

**BRAC Bank Limited**

Condensed Interim Financial Statements  
as at and for the 1st quarter ended 31 March 2023

**BRAC Bank Limited and its subsidiaries**  
**Condensed Consolidated Balance Sheet (Unaudited)**  
**As at 31 March 2023**

Particulars	Note	31 March 2023 Taka	31 December 2022 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>3</b>	<b>29,436,791,184</b>	<b>31,871,593,250</b>
Cash in hand (Including foreign currency)		9,520,624,939	11,918,067,777
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		19,916,166,245	19,953,525,473
<b>Balance with other banks and financial institutions</b>	<b>4</b>	<b>49,893,105,052</b>	<b>52,951,344,277</b>
Inside Bangladesh		39,458,742,705	47,797,240,230
Outside Bangladesh		10,434,362,347	5,154,104,047
<b>Money at call and short notice</b>		<b>5,016,692,600</b>	<b>6,826,376,000</b>
<b>Investments</b>	<b>5</b>	<b>126,898,840,465</b>	<b>116,551,993,858</b>
Government		117,587,164,171	107,319,008,486
Others		9,311,676,294	9,232,985,372
<b>Loans and advances</b>	<b>6</b>	<b>432,468,666,820</b>	<b>412,084,750,584</b>
Loans, cash credit, overdrafts etc.		230,318,656,807	222,711,877,598
Small and medium enterprises		200,256,978,569	187,247,111,913
Bills purchased and discounted		1,893,031,444	2,125,761,073
<b>Fixed assets including premises, furniture and fixture</b>	<b>7</b>	<b>13,201,636,531</b>	<b>13,463,514,348</b>
<b>Other assets</b>	<b>8</b>	<b>23,758,081,801</b>	<b>20,803,842,677</b>
<b>Non-banking assets</b>		<b>11,341,700</b>	<b>11,341,700</b>
<b>Goodwill</b>		<b>1,372,563,393</b>	<b>1,372,563,393</b>
<b>Total property and assets</b>		<b>682,057,719,546</b>	<b>655,937,320,087</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	<b>9</b>	<b>36,452,334,087</b>	<b>38,908,810,526</b>
<b>Borrowings from central bank &amp; government agencies</b>	<b>10</b>	<b>45,346,121,866</b>	<b>42,184,501,809</b>
<b>Affordable housing bond</b>	<b>10.1</b>	<b>4,751,000,000</b>	<b>4,751,000,000</b>
<b>Money at call and short notice</b>		<b>890,196,475</b>	<b>-</b>
<b>Deposits and other accounts</b>	<b>11</b>	<b>468,845,131,863</b>	<b>447,058,816,329</b>
Current accounts and other accounts		206,246,405,470	187,855,608,325
Bills payable		1,497,033,047	1,739,503,614
Savings deposits		73,137,453,359	71,890,957,598
Fixed deposits		184,978,878,193	182,973,780,522
Other deposits		2,985,361,794	2,598,966,270
<b>Other liabilities</b>	<b>12</b>	<b>43,015,969,096</b>	<b>42,004,580,813</b>
<b>Total liabilities</b>		<b>599,300,753,387</b>	<b>574,907,709,477</b>
<b>Capital and shareholders' equity</b>			
Paid up share capital	<b>13</b>	14,965,853,280	14,965,853,280
Share premium	<b>14</b>	3,853,767,032	3,853,767,032
Statutory reserve		11,155,127,473	11,148,169,834
Dividend equalization fund		355,218,455	355,218,455
Revaluation reserve on govt. securities		1,372,778,250	1,337,245,165
Fair value reserve		78,920,073	78,920,073
Foreign currency translation reserve	<b>16</b>	367,360,963	328,402,260
Surplus in profit and loss account/Retained earnings	<b>17</b>	30,502,797,669	29,086,051,630
<b>Total shareholders' equity</b>		<b>62,651,823,195</b>	<b>61,153,627,729</b>
<b>Non controlling interest</b>	<b>18</b>	<b>20,105,142,964</b>	<b>19,875,982,881</b>
<b>Total equity</b>		<b>82,756,966,159</b>	<b>81,029,610,610</b>
<b>Total liabilities and shareholders' equity</b>		<b>682,057,719,546</b>	<b>655,937,320,087</b>

**BRAC Bank Limited and its subsidiaries**  
**Condensed Consolidated Balance Sheet (Unaudited)**  
**As at 31 March 2023**

Particulars	Note	31 March 2023 Taka	31 December 2022 Taka
<b>Off Balance Sheet Items</b>			
<b>Contingent liabilities</b>			
Acceptances and endorsements		86,192,017,712	83,028,540,659
Irrevocable letter of credits		39,904,742,793	27,451,963,219
Letter of guarantees		27,125,410,254	18,607,062,875
Bills for collection		23,789,783,625	21,612,714,770
		<b>177,011,954,384</b>	<b>150,700,281,523</b>
<b>Other commitments</b>			
Swap deals with banks and customers		16,486,425,873	13,070,011,143
Spot and forward deals with banks and customers		4,700,393,974	2,074,308,915
		<b>21,186,819,847</b>	<b>15,144,320,058</b>
<b>Total Off-Balance sheet items including contingent liabilities</b>		<b>198,198,774,231</b>	<b>165,844,601,581</b>
<b>Net Assets Value (NAV) Per Share</b>	<b>33</b>	<b>41.86</b>	<b>40.86</b>

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



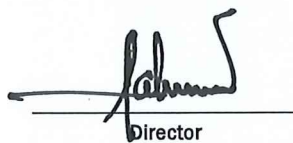
Chief Financial Officer



Company Secretary



Managing Director and CEO



Director



Director



Chairman


Date: 07 May 2023

BRAC Bank Limited and its subsidiaries  
Condensed Consolidated Profit and Loss Account (Unaudited)  
For the 1st quarter ended 31 March 2023

Particulars	Note	Jan to Mar 2023 Taka	Jan to Mar 2022 Taka
Interest income	19	9,285,789,653	7,035,217,359
Interest paid on deposits and borrowing etc.	20	4,378,605,351	2,485,931,522
<b>Net interest income</b>		<b>4,907,184,302</b>	<b>4,549,285,837</b>
Investment income	21	2,616,386,855	1,697,996,693
Commission, exchange and brokerage	22	2,810,114,089	2,191,729,223
Other operating income	23	39,521,324	38,224,410
<b>Total operating income</b>		<b>10,373,206,570</b>	<b>8,477,236,163</b>
Salaries and allowances		3,224,993,062	2,859,946,819
Rent, taxes, insurance, electricity etc.	24	183,129,829	150,508,559
Legal expenses		6,193,576	19,866,551
Postage, stamps, telecommunication etc.	25	102,728,090	100,594,511
Stationery, printing, advertisement etc.	26	891,240,949	809,420,857
Chief Executive's salary and fees	27	4,627,500	4,627,500
Directors' fees and expenses		1,324,255	958,448
Auditors' fee		1,527,756	1,051,159
Impairment of goodwill		-	54,905,518
Depreciation and repairs to bank's assets	28	1,484,771,261	1,260,202,091
Other expenses	29	1,224,025,231	908,445,396
<b>Total operating expenses</b>		<b>7,124,561,509</b>	<b>6,170,527,409</b>
<b>Operating profit</b>		<b>3,248,645,061</b>	<b>2,306,708,754</b>
Share of profit/(loss) of associates	30	(6,466,254)	(3,748,122)
<b>Profit/(loss) before provisions</b>		<b>3,242,178,807</b>	<b>2,302,960,632</b>
<b>Provision for:</b>	31		
Loans and advances		658,639,112	516,743,428
Off balance sheet items		61,005,919	96,000,000
Diminution in value of investments		311,038	(1,000,000)
Others		2,085,289	-
<b>Total provision</b>		<b>722,041,358</b>	<b>611,743,428</b>
<b>Profit/(loss) before taxes</b>		<b>2,520,137,449</b>	<b>1,691,217,204</b>
<b>Provision for Tax:</b>	32		
Current tax expense		1,133,119,941	1,136,038,255
Deferred tax expense/(income)		(279,297,430)	(411,750,123)
<b>Total provision for Tax</b>		<b>853,822,511</b>	<b>724,288,132</b>
<b>Total profit/(loss) after taxes</b>		<b>1,666,314,938</b>	<b>966,929,072</b>
<b>Attributable to:</b>			
Equity holders of BRAC Bank Ltd.		1,437,212,110	1,157,640,812
Non controlling interest		229,102,828	(190,711,740)
		<b>1,666,314,938</b>	<b>966,929,072</b>
Retained earnings brought forward from previous period/year		29,086,051,630	26,402,962,532
Net profit attributable to the equity holders of the Bank		1,437,212,110	1,157,640,812
<b>Profit available for appropriation</b>		<b>30,523,263,740</b>	<b>27,560,603,344</b>
<b>Appropriations:</b>			
Statutory reserve		6,957,639	-
Dividend		-	1,044,129,299
Start-up Fund		13,508,432	13,392,254
		20,466,071	1,057,521,553
<b>Retained surplus</b>		<b>30,502,797,669</b>	<b>26,503,081,791</b>
Earnings Per Share (EPS)	34	0.96	0.77

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

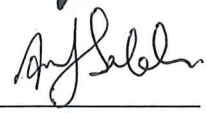
  
Chief Financial Officer

  
Company Secretary

  
Managing Director and CEO

  
Director

  
Director

  
Chairman

Date: 07 May 2023



BRAC Bank Limited and its subsidiaries  
Condensed Consolidated Statement of Changes in Equity (Unaudited)  
For the 1st quarter ended 31 March 2023

Particulars	Paid up share capital	Cash dividend proposed	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Fair value reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2023	14,965,853,280	-	3,853,767,032	11,148,169,834	355,218,455	1,337,245,165	78,920,073	328,402,260	29,086,051,630	19,875,982,881	81,029,610,610
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	35,533,085	-	-	-	-	35,533,085
Changes in translation reserve (Note-16)	-	-	-	-	-	-	-	38,958,703	-	57,255	99,015,958
<b>Sub-total</b>	<b>14,965,853,280</b>	<b>-</b>	<b>3,853,767,032</b>	<b>11,148,169,834</b>	<b>355,218,455</b>	<b>1,372,778,250</b>	<b>78,920,073</b>	<b>367,360,963</b>	<b>29,086,051,630</b>	<b>19,876,040,136</b>	<b>81,104,159,653</b>
Net profit for the period	-	-	-	-	-	-	-	-	1,437,212,110	229,102,828	1,666,314,938
Dividend for the year 2022:	-	-	-	-	-	-	-	-	-	-	-
Stock dividend	-	-	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-	-	-	-
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	-	6,957,639	-	-	-	-	(13,508,432)	-	(13,508,432)
Balance as at 31 March 2023	14,965,853,280	-	3,853,767,032	11,155,127,473	355,218,455	1,372,778,250	78,920,073	367,360,963	30,502,797,669	20,105,142,964	82,756,966,159
Balance as at 31 December 2022	14,965,853,280	-	3,853,767,032	11,148,169,834	355,218,455	1,337,245,165	78,920,073	328,402,260	29,086,051,630	19,875,982,881	81,029,610,610
Balance as at 31 March 2022	13,921,723,990	1,044,129,299	3,853,767,032	10,067,956,958	355,218,455	2,433,959,182	78,920,073	22,044,216	26,503,081,791	19,569,849,496	77,850,650,492

**BRAC Bank Limited and its subsidiaries**  
**Condensed Consolidated Cash Flow Statement (Unaudited)**  
**For the 1st quarter ended 31 March 2023**

Particulars	Note	Jan to Mar 2023 Taka	Jan to Mar 2022 Taka
<b>A. Cash flows from operating activities</b>			
Interest receipts		10,496,070,304	7,010,875,435
Interest payment		(4,608,824,232)	(1,979,250,227)
Dividend receipts		102,551,618	99,093,738
Fees and commission receipts		11,208,042,102	9,862,111,960
Recovery on loans previously written off		177,288,190	201,448,084
Cash payments to employees		(2,680,137,605)	(2,358,514,013)
Cash payments to suppliers		(10,063,013,408)	(10,218,730,429)
Income tax paid		(2,574,861,381)	(2,294,096,862)
Receipts from other operating activities		298,156,049	441,594,514
Payment for other operating activities		(1,383,422,008)	(773,285,274)
Operating cash flow before changes in operating assets and liabilities		<b>971,849,629</b>	<b>(8,753,074)</b>
<b>Increase/decrease in operating assets &amp; liabilities</b>			
Loans and advances		(20,310,825,179)	(17,601,745,483)
Other assets		(339,833,944)	(118,966,811)
Borrowings from other banks and financial institutions		1,650,149,794	11,221,461,351
Deposits from customers		22,154,252,018	17,359,185,660
Other liabilities		(1,361,125,530)	(69,882,025)
Cash utilized in operating assets and liabilities (ii)		1,792,617,159	10,790,052,692
<b>Net cash (used)/flows from operating activities (i+ii) (a)</b>		<b>2,764,466,788</b>	<b>10,781,299,618</b>
<b>B. Cash flows from investing activities</b>			
Treasury bills		(15,853,559,368)	(2,728,370,184)
Treasury bonds		5,620,936,768	(11,257,208,658)
Sale/ (Investment) in shares		(209,569,177)	(581,354,974)
Investment in bonds		150,000,000	-
Acquisition of fixed assets		(795,311,686)	(823,338,226)
Disposal of fixed assets		1,984,186	8,596,532
<b>Net cash used in investing activities (b)</b>		<b>(11,085,519,277)</b>	<b>(15,381,675,510)</b>
<b>C. Cash flows from financing activities</b>			
Payment for lease finance		-	(44,428,224)
Dividend paid		(100,972)	(1,045,019,140)
<b>Net cash flows from financing activities (c)</b>		<b>(100,972)</b>	<b>(1,089,447,364)</b>
<b>Net increase/decrease in cash (a+b+c)</b>		<b>(8,321,153,461)</b>	<b>(5,689,823,256)</b>
Cash and cash equivalents at beginning of the year		91,650,841,427	105,222,018,140
Effect of exchange rate changes on cash and cash equivalent		1,018,715,470	7,434,378
Cash and cash equivalents at end of the year		<b>84,348,403,436</b>	<b>99,539,629,262</b>
<b>Cash and cash equivalents at end of the year:</b>			
Cash in hand (including foreign currency)		9,520,624,939	7,741,826,124
Balance with Bangladesh Bank and its agents bank(s)		19,916,166,245	13,216,308,724
Balance with other banks and financial institutions		49,893,105,052	73,776,438,614
Money at call and short notice		5,016,692,600	4,803,400,000
Prize bond		1,814,600	1,655,800
		<b>84,348,403,436</b>	<b>99,539,629,262</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>35</b>	<b>1.85</b>	<b>7.20</b>

**BRAC Bank Limited**  
**Condensed Balance Sheet (Unaudited)**  
**As at 31 March 2023**

Particulars	Note	31 March 2023 Taka	31 December 2022 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>3</b>	<b>29,263,718,457</b>	<b>31,776,214,097</b>
Cash in hand (Including foreign currency)		9,347,552,212	11,822,688,624
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		19,916,166,245	19,953,525,473
<b>Balance with other banks and financial institutions</b>	<b>4</b>	<b>15,622,102,415</b>	<b>16,255,534,724</b>
Inside Bangladesh		5,303,487,745	11,127,982,840
Outside Bangladesh		10,318,614,670	5,127,551,884
<b>Money at call and short notice</b>		<b>5,016,692,600</b>	<b>6,826,376,000</b>
<b>Investments</b>	<b>5</b>	<b>65,448,849,218</b>	<b>64,287,682,264</b>
Government		57,842,841,431	56,637,669,673
Others		7,606,007,787	7,650,012,591
<b>Loans and advances</b>	<b>6</b>	<b>430,975,587,332</b>	<b>410,676,406,960</b>
Loans, cash credit, overdrafts etc.		228,825,577,319	221,303,533,974
Small and medium enterprises		200,256,978,569	187,247,111,913
Bills purchased and discounted		1,893,031,444	2,125,761,073
<b>Fixed assets including premises, furniture and fixture</b>	<b>7</b>	<b>7,610,792,009</b>	<b>7,779,346,693</b>
<b>Other assets</b>	<b>8</b>	<b>26,343,688,971</b>	<b>25,626,075,864</b>
<b>Non-banking assets</b>		<b>11,341,700</b>	<b>11,341,700</b>
<b>Total property and assets</b>		<b>580,292,772,702</b>	<b>563,238,978,302</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	<b>9</b>	<b>36,136,736,944</b>	<b>38,685,377,271</b>
<b>Borrowings from central bank &amp; government agencies</b>	<b>10</b>	<b>45,346,121,866</b>	<b>42,184,501,809</b>
<b>Affordable housing bond</b>	<b>10.1</b>	<b>4,751,000,000</b>	<b>4,751,000,000</b>
<b>Money at call and short notice</b>		<b>890,196,475</b>	<b>-</b>
<b>Deposits and other accounts</b>	<b>11</b>	<b>397,505,740,646</b>	<b>384,466,775,242</b>
Current accounts and other accounts		134,790,570,636	123,148,401,399
Bills payable		1,497,033,047	1,739,503,614
Savings deposits		73,137,453,359	71,890,957,598
Term deposits		185,095,321,810	185,088,946,361
Other deposits		2,985,361,794	2,598,966,270
<b>Other liabilities</b>	<b>12</b>	<b>35,781,313,795</b>	<b>34,760,769,207</b>
<b>Total liabilities</b>		<b>520,411,109,726</b>	<b>504,848,423,529</b>
<b>Capital and shareholders' equity</b>			
<b>Paid up share capital</b>	<b>13</b>	<b>14,965,853,280</b>	<b>14,965,853,280</b>
<b>Share premium</b>	<b>14</b>	<b>3,853,767,032</b>	<b>3,853,767,032</b>
<b>Statutory reserve</b>		<b>11,112,086,248</b>	<b>11,112,086,248</b>
<b>Dividend equalization fund</b>		<b>355,218,455</b>	<b>355,218,455</b>
<b>Revaluation reserve on govt. securities</b>		<b>1,372,778,250</b>	<b>1,337,245,165</b>
<b>Fair value gain/(loss) on equity investment</b>	<b>15</b>	<b>7,724,053,631</b>	<b>7,643,913,224</b>
<b>Foreign currency translation reserve</b>	<b>16</b>	<b>361,636,815</b>	<b>323,536,914</b>
<b>Surplus in profit and loss account/Retained earnings</b>	<b>17</b>	<b>20,136,269,265</b>	<b>18,798,934,455</b>
<b>Total shareholders' equity</b>		<b>59,881,662,976</b>	<b>58,390,554,773</b>
<b>Total liabilities and shareholders' equity</b>		<b>580,292,772,702</b>	<b>563,238,978,302</b>



BRAC Bank Limited  
Condensed Balance Sheet (Unaudited)  
As at 31 March 2023

Particulars	Note	31 March 2023 Taka	31 December 2022 Taka
<b>Off Balance Sheet Items</b>			
<b>Contingent liabilities</b>			
Acceptances and endorsements		86,192,017,712	83,028,540,659
Irrevocable letter of credits		39,904,742,793	27,451,963,219
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		<b>177,011,954,384</b>	<b>150,700,281,523</b>
<b>Other Commitments</b>			
Swap deals with banks and customers		16,486,425,873	13,070,011,143
Spot and forward deals with banks and customers		4,700,393,974	2,074,308,915
		<b>21,186,819,847</b>	<b>15,144,320,058</b>
<b>Total Off-Balance sheet items including contingent liabilities</b>		<b>198,198,774,231</b>	<b>165,844,601,581</b>
<b>Net Assets Value (NAV) Per Share</b>	<b>33</b>	<b>40.01</b>	<b>39.02</b>

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



Chief Financial Officer



Company Secretary



Managing Director and CEO



Director



Director



Chairman


Date: 07 May 2023




**BRAC Bank Limited**  
**Condensed Profit and Loss Account (Unaudited)**  
**For the 1st quarter ended 31 March 2023**

Particulars	Note	Jan to Mar 2023 Taka	Jan to Mar 2022 Taka
Interest income	19	8,565,135,724	6,183,235,481
Interest paid on deposits and borrowing etc.	20	4,395,920,919	2,483,932,273
<b>Net interest income</b>		<b>4,169,214,805</b>	<b>3,699,303,208</b>
Investment income	21	1,503,270,050	1,401,879,334
Commission, exchange and brokerage	22	1,280,443,021	1,049,427,399
Other operating income	23	24,801,629	34,828,404
<b>Total operating income</b>		<b>6,977,729,505</b>	<b>6,185,438,345</b>
Salaries and allowances		2,154,372,256	1,916,327,846
Rent, taxes, insurance, electricity etc.	24	133,125,674	113,619,744
Legal expenses		5,126,280	1,300,847
Postage, stamps, telecommunication etc.	25	78,201,971	72,648,822
Stationery, printing, advertisement etc.	26	169,552,042	102,170,283
Chief Executive's salary and fees	27	4,627,500	4,627,500
Directors' fees and expenses		616,000	554,400
Auditors' fee		460,000	460,000
Depreciation and repairs to bank's assets	28	617,324,518	540,153,934
Other expenses	29	1,065,073,251	763,714,654
<b>Total operating expenses</b>		<b>4,228,479,492</b>	<b>3,515,578,030</b>
<b>Profit/(loss) before provisions</b>		<b>2,749,250,013</b>	<b>2,669,860,315</b>
<b>Provision for:</b>	31		
Loans and advances		651,369,713	516,743,428
Off balance sheet items		61,005,919	96,000,000
Diminution in value of investments		311,038	(1,000,000)
Others		2,085,289	-
<b>Total provision</b>		<b>714,771,959</b>	<b>611,743,428</b>
<b>Profit/(loss) before taxes</b>		<b>2,034,478,054</b>	<b>2,058,116,887</b>
<b>Provision for Tax:</b>	32		
Current tax expense		984,456,958	1,040,172,807
Deferred tax expense/(income)		(300,822,146)	(321,281,297)
<b>Total provision for Tax</b>		<b>683,634,812</b>	<b>718,891,510</b>
<b>Total profit/(loss) after taxes</b>		<b>1,350,843,242</b>	<b>1,339,225,377</b>
Retained earnings brought forward from previous period/year		18,798,934,455	16,329,861,552
<b>Profit available for appropriation</b>		<b>20,149,777,697</b>	<b>17,669,086,929</b>
<b>Appropriations:</b>			
Statutory reserve		-	-
Dividend		-	1,044,129,299
Start-up Fund		13,508,432	13,392,254
		13,508,432	1,057,521,553
<b>Retained surplus</b>		<b>20,136,269,265</b>	<b>16,611,565,376</b>
<b>Earnings Per Share (EPS)</b>	34	<b>0.90</b>	<b>0.89</b>

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

  
Chief Financial Officer

  
Company Secretary

  
Managing Director and CEO

  
Director

  
Director

  
Chairman

Date: 07 May 2023

BRAC Bank Limited  
Condensed Statement of Changes in Equity (Unaudited)  
For the 1st quarter ended 31 March 2023

Particulars	Paid up share capital	Cash dividend proposed	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Fair value gain/(loss) on equity investment	Foreign currency translation reserve	Retained earnings	Total
<b>Balance as at 01 January 2023</b>	14,965,853,280	-	3,853,767,032	11,112,086,248	355,218,455	1,337,245,165	7,643,913,224	323,536,914	18,798,934,455	58,390,554,773
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	35,533,085	-	-	-	35,533,085
Changes in fair value gain/ (loss) on equity investment	-	-	-	-	-	-	80,140,407	-	-	80,140,407
Changes in translation reserve (Note-16)	-	-	-	-	-	-	-	38,099,901	-	38,099,901
<b>Sub-total</b>	14,965,853,280	-	3,853,767,032	11,112,086,248	355,218,455	1,372,778,250	7,724,053,631	361,636,815	18,798,934,455	58,544,328,166
Net profit for the period	-	-	-	-	-	-	-	-	1,350,843,242	1,350,843,242
Dividend for the year 2022:	-	-	-	-	-	-	-	-	-	-
Stock dividend	-	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-	-	-
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-	-	-	(13,508,432)	(13,508,432)
<b>Balance as at 31 March 2023</b>	14,965,853,280	-	3,853,767,032	11,112,086,248	355,218,455	1,372,778,250	7,724,053,631	361,636,815	20,136,269,265	59,881,662,976
<b>Balance as at 31 December 2022</b>	14,965,853,280	-	3,853,767,032	11,112,086,248	355,218,455	1,337,245,165	7,643,913,224	323,536,914	18,798,934,455	58,390,554,773
<b>Balance as at 31 March 2022</b>	13,921,723,990	1,044,129,299	3,853,767,032	10,067,956,958	355,218,455	2,433,959,182	7,291,597,839	21,306,223	16,611,565,376	55,601,224,354

**BRAC Bank Limited**  
**Condensed Cash Flow Statement (Unaudited)**  
**For the 1st quarter ended 31 March 2023**

Particulars	Note	Jan to Mar 2023 Taka	Jan to Mar 2022 Taka
<b>A. Cash flows from operating activities</b>			
Interest receipts		9,609,911,783	6,797,905,335
Interest payment		(4,570,823,492)	(1,875,335,727)
Dividend receipts		71,303,683	69,677,683
Fees and commission receipts		1,280,443,021	1,049,427,399
Recovery on loans previously written off		177,288,190	201,448,084
Cash payments to employees		(1,828,684,521)	(1,650,681,192)
Cash payments to suppliers		(193,240,785)	(157,369,824)
Income tax paid		(1,050,933,239)	(1,079,196,386)
Receipts from other operating activities		319,696,856	434,015,966
Payment for other operating activities		(1,313,602,925)	(737,290,283)
Operating Cash flow before changes in operating assets and liabilities		<b>2,501,358,571</b>	<b>3,052,601,055</b>
<b>Increase/decrease in operating assets &amp; liabilities</b>			
Loans and advances		(20,299,180,372)	(17,253,114,845)
Other assets		(228,635,166)	(116,717,947)
Borrowings from other banks and financial institutions		1,503,176,204	10,920,623,920
Deposits from customers		13,406,901,884	10,672,338,167
Other liabilities		(1,422,477,190)	(80,943,957)
Cash utilized in operating assets and liabilities (ii)		(7,040,214,640)	4,142,185,338
<b>Net cash (used)/flows from operating activities (I+II) (a)</b>		<b>(4,538,856,069)</b>	<b>7,194,786,393</b>
<b>B. Cash flows from investing activities</b>			
Treasury bills		(12,326,255,012)	(2,716,030,432)
Treasury bonds		11,156,616,339	(3,547,425,023)
Sale/ (Investment) in shares		(105,995,196)	(354,382,247)
Investment in bonds		150,000,000	-
Acquisition of fixed assets		(307,849,472)	(422,110,380)
Disposal of fixed assets		1,984,186	8,596,532
<b>Net cash used in investing activities (b)</b>		<b>(1,431,499,155)</b>	<b>(7,031,351,550)</b>
<b>C. Cash flows from financing activities</b>			
Cash dividend paid		(100,972)	(1,045,019,141)
<b>Net cash flows from financing activities ( c)</b>		<b>(100,972)</b>	<b>(1,045,019,141)</b>
<b>Net increase/decrease in cash (a+b+c)</b>		<b>(5,970,456,196)</b>	<b>(881,584,298)</b>
Cash and cash equivalents at beginning of year		54,859,652,721	46,059,175,412
Effect of exchange rate changes on cash and cash equivalent		1,015,131,547	11,882,658
<b>Cash and cash equivalents at end of the year</b>		<b>49,904,328,072</b>	<b>45,189,473,772</b>
Cash in hand (including foreign currency)		9,347,552,212	6,756,967,021
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		19,916,166,245	13,216,308,724
Balance with other banks and financial institutions		15,622,102,415	20,411,142,227
Money at call and short notice		5,016,692,600	4,803,400,000
Prize bond		1,814,600	1,655,800
		<b>49,904,328,072</b>	<b>45,189,473,772</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>35</b>	<b>(3.03)</b>	<b>4.81</b>

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



## BRAC Bank Limited

### Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

#### 1.1 BRAC Bank Limited

BRAC Bank Limited (the "Bank" or "BRAC Bank") is a scheduled commercial bank established under the Bank Company Act, 1991, and incorporated as a public company, limited by shares, on 20 May 1999 under the Companies Act, 1994, in Bangladesh, vide RJSC registration no. C-37782(2082)/99. The primary objective of the bank is to conduct all kinds of banking businesses. On completion of all legal formalities, the bank commenced its operations on 4th July 2001. The registered address of the bank is: Anik Tower, 220/B Tejgaon Gulshan Link Road, Tejgaon, Dhaka-1208. 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.

##### 1.1.1 Principal Activities and nature of operations of BRAC Bank Limited

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

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

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

##### 1.1.2 Off-shore Banking Unit (OBU)

The Bank commenced its off-shore banking operation after obtaining permission from Bangladesh Bank in 2010. The Off-shore Banking Unit (OBU) is governed by the rules and guidelines of Bangladesh Bank. The principal activities of OBU are to provide all kinds of commercial banking services to its customers in Bangladesh in foreign currency. Business of Off-shore Banking Unit (OBU) have been reported with solo Financial Statements.

##### 1.1.3 Custodian Service

The Bank obtained permission to work as a security custodian from Bangladesh Securities and Exchange Commission vide its certificate no. SC-10/2009 dated 12 November 2009 under the Securities and Exchange Commission (Securities Custodian Service) Rules 2003.

#### 1.2 Subsidiaries and associates of BRAC Bank Limited

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

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

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

#### Summary of shareholding in subsidiaries and associates

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

Name of subsidiaries/associates	Nature of business	Face value per share	Total no. of ordinary shares		BBL's percentage of shareholding	
			31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
BRAC EPL Investments Limited	Merchant banking	BDT 10	258,500,000	258,500,000	99.95%	99.95%
BRAC EPL Stock Brokerage Limited	Stock brokerage	BDT 100	8,411,446	8,411,446	90.00%	90.00%
bKash Limited	Mobile financial services (MFS)	BDT 100	381,949	381,949	51.00%	51.00%
BRAC SAAJAN Exchange Limited	Remittance & exchange services	GBP 1	1,333,333	1,333,333	93.75%	93.75%
BRAC IT Services Limited	IT services	BDT 1,000	233,729	233,729	9.9996%	9.9996%



## **2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

### **2.1 Preparation of consolidated and separate financial statements**

Preparation of separate financial statements of the bank for the 1st quarter ended 31 March 2023 comprise the operation of the Domestic Banking Unit (DBU) (main operations), as well as operations of the Off-shore Banking Unit (OBU), together referred to as 'the Bank'.

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

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) 10: Consolidated Financial Statements. The consolidated financial statements are prepared for a common reporting period for the 1st quarter ended 31 March 2023. Intra-company transactions, balances and intra-group gains on transactions between group companies are eliminated on consolidation.

#### **2.1.1 Statement of compliance and basis of preparation**

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

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

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

#### **2.1.2 Compliance with International Financial Reporting Standards (IFRSs)**

The Central Bank of Bangladesh ('Bangladesh Bank'), as regulator of the banking industry, has issued a number of circulars/directives which are not consistent with the requirements specified in IAS/IFRS. In preparation of the financial statements, IFRSs have been complied to the extent possible subject to the compliance with Bangladesh Bank circulars and guidelines in this respect. In case any requirement of the Bank Company Act, 1991, and provisions and circulars issued by Bangladesh Bank (BB) differ with those of IFRSs, the requirements of the Bank Company Act, 1991, and provisions and circulars issued by BB shall prevail. The departure of IFRSs in the interim financial statements as at and for the 1st quarter ended 31 March 2023 are same as that were disclosed in its last annual financial statements of 31 December 2022.

#### **2.1.3 Going concern**

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

#### **2.1.4 Use of estimates and judgments**

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

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

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

#### **2.1.5 Materiality and aggregation**

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

#### **2.1.6 Comparative information**

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

#### **2.3 Mark-to-market valuation of foreign currency transaction**

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

#### **2.4 Accounting for provisions, contingent liabilities and contingent assets**

The Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognised on the obligations the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the bank.

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

#### **2.5 Derivative financial instruments**

The fair value of derivatives (forward contracts, currency rate swaps, etc.) are recognised in the profit and loss account of the bank, as per IFRS 9. The value of the contract itself is shown as an item of other contingent liabilities, as per Bangladesh Bank guidelines.

#### **2.6 Statement of changes in equity**

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

#### **2.7 Cash flow statement**

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

#### **2.8 Reporting period**

These interim financial statements cover the period from 01 January 2023 to 31 March 2023.

#### **2.9 SIGNIFICANT ACCOUNTING POLICIES**

Accounting policies applied in the interim financial statements as at and for the 1st quarter ended 31 March 2023 are same as that were applied in its last annual financial statements of 31 December 2022. However, some extract of key accounting policies that had been applied in annual financial statements are:

##### **Assets and the basis of their valuation**

##### **2.9.1 Cash and cash equivalents**

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

##### **2.9.2 Investments (categorized and reported as per Bangladesh Bank)**

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

##### **Held To Maturity (HTM)**

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



#### Held For Trading (HFT)

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

#### Revaluation HTM and HFT securities

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

#### Investment in quoted securities

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

#### Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Provision is made for any shortage of book value over cost comparing with the book value of the last audited balance sheet.

#### Investment in subsidiaries and associates in separate financial statements

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

#### Investment in subsidiaries and associates in consolidated financial statements

Investment in subsidiary is consolidated in the consolidated financial statements considering as a single economic entity in accordance with the IAS 27 Separate Financial Statements and IFRS 10 Consolidated Financial Statements respectively. Investment in associate is recognised in the consolidated financial statements under equity method as per IAS 28 Investments in Associates and Joint Ventures.

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

Types of investments	Initial Recognition	Measurement after Recognition	Recording of changes
Government Treasury Bills (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss A/C, gain to revaluation reserve
Government Treasury Bills (HTM)	Cost	Amortised cost	Amortised gain to revaluation reserve and loss to profit and loss
Government Treasury Bonds (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss A/C, gain to revaluation reserve
Government Treasury Bonds (HTM)	Cost	Amortised cost	Amortised gain to revaluation reserve and loss to profit and loss
Zero Coupon Bond	Cost	Cost	N/A
Prize Bond and Other Bond	Cost	Cost	N/A
Debentures	Cost	Cost	Profit and Loss Account
Un-quoted Shares (ordinary)	Cost	Lower of cost or NAV of last audited account	Profit and Loss Account
Quoted Shares (ordinary)	Cost	Lower of cost or market price at balance sheet date	Loss (net off gain) to Profit and Loss Account but no unrealized gain booking
Mutual Fund (open-end)	Cost	Lower of cost or 95% of NAV	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.
Mutual Fund (closed-end)	Cost	Lower of cost or (higher of market value or 85% of NAV)	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.
Investment in subsidiaries and associates	Cost	Fair value through other comprehensive income in separate financial statements and equity method less accumulated impairment, if any, in consolidated financial statements.	Impairment loss is adjusted automatically in OCI due to fair value accounting. Goodwill impairment is recognised in profit and loss in consolidated financial statements. The share of post-acquisition income of associates is recognised in consolidated profit and loss account.

#### 2.9.3 Loans and advances

- Loans and advances are stated in the balance sheet on the gross basis.
- Interest on loans and advances is calculated daily on accrual basis for all loans accounts but charged in client statements monthly, quarterly and installment date based on product type.
- Commission and discounts on bills purchased and discounted are recognized at the time of realization.
- Provision for loans and advances is made on the basis of period-end review by the management following instructions contained in Bangladesh Bank BRPD Circular no. 14, dated 23 September 2012, BRPD circular no. 15, dated 23 September 2012, BRPD Circular no. 19, dated 27 December 2012, BRPD Circular no. 05, dated 29 May 2013, BRPD Circular no. 16, dated 18 November 2014, BRPD Circular no. 08, dated 02 August 2015, BRPD Circular no. 12, dated 20 August 2017, BRPD Circular no. 15, dated 27 September 2017, BRPD Circular no. 01, dated 20 February 2018, BRPD Circular no. 07, dated 21 June 2018, BRPD Circular no 13, dated 18 October 2018 and BRPD Circular no. 03, dated 21 April 2019, BRPD circular no. 52 Dated 20 October 2020, BRPD circular no. 16 dated 21 July 2020, BRPD circular No: 56 dated 10 December 2020, BRPD circular No: 14 dated 22 June 2022, BRPD circular No: 51 dated 18 December 2022. Provisions and interest suspense are separately shown under other liabilities as per the First Schedule of the Bank Company Act 1991 (amended up to 2018). The rates of provision for loans and advances are given below:

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

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

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

#### 2.9.4 Fixed assets including premises, furniture and fixtures

##### A. Property, plant and equipment (PPE)

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

##### Recognition and measurement

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

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

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

- any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.
- any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.
- the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as consequence of having used the item during a particular period of purpose other than to produce during that period.

##### Subsequent costs

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

##### Depreciation of PPE

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

Category of assets	BRAC Bank	BRAC EPL Investments	BRAC EPL Stock Brokerage	bKash Limited	BRAC Saajan Exchange Ltd.
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 Scanner	33.33%	33.33%	25%	33.33%	33.33%
IT equipment - Software	10%-20%	33.33%	33.33%	20%	20%
Motor vehicles	20%	20%	20%	20%	-
Office decoration/renovation works	10%	15%	15%	20%	10%

\* In the consolidated financial statements, BRAC bank's policies for useful life and rates of all fixed assets are applied including all of the classes of assets of subsidiaries to meet the requirement of uniform accounting policy as per IFRS 10.



#### **Gain or loss on disposal of PPE**

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

#### **Impairment of PPE**

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

#### **B. Intangible assets**

##### **Software**

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

##### **License**

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

##### **Goodwill**

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

##### **Impairment of intangible assets**

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

#### **C. IFRS 16 "Leases" and its relevant assumptions and disclosures**

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

##### **Right-of-use assets**

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

##### **Lease liabilities**

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

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

##### **Short-term leases and leases of low value assets**

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

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

##### **Accounting of lease modification**

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

##### **Gain or loss on termination of lease agreements**

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

#### **D. Capital work-in-progress (CWIP)**

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

#### **Other assets and basis of their measurement**

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

##### **a. Interest receivables**

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

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

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

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

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

#### **2.9.5 Liabilities and provisions**

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

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

##### **2.9.6 Deposits and other accounts**

Deposits include non interest-bearing current deposit redeemable at call, interest bearing on-demand and short-term deposits, savings deposit and term deposit lodged for periods from 3 months to 10 years. These items are brought to account at the gross value of the outstanding balance which includes accrued interest.

##### **2.9.7 Other liabilities**

Other liabilities comprise items such as provision for loans and advances, provision for interest receivables, provision for taxes, interest suspense, accrued expenses. Other liability is recognised in the balance sheet according to the guideline of Bangladesh Bank, IAS and IFRS, Income Tax Ordinance-1984 and internal policies of the Bank. Provisions and accrued expenses are recognised in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

##### **a. Provision for loans and advances**

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

##### **b. Provision for other assets**

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

##### **c. Provisions for off balance sheet items**

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

##### **d. Interest suspense**

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



## **2.9.8 Share capital and shareholders' equity**

### **a. Authorized capital**

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

### **b. Issued, Subscribed and Paid up capital**

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

### **c. Share Premium**

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

### **d. Revaluation reserve on govt. securities**

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

### **e. Non Controlling Interest**

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

## **2.9.9 Off-balance sheet exposures and other commitments**

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

## **2.9.10 Revenue and expense recognition**

### **a) Interest income**

Interest income is recognised on an accruals basis. Interest on loans and advances ceases to be taken into income when such advances are classified, kept in interest suspense account. Interest on classified advances is accounted for on a realisation basis as per Bangladesh Bank guidelines. Interest and fees cease to be taken into income when the recovery of interest and fees is in arrear for over three months. Thereafter, interest and fees are accounted for on realisation basis.

### **b) Interest paid on deposits and borrowings etc.**

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

### **c) Investment income**

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

### **d) Commission, exchange and brokerage income**

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

### **e) Other operating income**

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

### **f. Provision for taxation**

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

### **Current Tax**

Current tax is the expected tax payable on taxable income for the year, based on tax rates and tax laws which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods are recognised as a liability or asset to the extent that it is unpaid or refundable. Provision for current income tax has been made @ 37.5% on the taxable business income, @ 20% on taxable dividend income and @ 10% on realised gain on trading of shares as prescribed in the Finance Act 2022.

#### **Deferred Tax**

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

Deferred tax assets, including those related to the tax effects of income tax losses and credits available to be carried forward, are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences. They are also recognised for taxable temporary differences arising on investments and it is probable that temporary differences will reverse in future. Deferred tax assets associated with these interests are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profits against which to utilise the benefits of the temporary difference.

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

#### **2.10 Earnings Per Share**

##### **Basic earnings per share**

Basic earnings per share (EPS) has been computed by dividing the basic earning by the weighted average number of ordinary shares outstanding at the end of the year as per IAS 33 *Earnings Per Share*. EPS of previous year/period has been restated as per IAS 33 due to issue/declare of stock dividend for 2022 during the period.

##### **Diluted earnings per share**

The objective of diluted earnings per share is consistent with that of basic earnings per share; that is, to provide a measure of the interest of each ordinary share in the performance of an entity taking into account dilutive potential ordinary shares outstanding during the year. As per IAS-33 "Earnings Per Share", the calculation of diluted earning per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti dilutive effect on earning per share. The bank has no dilutive instruments that is why we are not considering the diluted earning per

#### **2.11 Related party disclosures**

Related Party is a party related to an entity if:

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

#### **2.12 Statement of Segment Reporting**

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

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

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

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

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



**2.13 Disclosure on credit rating information**

In compliance with Bangladesh Bank's BRPD circular No. 06, dated July 05, 2006, and with a view to assure investors and other stakeholders of the sustainable operating positions of the bank, while also safeguarding stakeholder interests, BRAC Bank is subject to ratings assessment by reputed credit rating agencies. The summary of Bank's credit rating as of 31 March 2023 is presented below:

Rating agency	Long-term rating	Short-term rating	Outlook	Valid up to
Credit Rating Agency of Bangladesh (CRAB)	AAA	ST-1	Stable	30 June 2024
Credit Rating Information and Services Ltd	AA+	ST-1	Stable	02 July 2023
Emerging Credit Rating Ltd (ECRL)	AA+	ST-1	Stable	30 June 2023
S&P global Ratings	B+	B	Stable	December, 2023
Moody's investors service	BA3	NP	under review	December, 2023

**2.14 Disclosure on country risk exposure**

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

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

**2.15 Director's and management's responsibilities on statement**

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

**2.16 Approval of the financial statements**

These interim condensed financial statements were approved by the Board of Directors on 7 May 2023.

**2.17 General**

- i) Figures appearing in the financial statements have been rounded-off to the nearest Taka.
- ii) Figures of previous year have been rearranged, wherever considered necessary, to conform with the current year's presentation.

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

		Amount in Taka			
Particulars	Note	Consolidated		BRAC Bank Limited	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
<b>3</b>	<b>Cash</b>				
Cash in hand (Including foreign currency)	3.1	9,520,624,939	11,918,067,777	9,347,552,212	11,822,688,624
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	19,916,166,245	19,953,525,473	19,916,166,245	19,953,525,473
		<u>29,436,791,184</u>	<u>31,871,593,250</u>	<u>29,263,718,457</u>	<u>31,776,214,097</u>
<b>3.1</b>	<b>Cash in hand (Including foreign currency)</b>				
Local currency		9,367,712,115	11,836,218,828	9,194,639,388	11,740,839,675
Foreign currency		152,912,824	81,848,949	152,912,824	81,848,949
		<u>9,520,624,939</u>	<u>11,918,067,777</u>	<u>9,347,552,212</u>	<u>11,822,688,624</u>
<b>3.2</b>	<b>Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)</b>				
Local currency		17,443,179,007	17,384,764,667	17,443,179,007	17,384,764,667
Foreign currency		2,006,393,271	1,611,159,007	2,006,393,271	1,611,159,007
		<u>19,449,572,278</u>	<u>18,995,923,674</u>	<u>19,449,572,278</u>	<u>18,995,923,674</u>
Sonali Bank as an agent of Bangladesh Bank (local currency)		466,593,967	957,601,799	466,593,967	957,601,799
		<u>19,916,166,245</u>	<u>19,953,525,473</u>	<u>19,916,166,245</u>	<u>19,953,525,473</u>
<b>3.3</b>	<b>Cash Reserve Ratio (CRR) (Bank only)</b>				
As per section 33 of Bank Company Act, 1991 (amended up to 2013), MPD circular No. 03 dated 09 April 2020 for Domestic Banking Operation (DBO) & BRPD circular No. 31 dated 18 June 2020 for Offshore Banking Operation (OBO) issued by Bangladesh Bank, BRAC Bank Limited has been maintaining 3.5% & 1.5% CRR on daily basis and 4.0% & 2.0% on bi-weekly basis for DBO & OBO respectively. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of March 2023 is maintained on the basis of weekly ATDTL of January 2023), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.					
<b>Daily basis</b>					
Reserves maintained by the bank as at 31 March are as follows:					
Average total demand and time liabilities of January 2023 and October 2022					
DBU				398,979,212,680	377,372,496,754
OBU				38,709,550,497	31,435,723,645
				<u>437,688,763,177</u>	<u>408,808,220,399</u>



Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Particulars	Note	Consolidated		Amount in Taka	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
Required reserve					
DBU (March 2023: 3.5% and 2022: 3.5%)				13,964,272,444	13,208,037,386
OBU (March 2023: 1.5% and 2022: 1.5%)				580,643,257	471,535,855
				<u>14,544,915,701</u>	<u>13,679,573,241</u>
Actual reserve maintained as per Bangladesh Bank statement				17,418,457,459	18,014,672,220
Surplus				<u>2,873,541,758</u>	<u>4,335,098,979</u>
<b>Bi-weekly basis</b>					
The Bank maintained excess cash reserve of Tk. 433,368,446 against minimum requirement of 4.0% & 2.0% (of ATDTL) for DBO & OBO on bi-weekly basis which is the summation of excess cash reserve maintained over required in the last fortnight (bi-week) of 31 March 2023.					
<b>3.4 Statutory Liquidity Ratio (SLR)</b>					
As per section 33 of the Bank Company Act 1991 (amended up to 2013) & MPD circular no. 2 dated 10 December 2013 issued by Bangladesh Bank (effective from 1 February 2014), BRAC Bank Limited has been maintaining 13% SLR on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of March 2023 is based on weekly ATDTL of January 2023), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.					
Required reserve (13% of ATDTL)				56,899,539,213	53,145,068,652
Actual reserve maintained (March 2023: 15.61%, December 2022: 17.54%)				68,341,948,852	71,708,187,223
Surplus				<u>11,442,409,639</u>	<u>18,563,118,571</u>
<b>3.4.1 Actual reserve maintained</b>					
Cash in hand				9,347,552,212	11,822,688,624
Balance with Sonali Bank as per statement				466,457,267	956,771,049
Daily Excess Reserve				685,097,942	2,291,057,877
Un-encumbered approved securities (HFT)				29,895,119,181	27,931,292,483
Un-encumbered approved securities (HTM)				27,945,907,650	28,704,849,290
Un-encumbered approved securities (other eligible)				1,814,600	1,527,900
				<u>68,341,948,852</u>	<u>71,708,187,223</u>
<b>4 Balance with other Banks and Financial Institutions</b>					
Inside Bangladesh	4.1	39,458,742,705	47,797,240,230	5,303,487,745	11,127,982,840
Outside Bangladesh	4.2	10,434,362,347	5,154,104,047	10,318,614,670	5,127,551,884
		<u>49,893,105,052</u>	<u>52,951,344,277</u>	<u>15,622,102,415</u>	<u>16,255,534,724</u>

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023					
Particulars	Note	Consolidated		BRAC Bank Limited	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
4.1					
Balance inside Bangladesh					
In current deposit accounts with:					
Banks		13,607,109,560	17,894,986,491	303,487,745	127,982,840
Less: Inter unit/company elimination		3,694,558,801	3,743,224,457	-	-
		9,912,550,759	14,151,762,034	303,487,745	127,982,840
In Term deposit accounts with:					
Banks		29,662,635,563	32,060,644,035	5,000,000,000	7,300,000,000
Non Banking Financial Institutions (NBFIs)		-	3,700,000,000	-	3,700,000,000
		29,662,635,563	35,760,644,035	5,000,000,000	11,000,000,000
Less: Inter unit/company elimination		116,443,617	2,115,165,839	-	-
		29,546,191,946	33,645,478,196	5,000,000,000	11,000,000,000
Total		39,458,742,705	47,797,240,230	5,303,487,745	11,127,982,840
4.2					
Balance outside Bangladesh					
On shore balance		22,483,863,279	10,300,711,807	22,368,115,602	10,274,159,644
Off shore balance		1,679,373,725	2,382,125,360	1,679,373,725	2,382,125,360
		24,163,237,004	12,682,837,167	24,047,489,327	12,656,285,004
Less: On shore to BBL off-shore placement		13,728,874,657	7,528,733,120	13,728,874,657	7,528,733,120
		10,434,362,347	5,154,104,047	10,318,614,670	5,127,551,884
5					
Investments					
Government	5.1	117,587,164,171	107,319,008,486	57,842,841,431	56,637,669,673
Others	5.2	9,311,676,294	9,232,985,372	7,606,007,787	7,650,012,591
		126,898,840,465	116,551,993,858	65,448,849,218	64,287,682,264
5.1					
Government (investment in Govt. securities)					
Treasury bills		16,356,204,616	502,645,248	12,828,900,260	502,645,248
Treasury bonds		101,229,144,955	106,814,835,338	45,012,126,571	56,133,496,525
Prize bonds		1,814,600	1,527,900	1,814,600	1,527,900
		117,587,164,171	107,319,008,486	57,842,841,431	56,637,669,673



Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023					Amount in Taka	
Particulars	Note	Consolidated		BRAC Bank Limited		
		31 March 2023	31 December 2022	31 March 2023	31 December 2022	
5.1.2	BB category wise investment					
	Held for trading (HFT)	33,422,423,537	27,931,292,483	29,895,119,181	27,931,292,483	
	Held to maturity (HTM)	84,162,926,034	79,386,188,103	27,945,907,650	28,704,849,290	
	Other securities	1,814,600	1,527,900	1,814,600	1,527,900	
		<u>117,587,164,171</u>	<u>107,319,008,486</u>	<u>57,842,841,431</u>	<u>56,637,669,673</u>	
5.2	Others (investment in other than Govt. securities)					
	Corporate bonds- unquoted and quoted	2,324,310,000	2,480,000,000	2,324,310,000	2,480,000,000	
	Ordinary shares and Mutual Funds (MFs) - unquoted and quoted	6,975,566,294	6,750,485,372	5,279,897,787	5,167,512,591	
	Preference shares	1,800,000	2,500,000	1,800,000	2,500,000	
	Investment in share -IPO	10,000,000	-	-	-	
		<u>9,311,676,294</u>	<u>9,232,985,372</u>	<u>7,606,007,787</u>	<u>7,650,012,591</u>	
6	Loans and advances					
	Loans, cash credits, overdrafts etc.	230,318,656,807	222,711,877,598	228,825,577,319	221,303,533,974	
	Small and medium enterprises	200,256,978,569	187,247,111,913	200,256,978,569	187,247,111,913	
	Bills purchased and discounted*	1,893,031,444	2,125,761,073	1,893,031,444	2,125,761,073	
		<u>432,468,666,820</u>	<u>412,084,750,584</u>	<u>430,975,587,332</u>	<u>410,676,406,960</u>	
	* Bills purchased and discounted excludes bills purchased and discounted of small and medium enterprise (SME).					
6.1	Loans, cash credits, overdrafts etc.					
	Overdrafts	14,078,551,167	14,264,660,532	14,078,551,167	14,264,660,532	
	Demand loans	98,515,014,151	93,550,846,726	98,515,014,151	93,550,846,726	
	Term loans	103,234,708,390	101,066,162,683	103,234,708,390	101,066,162,683	
	Lease receivables	459,924,999	488,267,689	459,924,999	488,267,689	
	Credit Cards	11,397,760,613	10,794,068,205	11,397,760,613	10,794,068,205	
	Staff loans	1,152,045,494	1,152,911,527	1,139,617,999	1,139,528,139	
	Margin loan	2,370,248,572	2,383,856,084	-	-	
		<u>231,208,253,386</u>	<u>223,700,773,446</u>	<u>228,825,577,319</u>	<u>221,303,533,974</u>	
	Less: Inter company elimination	889,596,579	988,895,848	-	-	
		<u>230,318,656,807</u>	<u>222,711,877,598</u>	<u>228,825,577,319</u>	<u>221,303,533,974</u>	

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

		Amount in Taka			
Particulars	Note	Consolidated		BRAC Bank Limited	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
<b>6.2 Small and medium enterprises</b>					
Overdrafts		11,432,857,686	12,992,885,904	11,432,857,686	12,992,885,904
Demand loans		16,052,971,089	13,789,378,536	16,052,971,089	13,789,378,536
Term loans		172,669,940,294	160,407,248,749	172,669,940,294	160,407,248,749
Lease receivables		2,194,546	3,904,457	2,194,546	3,904,457
Bills purchased and discounted (SME)		99,014,954	53,694,267	99,014,954	53,694,267
		<b>200,256,978,569</b>	<b>187,247,111,913</b>	<b>200,256,978,569</b>	<b>187,247,111,913</b>
<b>6.3 Bills purchased and discounted</b>					
Bills purchased and discounted (except SME)		1,893,031,444	2,125,761,073	1,893,031,444	2,125,761,073
Bills purchased and discounted (SME)		99,014,954	53,694,267	99,014,954	53,694,267
		<b>1,992,046,398</b>	<b>2,179,455,340</b>	<b>1,992,046,398</b>	<b>2,179,455,340</b>
<b>6.4 Net loans and advances</b>					
Gross loans and advances	6	432,468,666,820	412,084,750,584	430,975,587,332	410,676,406,960
Less: Interest suspense	12	1,798,243,663	1,637,871,114	1,798,243,663	1,637,871,114
Less: Provision for loans and advances	12	16,214,096,593	15,386,996,797	15,002,260,823	14,175,161,027
		<b>414,456,326,564</b>	<b>395,059,882,673</b>	<b>414,175,082,846</b>	<b>394,863,374,819</b>
<b>6.5 Classified and unclassified loans and advances</b>					
<b>Unclassified</b>					
Standard (including staff loan)		413,832,908,239	394,146,614,538	413,551,664,521	393,963,577,818
Special Mention Accounts (SMA)		1,289,542,455	1,444,198,040	1,289,542,455	1,444,198,040
		<b>415,122,450,694</b>	<b>395,590,812,578</b>	<b>414,841,206,976</b>	<b>395,407,775,858</b>
<b>Classified</b>					
Sub-standard		3,707,766,243	3,376,237,529	3,707,766,243	3,376,237,529
Doubtful		2,730,872,518	2,535,948,774	2,730,872,518	2,535,948,774
Bad/Loss		10,907,577,365	10,581,751,703	9,695,741,595	9,356,444,799
		<b>17,346,216,126</b>	<b>16,493,938,006</b>	<b>16,134,380,356</b>	<b>15,268,631,102</b>
		<b>432,468,666,820</b>	<b>412,084,750,584</b>	<b>430,975,587,332</b>	<b>410,676,406,960</b>



Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022

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

Status	Outstanding loans and advances	Base for provision	Percentage (%) of required provision	Required provision 31 March 2023	Required provision 31 December 2022
<b>Unclassified</b>					
All unclassified loans (Other than SME Financing, Consumer Financing, BHs/MBs/SDs, Housing and Small and Medium Enterprise Financing)	144,752,397,157	144,675,901,922	1%**	1,819,825,023	1,778,829,266
Loans to BHs/MBs/SDs against share etc.*	190,298,198,740	190,298,198,740	0.25%	475,745,497	440,770,777
Housing Finance	1,041,504,818	1,041,504,818	2%	10,415,048	22,810,966
Loans for professionals to Set up business (LP)	11,872,999,707	11,872,999,707	1%	118,729,997	121,351,537
Consumer finance	5,411,960,122	5,411,960,122	2%	108,239,202	108,054,275
Consumer finance (Credit Card)	46,366,835,865	46,366,835,865	2%	927,336,717	924,264,105
Short Term Agricultural and Micro Credit	10,835,069,410	10,835,069,410	2%	216,701,388	205,330,996
Staff Loan	3,122,623,158	3,122,623,158	1%	31,226,232	41,857,576
	1,139,617,999	-	1%	-	-
	<b>414,841,206,976</b>	<b>413,625,093,742</b>		<b>3,708,219,104</b>	<b>3,843,269,498</b>
<b>Classified - Specific provision</b>					
Sub-standard	3,707,766,243	2,700,476,352	20%***	426,470,010	439,033,298
Doubtful	2,730,872,518	2,043,491,351	50%***	575,811,779	499,174,067
Bad/Loss	9,695,741,595	7,152,994,091	100%****	7,264,548,091	7,065,798,541
	<b>16,134,380,356</b>	<b>11,896,961,794</b>		<b>8,266,829,880</b>	<b>8,004,005,906</b>
	<b>430,975,587,332</b>	<b>425,522,055,536</b>			
<b>Special General Provision Covid-19</b>					
Special general provision Covid-19 for 2020			1%	356,599,585	385,747,960
Special general provision Covid-19 for 2021			1.5%, 2%	175,887,256	179,414,701
Special general provision Covid-19 for 2022			1% & 2%	17,225,296	17,320,997
				<b>549,712,137</b>	<b>582,483,658</b>
Total required provision for loans and advances				<b>12,524,761,121</b>	<b>12,229,759,062</b>
Total provision maintained				<b>15,002,260,823</b>	<b>14,175,161,027</b>
Excess provision over minimum required provision prescribed by Bangladesh Bank				<b>2,477,499,702</b>	<b>1,945,401,965</b>

\* BHs = Brokerage Houses, MBs = Merchant Banks, SDs = Stock Dealers Against Shares

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

\*\*\* For Small, Micro & Cottage enterprises under CMSME financing provision requirement is 5% for sub-standard and 20% for doubtful classification as per BRPD circular

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

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Particulars	Note	Consolidated		BRAC Bank Limited	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
		Amount in Taka			
<b>7</b>					
<b>Fixed assets including premises, furniture and fixtures</b>					
Land - Cost		527,275,400	527,275,400	527,275,400	527,275,400
Office floor space		20,855,926	20,855,926	4,034,334	4,034,334
Furniture and fixture		2,438,102,841	2,387,318,002	2,217,319,568	2,170,822,095
Office equipment		1,477,594,348	1,473,696,734	1,361,561,244	1,361,168,512
IT hardwares		7,223,677,625	7,029,432,768	3,388,083,725	3,275,504,031
Motor vehicles		680,748,136	650,117,297	426,998,798	422,497,790
Leasehold improvements		168,720,592	157,107,776	-	-
Right of use assets (ROU) as per IFRS 16		7,315,893,666	7,299,267,882	6,113,150,166	6,103,024,179
Capital expenditure work in progress		634,560,799	584,054,423	206,834,754	207,119,223
IT Software (Finite useful lives)		7,745,276,799	7,542,139,410	2,832,720,678	2,800,445,366
<b>Total cost</b>		<b>28,232,706,132</b>	<b>27,671,265,618</b>	<b>17,077,978,667</b>	<b>16,871,890,930</b>
Accumulated depreciation and amortisation		15,031,069,601	14,207,751,270	9,467,186,658	9,092,544,237
<b>Written down value</b>		<b>13,201,636,531</b>	<b>13,463,514,348</b>	<b>7,610,792,009</b>	<b>7,779,346,693</b>

(Fixed assets schedules-standalone basis are shown in Annexure - B)

<b>8</b>					
<b>Other assets</b>					
<b>Income generating</b>					
Interest receivables		3,938,337,619	3,811,701,206	3,938,337,619	3,811,701,206
Dividend receivables		33,028,166	69,353,683	33,028,166	69,353,683
Investment in subsidiary	8.1	-	-	13,672,055,183	13,571,306,097
Investment/carrying value in associates	8.2	14,740,581	21,206,835	14,740,581	21,206,835
Investment In swift share		8,083,464	8,083,464	8,083,464	8,083,464
Prepaid interest expenses on IFFD		2	2	2	2
Receivables against sanchayapatra		126,753,190	22,879,838	126,753,190	22,879,838
Balance with BRAC EPL Stock Brokerage Limited		8,600,128	2,351,718	8,600,128	2,351,718
<b>Non- Income generating</b>					
Stock of stamps		55,536,594	49,971,414	55,536,594	49,971,414
Stock of security stationery		32,546,180	40,311,581	32,546,180	40,311,581
Stock of printing stationery		11,741,031	14,557,854	11,741,031	14,557,854
Advance to staff		14,829,136	7,503,770	14,829,136	7,503,770
Advance to supplier		60,728,916	30,635,256	24,233,706	9,170,157
Advance Value Added Tax		5,858,631	5,858,631	5,858,631	5,858,631
Advance to SME unit offices		1,308,690	1,308,690	1,308,690	1,308,690
Advance against office rent		64,947,744	72,000,795	64,947,744	72,000,795
Advance security deposit		16,606,085	16,571,559	12,138,177	12,103,651
Receivables from bits		149,779,961	154,857,249	149,779,961	154,857,249
Deferred revenue expenditure		671,423,557	231,241,555	671,423,557	231,241,555
Deferred tax asset	8.3	6,683,523,092	6,411,981,091	5,062,628,423	4,769,561,708



Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023					Amount in Taka	
Particulars	Note	Consolidated		BRAC Bank Limited		
		31 March 2023	31 December 2022	31 March 2023	31 December 2022	
Receivable settlement account-OBU/DBU		-	-	-	-	
Net plan assets - Employees' Gratuity Fund		132,156,493	132,156,493	132,156,493	132,156,493	
Other receivables		2,302,962,315	2,618,589,473	2,302,962,315	2,618,589,473	
Other assets of subsidiaries		9,424,590,226	7,080,720,520	-	-	
		<u>23,758,081,801</u>	<u>20,803,842,677</u>	<u>26,343,688,971</u>	<u>25,626,075,864</u>	
8.1 Investment in subsidiaries						
BRAC EPL Investments Limited				1,289,519,597	1,301,639,222	
BRAC EPL Stock Brokerage Limited				1,306,075,142	1,311,371,003	
bKash Limited				11,065,309,190	10,937,169,476	
BRAC SAAJAN Exchange Limited				11,151,254	21,126,396	
				<u>13,672,055,183</u>	<u>13,571,306,097</u>	
8.2 Investment/carrying value in associates						
BRAC IT Services Limited		14,740,581	21,206,835	14,740,581	21,206,835	
		<u>14,740,581</u>	<u>21,206,835</u>	<u>14,740,581</u>	<u>21,206,835</u>	
8.2.1 Carrying value of investment in associates:						
BRAC IT Services Limited						
Opening balance/fair value of residual interest retained		21,206,835	21,115,234			
Gain/(loss) on disposal/loss of shares in associates		(6,466,254)	4,768,581			
Share of profit/(loss) of equity in associate company		<u>14,740,581</u>	<u>4,860,182</u>			
			<u>21,206,835</u>			

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022

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

Particulars	Accounting base	Tax base	Deductible/ (Taxable) temporary difference	Applicable tax rate	Deferred Tax Asset/ (Liability)
<b>Balance as at 31 March 2023</b>	11,621,955,990	-	11,621,955,990	37.50%	4,358,233,496
Loan loss provision including Covid-19 special provision and QJ general provision	158,308,084	-	158,308,084	37.50%	59,365,532
Actuarial valuation measurement loss	33,919,548	-	33,919,548	10.00%	3,391,955
Provision against capital market	2,862,115,627	4,097,406,475	1,235,290,848	37.50%	463,234,068
Fixed assets except RoU	4,011,581,151	710,024,145	(3,301,557,006)	37.50%	(1,238,083,877)
Right of use assets (ROU) as per IFRS 16	3,777,299,330	-	3,777,299,330	37.50%	1,416,487,249
Leased Liability as per IFRS 16					
<b>Deferred tax asset (a)</b>					<b>5,062,628,423</b>
Deferred tax liability arises from fair value gain as per II	8,689,264,259	-	(8,689,264,259)	15.00%	(1,303,389,639)
Interest receivable from treasury bills and bonds	905,129,176	-	(905,129,176)	37.50%	(339,423,441)
Dividend receivables	-	-	-	20.00%	-
<b>Deferred tax liability (b)</b>					<b>(1,642,813,080)</b>
<b>Net deferred tax asset at 31 March 2023 (a+b)</b>					<b>3,419,815,343</b>
<b>Balance as at 31 December 2022</b>	10,907,648,940	-	10,907,648,940	37.50%	4,090,368,353
Loan loss provision including Covid-19 special provision and QJ general provision	158,308,084	-	158,308,084	37.50%	59,365,532
Actuarial valuation measurement loss	34,119,549	-	34,119,549	10.00%	3,411,955
Provision against capital market	2,858,164,885	4,060,036,190	1,201,871,305	37.50%	450,701,739
Fixed assets except RoU	4,183,776,896	764,211,113	(3,419,565,783)	37.50%	(1,282,337,168)
Right of use assets (ROU) as per IFRS 16	3,861,470,125	-	3,861,470,125	37.50%	1,448,051,297
Leased Liability as per IFRS 16					
<b>Deferred tax asset (a)</b>					<b>4,769,561,708</b>
Deferred tax liability arises from fair value gain as per II	9,087,121,922	-	(9,087,121,922)	15.00%	(1,363,068,288)
Interest receivable from treasury bills and bonds	905,129,176	-	(905,129,176)	37.50%	(339,423,441)
<b>Deferred tax liability (b)</b>					<b>(1,702,491,729)</b>
<b>Net deferred tax asset at 31 December 2022 (a+b)</b>					<b>3,067,069,979</b>

Deferred tax assets arising from the provision on loan loss will be 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.



Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Particulars	Note	Consolidated		Amount in Taka	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
<b>9 Borrowings from other banks, financial institutions and agents</b>					
Borrowings inside Bangladesh		1,989,035,146	207,944,839	1,689,027,200	-
Borrowings outside Bangladesh		34,463,298,941	38,700,865,687	34,447,709,744	38,685,377,271
		<b>36,452,334,087</b>	<b>38,908,810,526</b>	<b>36,136,736,944</b>	<b>38,685,377,271</b>
<b>10 Borrowings from central bank &amp; government agencies</b>					
BB - Export development fund (EDF)		16,700,509,596	16,168,162,980	16,700,509,596	16,168,162,980
SME Foundation pre finance		506,077,187	506,077,187	506,077,187	506,077,187
BB - Long term financing facility (LTFF)		770,061,918	785,064,454	770,061,918	785,064,454
BB - Green transformation fund (GTF)		216,999,813	232,733,347	216,999,813	232,733,347
BB - Stimulus fund		-	55,370,628	-	55,370,628
BB - Working capital stimulus fund		82,546,328	1,514,040,573	82,546,328	1,514,040,573
BB - PSC stimulus package		1,642,507,000	1,367,527,000	1,642,507,000	1,367,527,000
BB - Refinancing for green initiatives		27,500,000	30,000,000	27,500,000	30,000,000
BB - SME re-finance		25,269,845,024	21,370,475,640	25,269,845,024	21,370,475,640
Joyeeta foundation pre or re-finance		130,075,000	155,050,000	130,075,000	155,050,000
		<b>45,346,121,866</b>	<b>42,184,501,809</b>	<b>45,346,121,866</b>	<b>42,184,501,809</b>
<b>10.1 Affordable housing bond</b>					
In 2022, upon approval from Bangladesh Securities & Exchange Commission (BSEC) and permission from Bangladesh Bank, BRAC Bank issued unsecured Affordable Housing Bond amounting BDT 4,751,000,000. The bond has been fully subscribed by International Finance Corporation (IFC). The raised fund will be utilized to provide affordable housing loans to lower and middle income group at a highest interest rate of 7.50% or as revised by Bangladesh Bank time to time.					
<b>11 Deposits and other accounts</b>					
Current deposits and other accounts etc.	11.1	206,246,405,470	187,855,608,325	134,790,570,636	123,148,401,399
Bills payable	11.2	1,497,033,047	1,739,503,614	1,497,033,047	1,739,503,614
Savings deposits	11.3	73,137,453,359	71,890,957,598	73,137,453,359	71,890,957,598
Term deposits*	11.4	184,978,878,193	182,973,780,522	185,095,321,810	185,088,946,361
Other deposits	11.5	2,985,361,794	2,598,966,270	2,985,361,794	2,598,966,270
		<b>468,845,131,863</b>	<b>447,058,816,329</b>	<b>397,505,740,646</b>	<b>384,466,775,242</b>

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

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Particulars	Note	Consolidated		Amount in Taka	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
<b>11.1 Current deposits and other accounts</b>					
Local currency		200,084,484,487	183,410,331,638	124,934,090,852	114,959,900,255
Foreign currencies		9,856,479,784	8,188,501,144	9,856,479,784	8,188,501,144
		209,940,964,271	191,598,832,782	134,790,570,636	123,148,401,399
		3,694,558,801	3,743,224,457	-	-
Less: Inter unit/company elimination		<u>206,246,405,470</u>	<u>187,855,608,325</u>	<u>134,790,570,636</u>	<u>123,148,401,399</u>
<b>11.1.1 Current deposits and other accounts</b>					
Current deposits		195,195,130,704	177,062,146,540	120,044,737,069	108,611,715,157
Special notice deposit		14,745,833,567	14,536,686,242	14,745,833,567	14,536,686,242
		209,940,964,271	191,598,832,782	134,790,570,636	123,148,401,399
		3,694,558,801	3,743,224,457	-	-
Less: Inter unit/company elimination		<u>206,246,405,470</u>	<u>187,855,608,325</u>	<u>134,790,570,636</u>	<u>123,148,401,399</u>
<b>11.2 Bills payable</b>					
Local currency		1,482,018,267	1,709,235,613	1,482,018,267	1,709,235,613
Foreign currencies		15,014,780	30,268,001	15,014,780	30,268,001
		<u>1,497,033,047</u>	<u>1,739,503,614</u>	<u>1,497,033,047</u>	<u>1,739,503,614</u>
<b>11.3 Savings deposits</b>					
Local currency		73,137,453,359	71,890,957,598	73,137,453,359	71,890,957,598
Foreign currencies		-	-	-	-
		<u>73,137,453,359</u>	<u>71,890,957,598</u>	<u>73,137,453,359</u>	<u>71,890,957,598</u>
<b>11.4 Term deposits</b>					
Local currency		180,875,858,078	181,477,648,780	180,875,858,078	181,477,648,780
Foreign currencies		4,219,463,732	3,611,297,581	4,219,463,732	3,611,297,581
		185,095,321,810	185,088,946,361	185,095,321,810	185,088,946,361
		116,443,617	2,115,165,839	-	-
Less: Inter unit/company elimination		<u>184,978,878,193</u>	<u>182,973,780,522</u>	<u>185,095,321,810</u>	<u>185,088,946,361</u>
<b>11.5 Other deposits</b>					
Local currency		2,978,197,710	2,591,975,775	2,978,197,710	2,591,975,775
Foreign currencies		7,164,084	6,990,495	7,164,084	6,990,495
		<u>2,985,361,794</u>	<u>2,598,966,270</u>	<u>2,985,361,794</u>	<u>2,598,966,270</u>



Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023					
Particulars	Note	Consolidated		BRAC Bank Limited	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
11.6 Deposits concentration					
Deposits from banks-inside Bangladesh	11.6.1	25,590,574	416,079,447	25,590,574	416,079,447
Other than banks		468,819,541,289	446,642,736,882	397,480,150,072	384,050,695,795
		<u>468,845,131,863</u>	<u>447,058,816,329</u>	<u>397,505,740,646</u>	<u>384,466,775,242</u>
11.6.1 Deposits from banks-inside Bangladesh					
Current deposits:					
NRB Bank Limited		1,341,716	1,346,966	1,341,716	1,346,966
Islami Bank Bangladesh Limited		440,048	440,548	440,048	440,548
One Bank Limited		1,700,353	977,208	1,700,353	977,208
Meghna Bank Limited		519,258	409,935,258	519,258	409,935,258
		<u>4,001,375</u>	<u>412,699,980</u>	<u>4,001,375</u>	<u>412,699,980</u>
Special notice deposit:					
Dutch-Bangla Bank Mobile Banking-Rocket		21,589,199	3,379,467	21,589,199	3,379,467
		<u>21,589,199</u>	<u>3,379,467</u>	<u>21,589,199</u>	<u>3,379,467</u>
Term deposits from Banks:					
Habib Bank Limited		-	-	-	-
Pubali Bank Limited		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deposits from banks		<u>25,590,574</u>	<u>416,079,447</u>	<u>25,590,574</u>	<u>416,079,447</u>
11.7 Payable on demand and time deposit					
i) Demand deposit					
Current deposits		181,644,092,119	165,130,420,939	110,188,257,285	100,423,214,013
Saving deposits (9% of total saving deposits)		6,582,370,802	6,470,186,184	6,582,370,802	6,470,186,184
Foreign currency deposits		9,863,643,868	8,195,491,639	9,863,643,868	8,195,491,639
Sundry deposits		2,977,396,710	2,591,162,775	2,977,396,710	2,591,162,775
Bills payable		1,497,033,047	1,739,503,614	1,497,033,047	1,739,503,614
		<u>202,564,536,546</u>	<u>184,126,765,151</u>	<u>131,108,701,712</u>	<u>119,419,558,225</u>
ii) Time deposit					
Saving deposits (91% of total saving deposits)		66,555,082,557	65,420,771,414	66,555,082,557	65,420,771,414
Foreign currency deposits		4,219,463,732	3,611,297,581	4,219,463,732	3,611,297,581
Term deposits		162,050,043,565	160,951,254,291	162,166,487,182	163,066,420,130
Deposit pension schemes (DPS)		18,709,370,896	18,411,228,650	18,709,370,896	18,411,228,650
Special notice deposit		14,745,833,567	14,536,686,242	14,745,833,567	14,536,686,242
Security deposits		801,000	813,000	801,000	813,000
		<u>266,280,595,317</u>	<u>262,932,051,178</u>	<u>266,397,038,934</u>	<u>265,047,217,017</u>
		<u>468,845,131,863</u>	<u>447,058,816,329</u>	<u>397,505,740,646</u>	<u>384,466,775,242</u>

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

		Amount in Taka			
Particulars	Note	Consolidated		BRAC Bank Limited	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
<b>12 Other liabilities</b>					
Provision for loans and advances		15,429,889,369	14,602,789,573	14,218,053,599	13,390,953,803
Special general provision Covid-19		784,207,224	784,207,224	784,207,224	784,207,224
Provision for interest receivable from loan		23,735,856	20,676,127	23,735,856	20,676,127
Provisions for off balance sheet items		972,492,473	911,486,554	972,492,473	911,486,554
Provision for diminution in value of Investments		34,430,587	34,119,549	34,430,587	34,119,549
Provision for other assets	12.1	246,496,695	247,263,926	246,496,695	247,263,926
Provision against non banking assets (NBA)		6,800,000	6,800,000	6,800,000	6,800,000
Interest suspense		1,798,243,663	1,710,681,546	1,798,243,663	1,710,681,546
Withholding tax payable		632,123,282	546,837,799	632,123,282	546,837,799
VAT payable		247,345,375	231,322,683	247,345,375	231,322,683
Excise duty payable		246,667,553	329,663,279	246,667,553	329,663,279
Provision for taxation net off AIT	12.2	5,182,726,337	5,448,621,002	3,747,882,743	4,144,359,024
Deferred tax liability	8.3	339,423,442	347,178,871	1,702,491,729	1,696,104,735
Interest payable on borrowings		926,157,665	733,123,758	926,157,665	733,123,758
Accrued expenses		5,521,039,156	4,781,984,329	1,972,488,751	1,367,743,072
CSR Fund (FX gain)		-	188,198,573	-	188,198,573
Share subscription - IPO (refund warrant)		279,884	273,606	279,884	273,606
Payable to off-shore banking unit		6	4	6	4
Unclaimed and undistributed dividend	12.3	11,487,324	11,588,296	11,487,324	11,588,296
Suppliers payable		152,737,555	162,427,092	152,737,555	162,427,092
Leased liabilities as per IFRS 16		4,338,039,545	4,465,075,566	3,777,299,331	3,861,470,127
Payable against exchange houses		52,240	60,200	52,240	60,200
Payable against insurances		6,298,208	6,260,997	6,298,208	6,260,997
Payable against proxy account		1,360,635	1,366,816	1,360,635	1,366,816
Payable against SWIFT charge		22,575,781	27,144,741	22,575,781	27,144,741
Start-up Fund		172,017,793	158,509,361	172,017,793	158,509,361
Other payables	12.4	4,077,587,843	4,188,126,315	4,077,587,843	4,188,126,315
Other liabilities of subsidiaries		1,841,753,605	2,058,793,026	-	-
		<b>43,015,969,096</b>	<b>42,004,580,813</b>	<b>35,781,313,795</b>	<b>34,760,769,207</b>
<b>12.1 Provision for other assets</b>					
Total required provision for other assets				233,235,554	232,869,007
Total provision maintained				246,496,695	247,263,926
Excess/(shortfall) in provision				<b>13,261,141</b>	<b>14,394,919</b>



Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Particulars	Note	Consolidated		Amount in Taka	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022

12.2 Provision for taxation net off AIT (BBL only)

A. Provision for tax:

Balance at the beginning of the year		31,267,764,084	27,502,064,330
Net adjustment during the year		984,456,958	3,765,699,754
Balance at the end of the year		<u>32,252,221,042</u>	<u>31,267,764,084</u>

B. Advance income tax:

Balance at the beginning of the year		27,123,405,060	22,480,505,827
Add: Paid during the year		1,380,933,239	4,642,899,233
Balance at the end of the year		<u>28,504,338,299</u>	<u>27,123,405,060</u>
Provision for taxation (A-B)		<u>3,747,882,743</u>	<u>4,144,359,024</u>

12.3 Unclaimed and undistributed dividend

As on 31 March 2023, the Unclaimed/undistributed dividend was BDT 11,487,324

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).

12.4 Start-up Fund

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

Balance at the beginning of the year	158,509,361	100,877,625
Addition during the period (1% of PAT)	13,508,432	57,631,736
Closing balance at the end of the period	<u>172,017,793</u>	<u>158,509,361</u>

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

13 History of paid-up capital

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

Particulars	Allotment year	Number of shares issued		Total paid up shares (No of shares)	Addition in amount of share capital (BDT)	Total paid up capital (BDT)
		Bonus shares	Subscription			
First (Subscription to the Memorandum and Articles of Association) at incorporation	1999	-	2,000,000	2,000,000	200,000,000	200,000,000
BRAC (subscription)	2001	-	500,000	2,500,000	50,000,000	250,000,000
BRAC (subscription)	2003	-	674,500	3,174,500	67,450,000	317,450,000
ShoreCap International Ltd.	2004	-	875,700	4,050,200	87,570,000	405,020,000
International Finance Corporation	2004	-	949,800	5,000,000	94,980,000	500,000,000
IPO	2006	5,000,000	-	10,000,000	500,000,000	1,000,000,000
Bonus Share 20%	2007	2,000,000	-	12,000,000	200,000,000	1,200,000,000
Bonus Share 10%	2008	1,200,000	-	13,200,000	120,000,000	1,320,000,000
Right Share 20%	2008	-	2,640,000	15,840,000	264,000,000	1,584,000,000
Bonus Share 30%	2009	4,752,000	-	20,592,000	475,200,000	2,059,200,000
Bonus Share 30%	2010	6,177,600	-	26,769,600	617,760,000	2,676,960,000
Bonus Share 20%	2011	5,353,920	-	32,123,520	535,392,000	3,212,352,000
Denomination of face value from Tk.100 to Tk.10 per share	2011	-	-	321,235,200	-	3,212,352,000
Bonus Share 20%	2012	64,247,040	-	385,482,240	642,470,400	3,854,822,400
Bonus Share 15%	2013	57,822,336	-	443,304,576	578,223,360	4,433,045,760
Bonus Share 10%	2014	44,330,457	-	487,635,033	443,304,570	4,876,350,330
Right share 50%	2014	-	221,652,288	709,287,321	2,216,522,880	7,092,873,210
Fresh Issue against Bond, 1st Conversion of Bond	2016	-	1,149,589	710,436,910	11,495,890	7,104,369,100
Fresh Issue against Bond, 2nd Conversion of Bond	2017	-	2,237,835	712,674,745	22,378,350	7,126,747,450
Bonus Share 20%	2017	142,534,949	-	855,209,694	1,425,349,490	8,552,096,940
Fresh Issue against Bond, 3rd Conversion of Bond	2018	-	2,790,534	858,000,228	27,905,340	8,580,002,280
Bonus Share 25%	2018	214,500,057	-	1,072,500,285	2,145,000,570	10,725,002,850
Bonus Share 15%	2019	160,875,042	-	1,233,375,327	1,608,750,420	12,333,753,270
Bonus Share 7.50%	2020	92,503,149	-	1,325,878,476	925,031,490	13,258,784,760
Bonus Share 5%	2021	66,293,923	-	1,392,172,399	662,939,230	14,965,853,289
Bonus Share 7.50%	2022	104,412,929	-	1,496,585,328	1,044,129,290	14,965,853,280
<b>Total</b>					<b>14,965,853,280</b>	



Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

13.1

Ordinary Shares	No. of Shares (Q1 2023)	% of shareholding (Q1 2023)	31 March 2023 Taka	31 December 2022 Taka
Director	692,041,839	46.24%	6,920,418,390	6,920,418,390
Govt.				
Institutions	198,424,532	13.26%	1,984,245,320	1,966,600,350
Foreign	500,219,149	33.42%	5,002,191,490	5,034,035,480
General public	105,899,808	7.08%	1,058,998,080	1,044,799,060
	<b>1,496,585,328</b>	<b>100%</b>	<b>14,965,853,280</b>	<b>14,965,853,280</b>

13.2 Name of the Directors and their shareholdings as at 31 March 2023:

Name	Status	Opening position	Closing position	% of shares held as on 31 March 2023	% of shares held as on 31 December 2022
Dr. Ahsan H Mansur (Chairman)	Independent Director	NIL	NIL	NIL	NIL
Mr. Asif Saleh (Nominated by BRAC)	Nominated Director	33,325	33,325	0.002%	0.002%
Ms. Farzana Ahmed	Independent Director	NIL	NIL	NIL	NIL
Ms. Fahima Choudhury	Independent Director	NIL	NIL	NIL	NIL
Dr. Zaid Hussain	Independent Director	NIL	NIL	NIL	NIL
Mr. Meheriar M Hasan (Nominated by BRAC)	Nominated Director	NIL	NIL	NIL	NIL
Mr. Shameran Bahar Abed (Nominated by BRAC)	Nominated Director	1,072,312	1,072,312	0.072%	0.072%
Dr. Mustafa Kamal Mujeri	Independent Director	NIL	NIL	NIL	NIL
Mr. Faruq Mayeenuddin Ahmed	Independent Director	NIL	NIL	NIL	NIL
Mr. Salek Ahmed Abul Masrur	Independent Director	NIL	NIL	NIL	NIL

Particulars	Note	Consolidated	BRAC Bank Limited
		31 March 2023	31 December 2022

Amount in Taka

14

Share Premium

Particulars	Year of issuance	31 March 2023	31 December 2022
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
		<b>3,853,767,032</b>	<b>3,853,767,032</b>

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

	Particulars	Note	Consolidated		Amount in Taka	
			31 March 2023	31 December 2022	31 March 2023	31 December 2022
15	<b>Fair value gain/(loss) on equity investment (Standalone)</b>					
	Balance at the beginning of the year				7,643,913,224	7,384,920,564
	Net change during the year				80,140,407	258,992,660
					<u>7,724,053,631</u>	<u>7,643,913,224</u>
16	<b>Translation reserve</b>					
	The functional currency of the Bank's Off-shore Banking Unit (OBU) is in United States Dollar (USD). Due to recent steepest price hike of USD against bank's presentation currency BDT, a significant increase in translation reserve has been generated both in separate and consolidated financial statements of the Bank.					
17	<b>Surplus in profit and loss account/Retained earnings (standalone)</b>					
	Balance at the beginning of the year				18,798,934,455	16,329,861,552
	Add: Remeasurements gain/(loss) of defined benefits liabilities (assets)				-	(104,081,055)
	Add: Retained surplus for the year				1,350,843,242	5,763,173,573
	Less: Transfer to statutory reserve				-	1,044,129,290
	Less: Start-up Fund				13,508,432	57,631,736
	Less: Cash dividend paid				-	1,044,129,299
	Less: Bonus share issued				-	1,044,129,290
	<b>Closing balance</b>				<u>20,136,269,265</u>	<u>18,798,934,455</u>
17.1	<b>Surplus in profit and loss account/Retained earnings (Consolidated)</b>					
	<b>BRAC Bank Limited</b>	17	<u>20,136,269,265</u>	<u>18,798,934,455</u>		
	<b>BRAC EPL Investment Limited</b>					
	Opening balance		(1,334,655,599)	(1,607,496,637)		
	Add: Retained Surplus/(deficit) for the year		(19,225,708)	272,841,038		
	<b>Sub total</b>		<u>(1,353,881,307)</u>	<u>(1,334,655,599)</u>		
	<b>BRAC EPL Stock Brokerage Limited</b>					
	Opening balance		988,635,674	943,567,598		
	Add: Retained Surplus/(deficit) for the year		(5,257,659)	68,281,410		
	Less: Transfer to statutory reserve		(6,957,639)	(23,213,334)		
	Add: Reserve for stock dividend		-	-		
	<b>Sub total</b>		<u>976,420,376</u>	<u>988,635,674</u>		



Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Particulars	Note	Consolidated		Amount in Taka	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
<b>bKash Limited</b>					
Opening balance		10,790,569,760	10,742,740,197		
Add: Retained Surplus/(deficit) for the year		128,152,431	59,554,596		
Add: Remeasurements of defined benefits liability (assets)		-	1,145,219		
Less: Transfer to statutory reserve		-	(12,870,252)		
<b>Sub total</b>		<b>10,918,722,191</b>	<b>10,790,569,760</b>		
<b>BRAC SAAJAN Exchange Limited</b>					
Opening balance		(155,267,498)	3,364,585		
Add: Retained Surplus/(deficit) for the year		(10,833,942)	(101,881,820)		
Add: Effect of change of shareholding		-	(1,844,745)		
Less: Impairment of goodwill		-	(54,905,518)		
<b>Sub total</b>		<b>(166,101,440)</b>	<b>(155,267,498)</b>		
<b>Associates</b>					
Opening balance - (biTS)		(2,165,162)	(9,074,763)		
Add: Share of profit/(loss) of equity in associate company - (biTS)		(6,466,254)	4,860,182		
Gain/(loss) on disposal/loss of control of associates		-	2,049,419		
<b>Sub total</b>		<b>(8,631,416)</b>	<b>(2,165,162)</b>		
		<b>30,502,797,669</b>	<b>29,086,051,630</b>		
<b>18 Non Controlling Interest</b>					
BRAC EPL Investments Limited	18.1	706,189	716,701		
BRAC EPL Stock Brokerage Limited	18.1	144,820,596	145,404,780		
bKash Limited	18.1	19,958,872,762	19,728,452,974		
BRAC SAAJAN Exchange Limited	18.1	743,417	1,408,426		
		<b>20,105,142,964</b>	<b>19,875,982,881</b>		
<b>18.1 Reconciliation of Non Controlling Interest</b>					
Opening balance				BRAC SAAJAN Exchange Limited	1,408,426
Share of profit/(loss)					(722,263)
Translation adjustment					57,254
		<b>706,189</b>	<b>144,820,596</b>	<b>19,958,872,762</b>	<b>743,417</b>

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023						
Particulars		Note	Consolidated		BRAC Bank Limited	
			Jan to Mar 2023	Jan to Mar 2022	Jan to Mar 2023	Jan to Mar 2022
19	Interest income					
	Interest on loans and advances		8,325,145,141	5,997,506,214	8,283,915,960	5,971,349,578
	Interest on balance with other banks		298,745,128	162,365,684	11,539,506	531,186
	Interest on fixed deposits with other banks		734,826,164	1,019,647,767	253,487,777	224,523,551
	Other interest income		199,414,605	44,020,023	199,414,605	44,020,023
			9,558,131,038	7,223,539,688	8,748,357,848	6,240,424,338
	Less: Elimination of inter unit/company transactions		272,341,385	188,322,329	183,222,124	57,188,857
			<u>9,285,789,653</u>	<u>7,035,217,359</u>	<u>8,565,135,724</u>	<u>6,183,235,481</u>
20	Interest paid on deposits and borrowings etc.					
	A. Interest paid on deposits:					
	Current account		395,549,096	252,532,787	351,838,078	133,083,494
	Short term deposit		45,413,370	38,991,995	45,413,370	38,991,995
	Savings deposit		187,595,140	172,371,922	187,595,140	172,371,922
	Term deposit		2,951,873,721	1,811,233,432	2,951,873,721	1,811,233,432
			<u>3,580,431,327</u>	<u>2,275,130,136</u>	<u>3,536,720,309</u>	<u>2,155,680,843</u>
	B. Interest paid for borrowings:					
	Interest on money at call and short notice		15,855,420	55,959,929	15,855,420	55,959,929
	Interest on borrowings from banks and FIs		802,176,630	207,277,478	774,083,955	193,594,050
	Interest on funding SWAP		13,307,993	4,691,633	13,307,993	4,691,633
	Interest on finances from central bank & government agencies		136,838,959	100,092,439	136,838,959	100,092,439
	Interest on Repurchase agreement (REPO)		37,905,037	31,102,236	37,905,037	31,102,236
	Interest expense-Affordable Housing Bond		64,431,370	-	64,431,370	-
			1,070,515,409	399,123,715	1,042,422,734	385,440,287
			<u>4,650,946,736</u>	<u>2,674,253,851</u>	<u>4,579,143,043</u>	<u>2,541,121,130</u>
			272,341,385	188,322,329	183,222,124	57,188,857
	Less: Elimination of inter unit/company transactions		<u>4,378,605,351</u>	<u>2,485,931,522</u>	<u>4,395,920,919</u>	<u>2,483,932,273</u>
21	Investment income					
	Interest on government securities		876,416,072	809,379,750	876,416,072	809,379,750
	Interest on reverse repo		236,850,981	24,331,291	236,850,981	24,331,291
	Interest on corporate & subordinated bond		56,787,617	64,917,857	56,787,617	64,917,857
	Interest on interest rate swap (IRS)		1,357,801	1,221,592	1,357,801	1,221,592
	Dividend on shares & mutual funds		34,978,167	94,529,048	34,978,167	94,529,048

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Notes to the financial statements as at and for the 1st quarter ended 31 March 2020						Amount in Taka	
	Particulars	Note	Consolidated		BRAC Bank Limited		
			Jan to Mar 2023	Jan to Mar 2022	Jan to Mar 2023	Jan to Mar 2022	
	Capital gain (loss) on government securities		297,497,169	377,664,787	297,497,169	377,664,787	
	Capital gain (loss) on shares & mutual funds		481,412	31,643,019	481,412	31,643,019	
	Gain (loss) on interest rate swap (IRS) position		(1,099,169)	(1,808,010)	(1,099,169)	(1,808,010)	
	Investment income of subsidiaries		1,113,116,805	296,117,359	-	-	
			<u>2,616,386,855</u>	<u>1,697,996,693</u>	<u>1,503,270,050</u>	<u>1,401,879,334</u>	
22	Commission, exchange and brokerage						
	Commission Income		389,613,299	201,489,469	389,613,299	201,489,469	
	Fees Income		565,677,969	574,843,276	565,677,969	574,843,276	
	Other Income		325,151,753	273,094,654	325,151,753	273,094,654	
	Commission and brokerage income of subsidiaries		1,560,305,207	1,153,908,399	-	-	
			2,840,748,228	2,203,335,798	1,280,443,021	1,049,427,399	
	Less: Elimination of inter unit/company transactions		30,634,139	11,606,575	-	-	
			<u>2,810,114,089</u>	<u>2,191,729,223</u>	<u>1,280,443,021</u>	<u>1,049,427,399</u>	
23	Other operating income						
	Profit on sale of fixed assets		1,984,186	8,312,233	1,984,186	8,312,233	
	Profit share from other bank		22,152,213	24,168,667	22,152,213	24,168,667	
	Miscellaneous income		665,230	2,347,504	665,230	2,347,504	
	Other operating income of subsidiaries		14,719,695	3,396,006	-	-	
			<u>39,521,324</u>	<u>38,224,410</u>	<u>24,801,629</u>	<u>34,828,404</u>	
24	Rent, taxes, insurance, electricity, etc.						
	Rent, rates and taxes	24.1	100,288,678	80,420,649	86,261,934	70,838,344	
	Insurance		22,538,520	18,346,987	5,639,679	3,194,033	
	Power and electricity		57,786,406	49,581,616	38,725,571	37,456,472	
	WASA and sewerage		2,516,225	2,159,307	2,498,490	2,130,895	
			<u>183,129,829</u>	<u>150,508,559</u>	<u>133,125,674</u>	<u>113,619,744</u>	
24.1	Rent, rates and taxes						
	Rent, taxes, insurance, electricity, etc.		385,523,458	338,831,186	317,072,776	284,270,093	
	Less: Reversal due to depreciation and interest expenses under IFRS 16		285,234,780	258,410,537	230,810,842	213,431,749	
			<u>100,288,678</u>	<u>80,420,649</u>	<u>86,261,934</u>	<u>70,838,344</u>	



Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Particulars		Consolidated		BRAC Bank Limited	
		Jan to Mar 2023	Jan to Mar 2022	Jan to Mar 2023	Jan to Mar 2022
Amount in Taka					
25	Postage, stamp, telecommunication, etc.				
	Postage and courier	17,402,590	18,214,618	11,923,377	11,351,506
	Telegram, telex, fax and network	37,406,375	31,723,223	30,353,251	25,174,904
	Court fees and stamps	19,797,975	22,683,041	19,797,976	22,683,041
	Telephone	28,121,150	27,973,629	16,127,367	13,439,371
		<u>102,728,090</u>	<u>100,594,511</u>	<u>78,201,971</u>	<u>72,648,822</u>
26	Stationery, printing, advertisements, etc.				
	Stationery and Printing	50,051,930	44,843,026	45,698,500	41,002,770
	Security Stationery	43,857,029	21,099,331	43,857,029	21,099,331
	Advertisement	797,331,990	743,478,500	79,996,513	40,068,182
		<u>891,240,949</u>	<u>809,420,857</u>	<u>169,552,042</u>	<u>102,170,283</u>
27	Chief Executive's salary and fees				
	Basic salary	4,252,500	4,252,500	4,252,500	4,252,500
	Bonus and others	-	-	-	-
	House rent allowance	375,000	375,000	375,000	375,000
		<u>4,627,500</u>	<u>4,627,500</u>	<u>4,627,500</u>	<u>4,627,500</u>
28	Depreciation and repair of the bank's assets				
	Depreciation of Property, plant and equipment				
	Furniture and fixtures	39,787,159	38,033,568	36,036,766	34,627,161
	Office floor space	136,913	136,778	25,215	25,215
	Office equipment	23,280,098	24,408,457	21,045,594	21,528,893
	IT hardware	271,335,515	231,081,749	113,904,357	84,026,157
	Motor vehicles	10,024,861	18,961,340	7,343,418	16,035,731
	Leasehold improvement	10,977,210	5,706,598	-	-
	Right of use assets (ROU) as per IFRS 16	256,317,726	237,657,322	196,729,842	188,551,818
	IT software	322,800,511	285,837,620	101,318,966	75,880,453
		<u>934,659,993</u>	<u>841,823,432</u>	<u>476,404,158</u>	<u>420,675,428</u>

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023					Amount in Taka	
Particulars	Note	Consolidated		BRAC Bank Limited		
		Jan to Mar 2023	Jan to Mar 2022	Jan to Mar 2023	Jan to Mar 2022	
Repairs and Maintenance expenses						
Transportation costs		156,215,131	145,882,700	111,019,179	97,857,919	
Equipment repairing		25,029,595	21,300,254	6,377,325	4,175,356	
Hardware and software maintenance		327,608,885	218,511,866	4,215,858	2,918,430	
Premises maintenance		41,257,657	32,683,839	19,307,998	14,526,801	
		550,111,268	418,378,659	140,920,360	119,478,506	
Total		1,484,771,261	1,260,202,091	617,324,518	540,153,934	
29						
Other expenses						
Conveyance expense	29.1	20,600,017	31,272,656	20,600,017	31,272,656	
Fuel expenses		14,036,569	5,436,737	14,036,569	5,436,737	
Traveling cost		14,140,653	7,438,456	14,140,653	7,438,456	
Professional fees		12,643,718	11,983,726	12,643,718	11,983,726	
Entertainment		24,047,441	12,209,458	24,047,441	12,209,458	
Business promotion and development		56,982,148	19,390,952	56,982,148	19,390,952	
Books, news papers and periodicals		161,867	231,489	161,867	231,489	
Donation and subscription		56,967,962	36,204,709	56,967,962	36,204,709	
Government Levy, VAT and excise duty		2,095,479	2,638,500	2,095,479	2,638,500	
Other operational loss		14,000	163,526	14,000	163,526	
Staff training and development		5,110,727	5,392,320	5,110,727	5,392,320	
Staff recruitment		1,208,099	669,555	1,208,099	669,555	
Salaries and allowance-outsourcing staff		251,996,283	153,491,829	251,996,283	153,491,829	
Staff sales incentives		168,213,003	145,840,567	168,213,003	145,840,567	
Bank charges		6,134,724	5,960,459	6,134,724	5,960,459	
Interest expense for leased liability as per IFRS 16		106,584,401	102,914,971	67,918,982	65,813,921	
Documentation Charges - CIB		8,500,000	4,000,000	8,500,000	4,000,000	
IT enabled services		241,490,359	147,911,270	241,490,359	147,911,270	
Security guard cost		54,246,311	53,092,245	54,246,311	53,092,245	
Commission paid- Vendor		2,835,457	2,690,020	2,835,457	2,690,020	
Cash carrying charges		17,754,991	16,359,111	17,754,991	16,359,111	

Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Particulars	Note	Consolidated		BRAC Bank Limited	
		Jan to Mar 2023	Jan to Mar 2022	Jan to Mar 2023	Jan to Mar 2022
Spare parts expense		26,921,760	18,479,774	26,921,760	18,479,774
Archiving expense		8,883,223	7,606,493	8,883,223	7,606,493
Covid prevention expense		45,635	7,848,230	45,635	7,848,230
Miscellaneous		2,123,843	1,588,651	2,123,843	1,588,651
Other expenses of subsidiaries		150,920,700	119,236,267	-	-
		<u>1,254,659,370</u>	<u>920,051,971</u>	<u>1,065,073,251</u>	<u>763,714,654</u>
Less: Elimination of inter unit/company transactions		<u>30,634,139</u>	<u>11,606,575</u>	<u>-</u>	<u>-</u>
		<u>1,224,025,231</u>	<u>908,445,396</u>	<u>1,065,073,251</u>	<u>763,714,654</u>

29.1

Bangladesh Bank, vide BRPD circular letter no. 28 dated 26 July 2022 and subsequent clarification, instructed all commercial banks to bring down the fuel expenses by 10% and electricity expenses by 12.5% from the budgeted amount in 1st quarter of 2023 considering the global economic crisis arising from Covid-19 and Russia-Ukraine war. The bank has taken following initiatives to bring down the fuel and electricity costs:

- Strict maintenance of office time aligned with day light and switching off all lights and AC after office time;
- Power down computers and other office equipment at the end of the day;
- Maximum use of day lights clearing all obstacles behind windows;
- Minimizing use of office vehicle and auto switch-off engine while in traffic;
- Continuous monitoring of using lights and minimizing where possible.

The progress status has been summarized below:

SL	Particulars	Budget-Q1, 2023	Actual-Q1, 2023	Saving in exp.	Savings in %
1	Fuel expense	17,971,557	14,036,569	3,934,988	22%
2	Power and electricity expenses	55,642,626	38,725,572	16,917,054	30%

30

Share of profit/(loss) of associates

BRAC IT Services Limited	(6,466,254)	(3,748,122)
	<u>(6,466,254)</u>	<u>(3,748,122)</u>

31

Provisions

Provision for loans and advances

Specific provision charged during the year	737,716,178	537,511,135	730,446,779	537,511,135
Recovery of written off bad debts	(177,288,190)	(201,448,084)	(177,288,190)	(201,448,084)
Specific provision (net off recovery) for the year	560,427,988	336,063,051	553,158,589	336,063,051
General provision charged during the year	98,211,124	180,680,377	98,211,124	180,680,377
Total provision for loans and advances	<u>658,639,112</u>	<u>516,743,428</u>	<u>651,369,713</u>	<u>516,743,428</u>



Notes to the financial statements as at and for the 1st quarter ended 31 March 2023

Particulars	Note	Consolidated		BRAC Bank Limited	
		Jan to Mar 2023	Jan to Mar 2022	Jan to Mar 2023	Jan to Mar 2022
Off Balance Sheet items		61,005,919	96,000,000	61,005,919	96,000,000
Diminution in value of Investments		311,038	(1,000,000)	311,038	(1,000,000)
Other provisions:					
Other assets		2,085,289	-	2,085,289	-
		<u>722,041,358</u>	<u>611,743,428</u>	<u>714,771,959</u>	<u>611,743,428</u>
32 Provision for taxation					
Current tax expense/ (income)		1,133,119,941	1,136,038,255	984,456,958	1,040,172,807
Deferred tax expense/ (income) (Net)		(279,297,430)	(411,750,123)	(300,822,146)	(321,281,297)
Total provision for Taxation		<u>853,822,511</u>	<u>724,288,132</u>	<u>683,634,812</u>	<u>718,891,510</u>

32.1 Reconciliation of effective tax rate

Particulars	31 March 2023 (Standalone)		31 March 2022 (Standalone)	
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		2,034,478,054		2,058,116,887
Income tax as per applicable tax rate	37.50%	762,934,493	37.50%	771,611,886
Factors affecting the tax charge for current year		-		-
Inadmissible expenses	15.94%	324,282,571	19.28%	396,738,400
Admissible expenses in the current year (i.e. write-off etc.)	1.25%	25,430,324	1.88%	38,667,604
Tax exempted income	0.00%	-	-6.88%	(141,624,295)
Tax savings from reduced tax rates for dividend	-0.30%	(6,121,179)	-0.80%	(16,542,583)
Tax loss/(savings) from reduced tax rates for capital gain	-3.30%	(67,069,251)	-0.42%	(8,701,830)
Reversal of previous years' excess tax (2009 - 2016)	-2.70%	(55,000,000)	0.00%	-
Effect of deferred tax	-14.79%	(300,822,146)	-15.61%	(321,257,672)
Total income tax expenses	<u>33.60%</u>	<u>683,634,812</u>	<u>34.94%</u>	<u>718,891,510</u>

Notes to the financial statements as at and for the 1st quarter ended 31 March 2022

Particulars	Consolidated		BRAC Bank Limited	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Mar 2022
<b>Net asset value (NAV) per share</b>				
Net asset value attributable to shareholders of parent	62,651,823,195	61,153,627,729	59,881,662,976	58,390,554,773
No. of ordinary share outstanding at the end of the period	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
	<b>41.86</b>	<b>40.86</b>	<b>40.01</b>	<b>39.02</b>
Considering 7.5% stock dividend for 2022	<b>38.94</b>	<b>38.01</b>	<b>37.22</b>	<b>36.29</b>
				<b>34.56</b>

**Explanation regarding significant change in quarterly financial statements:**

Both consolidated and standalone NAV per share increased due to higher profit earned during the first quarter of 2023 (Consolidated: BDT 167 crore; Standalone: BDT 135 crore).

Particulars	Consolidated		BRAC Bank Limited	
	Jan to Mar 2023	Jan to Mar 2022	Jan to Mar 2023	Jan to Mar 2022
<b>Earnings Per Share</b>				
Profit attributable to ordinary shareholders of parent	1,437,212,110	1,157,640,812	1,350,843,242	1,339,225,377
No. of ordinary share outstanding at the end of the period	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
<b>Earnings Per Share (EPS)</b>	<b>0.96</b>	<b>0.77</b>	<b>0.90</b>	<b>0.89</b>
Considering 7.5% stock dividend for 2022	<b>0.89</b>	<b>0.72</b>	<b>0.84</b>	<b>0.83</b>

**Explanation regarding significant change in quarterly financial statements:**

Both the consolidated and standalone EPS increased due to higher profit earned in first quarter of 2023 compared to first quarter of 2022. Profit increased mainly for increased net interest income, incremental investment income due to interest earned on govt securities & reverse repo and higher commission income.

<b>Net operating cash flow per share</b>				
Net operating cash flow	2,764,466,788	10,781,299,618	(4,538,856,069)	7,194,786,393
No. of ordinary share outstanding at the end of the period	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
	<b>1.85</b>	<b>7.20</b>	<b>(3.03)</b>	<b>4.81</b>
Considering 7.5% stock dividend for 2022	<b>1.72</b>	<b>6.70</b>	<b>(2.82)</b>	<b>4.47</b>

**Explanation regarding significant change in quarterly financial statements:**

The consolidated and standalone net operating cash flow per share decreased because of higher loan disbursement made to customers during 1st quarter of 2023.

**BRAC Bank Limited**  
**Highlights on the overall activities**  
**As at and for the 1st quarter ended 31 March 2023**

Particulars	Consolidated		BRAC Bank Limited	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Paid-up capital	14,965,853,280	14,965,853,280	14,965,853,280	14,965,853,280
Core Capital	69,530,239,379	67,995,350,767	44,560,033,385	43,433,328,377
Supplementary Capital	5,863,731,836	5,685,272,837	5,863,731,836	5,685,272,837
Total capital including general provisions	75,393,971,215	73,680,623,604	50,423,765,221	49,118,601,214
Total Risk Weighted Assets	397,995,754,335	380,318,534,649	365,334,260,259	349,831,724,733
Capital surplus	25,644,501,923	26,140,806,772	4,756,982,689	5,389,635,623
Total assets	682,057,719,546	655,937,320,087	580,292,772,702	563,238,978,302
Total deposits	468,845,131,863	447,058,816,329	397,505,740,646	384,466,775,242
Total loans and advances	432,468,666,820	412,084,750,584	430,975,587,332	410,676,406,960
Amount of classified loans during the current year	17,346,216,126	16,493,938,006	16,134,380,356	15,268,631,102
Provision kept against classified loans	16,214,096,593	15,386,996,797	15,002,260,823	14,175,161,027
Provisions surplus/ deficit	2,477,499,702	1,945,401,965	2,477,499,702	1,945,401,965
Credit deposit ratio (Loans and Advances/Deposits)*	-	-	80.23%	79.94%
Percentage of classified loans against total loans and advances	4.01%	4.00%	3.74%	3.72%
NPL coverage ratio (incl. GP)	111%	110%	111%	111%
Total Capital to Risk-weighted Asset Ratio	18.94%	19.37%	13.80%	14.04%
Cost of fund	4.42%	4.33%	4.93%	4.83%
Cost to income ratio	69%	70%	61%	58%
Return on Investment (ROI) [PAT/(Shareholders equity+Borrowings)]**	3.87%	4.78%	3.71%	4.69%
Return on Assets (ROA) [PAT/Average assets]**	0.86%	1.02%	0.95%	1.14%
Return on Equity (ROE) [PAT/Average shareholders equity]**	9.29%	10.16%	9.14%	10.22%

\* Credit deposit ratio has been computed as per Bangladesh Bank guideline.

\*\* Figures are annualized.



BRAC Bank Limited  
Schedule of fixed assets  
As at 31 March 2023

As at 31 March 2023							(Amount in Taka)
Particulars	Cost			Depreciation			Written down value as at 31 March 2023
	Opening balance as on 01 January 2023	Addition/ Revaluation during the year	Disposals/Transfer/ Adjustments during the year	Total balance as at 31 March 2023	Opening balance as on 01 January 2023	Charge during the year	
Property, plant & equipments							
Land	527,275,400	-	-	527,275,400	-	-	527,275,400
Office floor space	4,034,334	-	-	4,034,334	1,024,048	25,215	2,985,071
Furniture & fixture	2,170,822,095	46,497,472	-	2,217,319,567	1,583,624,101	36,036,766	597,658,701
Office equipments	1,361,168,512	45,197,112	-	1,361,168,512	1,216,914,086	21,045,594	168,405,944
IT Hardware	3,275,504,031	155,128,940	42,549,245	3,388,083,726	2,320,466,258	113,904,357	996,262,356
Motor vehicles	422,497,790	4,501,008	-	426,998,798	338,310,899	7,343,418	81,344,481
Right of use assets (ROU)	6,103,024,179	24,534,097	14,408,110	6,113,150,167	1,919,247,278	196,729,842	4,011,561,156
Capital expenditure work in progress	207,119,222	63,324,389	63,608,857	206,834,754	-	-	206,834,754
Sub-total	14,071,445,563	339,183,018	165,370,592	14,245,257,989	7,379,586,671	375,085,190	6,592,347,863
Intangible assets:							
With definite useful lives:							
IT Software	2,800,445,366	32,275,311	-	2,832,720,678	1,712,957,565	101,318,966	1,018,444,146
Sub-total	2,800,445,366	32,275,311	-	2,832,720,678	1,712,957,565	101,318,966	1,018,444,146
As at 31 March 2023	16,871,890,929	371,458,329	165,370,592	17,077,978,667	9,092,544,236	476,404,157	7,610,792,009
As at 31 December 2022	15,484,088,844	2,664,955,198	1,277,153,112	16,871,890,930	8,029,221,445	1,792,138,336	7,779,346,693

## BRAC Bank Limited

Details of transactions with related parties  
For the 1st quarter ended 31 March 2023

SL No.	Name of the related parties (Companies)	Relationship with BBL	Balance type	Balance as on 01 Jan 2023	Balance as on 31 March 2023
1	BRAC and its associated organization	Parent Company	Deposits	14,937,516,424	15,533,906,701
2	bKash Limited	Subsidiary	Deposits	5,206,931,799	3,151,691,302
3	BRAC EPL Investments Limited	Subsidiary	Deposits	110,943,186	114,511,380
4	BRAC EPL Stock Brokerage Limited	Subsidiary	Deposits	577,640,828	563,644,559
5	BRAC IT Services Limited (biTS)	Associates	Deposits	55,818,313	145,201,376
6	BRAC SAAJAN Exchange Limited	Subsidiary	Deposits	4,020,519	8,056,118
7	Edotco Bangladesh Co. Limited	Common Board member	Deposits	699,815	424,125
8	Policy Research Institute of Bangladesh (PRI)	Common Board member	Deposits	911,960	717,940
9	RSA Advisory Ltd.	Common Board member	Deposits	3,897,828	-
10	Blue-Wealth Assets Limited	Common Board member	Deposits	51,903	-
11	Walton Hi-Tech Industries Limited	Common Board member	Deposits	1,980,000	74,619,220
12	Water Garden Resort and Spa	Common Board member	Deposits	123,610	235,455
13	Affordable Health Care	Common Board member	Deposits	73,550	-
14	BRAC EPL Investments Limited	Subsidiary	Continuous loan	916,634,124	812,668,603
15	BRAC Saajan Exchange Limited	Subsidiary	Continuous loan	72,261,724	76,927,976
16	IPDC Finance Limited	Common Board member	Term placement	3,000,000,000	-
17	BRAC IT Services Limited (biTS)	Associates	Receivables	154,857,249	149,779,961
18	Key Management Personnel	Senior Management	Loans and Advances	113,952,814	128,127,859

SL No.	Name of the related parties (Directors)	Relationship with BBL	Balance type	Balance as on 01 Jan 2023	Balance as on 31 March 2023
1	Asif Saleh	Director	Credit card	58,602	99,850
2	Selim Reza Farhad Hussain	Director	Credit card	509,113	60,885
3	Fahima Choudhury	Director	Credit card	63,702	57,475
4	Shamiran Bahar Abed	Director	Credit card	346,672	167,595

Note: In addition, BRAC Bank has credit exposure on NGOs where its Directors are involved in the capacity of executive committee members. As on 31 March 2023, the Bank has credit exposures amounting to BDT 2,950,444,175. 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.

## Annexure-D

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

Particulars	(Amount in Taka)	
	Jan to Mar 2023 Taka	Jan to Mar 2022 Taka
Profit before tax as per profit and loss account	2,034,478,054	2,058,116,887
Adjustment for non-cash items:		
Provision for Loans and advances	828,657,903	718,191,512
Provision for Off balance sheet items	61,005,919	96,000,000
Provision for Diminution in value of investments	311,038	(1,000,000)
Provision for other assets	2,085,289	-
Depreciation of Property plant and equipment	476,404,158	420,675,428
Foreign exchange gain/(loss)	512,452,483	121,717,948
Profit on sale of fixed assets	(1,984,186)	(8,312,233)
Increase/decrease in operating assets & liabilities:		
Loans and advances	(20,299,180,372)	(17,253,114,845)
Other assets	(330,263,559)	(622,892,564)
Borrowings from other banks and financial institutions	1,503,176,204	10,920,623,920
Deposits from customers	13,406,901,884	10,672,338,167
Other liabilities	(1,681,967,645)	1,151,638,559
Income tax paid	(1,050,933,239)	(1,079,196,386)
Cash flows from operating activities as per cash flow statement	(4,538,856,069)	7,194,786,393



**BRAC Bank Limited**  
**Statement of Segment Reporting**  
**For the 1st quarter ended 31 March 2023**

Particulars	SME	Retail	Corporate	Treasury	Total
					(Amount in Taka)
Total external revenue	4,170,382,112	111,101,842	1,262,816,548	1,433,429,004	6,977,729,506
Inter segment revenue / (expenses)	(2,256,633,075)	2,078,139,526	476,381,012	(297,887,463)	-
<b>Total segment revenue</b>	<b>1,913,749,037</b>	<b>2,189,241,368</b>	<b>1,739,197,560</b>	<b>1,135,541,541</b>	<b>6,977,729,506</b>
Total segment operating expenses	1,887,226,581	1,783,241,352	451,538,587	106,472,973	4,228,479,493
<b>Segment operating profit/(loss)</b>	<b>26,522,456</b>	<b>406,000,016</b>	<b>1,287,658,973</b>	<b>1,029,068,568</b>	<b>2,749,250,013</b>

**For the 1st quarter ended 31 March 2022**

Particulars	SME	Retail	Corporate	Treasury	Total
					(Amount in Taka)
Total external revenue	3,425,576,084	412,930,000	713,151,975	1,633,780,286	6,185,438,345
Inter segment income / (expenses)	(1,411,074,455)	1,281,670,980	258,390,544	(128,987,069)	-
<b>Total segment revenue</b>	<b>2,014,501,629</b>	<b>1,694,600,980</b>	<b>971,542,519</b>	<b>1,504,793,217</b>	<b>6,185,438,345</b>
Total segment operating expenses	1,532,456,608	1,490,645,560	397,059,909	95,415,953	3,515,578,030
<b>Segment operating profit/(loss)</b>	<b>482,045,021</b>	<b>203,955,420</b>	<b>574,482,610</b>	<b>1,409,377,264</b>	<b>2,669,860,315</b>