDLC Finance's two subsidiaries – IDLC Investments Limited and IDLC Securities Limited.

Mr. Hussain has an Honours degree in Accounting from Dhaka University and an MBA (Major in Finance) from the Institute of Business Administration, also from Dhaka University. He worked in various roles with the two largest multi-national banks in Bangladesh, ANZ Grindlays Bank and Standard Chartered Bank, for twenty four years, before moving to the IDLC Group in 2010. He has resided and worked in India and Australia for significant periods of his career and, prior to taking over the helm at IDLC Finance Limited, was the Head of Finance & Strategy for Standard Chartered Bank's Consumer Banking Division in Mumbai, India. Mr. Hussain was also CFO for Standard Chartered Bank, Bangladesh, from 2002 to 2007. Hussain was also a Director at the Credit Rating Agency of Bangladesh (CRAB) and the Vice Chairman of the Bangladesh Leasing & Finance Co Association (BLFCA) since 2012.

Hussain is married with one son and aside from enjoying reading and traveling, he is a keen cricket and football enthusiast.

## f. Description of Assets and Liabilities

### Assets (As of 31 Dec 2020)

Cash, Bank Balances, Money at Call on Short Notice and Investments

Items	Amount in BDT
Cash and bank balances	19,243,096,656
Balance with other banks and financial institutions	14,358,762,046
Investments	68,896,004,194
Loans and advances	273,063,193,200
Fixed assets including premises, furniture and fixtures	7,349,043,033
Other assets	14,525,819,425
Non-banking assets	66,471,775
<b>Total Assets</b>	<b>397,502,390,329</b>

### Investments

Items	Amount in BDT
Government	61,821,887,388
Others	7,074,116,806
<b>Total Investments</b>	<b>68,896,004,194</b>

### Fixed Assets

Items	Amount in BDT
Land	1,047,743,750
Office floor space	4,034,334
Furniture and fixtures	2,096,550,341
Office equipment	1,307,461,739
IT hardware	2,900,091,204
Motor vehicles	354,296,880
Right of use assets (ROU)	4,374,375,108
Capital expenditure work in progress	402,817,173
License (Indefinite useful live)	50,000
IT Software (Finite useful live)	2,093,346,465
<b>Total Cost</b>	<b>14,580,766,994</b>
Less: Accumulated depreciation and amortization	7,231,723,961
<b>Total Written Down Value as on 31 Dec</b>	<b>7,349,043,033</b>

### Other Assets

Items	Amount in BDT
<b>Income generating</b>	
Interest receivables	3,207,995,470
Profit receivables from govt. Sukuk bond	306,108
Dividend receivables	30,721,114
Investment in subsidiary	5,807,799,658
Investment/carrying value in associates	17,373,182
Prepaid interest expenses on IFFD	33,575,459
Receivables against Sanchayapatra	50,328,721
Balance with BRAC EPL Stock Brokerage Limited	2,084,159

<b>Non- Income generating</b>	
Stock of stamps	44,877,227
Stock of security stationery	39,558,367
Stock of printing stationery	13,744,865
Advance to staff	4,465,873
Advance to supplier	12,230,453
Advance Value Added Tax	9,132,298
Advance to SME unit offices	1,310,690
Advance against office rent	63,458,597
Advance security deposit	11,441,629
Receivables from biTS	213,246,061
Deferred revenue expenditure	131,510,876
Deferred tax asset	3,198,786,943
Receivable from Off-Shore	-
Receivable in proxy account	287,880
Net plan assets - Employees' Gratuity Fund	348,376,767
Other receivables	1,283,207,028
Less: On-shore to Off-shore	-
Other assets of subsidiaries	-
<b>Total Other Assets</b>	<b>14,525,819,425</b>

#### **Liabilities (As of 31 Dec 2020)**

##### **Borrowings from other banks, financial institutions, agents, Bangladesh Bank, and Deposits**

<b>Items</b>	<b>Amount in BDT</b>
Borrowings from other banks, financial institutions & agents	11,913,324,935
Borrowings from Bangladesh Bank	23,370,068,779
Money at call on short notice	84,801,100
Deposits and other accounts	289,054,405,724
Other liabilities	26,124,705,425
<b>Total Liabilities</b>	<b>350,547,305,963</b>

##### **Borrowings from other banks & financial institutions and agents**

<b>Items</b>	<b>Amount in BDT</b>
Borrowings inside Bangladesh	-
Borrowings outside Bangladesh	11,913,324,935
<b>Total</b>	<b>11,913,324,935</b>

##### **Borrowings from Bangladesh Bank**

<b>Items</b>	<b>Amount in BDT</b>
Bangladesh Bank refinance	-
Bangladesh Bank EDF fund	7,638,489,608
Bangladesh Bank SME Foundation	77,675,000
Borrowing from Bangladesh Bank – LTFF	896,411,733
Borrowing from Bangladesh Bank – GTF	252,601,734
Borrowing from Bangladesh Bank – Jute Financing	69,954,000
Borrowing from Bangladesh Bank - Stimulus Fund	560,627,613
Borrowing from Bangladesh Bank - Working Capital Stimulus Fund	2,728,245,369
Borrowing from Bangladesh Bank - SME Re-finance	11,146,063,722
<b>Total</b>	<b>23,370,068,779</b>



**Deposits and Other Accounts**

Items	Amount in BDT
Current accounts & other accounts	97,266,324,684
Bills payable	1,797,962,669
Savings deposits	57,230,594,232
Fixed deposits	130,621,972,707
Other deposits	2,137,551,432
<b>Total Deposits</b>	<b>289,054,405,724</b>

**Other Liabilities**

Items	Amount in BDT
Provision for loans and advances	9,973,558,490
Special general provision Covid-19	774,130,118
Provision for interest receivable from loan	13,457,003
Provision for other assets	168,102,992
Provisions for off balance sheet Items	455,246,134
Provision for diminution in value of Investments	87,580,119
Interest suspense	1,443,050,060
Withholding tax payable	253,886,515
VAT payable	248,931,096
Excise duty payable	161,946,299
Provision for taxation net off AIT	4,012,115,746
Deferred tax liability	881,991,002
Interest payable on borrowings	322,434,236
Accrued expenses	2,096,169,765
Share subscription - IPO (refund warrant)	228,419
Right share subscription	636,674
Payable settlement account-OBU/DBU	88,498
Payable to on-shore	1,982,392,275
Cheque clearing account	-
Unclaimed dividend	67,043,176
Suppliers payable	132,044,849
Leased liabilities as per IFRS 16	2,740,113,147
Payable against exchange houses	85,355
Payable against insurances	6,635,467
Payable to Omnibus	84,300
Payable against SWIFT charge	-
Other payables	2,285,139,168
Less: Off-shore to on-shore	(1,982,385,478)
Other liabilities of subsidiaries	-
<b>Total Other Liabilities</b>	<b>26,124,705,425</b>

**g. Description of previously issued debt or equity securities**

**Description of Debt Securities:**

Year	Bond	Tenor (in years)	Issue Amount at Face Value (in BDT Crore)	Redemption	Outstanding
2010	Subordinated 25% Convertible Bond Issue (“Bond”) of BRACBank Ltd. with qualification as Tier 2 Capital	7 Years	300 Crore	Fully Redeemed	-

**Description of Equity Securities:**

	Date of Allotment	Cash Dividend	Number of Shares Issued		Amount of Shares Capital (BDT)	Total Paid up Capital (Cumulative)
			Bonus shares	Subscription		
First (Subscription to the 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% & 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

20% cash	6-May-15	1,418,574,642	-	-	-	7,092,873,210
Fresh Issue against Bond 1st Conversion	26-Jan-16	-	-	1,149,589	11,495,890	7,104,369,100
25% cash	26-Jun-16	1,776,092,275	-	-	-	7,104,369,100
Fresh Issue against Bond, 2nd Conversion of Bond	26-Jan-17	-	-	2,237,835	22,378,350	7,126,747,450
Bonus Share 20% & Cash 10%	15-May-17	712,674,745	142,534,949	-	1,425,349,490	8,552,096,940
Fresh Issue against Bond, 3rd Conversion of Bond	28-Jan-18	-	-	2,790,534	27,905,340	8,580,002,280
Bonus Share 25%	10-May-18	-	214,500,057	-	2,145,000,570	10,725,002,850
Bonus Share 15%	19-May-19	-	160,875,042	-	1,608,750,420	12,333,753,270
Bonus Share 7.50% & Cash 7.50%	5-Jul-20	925,031,495	92,503,149	-	925,031,490	13,258,784,760
Bonus Share 5% & Cash 10%	6-Jun-21	1,325,878,476	66,293,923	-	662,939,230	13,921,723,990
<b>Total</b>					<b>13,921,723,990</b>	<b>13,921,723,990</b>

13. AUDITORS REPORT ALONG WITH AUDITED FINANCIAL STATEMENTS OF THE ISSUER,  
BRAC BANK LIMITED

a) Balance Sheet

BRAC Bank Limited  
Balance Sheet  
As at 31 December 2020

Particulars	Note	2020 Taka	2019 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>3</b>	<b>19,243,096,656</b>	<b>22,829,508,087</b>
Cash in hand (Including foreign currency)		7,091,907,372	6,726,443,188
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		12,151,189,284	16,103,064,899
<b>Balance with other banks and financial institutions</b>	<b>4</b>	<b>14,358,762,046</b>	<b>15,799,498,546</b>
Inside Bangladesh		7,928,558,845	13,203,670,424
Outside Bangladesh		6,430,203,201	2,595,828,122
<b>Money at call on short notice</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>Investments</b>	<b>6</b>	<b>68,896,004,194</b>	<b>45,943,571,923</b>
Government		61,821,887,388	39,175,469,934
Others		7,074,116,806	6,768,101,989
<b>Loans and advances</b>	<b>7</b>	<b>273,063,193,200</b>	<b>264,091,181,535</b>
Loans, cash credit, overdrafts etc.		136,374,612,915	145,604,630,622
Small and medium enterprises		134,621,356,804	115,109,495,430
Bills purchased & discounted		2,067,223,481	3,377,055,483
<b>Fixed assets including premises, furniture and fixtures</b>	<b>8</b>	<b>7,349,043,033</b>	<b>8,188,718,148</b>
<b>Other assets</b>	<b>9</b>	<b>14,525,819,425</b>	<b>12,485,056,383</b>
<b>Non-banking assets</b>	<b>10</b>	<b>66,471,775</b>	<b>66,471,775</b>
<b>Total property and assets</b>		<b>397,502,390,329</b>	<b>369,404,006,397</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions &amp; agents</b>	<b>12</b>	<b>11,913,324,935</b>	<b>22,901,981,186</b>
<b>Borrowings from Bangladesh Bank</b>	<b>13</b>	<b>23,370,068,779</b>	<b>12,487,885,372</b>
<b>Money at call on short notice</b>	<b>14</b>	<b>84,801,100</b>	<b>1,273,500,000</b>
<b>Deposits and other accounts</b>	<b>15</b>	<b>289,054,405,724</b>	<b>268,309,328,462</b>
Current accounts & other accounts		97,266,324,694	70,387,783,800
Bills payable		1,797,962,669	1,911,038,678
Savings deposits		57,230,594,232	44,538,393,041
Fixed deposits		130,621,972,707	149,378,664,153
Other deposits		2,137,551,432	2,093,448,790
<b>Other liabilities</b>	<b>16</b>	<b>26,124,705,425</b>	<b>25,512,078,465</b>
<b>Total Liabilities</b>		<b>350,547,305,963</b>	<b>330,484,773,485</b>
<b>Capital and shareholders' equity</b>			
<b>Paid up capital</b>	<b>17.2</b>	<b>13,258,784,760</b>	<b>12,333,753,270</b>
<b>Share premium</b>	<b>17.7</b>	<b>3,853,767,032</b>	<b>3,853,767,032</b>
<b>Statutory reserve</b>	<b>18</b>	<b>9,405,017,728</b>	<b>8,129,149,416</b>
<b>Dividend equalization fund</b>	<b>19</b>	<b>355,218,455</b>	<b>355,218,455</b>
<b>Revaluation reserve on govt. securities</b>	<b>20.1</b>	<b>4,805,926,053</b>	<b>98,965,051</b>
<b>Assets revaluation reserve</b>	<b>20.2</b>	<b>478,558,600</b>	<b>478,558,600</b>
<b>Fair value gain/(loss) on equity investment</b>	<b>9</b>	<b>1,131,197,846</b>	<b>1,261,102,670</b>
<b>Foreign currency translation reserve</b>		<b>(13,641,635)</b>	<b>29,914,158</b>
<b>Surplus in profit and loss account/Retained earnings</b>	<b>21</b>	<b>13,680,255,527</b>	<b>12,378,804,280</b>
<b>Total shareholders' equity</b>		<b>46,955,084,366</b>	<b>38,919,232,912</b>
<b>Total liabilities and shareholders' equity</b>		<b>397,502,390,329</b>	<b>369,404,006,397</b>

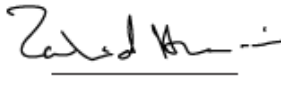
BRAC Bank Limited  
Balance Sheet  
As at 31 December 2020

Particulars	Note	2020 Taka	2019 Taka
<b>Off balance sheet items</b>			
<b>Contingent liabilities</b>			
Acceptances and endorsements	22	27,887,446,334	27,669,571,296
Irrevocable letters of credit	22	15,550,643,171	12,226,956,921
Letter of guarantees	22.2	10,831,198,204	13,089,590,151
Bills for collection	22.3	12,320,479,990	20,918,191,150
		66,589,767,699	73,904,309,518
<b>Other Commitments</b>			
Swap deals with banks and customers	22.4	18,307,971,009	23,391,560,275
Spot and forward deals with banks and customers	22.4	8,682,289,771	2,841,289,906
		26,990,260,781	26,232,850,181
<b>Total off balance sheet items including contingent liabilities</b>		<b>93,580,028,480</b>	<b>100,137,159,699</b>
<b>Net asset value (NAV) per share</b>	45	<b>35.41</b>	<b>29.35</b>

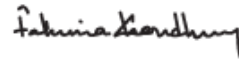
The notes 1 to 47 and annexures A to L form an integral part of these financial statements.



Managing Director and CEO



Director



Director



Chairman

As per our report of same date.



**Auditor**

Ali Ashfaq, Partner,  
Enrolment no: 509  
Rahman Rahman Huq,  
Chartered Accountants  
KPMJG in Bangladesh  
Firm Registration Number: N/A  
DVC: 2104120509AS804856

Dhaka, 12 April 2021

## b) Profit & Loss Account

**BRAC Bank Limited**  
**Profit and Loss Account**  
**For the year ended 31 December 2020**

Particulars	Note	2020 Taka	2019 Taka
Interest income	24	24,708,585,875	29,692,102,368
Interest paid on deposits and borrowing etc.	25	13,328,975,578	14,654,308,149
<b>Net interest income</b>		<b>11,379,610,297</b>	<b>15,037,794,219</b>
Investment income	26	6,456,643,091	3,071,620,681
Commission, exchange and brokerage	27	2,560,275,778	3,168,228,463
Other operating income	28	111,861,433	110,459,191
<b>Total operating income (a)</b>		<b>20,508,390,599</b>	<b>21,388,102,554</b>
Salaries and allowances	29	6,228,455,055	5,578,849,064
Rent, taxes, insurance, electricity etc.	30	664,814,313	701,300,962
Legal expenses		18,361,919	31,142,353
Postage, stamps, telecommunication etc.	31	204,617,611	230,319,874
Stationery, printing, advertisement etc.	32	220,659,472	269,486,898
Chief Executive's salary and fees	33	18,775,000	18,775,000
Directors' fees	34	1,596,800	1,066,520
Auditors' fees	35	1,840,000	1,840,000
Depreciation and repair of the bank's assets	36	2,081,241,194	2,050,466,915
Other expenses	37	2,466,298,899	2,557,229,126
<b>Total operating expenses (b)</b>		<b>11,906,660,263</b>	<b>11,440,476,712</b>
<b>Profit before provisions (c = a-b)</b>		<b>8,601,730,336</b>	<b>9,947,625,842</b>
Provision for loans/Investments:			
Loans and advances		2,365,157,113	1,096,128,805
Diminution in value of investments		(563,219,881)	534,400,000
Off balance sheet items		63,083,635	(192,000,000)
Other provisions		1,581,941	3,790,385
<b>Total provision (d)</b>	39	<b>1,866,602,808</b>	<b>1,442,319,190</b>
<b>Total Profit/(loss) before taxes (e= c-d)</b>		<b>6,735,127,528</b>	<b>8,505,306,652</b>
Provision for taxation:			
Current tax expense		2,537,375,925	3,718,904,812
Deferred tax income		(343,080,346)	(859,400,548)
<b>Total provision for taxation (f)</b>	40	<b>2,194,295,579</b>	<b>2,859,504,264</b>
<b>Net profit after taxation (e-f)</b>		<b>4,540,831,949</b>	<b>5,645,802,388</b>
Retained earnings brought forward from previous period/year		12,378,804,260	9,794,724,973
Net effect of all items directly recognised in Equity-retained earnings		(113,449,385)	248,088,649
<b>Profit available for appropriation</b>		<b>16,806,186,824</b>	<b>15,688,616,010</b>
<b>Appropriations:</b>			
Statutory reserve		1,275,868,312	1,701,061,330
General reserve		-	-
Dividend		1,850,062,985	1,608,750,420
Dividend equalization fund		-	-
		3,125,931,297	3,309,811,750
<b>Retained Surplus</b>		<b>13,680,255,527</b>	<b>12,378,804,260</b>
<b>Earnings Per Share (EPS) [previous year's figure restated]</b>	41	<b>3.42</b>	<b>4.26</b>

The notes 1 to 47 and annexures A to L form an integral part of these financial statements.

### c) Cash Flow Statement

**BRAC Bank Limited**  
**Cash Flow Statement**  
For the year ended 31 December 2020

Particulars	Note	2020 Taka	2019 Taka
<b>A. Cash flows from operating activities</b>			
Interest receipts in cash		28,051,067,431	31,838,943,779
Interest payment		(15,343,961,961)	(13,904,507,701)
Dividend receipts		96,094,680	123,760,324
Fees and commission receipts in cash		2,560,275,778	3,151,040,824
Recoveries on loans previously written off		633,704,077	786,257,664
Cash payments to employees		(6,243,757,705)	(5,650,932,696)
Cash payments to suppliers		(423,015,776)	(556,139,283)
Income tax paid		(3,564,500,491)	(2,706,854,957)
Receipts from other operating activities	43	1,691,821,434	642,094,138
Payment for other operating activities	44	(3,611,118,630)	(4,275,850,196)
Operating Cash flow before changes in operating assets and liabilities (i)		<u>3,846,608,837</u>	<u>9,447,811,896</u>
<b>Increase/decrease in operating assets and liabilities</b>			
Loans and advances to customers		(8,972,011,665)	(26,083,078,267)
Other assets		1,207,569,075	(329,557,246)
Deposits from other banks/borrowings		(1,295,171,744)	5,360,091,417
Deposits from customers		22,632,432,701	33,837,248,816
Other liabilities		1,195,346,011	473,789,477
Cash utilised in operating assets and liabilities (ii)		<u>14,768,164,378</u>	<u>13,258,494,197</u>
<b>Net cash flows from operating activities (i+ii) (a)</b>		<u><b>18,614,773,215</b></u>	<u><b>22,706,306,093</b></u>
<b>B. Cash flows from investing activities</b>			
Treasury bills		12,463,112,715	(6,482,003,710)
Treasury bonds		(34,318,050,369)	(12,351,679,718)
Sale/ (Investment) in shares		(465,347,240)	(207,711,895)
Sale/ (Investment) in bonds		159,332,423	(1,131,615,340)
Acquisition of fixed assets		(758,893,262)	(1,219,205,803)
Disposal of fixed assets		108,701,537	12,760,488
<b>Net cash used in investing activities (b)</b>		<u><b>(22,811,144,196)</b></u>	<u><b>(21,379,455,978)</b></u>
<b>C. Cash flows from financing activities</b>			
Dividend paid		(918,394,579)	(172,484)
<b>Net cash used in financing activities (c)</b>		<u><b>(918,394,579)</b></u>	<u><b>(172,484)</b></u>
<b>Net increase/decrease in cash (a+b+c)</b>		<u><b>(5,114,765,560)</b></u>	<u><b>1,326,677,631</b></u>
Effect of exchange rate changes on cash and cash equivalent		87,177,429	50,003,697
Cash and cash equivalents at the beginning of year		38,630,874,333	37,254,193,005
Cash and cash equivalents at the end of the year	42	<u><u><b>33,603,286,202</b></u></u>	<u><u><b>38,630,874,333</b></u></u>
<b>Cash and cash equivalents at the end of the year:</b>			
Cash in hand (including foreign currency)		7,091,907,372	6,726,443,188
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		12,151,189,284	16,103,064,899
Balance with other banks and financial institutions		14,358,762,046	15,799,498,546
Prize Bond		1,427,500	1,867,700
		<u><u><b>33,603,286,202</b></u></u>	<u><u><b>38,630,874,333</b></u></u>
<b>Net operating cash flow per share</b>	46	<u><u><b>14.04</b></u></u>	<u><u><b>17.13</b></u></u>

The notes 1 to 47 and annexures A to L form an integral part of these financial statements.

Note: The reconciliation of net profit with cash flows from operating activities (standalone basis) has been presented at Annexure - L.

For detailed Auditors Report along with audited financial statements see Annexure 3

d) Statement of Changes in Equity

BRAC Bank Limited  
Statement of Changes in Equity  
For the year ended 31 December 2020

Particulars	Amount in Taka									
	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Assets revaluation reserve	Foreign currency translation reserve	Fair value gain/(loss) on equity investment*	Retained earnings	Total
Balance as at 01 January 2020	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	478,558,600	29,914,168	1,261,102,670	12,378,804,260	38,919,232,912
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Recognition of Deferred Tax on revaluation reserve of fixed assets	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	4,706,961,002	-	-	-	-	4,706,961,002
Changes in translation reserve	-	-	-	-	-	-	(43,555,793)	-	-	(43,555,793)
Changes in OCI reserve for investment in subsidiaries and associates	-	-	-	-	-	-	-	(129,904,824)	-	(129,904,824)
Actual gain/(loss)	-	-	-	-	-	-	-	-	(113,449,385)	(113,449,385)
Net gains and losses not recognised in the income statement	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	4,805,926,053	478,558,600	(13,641,635)	1,131,197,846	12,265,364,875	43,339,283,912
Net profit for the year	-	-	-	-	-	-	-	-	4,540,831,949	4,540,831,949
Dividends for the year 2019:	-	-	-	-	-	-	-	-	-	-
Stock dividend	925,031,490	-	-	-	-	-	-	-	(925,031,490)	-
Cash dividend	-	-	-	-	-	-	-	-	(925,031,495)	(925,031,495)
Statutory reserve	-	-	1,275,868,312	-	-	-	-	-	(1,275,868,312)	-
Balance as at 31 December 2020	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	478,558,600	(13,641,635)	1,131,197,846	13,680,255,527	46,955,084,366

For the year ended 31 December 2019

Particulars	Amount in Taka									
	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Assets revaluation reserve	Foreign currency translation reserve	OCI Reserve for equity investment	Retained earnings	Total
Balance as at 01 January 2019	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	(3,001,421)	-	9,794,724,973	31,637,951,839
Changes in accounting policy	-	-	-	-	-	-	-	1,846,507,062	-	1,846,507,062
Restated balance	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	(3,001,421)	1,846,507,062	9,794,724,973	33,484,458,901
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Recognition of Deferred Tax on revaluation reserve of fixed assets	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	93,371,787	-	-	-	-	93,371,787
Changes in translation reserve	-	-	-	-	-	-	32,915,579	-	-	32,915,579
Changes in OCI reserve for investment in subsidiaries and associates	-	-	-	-	-	-	-	(585,404,392)	-	(585,404,392)
Actual gain/(loss)	-	-	-	-	-	-	-	-	248,088,649	248,088,649
Net gains and losses not recognised in the income statement	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	98,965,051	478,558,600	29,914,168	1,261,102,670	10,042,813,622	33,273,430,524
Net profit for the year	-	-	-	-	-	-	-	-	5,645,802,388	5,645,802,388
Dividends for the year 2018:	-	-	-	-	-	-	-	-	(1,608,750,420)	-
Stock dividend	1,608,750,420	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-	(1,701,061,330)	(1,701,061,330)
Statutory reserve	-	-	1,701,061,330	-	-	-	-	-	-	-
Balance as at 31 December 2019	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	478,558,600	29,914,168	1,261,102,670	12,378,804,260	38,919,232,912

\* Detail of fair value gain/(loss) on equity investments has been provided at Note-9

The notes 1 to 47 and annexures A to L form an integral part of these financial statements.



## 14. BRIEF OVERVIEW AND COMPARATIVE FINANCIAL STATEMENTS

**Table 3: BRIEF OVERVIEW AND COMPARATIVE FINANCIAL STATEMENTS of BRAC Bank Limited (SOLO)**

**BRAC Bank Limited**  
**Balance Sheet**  
**As at 31 December 2020**

BDT 'Million unless otherwise specified

Particulars	2020	2019	2018	2017	2016
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>	<b>19,243</b>	<b>22,830</b>	<b>22,375</b>	<b>18,284</b>	<b>15,821</b>
Cash in hand (Including foreign currency)	7,092	6,726	6,655	6,092	5,404
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	12,151	16,103	15,720	12,192	10,416
<b>Balance with other banks and financial institutions</b>	<b>14,359</b>	<b>15,799</b>	<b>14,879</b>	<b>19,396</b>	<b>15,367</b>
Inside Bangladesh	7,929	13,204	12,484	16,239	13,337
Outside Bangladesh	6,430	2,596	2,394	3,157	2,030
<b>Money at call on short notice</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investments</b>	<b>68,896</b>	<b>45,944</b>	<b>25,765</b>	<b>24,966</b>	<b>22,488</b>
Government	61,822	39,175	20,341	19,193	17,045
Others	7,074	6,768	5,424	5,773	5,443
<b>Loans and advances</b>	<b>273,063</b>	<b>264,091</b>	<b>238,008</b>	<b>202,559</b>	<b>173,612</b>
Loans, cash credit, overdrafts etc.	136,375	145,605	154,400	115,749	110,499
Small and medium enterprises	134,621	115,109	80,422	81,064	61,185
Bills purchased & discounted	2,067	3,377	3,186	5,746	1,928
<b>Fixed assets including premises, furniture and fixtures</b>	<b>7,349</b>	<b>8,189</b>	<b>4,301</b>	<b>4,275</b>	<b>3,113</b>
<b>Other assets</b>	<b>14,526</b>	<b>12,485</b>	<b>10,023</b>	<b>9,642</b>	<b>18,142</b>
<b>Non-banking assets</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>63</b>	<b>62</b>
<b>Total property and assets</b>	<b>397,502</b>	<b>369,404</b>	<b>315,417</b>	<b>279,187</b>	<b>248,605</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowings from other banks, financial institutions &amp; agents</b>	<b>11,913</b>	<b>22,902</b>	<b>22,958</b>	<b>23,211</b>	<b>18,838</b>
<b>Borrowings from Bangladesh Bank</b>	<b>23,370</b>	<b>12,488</b>	<b>8,345</b>	<b>5,596</b>	<b>6,753</b>
<b>Convertible Subordinate Bonds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,850</b>	<b>2,951</b>
<b>Money at call on short notice</b>	<b>85</b>	<b>1,274</b>	<b>0</b>	<b>2,700</b>	<b>1,304</b>
<b>Deposits and other accounts</b>	<b>289,054</b>	<b>268,309</b>	<b>233,509</b>	<b>196,224</b>	<b>168,860</b>
Current accounts & other accounts	97,266	70,388	57,549	62,304	50,271
Bills payable	1,798	1,911	2,428	1,014	1,309
Savings deposits	57,231	44,538	38,321	35,101	31,369
Fixed deposits	130,622	149,379	133,600	96,018	84,504

Other deposits	2,138	2,093	1,611	1,787	1,406
<b>Other liabilities</b>	<b>26,125</b>	<b>25,512</b>	<b>18,966</b>	<b>22,615</b>	<b>28,459</b>
<b>Total Liabilities</b>	<b>350,547</b>	<b>330,485</b>	<b>283,779</b>	<b>253,196</b>	<b>227,165</b>
<b>Capital and shareholders' equity</b>					
Paid up capital	13,259	12,334	10,725	8,552	7,104
Share premium	3,854	3,854	3,854	3,738	3,660
Statutory reserve	9,405	8,129	6,428	4,814	3,470
Dividend equalization fund	355	355	355	355	355
Revaluation reserve on govt. securities	4,806	99	6	23	112
Assets revaluation reserve	479	479	479	516	516
Fair value gain/(loss) on equity investment	1,131	1,261			
Foreign currency translation reserve	-14	30	-3	0	
Surplus in profit and loss account/Retained earnings	13,680	12,379	9,795	7,992	6,223
<b>Total shareholders' equity</b>	<b>46,955</b>	<b>38,919</b>	<b>31,638</b>	<b>25,991</b>	<b>21,441</b>
<b>Total liabilities and shareholders' equity</b>	<b>397,502</b>	<b>369,404</b>	<b>315,417</b>	<b>279,187</b>	<b>248,605</b>

**BRAC Bank Limited**  
**Profit and Loss Account**  
**For the year ended 31 December 2020**

BDT 'Million unless otherwise specified

Particulars	2020	2019	2018	2017	2016
Interest income	24,709	29,692	25,112	20,498	17,842
Interest paid on deposits and borrowing etc.	13,329	14,654	11,574	8,351	7,036
<b>Net interest income</b>	<b>11,380</b>	<b>15,038</b>	<b>13,538</b>	<b>12,148</b>	<b>10,807</b>
Investment income	6,457	3,072	2,961	3,581	2,497
Commission, exchange and brokerage	2,560	3,168	2,573	2,876	2,538
Other operating income	112	110	93	105	123
<b>Total operating income (a)</b>	<b>20,508</b>	<b>21,388</b>	<b>19,165</b>	<b>18,710</b>	<b>15,965</b>
Salaries and allowances	6,228	5,579	4,681	4,347	3,313
Rent, taxes, insurance, electricity etc.	665	701	1,409	1,312	1,148
Legal expenses	18	31	55	42	61
Postage, stamps, telecommunication etc.	205	230	272	250	242
Stationery, printing, advertisement etc.	221	269	292	304	203
Chief Executive's salary and fees	19	19	14	13	13
Directors' fees	2	1	1	1	1
Auditors' fees	2	2	2	1	1
Depreciation and repair of the bank's assets	2,081	2,050	1,156	844	906
Other expenses	2,466	2,557	2,460	2,546	2,064
<b>Total operating expenses (b)</b>	<b>11,907</b>	<b>11,440</b>	<b>10,343</b>	<b>9,660</b>	<b>7,952</b>
<b>Profit before provisions (c = a-b)</b>	<b>8,602</b>	<b>9,948</b>	<b>8,822</b>	<b>9,050</b>	<b>8,013</b>
Provision for loans/Investments:					
Loans and advances	2,365	1,096	684	993	1,078
Diminution in value of investments	-563	534	116	-72	-287
Off balance sheet items	63	-192	-37	131	63
Other provisions	2	4	-13	100	10
<b>Total provision (d)</b>	<b>1,867</b>	<b>1,442</b>	<b>750</b>	<b>1,152</b>	<b>865</b>
<b>Total Profit/(loss) before taxes (e= c-d)</b>	<b>6,735</b>	<b>8,505</b>	<b>8,072</b>	<b>7,897</b>	<b>7,148</b>
Provision for taxation:					
Current tax expense	2,537	3,719	2,523	3,196	2,630
Deferred tax income	-343	-859	2	-549	58
<b>Total provision for taxation (f)</b>	<b>2,194</b>	<b>2,860</b>	<b>2,525</b>	<b>2,647</b>	<b>2,688</b>
<b>Net profit after taxation (e-f)</b>	<b>4,541</b>	<b>5,646</b>	<b>5,547</b>	<b>5,250</b>	<b>4,460</b>

**Table 4: Brief Overview and Comparative Financial Statements of BRAC Bank Limited (Consolidated)**

**BRAC Bank Limited and its subsidiaries**  
**Consolidated Balance Sheet**  
**As at 31 December 2020**

BDT 'Million unless otherwise specified

Particulars	2020	2019	2018	2017	2016
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>	<b>19,988</b>	<b>23,067</b>	<b>22,394</b>	<b>18,302</b>	<b>15,828</b>
Cash in hand (Including foreign currency)	7,837	6,964	6,675	6,110	5,411
Balance with Bangladesh Bank and its agent bank(s)					
(Including foreign currency)	12,151	16,103	15,720	12,192	10,416
<b>Balance with other banks and financial institutions</b>	<b>42,650</b>	<b>46,598</b>	<b>44,652</b>	<b>43,356</b>	<b>31,148</b>
Inside Bangladesh	35,478	43,827	41,919	39,975	29,024
Outside Bangladesh	7,172	2,771	2,733	3,381	2,124
<b>Money at call on short notice</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investments</b>	<b>94,095</b>	<b>55,952</b>	<b>35,133</b>	<b>26,889</b>	<b>22,938</b>
Government	85,498	47,735	27,926	19,193	17,045
Others	8,596	8,216	7,207	7,696	5,892
<b>Loans and advances</b>	<b>273,439</b>	<b>264,870</b>	<b>238,400</b>	<b>203,431</b>	<b>175,841</b>
Loans, cash credit, overdrafts etc.	136,750	146,384	154,792	116,621	112,728
Small and medium enterprises	134,621	115,109	80,422	81,064	61,185
Bills purchased & discounted	2,067	3,377	3,186	5,746	1,928
<b>Fixed assets including premises, furniture and fixtures</b>	<b>11,067</b>	<b>10,873</b>	<b>6,265</b>	<b>5,610</b>	<b>4,460</b>
<b>Other assets</b>	<b>13,863</b>	<b>12,001</b>	<b>9,665</b>	<b>9,314</b>	<b>16,664</b>
<b>Non-banking assets</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>63</b>	<b>62</b>
<b>Goodwill</b>	<b>1,427</b>	<b>1,427</b>	<b>1,427</b>	<b>1,351</b>	<b>1,382</b>
<b>Total property and assets</b>	<b>456,595</b>	<b>414,855</b>	<b>358,005</b>	<b>308,317</b>	<b>268,324</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowings from other banks, financial institutions &amp; agents</b>	<b>12,573</b>	<b>23,462</b>	<b>22,958</b>	<b>23,211</b>	<b>19,131</b>
<b>Borrowings from Bangladesh Bank</b>	<b>23,370</b>	<b>12,488</b>	<b>8,345</b>	<b>5,596</b>	<b>6,753</b>
<b>Convertible Subordinate Bonds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,850</b>	<b>2,951</b>
<b>Money at call on short notice</b>	<b>85</b>	<b>1,274</b>	<b>0</b>	<b>2,700</b>	<b>1,304</b>
<b>Deposits and other accounts</b>	<b>333,616</b>	<b>297,755</b>	<b>259,961</b>	<b>216,930</b>	<b>181,479</b>
Current accounts & other accounts	141,841	101,846	84,213	83,474	66,657
Bills payable	1,798	1,911	2,428	1,014	1,309
Savings deposits	57,231	44,538	38,321	35,101	31,369
Fixed deposits	130,608	147,366	133,388	95,557	80,737
Other deposits	2,138	2,093	1,611	1,784	1,406

<b>Other liabilities</b>	<b>32,774</b>	<b>33,214</b>	<b>25,040</b>	<b>28,600</b>	<b>32,966</b>
<b>Total Liabilities</b>	<b>402,417</b>	<b>368,191</b>	<b>316,304</b>	<b>279,887</b>	<b>244,584</b>
<b>Capital and shareholders' equity</b>					
Paid up capital	13,259	12,334	10,725	8,552	7,104
Share premium	3,854	3,854	3,854	3,738	3,660
Statutory reserve	9,405	8,129	6,428	4,814	3,470
Dividend equalization fund	355	355	355	355	355
Revaluation reserve on govt. securities	4,806	99	6	23	112
Assets revaluation reserve	479	479	479	516	516
Fair value reserve	79	79	79	0	
Foreign currency translation reserve	-15	24	-18	-6	
Surplus in profit and loss account/Retained earnings	16,347	15,230	13,343	8,607	6,935
<b>Total shareholders' equity</b>	<b>48,568</b>	<b>40,582</b>	<b>35,250</b>	<b>26,600</b>	<b>22,153</b>
<b>Non-controlling interest</b>	<b>5,610</b>	<b>6,081</b>	<b>6,450</b>	<b>1,830</b>	<b>1,587</b>
<b>Total equity</b>	<b>54,178</b>	<b>46,664</b>	<b>41,700</b>	<b>28,430</b>	<b>23,740</b>
<b>Total liabilities and shareholders' equity</b>	<b>456,595</b>	<b>414,855</b>	<b>358,005</b>	<b>308,317</b>	<b>268,324</b>

**BRAC Bank Limited and its subsidiaries**  
**Consolidated Profit and Loss Account**  
**For the year ended 31 December 2020**

BDT 'Million unless otherwise specified

Particulars	2020	2019	2018	2017	2016
Interest income	27,080	32,623	27,478	21,734	18,310
Interest paid on deposits and borrowing etc.	13,552	14,698	11,660	8,201	6,589
<b>Net interest income</b>	<b>13,528</b>	<b>17,925</b>	<b>15,817</b>	<b>13,533</b>	<b>11,721</b>
Investment income	8,182	3,057	2,791	2,915	2,558
Commission, exchange and brokerage	6,846	6,599	7,227	6,882	5,550
Other operating income	170	238	173	371	357
<b>Total operating income (a)</b>	<b>28,727</b>	<b>27,819</b>	<b>26,008</b>	<b>23,701</b>	<b>20,185</b>
Salaries and allowances	9,043	7,869	6,437	5,865	4,525
Rent, taxes, insurance, electricity etc.	793	824	1,533	1,425	1,256
Legal expenses	53	58	76	46	64
Postage, stamps, telecommunication etc.	301	313	322	300	289
Stationery, printing, advertisement etc.	2,843	2,496	2,170	1,393	1,128
Chief Executive's salary and fees	19	19	14	13	13
Directors' fees	3	3	3	3	3
Auditors' fees	8	8	6	5	7
Impairment of goodwill					30
Depreciation and repair of the bank's assets	3,913	3,501	2,027	1,526	1,517
Other expenses	3,557	3,768	4,027	3,703	2,744
<b>Total operating expenses (b)</b>	<b>20,533</b>	<b>18,859</b>	<b>16,614</b>	<b>14,279</b>	<b>11,575</b>
<b>Operating profit (c = a-b)</b>	<b>8,194</b>	<b>8,960</b>	<b>9,393</b>	<b>9,422</b>	<b>8,611</b>
Share of profit/(loss) of associates	0	-4	2	14	0
Gain/(loss) on disposal of subsidiaries/associates	0	5	0	0	0
<b>Profit/(loss) before provisions (d)</b>	<b>8,194</b>	<b>8,960</b>	<b>9,395</b>	<b>9,437</b>	<b>8,611</b>
Provision for loans/Investments:					
Loans and advances	2,365	1,096	684	993	1,762
Diminution in value of investments	-563	534	116	-72	-287
Off balance sheet items	63	-192	-37	131	63
Other provisions	7	22	-11	100	10
<b>Total provision (e)</b>	<b>1,873</b>	<b>1,461</b>	<b>752</b>	<b>1,152</b>	<b>1,548</b>
<b>Total profit/(loss) before taxes (f= d-e)</b>	<b>6,321</b>	<b>7,501</b>	<b>8,643</b>	<b>8,284</b>	<b>7,063</b>
Provision for taxation:					
Current tax expense	2,840	3,993	2,994	3,571	2,961
Deferred tax expense / (income)	-546	-1,075	-21	-785	26
<b>Total provision for taxation (g)</b>	<b>2,295</b>	<b>2,918</b>	<b>2,973</b>	<b>2,786</b>	<b>2,987</b>
<b>Net profit/(loss) after taxation (f-g)</b>	<b>4,026</b>	<b>4,583</b>	<b>5,670</b>	<b>5,498</b>	<b>4,076</b>

## 15. RATIOS FOR THE LAST FIVE ACCOUNTING YEARS

**Table 5: Ratios for the last five accounting years (Solo)**

Solo					
Ratio	2020	2019	2018	2017	2016
AD Ratio	76.69%	82.10%	82.78%	83.39%	83.47%
Liquid Asset to Total Deposit Ratio	32.03%	26.45%	22.90%	23.20%	23.83%
Liquid Asset to Short Term Liabilities	229.33%	153.88%	123.89%	101.89%	111.99%
Liquidity Coverage Ratio (LCR)	358.97%	218.19%	143.54%	125.51%	111.79%
Net Stable Funding Ratio (NSFR)	106.02%	110.01%	123.54%	114.38%	115.44%
Common equity Tier-I (CET1) Capital Ratio	13.21%	13.82%	12.31%	11.24%	10.46%
Capital Adequacy Ratio	14.55%	15.07%	13.67%	12.72%	12.26%
Non-Performing Loan Ratio	2.9%	4.0%	3.1%	3.6%	3.4%
NPL Coverage Ratio (incl. GP)	171%	97%	123%	132%	143%
NPL Coverage Ratio	114%	65%	76%	86%	94%
Cost of Fund	6.37%	7.04%	6.75%	5.69%	5.32%
Return on Asset	1.18%	1.64%	1.87%	2.02%	1.89%
Return on Equity	10.58%	15.60%	19.25%	22.14%	22.16%
Return on Investments	5.75%	8.04%	9.00%	9.41%	9.20%
Debt Equity Ratio (Times)	6.91	7.84	8.37	8.87	9.27
GP Margin	60.61%	59.34%	62.35%	69.14%	69.41%
NP Margin	13.42%	15.66%	18.05%	19.40%	19.39%
Cost Income Ratio	58.06%	53.49%	53.97%	51.63%	49.81%
Earnings per share (In BDT)	3.42	4.26	4.50	4.91	5.23
NAV per share (In BDT)	35.41	29.35	25.65	24.23	25.07

**Table 6: Ratios for the last five accounting years (Group)**

Consolidated					
Ratio	2020	2019	2018	2017	2016
Common equity Tier-I (CET1) Capital Ratio	13.88%	15.02%	14.45%	10.59%	10.36%
Capital Adequacy Ratio	15.13%	16.16%	15.70%	11.97%	12.06%
Return on Asset	1.01%	1.28%	1.66%	1.83%	1.55%
Return on Equity	9.90%	13.06%	17.94%	21.30%	18.33%
Return on Investments	5.44%	6.86%	8.70%	9.17%	7.65%
Debt to Equity Ratio	7.61	8.25	8.26	9.45	9.55
GP Margin	67.95%	65.43%	69.04%	74.29%	75.39%
NP Margin	9.52%	10.78%	15.05%	17.24%	15.22%
Cost Income Ratio	71.48%	67.79%	63.88%	60.25%	57.34%
Earnings per share (In BDT)	3.33	3.73	4.50	4.86	4.55
NAV per share (In BDT)	36.63	30.61	28.58	24.80	25.90

*Detailed audited financial statement is available in Annexure 1*

## 16. REPAYMENT SCHEDULE OF THE BOND

Year	Number of bond redemption	Principal Redemption	Interest Payment	Total Payment	Outstanding Principal
0.5	-	-	165,000,000.00	165,000,000.00	6,000,000,000.00
1.5	-	-	165,000,000.00	165,000,000.00	6,000,000,000.00
2	-	-	165,000,000.00	165,000,000.00	6,000,000,000.00
2.5	-	-	165,000,000.00	165,000,000.00	6,000,000,000.00
3	-	-	165,000,000.00	165,000,000.00	6,000,000,000.00
3.5	-	-	165,000,000.00	165,000,000.00	6,000,000,000.00
4	-	-	165,000,000.00	165,000,000.00	6,000,000,000.00
4.5	-	-	165,000,000.00	165,000,000.00	6,000,000,000.00
5	6,000	6,000,000,000.00	165,000,000.00	6,165,000,000.00	-

## 17. CREDIT RATING REPORT OF THE ISSUE

### Company Rating

BRAC Bank has been assessed by several leading credit rating agencies around the world. These include Credit Rating Agency of Bangladesh (CRAB), Emerging Credit Rating Limited (ECRL), Credit Rating Information and Services Limited (CRISL), S&P Global Ratings and Moody's Investors Service. Based on financial statements dated December 31, 2019, as well as other quantitative and qualitative information, BRAC Bank's ratings are as follows:

**Table 7: Company Credit Rating**

Credit rating agency	2020		2019		2018	
	Long Term	Short term	Long Term	Short term	Long Term	Short term
CRAB	AA1	ST-1	AA1	ST-1	AA1	ST-1
ECRL	AA+	ST-1	AA+	ST-1	AA+	ST-1
CRISL	AA+	ST-1	AA+	ST-1	AA+	ST-1
S&P Global	B+	B	B+	B	B+	B
Moody's	Ba3	NP	Ba3	NP	Ba3	NP

These ratings signify that:

- BRAC Bank is one of the most financially-solvent banks in Bangladesh
- The bank has the capability to honor its financial obligations
- The bank's ability to meet its repayment obligations timely is noteworthy

At BRAC Bank, we are indebted to our stakeholders for entrusting us with their business and the confidence reposed in us throughout our journey.



## Bond Rating

Table 8: Bond Credit Rating

Credit rating agency	2021	
	Long Term	Short term
CRAB	AA1	ST-1

For detailed Credit Rating Report, see Annexure 2 & 3

## 18. LATEST DEFAULT MATRIX AND TRANSITION STATISTICS:

### CRAB Ratings' Default Study-2020

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 (2019-2020)

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	0.00%	97.22%	2.78%	0.00%	0.00%	0.00%	0.00%
A	0.00%	3.76%	93.55%	2.69%	0.00%	0.00%	0.00%
BBB	0.00%	0.00%	2.43%	95.74%	1.83%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	12.90%	87.10%	0.00%	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%

## 19. DESCRIPTION OF THE TRUSTEE

IDLC Investments Limited is acting (in separate capacities) as Trustee for each of Part A and Part B of the Affordable Housing Bond of BRAC Bank Limited subject to regulatory approval.

IDLC Investments Limited (IDLCIL), a leading merchant bank in Bangladesh, has been operating in the capital market for over twenty years and offers a host of diverse financial services and solutions to institutional and individual clients to meet their unique requirements.

IDLC Finance commenced its merchant banking operations in 1999 and aligning with regulatory requirements, the merchant banking operation was transferred to IDLC Investments Limited, a fully-owned subsidiary of IDLC Finance, which was established in 2011.

Our key strength lies in our ability to value and position a company in the financial market correctly, devise the best financial structure, showcase the enterprise to the right investors, complete the entire process smoothly and efficiently, leveraging our strong co-ordination with regulatory authorities, ensure growth and continuous value-creation for the company.

<p><b>Key Milestones</b></p> <p>1998 - Obtained merchant banking license</p> <p>1999 - Commenced merchant banking through participation in underwriting</p> <p>2003 - Managed first IPO as Issue Manager</p> <p>2004 - Commencement of Margin Loan Operations</p> <p>2010 - Managed 1st ever IPO in Book Building Method</p> <p>2011 - Merchant Banking Division turned into separate company as IDLC Investments Limited, a wholly-owned subsidiary of IDLC</p> <p>2016 - Launched 'EASY INVEST'- A Monthly Investment Scheme</p> <p>2020 - Managed the IPO of Robi Axiata Limited, the biggest ever IPO in the history of Bangladesh</p>	<p><b>Major Products</b></p> <ul style="list-style-type: none"> <li>▪ Margin Loan</li> <li>▪ Discretionary Portfolio Management</li> </ul> <p><b>Major Services</b></p> <ul style="list-style-type: none"> <li>▪ Corporate Advisory</li> <li>▪ Issue Management</li> <li>▪ Underwriting</li> <li>▪ Acting as Trustee of debt securities</li> </ul>
--	--

**Status of debt securities issued under trusteeship of IDLC Investments Limited:**

S L	Name of the Issuer	Name/Type of the Issue	Maturity Period	IM Issue Date	Date of Completion of Subscription	Value of debt Securities (in BDT million)	Repayment	Outstanding (in BDT million)
1	City Bank Limited	City Bank 2nd Subordinated Bond	7 years	June 19, 2017	June 21, 2017	5,000	-	5,000
2	Standard Bank Limited	Standard Bank 2nd Subordinated Debt	7 years	June 8, 2017	March 18, 2018	4,000	800	2400
3	Paramount Textile Limited	Paramount Textile Ltd Zero Coupon Bond	4 years	November 1, 2017	August 16, 2018	430	323.125	86.875
4	United Commercial Bank Limited	UCB 3rd Subordinated Bond	7 years	December 28, 2017	May 16, 2018	7,000	1,400	5,600
5	Tarasima Apparels Limited	Tarasima Apparels Ltd Zero Coupon Bond	4 years	June 12, 2018	September 11, 2019	230	131.25	98.75
6	City Bank Limited	City Bank Perpetual Bond	N/A	December 10, 2020	March 07, 2021	4,000	-	4,000
7	Standard Bank Limited	Standard Bank Perpetual Bond	N/A	Yet to be Issued	N/A	5,000	-	Yet to be Issued
8	Delta BRAC Housing Finance Corporation	DBH Zero Coupon Bond	N/A	Yet to be Issued	N/A	3,000	-	Yet to be Issued
9	Dhaka Bank Limited	Dhaka Bank Perpetual Bond	N/A	Yet to be Issued	N/A	4,000	-	Yet to be Issued
10	BRAC Bank Limited	BRAC Bank Affordable Housing Bond	N/A	Yet to be Issued	N/A	6,000	-	Yet to be Issued
	<b>Total</b>					<b>38,660</b>	<b>2,618.75</b>	

## Due Diligence Certificate of the Trustee



### Due Diligence Certificate of the Trustee

To  
The Bangladesh Securities and Exchange Commission

**Sub: Issuance of 6,000 Non-Convertible Fixed Coupon Senior Bond of Tk. 1 million each of BRAC Bank Limited**

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

#### WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- (e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

For Trustee

**Md. Moniruzzaman, CFA**  
Managing Director  
IDLC Investments Limited

IDLC Investments Limited

📍 D R Tower (4<sup>th</sup> Floor), 65/2/2 Bir Protik Gazi Golam Dastagir Road, Purana Paltan, Dhaka 1000, Bangladesh  
🌐 [www.idlc.com](http://www.idlc.com) 📧 [contactcenter@idlc.com](mailto:contactcenter@idlc.com) 📞 16409 📠 +8809609994352 📠 +880 (2) 9571171

## 20. MODUS OPERANDI OF THE ISSUE

*Capitalized terms not defined herein shall have meaning as ascribed to such terms in Part A Subscription Agreement with respect to the Part A Bonds, Part B Subscription Agreement with respect to Part B Bonds, relevant section of the Trust Deed and/or corresponding Terms and Conditions with respect to each of the Part A and Part B Bonds (as the case may be).*

### **Application Procedure**

Investors shall enter into a separate Part A Subscription Agreement (with respect to the Part A Bonds) and Part B Subscription Agreement (with respect to the Part B Bonds) with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details its rights and obligations.

Upon receiving the relevant Consent Letter in accordance with the Trust Deed, 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 under the terms of the relevant Subscription Agreement.

Following publication of Information Memorandum and subject to fulfilment of the conditions precedent set out in the Part A Subscription Agreement (with respect to the Part A Bonds) and Part B Subscription Agreement (with respect to the Part B Bonds), the Issuer may request investors to subscribe to the Part A Bonds or Part B Bonds in accordance with the terms of the relevant Subscription Agreement. The Part A Subscription Agreement will allow for the subscription of up to two bond tranches for the Part A Bonds with an aggregate principal amount not exceeding the BDT equivalent of U.S.\$50,000,000 (such amount being approximately up to BDT 4,250,000,000<sup>2</sup> and as determined at the date of issuance of the same in accordance with the Part A Subscription Agreement) and there shall be up to three tranches for Part B Bonds for up to BDT 1,750,000,000 and the remaining unsubscribed amount of Part A Bonds (if any, provided the aggregate amount of the Part B Bonds does not exceed the aggregate amount of BDT 6,000,000,000)

Confirmation of subscription in respect of each bond tranche along with bank statement(s) shall be submitted to BSEC within 10 days of the date of issuance by investor of an 'Subscription Confirmation' for the Part A Bonds in accordance with terms of the Part A Subscription Agreement or equivalent confirmation of subscription accordance with terms of the Part B Subscription Agreement.

The proceeds raised through the Part A Bonds and Part B Bonds issue shall be placed in a designated bank account maintained with the banker to the such (in an office GL account as the issuer is a Bank) as set out in the Request for Bond Subscription provided under the relevant Subscription Agreement. The utilization of the proceeds of the Part A Bonds and Part B Bonds shall also be made from the said account.

For the purposes of the Debt Securities Rules, the Issuer shall submit a report on the utilization of proceeds as well as implementation status shall be submitted to the Commission (as defined in the Debt Securities Rules), on a half-yearly basis within 10 days of the Issuer's financial half year, until full utilization of the Part A and Part B Bonds proceeds.

### **Register & Allotment**

(a) Each Bond will be numbered serially with an identifying number which will be recorded in the Bondholders' Register, a copy of which will be maintained by the Issuer. The Issuer shall prepare and maintain the Bondholders' Register for each of the Part A Bonds and Part B Bonds until all of the relevant Bonds constituting the applicable

---

<sup>2</sup> @ USD/BDT exchange rate of 1USD = BDT 85.

portion of the Issue Amount (for the Part A Bonds and Part B Bonds) have been fully redeemed and repaid in accordance with the Depository Agreement.

(b) The Trustee shall, in relation to each of the Part A Bonds and Part B Bonds, obtain a list of the relevant Bondholders as of the relevant Record Date from the Depository (for the purposes of notices issuance and/or interest transactions) within one (1) Dhaka Business Day of the Record Date.

(c) The Issuer shall duplicate the Depository record in a duplicate register to be kept at the Issuer's registered office (the "Duplicate Register") where such Duplicate Register shall include the names and addresses of the holders of the Issue Amount of the relevant Bonds and the particulars of such Issue Amount of the Part A Bonds or Part B Bonds (as applicable) held by them and of all transfers of the Issue Amount of the Part A Bonds or Part B Bonds. The relevant Bondholders and the Trustee shall be entitled to inspect the Duplicate Register and take copies therefrom upon payment of fees as may be prescribed by the Issuer from time to time.

### **Principal amount of the Part A Bonds and Part B Bonds Issued**

In aggregate, there shall be units of Part A Bonds and Part B Bonds issued with a nominal amount of BDT 1,000,000.00 each, totaling, in aggregate up to the BDT 6,000,000,000.00.

### **Refund**

The Issue Amount of the Part A Bonds and Part B Bonds shall not be refund/redeemed or otherwise prepaid by the Issuer before the relevant Maturity Date.

### **Transfer**

A Subscriber shall have the right to freely transfer, novate or assign all or a portion of its rights and obligations under the Subscription Agreement.

### **Trading or listing with stock exchange**

Neither of the Part A or Part B bonds are listed with the stock exchange.

### **Repayment and coupon payment**

The Issuer shall repay the outstanding principal for each of the Part A Bonds and Part B Bonds (being the portion of the Issue Amount) in one principal bullet instalment on the corresponding Maturity Date by transferring BDT to the Designated Account of each of the Bondholders for the Part A Bonds and Part B Bonds (as applicable). The semi-annual coupon payments will be transferred to the Designated Account of each of the Bondholders for the Part A Bonds and Part B Bonds on the corresponding date.

### **Conversion**

Conversion feature is not applicable for either of the Part A Bonds and Part B Bonds.

## **21. TERMINATION AND FINAL SETTLEMENT OF THE PROPOSED BOND**

*Capitalized terms not defined herein shall have meaning as ascribed to such terms in Part A Subscription Agreement with respect to the Part A Bonds, Part B Subscription Agreement with respect to Part B Bonds, relevant section of the Trust Deed and/or corresponding Terms and Conditions with respect to each of the Part A and Part B Bonds (as the case may be). Each reference to "the Trustee" herein shall be deemed to be a reference to the Trustee for the Part A Bonds, with respect to the Part A Bonds and Part A Bondholders, and to the Trustee for the Part B Bonds, with respect to the Part B Bonds and Part B Bondholders. For the avoidance of doubt, the Trustee for the Part A Bonds shall only be entitled to exercise the rights of (and owe any obligations to) the Part A Bondholders, and the Trustee for the Part B Bonds shall only be entitled to exercise the rights of (and owe any obligations to) the Part B Bondholders.*

### **Termination**

The Trust with respect to the Part A Bonds or Part B Bonds, as applicable, shall be extinguished on the date on which the Trustee is satisfied (acting in accordance with a Resolution of the relevant Bondholders) that: (a) all indebtedness and other liabilities of any nature of the Issuer due, owing or incurred under or in connection with the Transaction Documents for the Part A Bonds or Part B Bonds, whether present, future, actual or contingent, matured or unmatured, liquidated or unliquidated, has been irrevocably, indefeasibly and unconditionally paid and discharged in full; (b) the Issuer has no liability to the Trustee or any applicable Bondholder under any relevant Transaction Document for the

Part A Bonds or Part B Bonds (other than any contingent liability in respect of an indemnity provided by the Issuer under such Transaction Documents where there is no outstanding claim for payment in respect of any such indemnity), (c) and the Subscription Period has ended and the Issuer has no further right to request a subscription under the terms of the relevant Subscription Agreement.

Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, the Issuer may revoke the Trust with the express consent of all the relevant Bondholders of the Trust.

### **Events of Default**

As further set out in the relevant Part A Subscription Agreement with respect to the Part A Bonds and Part B Subscription Agreement with respect to Part B Bonds, including:

Failure to Pay Principal or Interest. The Issuer fails to pay when due any principal of or interest on the relevant Bonds and such failure continues for five (5) business days;

Failure to Comply with Obligations. The Issuer fails to comply with any of its obligations under a Transaction Document relating to such Bonds and such failure continues for a period of thirty (30) days after the date on which the Bondholder(s) holding such Bonds (or the applicable Trustee for such Bonds) notifies the Issuer of such failure;

Bankruptcy Proceedings. If: (i) the Issuer (A) is liquidated or declared bankrupt; or (B) is unable or admits inability to pay its debts as they fall due or otherwise becomes insolvent; (ii) the value of the Issuer's assets is less than its liabilities) (taking into account contingent and prospective liabilities; or (c) a moratorium is declared in respect of any indebtedness of the Issuer, the relevant Bonds, all interest accrued on it and any other amounts payable under the relevant Subscription Agreement will become immediately due and payable without any presentment, demand, protest or notice of any kind, all of which the Issuer waives;

### **Indemnification**

The Issuer unconditionally and irrevocably covenants and undertakes, on demand by the relevant Trustee for each of the Part A Bonds and Part B Bonds (as applicable), to indemnify and hold harmless such Trustee, its directors, officers, employees and agents (each an "indemnified party") in full at all times, on an after tax basis, against all losses, liabilities, actions, proceedings, claims, demands, penalties, damages, costs, fees, expenses disbursements, and other liabilities whatsoever (including any and all tax liabilities) ("Losses"), including without limitation the costs and expenses of legal advisors and other experts, which may be suffered or brought against or may be properly incurred by such indemnified party as a result of or in connection with (a) its appointment or involvement hereunder or under the Part A Bonds and Part B Bonds (as applicable) or the exercise or non-exercise of any of their powers or duties hereunder or under the relevant Bonds or the taking of any acts in accordance with the terms of the relevant parts of the Trust Deed, the relevant Bonds or its usual practice as a trustee or as a director, officer, employee or agent of such Trustee; or (b) any instruction or other direction upon which such Trustee may rely under the relevant parts of the Trust Deed and/or the relevant Bonds as well as the costs and expenses properly incurred by an indemnified party of defending itself against or investigating any claim or liability with respect of the foregoing; provided that this indemnity shall not apply in respect of an indemnified party to the extent but only to the extent that a court of competent jurisdiction determines that any such Losses incurred or suffered by or brought against such indemnified party arises directly from the gross negligence, willful default or fraud of such indemnified party. The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of a Trustee or the termination of the Trust Deed applicable to such Trustee.

### **Advice**

The Trustee may engage and consult, with any legal adviser, expert including any banker, accountant, auditor, valuer, surveyor, broker, auctioneer or other professional adviser selected by it and act in reliance on the opinion or advice of, or certificate, report or information obtained from, any such advisor or expert and the Trustee and each of its directors, officers, employees and duly appointed agents will not be responsible to the relevant Bondholders for any loss occasioned by any action taken, or omitted to be done or suffered to be taken, in accordance with such opinion or advice or information, whether such opinion or advice or information is obtained by or addressed to the Issuer, the Trustee or any other person and notwithstanding any monetary or other limit on liability in respect thereof. Any opinion, advice, reports, certificates or information from an expert including lawyers, bankers, accountants, auditors, valuers, surveyors, brokers or auctioneers or other experts sent or obtained by letter or fax or any electronic

communication and the Trustee and each of its directors, officers, employees and duly appointed agents will not be liable to anyone for acting in good faith on any opinion, advice, certificate, report or information purporting to be conveyed by such means even if it contains some error or is not authentic and whether or not liability in relation thereto is limited by reference to a monetary cap, methodology or otherwise and whether or not addressed to the Trustee. In the exercise of its duties, the Trustee shall not be responsible for the verification of the accuracy or completeness of any certification or legal opinion submitted to it by the Issuer or any legal adviser, expert or other professional adviser.

#### **Trustee to Assume Performance**

The Trustee need not notify anyone of the execution of the Trust Deed, the relevant Bonds or any other document referred to herein or therein or do anything to find out if a Potential Event of Default or Event of Default has occurred with respect to the relevant Bonds. Until it has express written notice to the contrary, the Trustee may assume that (i) no such Potential Event of Default or Event of Default has occurred with respect to the relevant Bonds and (ii) the Issuer is performing all of its obligations under the Trust Deed and the relevant Bonds and any other document referred to herein or therein.

#### **Resolutions of Bondholders**

The Trustee shall not be liable to any person by reason of having acted upon any instruction in writing of a Bondholder (to the extent permitted under the relevant part of the Trust Deed applicable to such Bondholder's Bonds), any Resolution in writing or other resolution purporting to have been passed at any meeting of the holders of the relevant Bonds in respect whereof minutes have been made and signed or any direction or request of the holders of the relevant Bonds even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or (in the case of a Resolution in writing, a direction or request) it was not signed by the requisite number of holders or that for any reason the resolution, direction or request was not valid or binding upon such holders.

#### **Certificate Signed by Authorized Representative**

If the Trustee, in the exercise of its functions, rights, powers and/or discretion, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate signed by one Authorized Representative of the Issuer, as to that fact or to the effect that, in their opinion, that act is expedient and the Trustee need not call for further evidence and will not be responsible or liable to any person for any loss occasioned by acting on such a certificate.

#### **Deposit of Documents**

The Trustee may appoint as custodian, on any terms, and deposit the Trust Deed and any other documents with any bank or entity whose business includes the safe custody of documents or with any lawyer or firm of lawyers believed by it to be of good repute and may deposit the Trust Deed and any other documents with such custodian and pay all sums due in respect thereof and the Trustee shall not be responsible for or required to insure against any loss incurred in connection with such deposit.

#### **Discretion**

The Trustee will have absolute and unfettered discretion as to the exercise or non-exercise of its functions, rights, powers and discretions and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from their exercise or non-exercise. Whenever in the Trust Deed, the relevant Bonds or by law, the Trustee shall have absolute discretion or permissive power, it may decline to exercise the same in the absence of approval by the relevant Bondholders for the Part A Bonds or Part B Bonds (as applicable). The Trustee shall not be bound to exercise any discretion or power or act at the request or direction of the relevant Bondholders unless first indemnified and/or secured and/or pre-funded 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 it may incur by doing so. As between the Trustee and the relevant Bondholders, the exercise of such discretion shall be conclusive and binding.

When determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst case scenario and (ii) to require that any indemnity or security given to it by the relevant Bondholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or

as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

#### **Agents**

Whenever it considers it expedient and in the interests of the Bondholders for the Part A Bonds or Part B Bonds (as applicable), the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, 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). If the Trustee exercises reasonable care in selecting such agent, the Trustee will not be responsible to anyone for any acts or omissions by, or any misconduct, negligence, default, fraud or breach of, any such agent or be bound to supervise the proceedings or acts of any such agent.

#### **Delegation**

Whenever it considers it expedient and in the interests of the Bondholders for the Part A Bonds or Part B Bonds (as applicable), the Trustee may delegate to any person on any terms (including the power to sub-delegate) all or any of its functions. If the Trustee exercises reasonable care in selecting a delegate in accordance with this paragraph, it will not have any obligation to supervise such delegate or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of any act or omission by, or any misconduct, negligence, default, fraud or breach of, any such delegate or sub-delegate.

#### **Forged Register**

The Trustee will not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any Bond purporting to be such or any entry in the register of beneficial owners of the Depository later found to be forged or not authentic.

#### **Confidentiality**

Unless ordered to do so by a court of competent jurisdiction or in respect of information contemplated to be provided to the pursuant to the relevant Transaction Documents, the Trustee shall not be required to disclose to any Bondholder or any other person any confidential financial or other information made available to the Trustee by the Issuer and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

#### **Determinations Conclusive**

As between itself and the Bondholders for the Part A Bonds or Part B Bonds (as applicable), the Trustee may determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and the relevant Bonds. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive and shall bind the Trustee and the relevant Bondholders.

#### **Currency Conversion**

Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided hereby or required by law) be converted at such rate or rates, in accordance with such method and on such date as may reasonably be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer and the Bondholders.

#### **Application of Funds**

All moneys received by the Trustee under the Trust Deed in respect of the relevant Bonds or amounts payable under the Trust Deed will, despite any appropriation of all or part of them by the Issuer, be held by the Trustee on trust to apply them:

- (a) first, in payment of all costs, charges, expenses and liabilities incurred by the Trustee and indemnity amounts and other amounts owing to the Trustee (including without limitation remuneration payable to it and legal expenses properly incurred) in carrying out its functions and/or exercising its rights and discretions under or in connection with the relevant parts of the Trust Deed applicable to such Bonds, the relevant Bonds (which for the avoidance of doubt includes the fees, costs, charges and expenses of any Appointee appointed by the Trustee pursuant to the relevant parts of the Trust Deed for so long as they are acting as agents of the Trustee);
- (b) second, in or towards retention of an amount which the Trustee considers necessary to pay any amounts that may thereafter become due to be paid under Clause 7 or 8 to it or any Appointee, to the extent it considers that moneys received by it thereafter under the relevant parts of the Trust Deed may be insufficient and/or may not be received in time to pay such amounts;



(c) third, in payment of any amounts owing in respect of the relevant Bonds *pari passu* and rateably; and  
(d) fourth, in payment of any balance to the Issuer, for itself.

If the Trustee holds any moneys in respect of Bonds which have become void or in respect of which claims have become prescribed, the Trustee will hold them on these trusts and shall apply them as set out above.

### **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 under the parts of a Trust Deed applicable to the Part A Bonds or Part B Bonds (as applicable) with respect to such Bonds, or is or may become liable to, tax as a consequence of performing its duties hereunder and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever 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 parts of the Trust Deed applicable to such Bonds (other than in connection with its remuneration as provided for in the relevant part of the Trust Deed) 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 relevant parts of the Trust Deed (other than the remuneration specified in the relevant part of the Trust Deed) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain from 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 relevant parts of the Trust Deed.

The Trustee shall not be obliged to gross up any such distribution or to pay any additional amounts to the intended recipient of the distribution or payment as a result of making such deduction or withholding and shall not be liable to the Issuer, the Bondholders or any other person for any of the aforesaid. The Trustee shall notify the Issuer as soon as is reasonably practicable of the making of any such deduction or withholding.

The Issuer undertakes to the Trustee that:

it will provide to the Trustee all documentation and other information in relation to Tax required by the Trustee from time to time to comply with any Applicable Law forthwith upon request by the Trustee; and  
it will notify the Trustee in writing within 30 days of any change that affects the tax status of the Issuer pursuant to any Applicable Law and will provide the Trustee with any information or instructions required to effect payments which the Issuer determines are required to be made to the relevant Authorities in respect of the relevant Bonds in light of such change.

If any Taxes become payable with respect to any prior payment to the Issuer by the Trustee, the Issuer acknowledges that the Trustee may debit any balance held for the Issuer in satisfaction of such Taxes, to the extent permitted by Applicable Law. The Issuer shall remain liable for any deficiency and agrees that it shall pay any such deficiency upon notice from the Trustee or any Authority. If Taxes are paid by the Trustee or any of its Affiliates, the Issuer agrees that it shall promptly reimburse the Trustee for such payment to the extent not covered by withholding from any payment or debited from any balance held for the Issuer.

It shall be the sole responsibility of the Issuer to determine whether a deduction or withholding is or will be required from any payment to be made in respect of the relevant Bonds or otherwise in connection with the Trust Deed and to procure that such deduction or withholding is made in a timely manner to the appropriate Authorities and shall promptly notify the Trustee and each Agent upon determining or becoming aware of such requirement. The Issuer shall notify the Trustee and each Agent in writing a minimum of five Business Days prior to the date on which any payment for which a deduction or withholding is required of (i) the amount of such deduction or withholding and (ii) the relevant Authorities to whom such amount should be paid. The Issuer shall forthwith provide the Trustee and each Agent with all information required for the Trustee to be able to make such payment, to the extent permitted by Applicable Law.

The Issuer shall notify the Trustee in writing in the event that it determines that any payment to be made by the Trustee under any Bonds is a payment which could be subject to any deduction or withholding, including without limitation, FATCA Withholding if such payment were made to a recipient that is generally unable to receive payments free from any deduction or withholding, including without limitation, FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that the Issuer's obligation under this document shall apply only to the extent that such payments are so treated by virtue of characteristics of the Issuer, the Bonds, or both.

The Trustee is under no obligation to enquire as to the residency or status of a Bondholder or a potential holder of Bonds.

### **Expenditure by the Trustee**

Nothing contained on the Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights, powers, authority or discretion hereunder or pursuant to the Terms and Conditions, if it believes in its discretion that the repayment of such funds or satisfactory indemnity against, and/or security and/or pre-funding for, such risk or liability is not assured to it.

### **Trustee's Actions**

Notwithstanding anything else contained in the Trust Deed, the Trustee is not obliged to do or omit to do anything, and may refrain without liability from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion or based upon legal advice in the relevant jurisdiction, be illegal or contrary to any Applicable Law or regulation or any directive or regulation of any agency of that jurisdiction or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Trustee is subject or of any state or jurisdiction. The Trustee may also refrain from taking any action if:

it would constitute a breach of any fiduciary duty or duty of confidentiality or would otherwise in its opinion render it liable to any person in any jurisdiction;

in its opinion or based upon legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any Applicable Law in that jurisdiction; or

it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

The Trustee may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

### **No obligations to monitor**

Except as provided in the relevant parts of the Trust Deed applicable to the Part A Bonds or Part B Bonds (as applicable), the Trustee shall be under no obligation to monitor or supervise the functions of any other person under the Part A Bonds or Part B Bonds, the parts of the Trust Deed applicable to such Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of express notice of a breach of obligation, to assume that each such person is properly performing and complying with its obligations, or to ascertain whether any relevant event under the relevant parts of the Trust Deed applicable to such Bonds or the Terms and Conditions applicable to such Bonds has occurred. The Trustee shall be under no obligation to monitor any financial performance of the Issuer and the Trustee shall not be responsible to the holders of the relevant Bonds for any loss arising from any failure to do so or for any loss arising from any breach by any party of its obligations.

### **No responsibility for Recitals etc.**

The Trustee shall not be responsible for recitals, statements, warranties or representations of any other party contained in the Trust Deed or in any transaction document relating to the relevant Bonds or other document entered into in connection herewith or therewith and shall assume the accuracy and correctness thereof or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of the Trust Deed or any such agreement or other document or any security constituted thereby or pursuant thereto.

### **No responsibility for condition of the Issuer**

Each Bondholder with respect to the Part A Bonds or Part B Bonds shall be solely responsible for making and continuing to make its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and no Bondholder shall rely on the Trustee in respect thereof.

## **Enforcement**

The Trustee may at its discretion take proceedings against the Issuer to enforce the obligations of the Issuer under the parts of the Trust Deed applicable 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 Bondholder(s) holding such Bonds or by a Resolution of the relevant Bondholders, in each case, in accordance with the terms and conditions of the parts of the Trust Deed applicable to such Bonds;

For the avoidance of doubt:

The Trustee shall not be bound to take any step to enforce the rights of the Bondholders in respect of whom it acts as a Trustee against the Issuer unless it has been directed to do so in writing by the holders of not less than 75% in principal amount of the relevant Bonds then outstanding and unless it has been fully indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs (including legal costs on a solicitor and client basis), charges, damages and expenses which it may incur by so doing

Only the Trustee may pursue the rights and remedies available under Proceeding under the parts of the Trust Deed applicable to the Bondholders in respect of whom it acts as a Trustee to enforce the rights of such Bondholders against the Issuer and no such Bondholder shall be entitled to pursue such remedies against the Issuer unless the Trustee, having become bound to do so in accordance with the terms of Trust Deed, fails to do so after the expiry of fourteen (14) days from the date of the Trustee having become bound to do so

### **Consolidation, amalgamation etc.**

The Trustee shall not be responsible for any consolidation, amalgamation, merger, reconstruction or scheme of the Issuer or any sale or transfer of all or substantially all of the assets of the Issuer or the form or substance of any plan relating thereto or the consequences thereof to any Bondholder.

### **Consent**

Any consent to be given, or any discretion to be exercised, by the Trustee for the purposes of the relevant parts of the Trust Deed or the Part A Bonds or Part B Bonds (as applicable to such Trustee) may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in the relevant parts of the Trust Deed or the relevant Bonds may be given or exercised retrospectively. The Trustee may give any consent or approval, exercise any power, authority or discretion or take any similar action (whether or not such consent, approval, power, authority, discretion or action is specifically referred to in these presents) if it is satisfied that the interests of the relevant Bondholders will not be materially prejudiced thereby.

### **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 relevant parts of the Trust Deed and the relevant Bonds and any 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 relevant parts of the Trust Deed and the relevant Bonds 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.

### **Special Damages and Consequential Loss**

Notwithstanding any other term or provision of the Trust Deed, or the relevant Bonds to the contrary, the Trustee shall not be liable under any circumstances for special, punitive, indirect or consequential loss or damage of any kind whatsoever including but not limited to loss of profits (whether direct or indirect), goodwill, reputation, business or opportunities, whether or not arising directly or indirectly and whether or not foreseeable, even if the Trustee is actually aware of or has been advised of the likelihood of such loss or damage and regardless of whether the claim for such loss or damage is made in negligence, for breach of contract, breach of trust, breach of fiduciary obligation or otherwise.

### **Force Majeure**

Notwithstanding anything to the contrary in the relevant parts of the Trust Deed applicable to such Trustee or in any other transaction document, the Trustee shall not be responsible for any loss or damage, or failure to comply or delay in complying with any duty or obligation, under or pursuant to the relevant parts of the Trust Deed arising as a direct or indirect result of any Force Majeure Event or any event where, in the reasonable opinion of the Trustee, performance of any duty or obligation under or pursuant to the relevant parts of the Trust Deed would or may be illegal or would result in the Trustee being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Trustee is subject.

“Force Majeure Event” means any event (including but not limited to an act of God, fire, epidemics, explosion, floods, earthquakes, typhoons; riot, civil commotion or unrest, insurrection, terrorism, war, strikes or lockouts; nationalization, expropriation or other governmental actions; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; and breakdown, failure or malfunction of any telecommunications, computer services or systems, or other causes) beyond the control of any party which restricts or prohibits the performance of the obligations of such party contemplated by the relevant parts of the Trust Deed applicable to such party.

### **Directions from Holders**

Whenever the Trustee is required or entitled by the terms of the relevant parts of the Trust Deed applicable to it or the relevant Terms and Conditions to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or certification, or giving any such direction, to seek directions from the holders of the relevant Bonds by way of a Resolution or clarification of directions from the relevant Bondholders, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or clarification or the instructions or clarification sought is not provided by the holders of such Bonds.

### **Insurance**

The Trustee shall not be under any obligation to insure any certificate, note, bond or other evidence in respect thereof, or to require any other person to maintain any such insurance.

### **Duties**

The Trustee shall not have and shall not be deemed to have any duty, obligation or responsibility to, or relationship of trust or agency with the Issuer or with the Depository.

### **Anti-Money Laundering and Terrorism**

The Trustee may take and instruct any agent or delegate to take any action which it in its sole discretion considers appropriate so as to comply with any Applicable Law, regulation, request of a public or regulatory authority (including “know-your-customer” and other compliance policies) which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities. Such action may include, but is not limited to, the interception and investigation of transactions on the Issuer’s or any Bondholder’s accounts (particularly those involving the international transfer of funds) including the source of the intended recipient of any funds paid into or out of such accounts. In certain circumstances, such action may delay or prevent the processing of the Issuer’s or any Bondholder’s instruction, the settlement of transactions over such accounts or the Trustee’s performance of its obligations under the Trust Deed. Neither the Trustee nor any of its agent, delegate or attorney will be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) caused in whole or in part by any actions which are taken by any of the Trustee or its agent, delegate or attorney in this respect

### **Payment to Nominee**

If a Bondholder is a natural person he may appoint a nominee who shall on the death of that Bondholder is entitled to all money in relation to the relevant Bond held in the name of the Bondholder for the Part A Bonds or Part B Bonds

(as applicable) in the Register. Bondholder shall inform the Registrar in the prescribed form the name of his nominee and upon receipt of such information the Registrar shall record the name of nominee in the Register and shall inform the Issuer. If a Bondholder is more than one natural person each natural person who is a Bondholder may appoint a nominee for himself who shall hold the relevant Part A and Part B Bond along with the other Bondholders. Payment to the nominee on the death of the relevant Bondholder shall be sufficient to discharge payment obligations of the Issuer to such deceased Bondholders.

#### Details of Fees Structure & Expenses:

Estimated Cost	BDT crore
BSEC Consent Fee 0.10% + 15% VAT	0.69
Trustee Fee + VAT (BDT 5.5 Lac/Year)	0.32
Trust Deed Registration Fee + VAT	0.23
Legal Counsel Fee +VAT	0.58
Other Costs Related to Issue Management + VAT	1.26
<b>Total Cost (estimated)</b>	<b>3.08</b>

For details, please refer to Part A Subscription Agreement with respect to the Part A Bonds, Part B Subscription Agreement with respect to Part B Bonds.

#### Notices

Addresses for notices

All notices and other communications hereunder shall be made in writing (by letter or fax) and shall be sent as follows:

*Issuer:* If to the Issuer, to it at:

Address: BRAC Bank Limited

Head office: Anik Tower, 220/B, Tejgaon-Gulshan Link Road, Tejgaon I/A, Dhaka-1208, Bangladesh

Attention: *MD. SHAHEEN IQBAL, CFA, HEAD OF TREASURY AND FINANCIAL INSTITUTIONS*

Tel: +88 02-8801261 (Direct), Cell: +88-0171-304-9433, Email: shaheen.iqbal@bracbank.com

*Trustee:* If to the Trustee (as appropriate, acting as trustee for the Part A Bonds or Part B Bonds), to it at:

Address: IDLC Investments Limited,

DR Tower (4th Floor), 65/2/2 Bir Protik Gazi Golam Dostogir Road, Purana Paltan, Dhaka 1000

Attention: Mr. Md. Moniruzzaman, CFA, Managing Director

Phone: +8809609994352 Ext: 29101, Mobile: +8801730328813, E-mail: mzaman@idlc.com

or, in any case, to such other address or fax number or for the attention of such other person or department as the addressee has by prior notice to the sender specified for the purpose, in writing.

#### Effectiveness

Every notice or other communication sent shall be effective if sent by letter, three days after the time of dispatch and if sent by mail at the time of dispatch provided that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

**Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the information memorandum**

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

---

**Selim R. F. Hussain**

Date:

**Annexure 1 : Entire/Detailed Audited Financial Statements**

**Annexure 2: Credit Rating Report of the Issuer**

**Annexure 3 : Credit Rating Report of the Issue**