

BRAC Bank Limited

**Condensed Interim Financial Statements
as at and for the 3rd quarter ended 30 September 2021**

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 September 2021

Particulars	Note	30 September 2021 Taka	31 December 2020 Taka
PROPERTY AND ASSETS			
Cash		19,331,064,521	19,987,803,891
Cash in hand (Including foreign currency)		6,848,828,530	7,836,614,607
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		12,482,235,991	12,151,189,284
Balance with other banks and financial institutions		54,459,545,711	42,650,004,620
Inside Bangladesh		51,187,048,342	35,478,313,372
Outside Bangladesh		3,272,497,369	7,171,691,248
Money at call and short notice		171,000,000	-
Investments		69,490,114,684	94,094,812,131
Government		60,217,271,590	85,498,396,233
Others		9,272,843,094	8,596,415,898
Loans and advances		288,306,187,868	273,438,940,961
Loans, cash credit, overdrafts etc.		151,843,810,677	136,750,360,676
Small and medium enterprises		134,320,765,016	134,621,356,804
Bills purchased and discounted		2,141,612,175	2,067,223,481
Fixed assets including premises, furniture and fixture		11,768,355,946	10,605,635,911
Other assets		16,907,309,382	13,862,504,997
Non-banking assets		66,771,775	66,471,775
Goodwill		1,427,468,911	1,427,468,911
Total property and assets		461,927,818,798	456,133,643,197
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents		15,669,743,514	12,572,789,394
Borrowings from central bank & government agencies		18,005,496,427	23,370,068,779
Money at call and short notice		3,052,000,000	84,801,100
Deposits and other accounts		334,348,295,595	333,615,619,705
Current accounts and other accounts		153,220,146,610	141,841,491,410
Bills payable		1,234,589,860	1,797,962,669
Savings deposits		68,312,928,958	57,230,594,232
Fixed deposits		109,527,522,029	130,608,019,962
Other deposits		2,053,108,138	2,137,551,432
Other liabilities		36,762,454,163	32,731,812,774
Total liabilities		407,837,989,698	402,375,091,752
Capital and shareholders' equity			
Paid up share capital	10.1	13,921,723,990	13,258,784,760
Share premium	11	3,853,767,032	3,853,767,032
Statutory reserve		9,405,017,728	9,405,017,728
Dividend equalization fund		355,218,455	355,218,455
Revaluation reserve on govt. securities		3,136,133,992	4,805,926,053
Asset revaluation reserve	2.1.a	-	-
Fair value reserve		78,920,073	78,920,073
Translation reserve		7,853,201	(15,052,338)
Surplus in profit and loss account/Retained earnings		18,284,914,181	16,368,391,548
Total shareholders' equity		49,043,548,652	48,110,973,311
Non controlling interest		5,046,280,447	5,647,578,134
Total equity		54,089,829,099	53,758,551,445
Total liabilities and shareholders' equity		461,927,818,798	456,133,643,197

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 September 2021

Particulars	Note	30 September 2021 Taka	31 December 2020 Taka
Off Balance Sheet Items			
Contingent liabilities			
Acceptances and endorsements		41,827,074,754	27,887,446,334
Irrevocable letter of credits		26,398,261,188	15,550,643,171
Letter of guarantees		11,857,517,303	10,831,198,204
Bills for collection		14,676,083,105	12,320,479,990
		94,758,936,350	66,589,767,699
Other commitments			
Swap deals with banks and customers		14,506,216,142	18,307,971,009
Spot and forward deals with banks and customers		11,101,702,179	8,682,289,771
		25,607,918,321	26,990,260,781
Total Off-Balance sheet items including contingent liabilities		120,366,854,671	93,580,028,480
Net Assets Value (NAV) Per Share, Note: 3.1		35.23	34.56

These interim financial statements should be read in conjunction with the annexed notes.



Chief Financial Officer




Acting Company Secretary



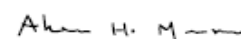
Managing Director and CEO



Director



Director



Chairman

Date: 27 October 2021

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Profit and Loss Account (Unaudited)
For the 3rd quarter ended 30 September 2021

Particulars	Note	Quarter ended Jul to Sep 2021 Taka	Quarter ended Jul to Sep 2020 Taka	Cumulative Jan to Sep 2021 Taka	Cumulative Jan to Sep 2020 Taka
Interest income		6,037,294,479	6,370,075,175	17,761,249,032	21,540,695,031
Interest paid on deposits and borrowing etc.		1,898,257,444	3,324,764,221	5,954,442,939	11,050,388,825
Net interest income		4,139,037,035	3,045,310,954	11,806,806,093	10,490,306,206
Investment income		1,896,809,729	2,877,836,713	6,228,459,465	5,535,914,182
Commission, exchange and brokerage		1,818,561,626	1,879,529,642	5,468,248,958	4,682,584,882
Other operating income		45,790,781	46,077,859	150,539,182	103,918,826
Total operating income		7,900,199,171	7,848,755,168	23,654,053,698	20,812,724,096
Salaries and allowances		2,430,507,733	2,276,192,450	7,367,110,785	6,910,176,349
Rent, taxes, insurance, electricity etc.		166,879,726	149,146,393	472,623,731	444,501,422
Legal expenses		15,390,169	17,294,634	30,682,577	36,103,298
Postage, stamps, telecommunication etc.		87,707,803	76,201,237	237,396,939	229,252,639
Stationery, printing, advertisement etc.		566,349,676	891,856,179	1,734,564,639	1,899,357,733
Chief Executive's salary and fees		4,575,000	5,575,000	12,675,000	13,675,000
Directors' fees and expenses		1,099,956	842,781	3,580,724	2,080,371
Auditors' fee		1,606,547	2,506,756	4,060,588	5,697,372
Depreciation and repairs to bank's assets	2.1.b	1,151,312,048	980,909,847	3,285,187,201	2,924,122,306
Other expenses		925,007,937	856,458,586	2,614,722,316	2,744,386,977
Total operating expenses		5,350,436,595	5,256,983,863	15,762,604,500	15,209,353,467
Operating profit		2,549,762,576	2,591,771,305	7,891,449,198	5,603,370,629
Share of profit/(loss) of associates		-	-	-	-
Gain/(loss) on disposal of associate		-	-	-	-
Profit/(loss) before provisions		2,549,762,576	2,591,771,305	7,891,449,198	5,603,370,629
Provision for:					
Loans and advances		570,871,043	766,801,034	2,433,677,021	1,938,786,420
Diminution in value of investments		-	(190,000,000)	(2,000,000)	(113,200,000)
Off balance sheet items		71,000,000	23,083,635	209,000,000	13,083,635
Others		1,062,777	(14,896,093)	10,007,199	(2,183,808)
Total provision		642,933,820	584,988,576	2,650,684,220	1,836,486,247
Profit/(loss) before taxes		1,906,828,756	2,006,782,729	5,240,764,978	3,766,884,382
Provision for Tax:					
Current tax expense		1,069,830,556	599,349,557	3,040,688,143	2,067,143,839
Deferred tax expense/(income)		(397,346,618)	(25,238,999)	(1,190,909,667)	(693,289,681)
Total provision for Tax		672,483,938	574,110,558	1,849,778,476	1,373,854,158
Total profit/(loss) after taxes		1,234,344,818	1,432,672,171	3,390,986,502	2,393,030,224
Attributable to:					
Equity holders of BRAC Bank Ltd.		1,417,012,780	1,496,553,168	3,992,989,807	2,668,898,215
Non controlling interest		(182,667,962)	(63,880,997)	(602,003,305)	(275,867,991)
		1,234,344,818	1,432,672,171	3,390,986,502	2,393,030,224
Retained earnings brought forward from previous period/year		16,881,682,160	14,569,600,896	16,368,391,548	15,247,318,835
Net profit attributable to the equity holders of the Bank		1,417,012,780	1,496,553,168	3,992,989,807	2,668,898,215
Profit available for appropriation		18,298,694,940	16,066,154,064	20,361,381,355	17,916,217,050
Appropriations:					
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Dividend		-	-	1,988,817,706	1,850,062,985
Start-up Fund		13,780,759	-	87,649,468	-
Dividend equalization fund		-	-	-	-
		13,780,759	-	2,076,467,174	1,850,062,985
Retained surplus		18,284,914,181	16,066,154,064	18,284,914,181	16,066,154,064
Earnings Per Share (EPS), Note: 4.1		1.02	1.07	2.87	1.92

These interim financial statements should be read in conjunction with the annexed notes.



Chief Financial Officer



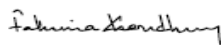
Acting Company Secretary



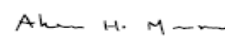
Managing Director and CEO



Director



Director



Chairman

Date: 27 October 2021

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the 3rd quarter ended 30 September 2021

Amount in Taka

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Fair value reserve	Translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2021	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	78,920,073	(15,052,338)	16,368,391,548	5,647,578,134	53,758,551,445
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(1,669,792,061)	-	-	-	-	(1,669,792,061)
Changes in translation reserve	-	-	-	-	-	-	22,905,539	-	705,618	23,611,157
Sub-total	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	3,136,133,992	78,920,073	7,853,201	16,368,391,548	5,648,283,752	52,112,370,541
Net profit for the period	-	-	-	-	-	-	-	3,992,989,807	(602,003,305)	3,390,986,502
<u>Dividend for the year 2020:</u>										
Stock dividend	662,939,230	-	-	-	-	-	-	(662,939,230)	-	-
Cash dividend	-	-	-	-	-	-	-	(1,325,878,476)	-	(1,325,878,476)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	(87,649,468)	-	(87,649,468)
Prior year adjustment to Saajan	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-	-	-	-	-
Cash dividend distributed by BRAC Saajan Ltd.	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2021	13,921,723,990	3,853,767,032	9,405,017,728	355,218,455	3,136,133,992	78,920,073	7,853,201	18,284,914,181	5,046,280,447	54,089,829,099
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	78,920,073	(15,052,338)	16,368,391,548	5,647,578,134	53,758,551,445
Balance as at 30 September 2020	13,258,784,760	3,853,767,032	8,129,149,416	355,218,455	2,616,184,519	78,920,073	16,439,361	16,066,154,064	5,830,904,906	50,205,522,587

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Cash Flow Statement (Unaudited)
For the 3rd quarter ended 30 September 2021

Particulars	Note	Jan to Sep 2021 Taka	Jan to Sep 2020 Taka
A. Cash flows from operating activities			
Interest receipts		23,069,895,734	24,394,593,439
Interest payment		(7,048,115,074)	(12,188,618,389)
Dividend receipts		203,077,705	101,693,216
Fees and commission receipts		25,819,518,149	20,388,820,279
Recovery on loans previously written off		414,983,108	348,614,471
Cash payments to employees		(7,343,872,197)	(6,829,551,579)
Cash payments to suppliers		(22,735,223,530)	(18,576,402,995)
Income tax paid		(5,260,083,917)	(5,401,675,011)
Receipts from other operating activities		971,548,062	1,578,098,443
Payment for other operating activities		(2,939,730,479)	(3,136,216,162)
Operating cash flow before changes in operating assets and liabilities (i)		5,151,997,561	679,355,711
Increase/decrease in operating assets & liabilities			
Loans and advances		(14,247,809,969)	(939,717,064)
Other assets		(805,443,521)	687,400,354
Deposits from other banks/borrowings		288,144,952	276,618,863
Deposits from customers		2,606,117,925	30,006,309,136
Other liabilities		(424,929,537)	(141,263,888)
Cash utilized in operating assets and liabilities (ii)		(12,583,920,150)	29,889,347,400
Net cash (used)/flows from operating activities (i+ii) (a)		(7,431,922,589)	30,568,703,112
B. Cash flows from investing activities			
Treasury bills		9,556,372,015	(7,537,545,736)
Bangladesh Bank Bills		-	-
Treasury bonds		12,353,635,545	(30,687,159,244)
Sale/ (Investment) in shares		(946,023,214)	(3,154,216,140)
Investment in bonds		592,282,917	3,082,284,090
Redemption of BBL Bond		-	-
Acquisition of fixed assets		(2,083,536,083)	(1,624,700,461)
Disposal of fixed assets		610,543,010	21,555,703
Net cash used in investing activities (b)		20,083,274,190	(39,899,781,789)
C. Cash flows from financing activities			
Dividend paid		(1,377,210,075)	(37,926,574)
Net cash flows from financing activities (c)		(1,377,210,075)	(37,926,574)
Net increase/decrease in cash (a+b+c)		11,274,141,526	(9,369,005,251)
Cash and cash equivalents at beginning of the year		62,639,236,011	69,663,701,210
Effect of exchange rate changes on cash and cash equivalent		49,821,896	44,114,030
Cash and cash equivalents at end of the year		73,963,199,433	60,338,809,989
Cash and cash equivalents at end of the year:			
Cash in hand (including foreign currency)		6,848,828,530	6,258,585,660
Balance with Bangladesh Bank and its agents bank(s)		12,482,235,991	12,905,130,351
Balance with other banks and financial institutions		54,459,545,711	41,173,438,678
Money at call and short notice		171,000,000	-
Prize bond		1,589,200	1,655,300
		73,963,199,432	60,338,809,989
Net Operating Cash Flow Per Share (NOCFPS), Note: 5.1		(5.34)	21.96

BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 30 September 2021

Particulars	Note	30 September 2021 Taka	31 December 2020 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (Including foreign currency)		18,639,564,392	19,243,096,656
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		6,157,328,401	7,091,907,372
		12,482,235,991	12,151,189,284
Balance with other banks and financial institutions			
Inside Bangladesh		10,604,948,954	14,358,762,046
Outside Bangladesh		7,438,991,628	7,928,558,845
Money at call and short notice		3,165,957,326	6,430,203,201
		171,000,000	-
Investments			
Government		52,488,891,537	68,896,004,194
Others		44,790,367,363	61,821,887,388
		7,698,524,174	7,074,116,806
Loans and advances			
Loans, cash credit, overdrafts etc.		287,350,719,833	273,063,193,200
Small and medium enterprises		150,888,342,642	136,374,612,915
Bills purchased and discounted		134,320,765,016	134,621,356,804
		2,141,612,175	2,067,223,481
Fixed assets including premises, furniture and fixture	9	6,131,819,171	6,828,574,683
Other assets		15,442,160,152	14,525,819,425
Non-banking assets		66,771,775	66,471,775
Total property and assets		390,895,875,814	396,981,921,979
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents			
		15,657,890,855	11,913,324,935
Borrowings from central bank & government agencies			
		18,005,496,427	23,370,068,779
Money at call and short notice			
		3,052,000,000	84,801,100
Deposits and other accounts			
Current accounts and other accounts		278,129,706,601	289,054,405,724
Bills payable		96,338,261,956	97,266,324,684
Savings deposits		1,234,589,860	1,797,962,669
Fixed deposits		68,312,928,958	57,230,594,232
Other deposits		109,741,474,774	130,621,972,707
		2,502,451,053	2,137,551,432
Other liabilities		28,607,355,246	26,082,795,675
Total liabilities		343,452,449,129	350,505,396,213
Capital and shareholders' equity			
Paid up share capital	10.1	13,921,723,990	13,258,784,760
Share premium	11	3,853,767,032	3,853,767,032
Statutory reserve		9,405,017,728	9,405,017,728
Dividend equalization fund		355,218,455	355,218,455
Revaluation reserve on govt. securities		3,136,133,992	4,805,926,053
Asset revaluation reserve	2.1.a	-	-
Fair value gain/(loss) on equity investment		936,515,281	1,131,197,846
Translation reserve		7,147,047	(13,641,635)
Surplus in profit and loss account/Retained earnings		15,827,903,160	13,680,255,527
Total shareholders' equity		47,443,426,685	46,476,525,766
Total liabilities and shareholders' equity		390,895,875,814	396,981,921,979

BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 30 September 2021

Particulars	Note	30 September 2021 Taka	31 December 2020 Taka
Off Balance Sheet Items			
Contingent liabilities			
Acceptances and endorsements		41,827,074,754	27,887,446,334
Irrevocable letter of credits		26,398,261,188	15,550,643,171
Letter of guarantees		11,857,517,303	10,831,198,204
Bills for collection		14,676,083,105	12,320,479,990
		<u>94,758,936,350</u>	<u>66,589,767,699</u>
Other Commitments			
Swap deals with banks and customers		14,506,216,142	18,307,971,009
Spot and forward deals with banks and customers		11,101,702,179	8,682,289,771
		<u>25,607,918,321</u>	<u>26,990,260,781</u>
Total Off-Balance sheet items including contingent liabilities		<u>120,366,854,671</u>	<u>93,580,028,480</u>
Net Assets Value (NAV) Per Share, Note: 3.2		<u>34.08</u>	<u>33.38</u>

These interim financial report should be read in conjunction with the annexed notes.



Chief Financial Officer



Acting Company Secretary



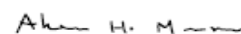
Managing Director and CEO



Director



Director



Chairman

Date: 27 October 2021

BRAC BANK LIMITED
Condensed Profit and Loss Account (Unaudited)
For the 3rd quarter ended 30 September 2021

Particulars	Note	Quarter ended Jul to Sep 2021 Taka	Quarter ended Jul to Sep 2020 Taka	Cumulative Jan to Sep 2021 Taka	Cumulative Jan to Sep 2020 Taka
Interest income		5,256,495,480	5,572,155,644	16,074,904,339	19,216,154,652
Interest paid on deposits and borrowing etc.		1,656,710,229	3,236,849,684	5,641,608,080	10,905,789,368
Net interest income		3,599,785,251	2,335,305,960	10,433,296,259	8,310,365,284
Investment income		1,492,895,108	2,365,209,431	5,069,956,242	4,780,978,156
Commission, exchange and brokerage		750,623,954	558,940,267	2,229,217,996	1,748,419,827
Other operating income		21,084,235	24,049,118	107,496,342	64,022,214
Total operating income		5,864,388,548	5,283,504,777	17,839,966,839	14,903,785,481
Salaries and allowances		1,674,382,542	1,560,770,254	4,908,953,286	4,750,496,397
Rent, taxes, insurance, electricity etc.		124,967,684	117,621,977	357,779,117	352,319,429
Legal expenses		5,909,820	4,161,324	10,738,555	17,986,059
Postage, stamps, telecommunication etc.		62,980,044	52,719,431	165,095,075	158,390,064
Stationery, printing, advertisement etc.		64,859,250	45,324,376	166,749,219	156,780,846
Chief Executive's salary and fees		4,575,000	5,575,000	12,675,000	13,675,000
Directors' fees and expenses		554,400	418,800	1,795,200	1,060,000
Auditors' fee		437,000	460,000	1,403,000	1,380,000
Depreciation and repairs to bank's assets	2.1.b	547,092,850	524,976,885	1,641,476,729	1,617,907,580
Other expenses		703,774,549	512,399,312	1,974,470,522	1,855,589,466
Total operating expenses		3,189,533,139	2,824,427,359	9,241,135,703	8,925,584,841
Profit/(loss) before provisions		2,674,855,409	2,459,077,418	8,598,831,136	5,978,200,640
Provision for:					
Loans and advances		570,871,043	766,801,034	2,433,677,021	1,938,786,420
Diminution in value of investments		-	(190,000,000)	(2,000,000)	(113,200,000)
Off balance sheet items		71,000,000	23,083,635	209,000,000	13,083,635
Others		-	(15,897,053)	6,822,665	(5,430,415)
Total provision		641,871,043	583,987,616	2,647,499,686	1,833,239,640
Profit/(loss) before taxes		2,032,984,366	1,875,089,802	5,951,331,450	4,144,961,000
Provision for Tax:					
Current tax expense	13	943,153,301	524,595,968	2,729,218,980	1,868,828,473
Deferred tax expense/(income)	12	(288,244,801)	73,906,426	(1,002,002,337)	(520,000,920)
Total provision for Tax		654,908,500	598,502,394	1,727,216,643	1,348,827,553
Total profit/(loss) after taxes		1,378,075,866	1,276,587,408	4,224,114,807	2,796,133,447
Retained earnings brought forward from previous period/year		14,463,608,053	12,048,287,315	13,680,255,527	12,378,804,260
Profit available for appropriation		15,841,683,919	13,324,874,722	17,904,370,334	15,174,937,707
Appropriations:					
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Dividend		-	-	1,988,817,706	1,850,062,985
Start-up Fund		13,780,759	-	87,649,468	-
Dividend equalization fund		-	-	-	-
		13,780,759	-	2,076,467,174	1,850,062,985
Retained surplus		15,827,903,160	13,324,874,722	15,827,903,160	13,324,874,722
Earnings Per Share (EPS), Note: 4.2		0.99	0.92	3.03	2.01

These interim financial report should be read in conjunction with the annexed notes.



Chief Financial Officer



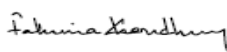
Acting Company Secretary



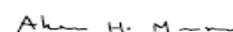
Managing Director and CEO



Director



Director



Chairman

Date: 27 October 2021

BRAC BANK LIMITED
Condensed Statement of Changes in Equity (Unaudited)
For the 3rd quarter ended 30 September 2021

Amount in Taka

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Translation reserve	Fair value gain/(loss) on equity investment	Retained earnings	Total
Balance as at 01 January 2021	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	(13,641,635)	1,131,197,846	13,680,255,527	46,476,525,766
Surplus/deficit on account of revaluation of investments	-	-	-	-	(1,669,792,061)	-	-	-	(1,669,792,061)
Changes in fair value gain/ (loss) on equity investment	-	-	-	-	-	-	(194,682,565)	-	(194,682,565)
Currency translation difference	-	-	-	-	-	20,788,682	-	-	20,788,682
Sub-total	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	3,136,133,992	7,147,047	936,515,281	13,680,255,527	44,632,839,822
Net profit for the period	-	-	-	-	-	-	-	4,224,114,807	4,224,114,807
<u>Dividends for the year 2020:</u>									
Stock dividend	662,939,230	-	-	-	-	-	-	(662,939,230)	-
Cash dividend	-	-	-	-	-	-	-	(1,325,878,476)	(1,325,878,476)
Dividend equalization fund	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	(87,649,468)	(87,649,468)
Statutory reserve	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2021	13,921,723,990	3,853,767,032	9,405,017,728	355,218,455	3,136,133,992	7,147,047	936,515,281	15,827,903,160	47,443,426,685
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	(13,641,635)	1,131,197,846	13,680,255,527	46,476,525,766
Balance as at 30 September 2020	13,258,784,760	3,853,767,032	8,129,149,416	355,218,455	2,616,184,519	26,737,683	1,107,478,648	13,324,874,722	42,672,195,235

BRAC BANK LIMITED
Condensed Cash Flow Statement (Unaudited)
For the 3rd quarter ended 30 September 2021

Particulars	Note	Jan to Sep 2021 Taka	Jan to Sep 2020 Taka
A. Cash flows from operating activities			
Interest receipts		20,724,592,008	21,919,406,449
Interest payment		(6,703,804,991)	(12,009,502,839)
Dividend receipts		158,534,380	79,754,046
Fees and commission receipts		2,229,217,996	1,748,419,827
Recovery on loans previously written off		414,983,108	348,614,471
Cash payments to employees		(4,943,614,933)	(4,775,322,032)
Cash payments to suppliers		(338,125,694)	(313,240,150)
Income tax paid		(1,934,539,441)	(2,852,415,826)
Receipts from other operating activities		1,063,292,901	1,528,343,620
Payment for other operating activities		(2,591,782,527)	(2,693,818,421)
Operating Cash flow before changes in operating assets and liabilities (i)		8,078,752,807	2,980,239,145
Increase/decrease in operating assets & liabilities			
Loans and advances to customers		(14,287,526,633)	(945,722,340)
Other assets		(1,031,852,728)	387,409,682
Deposits from other banks/borrowings		1,347,192,468	109,453,436
Deposits from customers		(9,909,156,400)	15,975,646,151
Other liabilities		(20,560,927)	(38,409,058)
Cash utilized in operating assets and liabilities (ii)		(23,901,904,219)	15,488,377,872
Net cash (used)/flows from operating activities (i+ii) (a)		(15,823,151,412)	18,468,617,017
B. Cash flows from investing activities			
Treasury bills		250,000,000	9,324,178,074
Bangladesh Bank Bills		-	-
Treasury bonds		13,410,402,941	(30,687,159,244)
Sale/ (Investment) in shares		(1,216,690,285)	(3,194,738,775)
Investment in bonds		592,282,917	3,082,284,090
Redemption of BBL Bond		-	-
Acquisition of fixed assets		(683,545,319)	(583,941,881)
Disposal of fixed assets		610,473,990	21,293,212
Net cash used in investing activities (b)		12,962,924,244	(22,038,084,524)
C. Cash flows from financing activities			
Cash dividend paid		(1,377,210,075)	(37,264,637)
Net cash flows from financing activities (c)		(1,377,210,075)	(37,264,637)
Net increase/decrease in cash (a+b+c)		(4,237,437,243)	(3,606,732,144)
Cash and cash equivalents at beginning of year		33,603,286,202	38,630,874,333
Effect of exchange rate changes on cash and cash equivalent		51,253,587	53,620,377
Cash and cash equivalents at end of the year		29,417,102,546	35,077,762,565
Cash in hand (including foreign currency)		6,157,328,401	5,700,629,472
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		12,482,235,991	12,905,130,351
Balance with other banks and financial institutions		10,604,948,954	16,470,347,442
Money at call and short notice		171,000,000	-
Prize bond		1,589,200	1,655,300
		29,417,102,546	35,077,762,565
Net Operating Cash Flow Per Share (NOCFPS) (Note: 5.2)		(11.37)	13.27

The reconciliation of net profit with cash flows from operating activities (standalone basis) has been disclosed at Note-15.

BRAC BANK LIMITED
Selective notes to the Condensed Interim Financial Statements
For the 3rd quarter ended 30 September 2021

1 Legal status and nature of the Bank

BRAC Bank Limited (the "Bank" or "BRAC Bank") is a scheduled commercial bank established under the Banking Companies Act, 1991 and incorporated as a public company limited by shares on 20 May, 1999 under the Companies Act, 1994 in Bangladesh. The registered address of the Bank is situated at Anik Tower, 220/B Tejgaon Gulshan Link Road, Tejgaon, Dhaka-1208. BRAC Bank Limited is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly traded company from 28 January 2007 and 24 January 2007 respectively. The primary objective of the Bank is to carry out all kinds of banking businesses. As a fully operational commercial bank, BRAC Bank Limited focuses on pursuing unexplored market niches in the Small and Medium Enterprises business, which hitherto has remained largely untapped within the country. Significant percentage of BRAC Bank's clients had no prior experience of formal banking.

1.1 Nature of business activities

The principal activities of the Bank are to provide all types of commercial banking services, within the stipulations laid down by Bank Companies Act 1991 as amended and directives as received from Bangladesh Bank time to time, through its branches, SME centre and alternative delivery channels like ATMs, CDMs, Agent Banking, Mobile and Internet Banking etc.

2 Accounting Policies

2.1 Accounting policies applied in the interim financial statements as at and for the 3rd quarter ended 30 September 2021 are same as that were applied in its last annual financial statements as of 31 December 2020 except the policy change applied for subsequent valuation and accounting of Land as detailed in Note-2.1.a and adoption of uniform accounting policy for fixed assets in consolidated financial statements as detailed in Note-2.1.b. Consolidated financial statements included the position of BRAC Bank Limited and its all subsidiaries (BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited, bKash Limited, BRAC SAAJAN Exchange Limited).

The disclosures in the interim financial statements are primarily limited to the minimum requirement under "IAS 34: Interim Financial Statements".

2.1.a The changes in accounting policy for the subsequent measurement/ valuation and accounting of Land

In compliance with International Accounting Standard (IAS) 16 Property, plant and equipment, BRAC Bank Limited ("the Bank") followed "revaluation model" for "Land" only, for measurement after initial recognition. Land was initially measured at cost and then in 2012, BRAC Bank changed the measurement basis of its land and adopted 'revaluation model' replacing the 'cost model' in accordance with IAS 16. However, due to limited number of transaction of land and discrepancies in the amount of sales price of land disclosed at the time of registration and the actual sales price, the Bank and its valuers are facing challenges to determine fair value of land as per IAS 16/IFRS 13.

We also conclude that since judgment and estimates are not used in cost model and also other constraints of revaluation model as stated above, the cost method will provide reliable measurement basis, better information about the nature and amount of the Bank's economic resources as well as ensure faithful representation and verifiability as outlined in Conceptual Framework for Financial Reporting under IFRS. Considering all these issues to ensure fair presentation of financial statements, bank has changed the measurement basis of Bank's land and decided to revert back from revaluation model to cost model in line with International Accounting Standard (IAS) 8: Accounting policies, changes in accounting estimates and errors.

As the impact for the above policy change, the book value of land decreased by BDT 520,468,350, asset revaluation reserve decreased by BDT 478,558,600 and deferred tax liability decreased by BDT 41,909,750 on the revaluation gain booked earlier under the revaluation model.

The changes have been applied retrospectively in accordance with IAS 8 and the opening balance of each affected component of equity for earlier prior period (January 2020) and other comparatives figures have been adjusted.

2.1.b Application of uniform accounting policy for Fixed Assets in group/consolidated financial statements

The subsidiaries of BRAC Bank have some variations in depreciation rates and method for few class of fixed assets. These are very usual practice considering their separate line of business, nature of operation and asset consumption pattern. The depreciation rates of BRAC Bank and its subsidiaries are as follows:

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

The management of BRAC Bank decided to follow uniform accounting policies in compliance with IFRS 10 " Consolidated Financial Statements" with the retrospective effect as per IAS 8 for the preparation of consolidated financial statements as per IFRS 10. Accordingly, consolidated financial statements of BRAC Bank for the quarter ended 30 September 2021 have been prepared applying uniform accounting policies giving impact of uniform depreciation policy.

In the consolidated financial statements, BRAC bank's policies for useful life and rates of all fixed assets have been applied including all of the classes of assets of subsidiaries following IAS 8 with the retrospective effect for the correction of error. The required adjustment in opening retained earnings have been given for the correction.

The impact of the application of uniform accounting policy changes under IAS 8 is summarized below:

Balance sheet items

Particulars	30 September 2021	31 December 2020	31 December 2019
Increase in Fixed assets including premises, furniture and fixture	81,098,560	59,007,796	44,462,019
Increase in equity and non-controlling interest	81,098,560	59,007,796	44,462,019

Profit and loss items

Particulars	Jan to Sep 2021	Jan to Dec 2020	Up to Dec 2019
Decrease in Depreciation and repairs to bank's assets	(22,090,764)	(14,545,778)	(44,462,019)

2.1.c Dividend Distribution Policy of BRAC Bank

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

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

2.2 Adequate provision has been made against loans and advances, off balance sheet items, investments and other assets as per Bangladesh Bank's circulars in force including recent BRPD circulars up to 30 September 2021. Recovery from any previously written-off loans have been adjusted with Provision for loans as per Bangladesh Bank circular.

2.3 Provision for income tax has been made on the accounting profit made by the Bank after considering some taxable income add back and disallowances of expenditures in accordance with the provision of the Income Tax Ordinance 1984. Deferred tax has been reviewed and recognized in quarterly financial statements with due compliance with Income Tax Laws and International Accounting Standard - 12 "Income Taxes".

- 2.4 Business of Off-shore Banking Unit (OBU) have been reported with solo Financial Statements.
- 2.5 Relevant comparative information has been restated wherever necessary to conform with the current year's/period's presentation.
- 2.6 The consolidated financial statements of the Bank are made up to 30 September and prepared under the historical cost convention and in accordance with the "First Schedule (sec-38)" of the Bank Companies Act 1991 as amended, BRPD Circular # 14 dated 25 June, 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and Financial Reporting Council, Companies Act 1994, the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 1987, Financial Reporting Act 2015 and other prevailing laws and rules applicable in Bangladesh.
- 2.7 Earning Per Share (EPS) of previous year/period has been restated as per IAS 33 due to issue of stock dividend for 2020 during the period.
- 2.8 These interim condensed financial statements were approved by the Board of Directors on October 27, 2021.

	30 September 2021 Taka	31 December 2020 Taka	30 September 2020 Taka
3 Net Assets Value			
3.1 Consolidated Net Assets Value (NAV) per share			
Net Assets Value at the end of the reporting period/year	49,043,548,652	48,110,973,311	44,374,617,681
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399	1,392,172,399
	35.23	34.56	31.87
3.2 Separate/Standalone Net Assets Value (NAV) per share			
Net Assets Value at the end of the reporting period/year	47,443,426,685	46,476,525,766	42,672,195,235
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399	1,392,172,399
	34.08	33.38	30.65

3.3 Explanation regarding significant change in quarterly financial statements:

Both consolidated and standalone NAV per share increased due to increase in profit during 2021 (Consolidated: BDT 339 crore; Standalone: BDT 422 crore) net of cash dividend paid BDT 133 crore.

	Jan-Sep 2021 Taka	Jan-Sep 2020 Taka
4 Earnings Per Share (EPS)		
4.1 Consolidated Earning Per Share		
Net profit/(loss) after taxes attributable to equity holders of the Bank	3,992,989,807	2,668,898,215
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399
	2.87	1.92

	Jan-Sep 2021 Taka	Jan-Sep 2020 Taka
4.2 Separate/Standalone Earnings Per Share		
Net profit/(loss) after taxes	4,224,114,807	2,796,133,447
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399
	3.03	2.01

	Jul-Sep 2021 Taka	Jul-Sep 2020 Taka
4.1a Consolidated Earning Per Share		
Net profit/(loss) after taxes attributable to equity holders of the Bank	1,417,012,780	1,496,553,168
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399
	1.02	1.07

	Jul-Sep 2021 Taka	Jul-Sep 2020 Taka
4.2a Separate/Standalone Earnings Per Share		
Net profit/(loss) after taxes	1,378,075,866	1,276,587,408
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399
	0.99	0.92

4.3 Explanation regarding significant change in quarterly financial statements:

The year to date consolidated and standalone EPS increased due to higher profit earned in 2021 compared to first nine months of 2020. Profit increased mainly for reduced interest expense on deposits and higher investment income earned on government securities.

	Jan-Sep 2021 Taka	Jan-Sep 2020 Taka
5 Net Operating Cash Flow per Share (NOCFPS)		
5.1 Consolidated Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	(7,431,922,589)	30,568,703,112
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399
	(5.34)	21.96

	Jan-Sep 2021 Taka	Jan-Sep 2020 Taka
5.2 Separate/Standalone Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	(15,823,151,412)	18,468,617,017
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399
	(11.37)	13.27

5.3 Explanation regarding significant change quarterly basis financial statements:

Both consolidated and standalone net operating cash flows decreased primarily for fresh disbursement of loans to customers and higher deposit encashment by customers in 2021.

6 Performance Highlights of BRAC Bank Limited as of September 30, 2021 are given below:

6.1 Key Financial indicators (Standalone basis) :

Sl no.	Particulars	30 September 2021	31 December 2020
1	Deposits	278,129,706,601	289,054,405,724
2	Loans and advances	287,350,719,833	273,063,193,200
3	Capital Fund:	42,805,197,219	40,182,231,697
4	Core Capital	38,521,355,899	36,472,826,887
5	Supplementary Capital	4,283,841,320	3,709,404,810
6	CRAR	14.64%	14.55%
7	No. of Branches	187	187
8	No. of Full Time Employees	7,483	7,740
9	Statutory Reserves	9,405,017,728	9,405,017,728
10	Shareholders' Equity	47,443,426,685	46,476,525,766

6.2 Key Financial indicators (Consolidated basis) :

SI no.	Particulars	30 September 2021	31 December 2020
1	Deposits	334,348,295,595	333,615,619,705
2	Loans and advances	288,306,187,868	273,438,940,961
3	Capital Fund:	45,330,794,653	44,959,377,911
4	Core Capital	41,046,953,333	41,249,973,101
5	Supplementary Capital	4,283,841,320	3,709,404,810
6	CRAR	14.18%	15.13%
7	Shareholders' Equity	49,043,548,652	48,110,973,311

6.3 Key Financial Ratios (Solo basis):

SI no.	Particulars	30 September 2021	31 December 2020
1	AD Ratio	84.44%	76.69%
2	ROE*	11.99%	10.69%
3	ROA*	1.43%	1.19%

* Figures are annualized.

6.4 Key Financial Ratios (Consolidated basis):

SI no.	Particulars	30 September 2021	31 December 2020
1	ROE*	10.96%	10.02%
2	ROA*	1.16%	1.02%

* Figures are annualized.

7 Credit Rating information

Rating agency	Long-term rating	Short-term rating	Outlook	Valid up to
CRAB	AA1	ST-1	Stable	30 June 2022
CRISL	AA+	ST-1	Stable	27 June 2022
ECRL	AA+	ST-1	Stable	30 June 2022
S&P	B+	B	Stable	December, 2021
Moody's	Ba3	NP	Negative	December, 2021

8 Unclaimed/undistributed dividend was BDT 9,800,631 as on 30 September 2021.

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

9 Schedule of fixed assets

BRAC Bank Limited
As at 30 September 2021

Particulars	Cost				Depreciation				Written down value as at 30.09.2021
	Opening balance as on 01 January 2021	Addition/Revaluation during the year	Disposals/Transfer/Adjustments during the year	Total balance as at 30.09.2021	Opening balance as on 01 January 2021	Charge during the year	Disposals/Adjustments during the year	Total balance as at 30.09.2021	
Property, plant & equipments									
Land*	1,047,743,750	-	520,468,350	527,275,400	-	-	-	-	527,275,400
Leasehold Building	4,034,334	-	-	4,034,334	822,332	75,644	-	897,975	3,136,359
Furniture & fixture	2,096,550,341	35,868,376	5,921,321	2,126,497,396	1,395,740,435	113,999,194	5,921,321	1,503,818,308	622,679,088
Office equipments	1,307,461,739	34,083,630	6,801,022	1,334,744,347	1,120,463,136	71,457,422	6,797,222	1,185,123,337	149,621,010
IT Hardware	2,900,091,204	146,895,851	20,608,234	3,026,378,821	1,970,565,211	269,683,461	20,494,117	2,219,754,555	806,624,266
Motor vehicles	354,296,880	-	-	354,296,880	221,679,496	48,341,057	-	270,020,553	84,276,327
Right of use assets (ROU)	4,374,375,108	428,863,622	389,014,918	4,414,223,812	1,465,505,184	559,354,831	300,818,339	1,724,041,676	2,690,182,136
Capital expenditure work in progress	402,817,173	82,732,723	244,654,239	240,895,657	-	-	-	-	240,895,657
Sub-total	12,487,370,529	728,444,202	1,187,468,084	12,028,346,647	6,174,775,794	1,062,911,608	334,030,998	6,903,656,404	5,124,690,244
Intangible assets:									
With definite useful lives:									
IT Software	2,093,396,465	199,755,356	-	2,293,151,821	1,056,948,166	229,074,727	-	1,286,022,893	1,007,128,927
Sub-total	2,093,396,465	199,755,356	-	2,293,151,821	1,056,948,166	229,074,727	-	1,286,022,893	1,007,128,927
As at 30 September 2021	14,580,766,993	928,199,559	1,187,468,084	14,321,498,468	7,231,723,960	1,291,986,336	334,030,998	8,189,679,297	6,131,819,171
As at 31 December 2020	14,581,852,718	1,392,716,147	1,914,270,221	14,060,298,643	6,913,602,920	1,700,780,342	1,382,659,302	7,231,723,960	6,828,574,683

* Land value decreased by BDT 520,468,350 with reference to policy change disclosed at Note 2.1.a.

10 Share capital

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

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

10.1 History of paid-up capital

Face value of BRAC Bank's each share is BDT 10. Given below the history of raising of share capital of BRAC Bank Limited:

Particulars	Allotment Year	Number of Shares Issued		No. of shares (outstanding)	Amount of Share Capital issued (BDT)	Total Paid up Capital (Cumulative)
		Share issued	Subscription			
First (Subscription to the Memorandum and Articles of Association) at the time of Incorporation	1999	-	2,000,000	2,000,000	200,000,000	200,000,000
BRAC (subscription)	2001	-	500,000	2,500,000	50,000,000	250,000,000
BRAC (subscription)	2003	-	674,500	3,174,500	67,450,000	317,450,000
ShoreCap International Ltd.	2004	-	875,700	4,050,200	87,570,000	405,020,000
International Finance Corporation	2004	-	949,800	5,000,000	94,980,000	500,000,000
IPO	2006	5,000,000	-	10,000,000	500,000,000	1,000,000,000
Bonus 20%	2007	2,000,000	-	12,000,000	200,000,000	1,200,000,000
Bonus 10%	2008	1,200,000	-	13,200,000	120,000,000	1,320,000,000
Right Share 20%	2008	2,640,000	-	15,840,000	264,000,000	1,584,000,000
Bonus Share 30%	2009	4,752,000	-	20,592,000	475,200,000	2,059,200,000
Bonus Share 30%	2010	6,177,600	-	26,769,600	617,760,000	2,676,960,000
Bonus Share 20%	2011	5,353,920	-	32,123,520	535,392,000	3,212,352,000
Change in denomination from Tk.100 to Tk.10	2011	-	-	321,235,200	-	3,212,352,000
Bonus Share 20%	2012	64,247,040	-	385,482,240	642,470,400	3,854,822,400
Bonus Share 15%	2013	57,822,336	-	443,304,576	578,223,360	4,433,045,760
Bonus Share 10%	2014	44,330,457	-	487,635,033	443,304,570	4,876,350,330
Right share 50%	2014	221,652,288	-	709,287,321	2,216,522,880	7,092,873,210
Fresh Issue against Bond, 1st Conversion of Bond	2016	1,149,589	-	710,436,910	11,495,890	7,104,369,100
Fresh Issue against Bond, 2nd Conversion of Bond	2017	2,237,835	-	712,674,745	22,378,350	7,126,747,450
Bonus Share 20%	2017	142,534,949	-	855,209,694	1,425,349,490	8,552,096,940
Fresh Issue against Bond, 3rd Conversion of Bond	2018	2,790,534	-	858,000,228	27,905,340	8,580,002,280
Bonus Share 25%	2018	214,500,057	-	1,072,500,285	2,145,000,570	10,725,002,850
Bonus Share 15%	2019	160,875,042	-	1,233,375,327	1,608,750,420	12,333,753,270
Bonus Share 7.50%	2020	92,503,149	-	1,325,878,476	925,031,490	13,258,784,760
Bonus Share 5%	2021	66,293,923	-	1,392,172,399	662,939,230	13,921,723,990
Total					13,921,723,990	

10.2 Name of the Directors and their shareholdings as at 30 September 2021

Name of the Directors	Status	No of shares held as on 30 September 2021	% of shares held as on 30 September 2021	% of shares held as on 31 December 2020
Dr. Ahsan H Mansur (Chairman)	Independent Director	Nil	Nil	Nil
Mr. Asif Saleh (Nominated by BRAC)	Nominated Director	31,000	0.002%	0.0020%
Ms. Farzana Ahmed	Independent Director	Nil	Nil	Nil
Mr. Kazi Mahmood Sattar	Independent Director	Nil	Nil	Nil
Ms. Fahima Choudhury	Independent Director	Nil	Nil	Nil
Dr. Zahid Hussain	Independent Director	Nil	Nil	Nil
Mr. Meheriar M Hasan (Nominated by BRAC)	Nominated Director	Nil	Nil	Nil
Mr. Shameran Bahar Abed (Nominated by BRAC)	Nominated Director	997,500	0.071%	0.071%

11 Share Premium

Accounting policy

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

	Year of issuance	30 September 2021 Taka	31 December 2020 Taka
5,000,000 ordinary shares @ Tk. 70 per share	2006	350,000,000	350,000,000
2,640,000 ordinary shares @ Tk. 400 per share	2008	1,056,000,000	1,056,000,000
221,652,288 ordinary shares @ Tk. 10 per share	2014	2,216,522,880	2,216,522,880
1,149,589 ordinary shares @ Tk. 32.55 per share	2016	37,419,151	37,419,151
2,237,835 ordinary shares @ Tk. 35.10 per share	2017	78,548,041	78,548,041
2,790,534 ordinary shares @ Tk. 41.31 per share	2018	115,276,960	115,276,960
		3,853,767,032	3,853,767,032

12. Deferred tax asset/(liability) (Standalone)

Particulars	Accounting base	Tax base	Deductible/ (Taxable) temporary difference	Applicable tax rate	Deferred Tax Asset/ (Liability)
Balance as at 30 September 2021					
Loan loss provision including Covid-19 special provision	9,299,423,182	-	9,299,423,182	37.50%	3,487,283,693
Provision against capital market	85,580,119	-	85,580,119	10.00%	8,558,012
Fixed assets	2,670,308,269	3,744,521,462	1,074,213,193	37.50%	402,829,947
Right of use assets (ROU) as per IFRS 16	2,690,182,135	373,074,290	(2,317,107,845)	37.50%	(868,915,442)
Leased Liability as per IFRS 16	2,612,676,033	-	2,612,676,033	37.50%	979,753,513
Deferred tax asset (a)**					4,009,509,723
Deferred tax liability arises due to actuarial valuation gain	239,725,567	-	(239,725,567)	37.50%	(89,897,087)
Deferred tax liability arises from fair value gain as per IFRS 9	1,101,782,683	-	(1,101,782,683)	15.00%	(165,267,402)
Interest receivable from treasury bills and bonds	944,803,523	-	(944,803,523)	37.50%	(354,301,321)
Profit receivables from govt. Sukuk bond	13,280,365	-	(13,280,365)	37.50%	(4,980,137)
Deferred tax liability (b)					(614,445,947)
Net deferred tax asset at 30 September 2021 (a-b)					3,395,063,776

Increase of deferred tax asset recognised in profit and loss account as income					810,722,780
Decrease of deferred tax liability recognised in profit and loss account as income					191,279,558
Net Deferred tax income recognised in profit and loss account during the 3rd quarter ended 30 September 2021					1,002,002,338
Net Deferred tax liability derecognised in equity during the 3rd quarter ended 30 September 2021					34,355,747

Balance as at 31 December 2020

Loan loss provision including Covid-19 special provision	8,267,660,049	-	8,267,660,049	37.50%	3,100,372,519
Provision against capital market	87,580,119	-	87,580,119	10.00%	8,758,012
Right of use assets (ROU) as per IFRS 16	2,908,869,923	407,840,542	(2,501,029,381)	37.50%	(937,886,018)
Leased Liability as per IFRS 16	2,740,113,147	-	2,740,113,147	37.50%	1,027,542,430
Deferred tax asset (a)**					3,198,786,943

Deferred tax liability arises due to actuarial valuation gain	239,725,567	-	(239,725,567)	37.50%	(89,897,087)
Deferred tax liability arises from fair value gain as per IFRS 9	1,330,820,995	-	(1,330,820,995)	15.00%	(199,623,149)
Fixed assets	2,989,612,186	2,856,042,430	(133,569,756)	37.50%	(50,088,659)
Interest receivable from treasury bills and bonds	1,317,902,250	-	(1,317,902,250)	37.50%	(494,213,344)
Profit receivables from govt. Sukuk bond	306,108	-	(306,108)	37.50%	(114,790)
Dividend receivables	30,721,114	-	(30,721,114)	20.00%	(6,144,223)

Deferred tax liability (b)

Net deferred tax asset at 31 December 2020 (a-b)					2,358,705,691
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Increase of deferred tax asset recognised in profit and loss account as income					760,222,063
Increase of deferred tax liability recognised in profit and loss account as expense					(240,221,143)
Net Deferred tax income recognised in profit and loss account during the 3rd quarter ended 30 September 2020					520,000,920
Net Deferred tax liability derecognised in equity during the 3rd quarter ended 30 September 2020					27,110,122

Deferred tax assets arising from the provision on loan loss will recovered at the time of written off of classified loan. Deferred tax on provision for investment in capital market will be recovered when the loss be realized and deferred tax on IFRS 16 leased assets will be adjusted when lease contracts will be terminated.

13. Reconciliation of effective tax rate

Particulars	30 September 2021 (Standalone)		30 September 2020 (Standalone)	
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		5,951,331,450		4,144,961,000
Income tax as per applicable tax rate	37.50%	2,231,749,294	37.50%	1,554,360,375
Factors affecting the tax charge for current year				
Inadmissible expenses	55.46%	3,300,497,025	59.75%	2,476,418,201
Admissible expenses in the current year (i.e. write-off etc.)	-36.96%	(2,199,446,830)	-36.19%	(1,499,967,166)
Tax exempted income	-5.77%	(343,338,891)	-15.69%	(650,515,181)
Tax savings from reduced tax rates for dividend	-0.59%	(35,241,617)	-0.28%	(11,467,756)
Tax loss/(savings) from reduced tax rates for capital gain	0.00%	-	0.00%	-
Reversal of previous years' excess tax (2009 - 2013)	-3.78%	(225,000,000)	0.00%	-
Effect of deferred tax	-16.84%	(1,002,002,338)	-12.55%	(520,000,920)
Total income tax expenses	29.02%	1,727,216,643	32.54%	1,348,827,553

14. Statement of Consolidated Segment Reporting

A. Segmental operating profit and loss

There are 8 (eight) operating segments including subsidiaries as on 30 September 2021. Out of 8 (eight) operating segments only 5 (five) are reportable as per latest evaluation as on 30 September 2021 in accordance with IFRS 8: Operating segments. A segment is considered reportable only when its revenue, profit or loss and assets contributes 10% or more of the combined revenue, reported profit or loss and assets of all operating segments in accordance with IFRS 8. Hence other non-reportable segments have been shown under 'Others'. Comparative figures have been disclosed accordingly.

BRAC Bank Limited						Consolidation				Amount in Taka
Particulars	SME	Retail	Corporate	Treasury	Total	bKash	Others	Inter company elimination	Total	
Interest income	9,009,649,115	3,330,952,793	3,296,149,744	438,152,687	16,074,904,339	1,723,918,556	43,212,959	(80,786,822)	17,761,249,032	
Interest paid on deposits and borrowings	859,475,559	3,293,684,184	1,078,950,300	409,498,037	5,641,608,080	305,817,246	87,804,435	(80,786,822)	5,954,442,939	
Inter segment income /(expenses)	(3,843,890,039)	3,161,301,471	(338,923,267)	1,021,511,836	-	-	-	-	-	
Net interest income	4,306,283,516	3,198,570,080	1,878,276,177	1,050,166,486	10,433,296,259	1,418,101,310	(44,591,476)	-	11,806,806,093	
Investment income	-	-	-	5,069,956,242	5,069,956,242	950,973,429	207,529,794	-	6,228,459,465	
Commission, fees and others	404,592,548	1,101,508,795	625,637,743	97,478,910	2,229,217,996	2,505,496,522	764,050,234	(30,515,794)	5,468,248,958	
Other operating income	500,681	473,913	193,107	106,328,642	107,496,342	-	43,042,840	-	150,539,182	
Total Segment Revenue	4,711,376,745	4,300,552,788	2,504,107,027	6,323,930,279	17,839,966,839	4,874,571,261	970,031,392	(30,515,794)	23,654,053,698	
Staff costs	2,410,531,786	1,848,156,682	558,747,169	104,192,649	4,921,628,286	2,249,130,903	209,026,597	-	7,379,785,786	
Other operating costs	1,581,286,456	2,115,703,287	488,984,672	133,533,002	4,319,507,417	3,669,824,825	424,002,266	(30,515,794)	8,382,818,714	
Total segment expenditure	3,991,818,241	3,963,859,969	1,047,731,842	237,725,651	9,241,135,703	5,918,955,728	633,028,863	(30,515,794)	15,762,604,500	
Reportable segment operating profit	719,558,504	336,692,819	1,456,375,185	6,086,204,627	8,598,831,136	(1,044,384,467)	337,002,529	-	7,891,449,198	

B. Segmental assets and liabilities

The necessary information regarding assets and liabilities of operating segments (excluding subsidiaries) are not separable and individually identifiable and so the assets and liabilities of the respective segments have not been presented here.

15. Reconciliation of net profit with cash flows from operating activities (standalone basis)

Particulars	Jan to Sep 2021 Taka	Jan to Sep 2020 Taka
Profit before tax as per profit and loss account	5,951,331,450	4,144,961,000
Adjustment for non-cash items:		
Provision for Loans and advances	2,848,660,129	1,938,786,420
Provision for Diminution in value of investments	(2,000,000)	(113,200,000)
Provision for Off balance sheet items	209,000,000	13,083,635
Provision for other assets	6,822,665	(5,430,415)
Depreciation of Property plant and equipment	1,291,986,338	1,285,142,988
Foreign exchange gain/(loss)	(83,563,155)	(70,402,830)
Profit on sale of fixed assets	(1,691,143)	(4,418,137)
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(14,287,526,633)	(945,722,340)
Other operating assets	(334,656,259)	(156,047,103)
Deposits from other banks/borrowings	1,347,192,468	109,453,436
Deposits from customers	(9,909,156,400)	15,975,646,151
Other operating liabilities	(925,011,432)	(850,819,962)
Income tax paid	(1,934,539,441)	(2,852,415,826)
Cash flows from operating activities as per cash flow statement	(15,823,151,411)	18,468,617,017

**Details of transactions with related parties
For the 3rd quarter ended 30 September 2021**

Related Party is a party related to an entity if:

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

SL No.	Name of the related parties (Companies)	Balance type	Balance as on 01 Jan 2021	Balance as on 30 Sep 2021
1	bKash Limited	Deposits	2,590,480,725	1,677,417,469
2	BRAC and Its associated organization	Deposits	6,654,832,632	7,906,120,417
3	BRAC EPL Investments Limited	Deposits	2,721,732	8,395,404
4	Equity Partners Limited (Eschrow Account)	Deposits	667,337	
5	BRAC EPL Stock Brokerage Limited	Deposits	40,015,481	240,304,020
6	BRAC IT Services Limited (biTS)	Deposits	103,302,915	95,042,579
7	BRAC Saajan Exchange Limited	Deposits	29,136,980	54,152,652
8	Edotco Bangladesh Co. Limited	Deposits	3,294,972,846	3,966,043
9	Policy Research Institute Of Bangladesh	Deposits	1,525,163	1,132,044
10	RSA Advisory Ltd.	Deposits	5,891,572	779,586
11	Walton Hi-Tech Industries Limited	Deposits	48,142,660	47,335,440
12	Water Garden Resort And Spa	Deposits	-	225,493
13	Affordable Health Care Trust	Deposits	-	71,814,700
14	Guardian Life Insurance Limited	Deposits	-	188,330,388
15	BRAC EPL Investments Limited	Continuous loan	798,660,711	593,370,706
16	BRAC Saajan Exchange Limited	Continuous loan	685,878,561	484,909,999
17	BRAC EPL Stock Brokerage Limited	Continuous loan	-	79,762
18	BRAC IT Services Limited (biTS)	Advance for investment	213,246,061	213,246,061
19	BRAC Saajan Exchange Limited	Bank guarantee	USD 260,000	USD 260,000

SL No.	Name of the related parties (Directors)	Balance type	Balance as on 01 Jan 2021	Balance as on 30 Sep 2021
1	Kazi Mahmood Sattar	Credit card	23,600	598
2	Nihad Kabir	Credit card	30,421	-
3	Asif Saleh	Credit card	25,846	34,169
4	Selim Reza Farhad Hussain	Credit card	88,783	46,221
5	Fahima Choudhury	Credit card	6,160	-
6	Shameran Bahar Abed	Credit card	223,547	92,927

Note: In addition, BRAC Bank has credit exposure on NGOs where its Directors are involved in the capacity of executive committee members. As on 30 September 2021, the Bank has credit exposures amounting BDT 1,500,000,000 to BRAC and BDT 1,030,233,085 to Sajida Foundation. However, as per Bangladesh Bank letter ref: BRPD (R-2)651/9(25)ka/2016-6852; such exposure shall not come under the purview of related party exposures as given to non-profit organisations.