



 **BRAC BANK**

আমরা অবিলম্বে

ANNUAL
REPORT
2021

TRANSFORMING BANKING TRANSFORMING LIVES



TRANSFORMING BANKING TRANSFORMING LIVES

At BRAC Bank Limited, we have evolved with the ambitions and expectations of our nation and its people, empowering and assuring Bangladeshis as they pursue their dreams and aspirations. Our comprehensive suite of banking products and solutions have been tailor-made to suit the needs of our customers, as they journey through each phase of their lives.

As we completed 20 eventful years since starting operations in 2001, we have progressed, transformed and evolved to become a strong, dynamic and versatile bank that has witnessed many business cycles in its journey, remaining steadfast on its values and principles and steady on innovation and customer value. Harnessing our passion, agility and deep groundswell of resilience, we have withstood even the toughest of times. In fact, our ability to drive sustained performance over the years is a factor of our ability to adapt – the tougher it gets, the better we perform.

This year was no different, as we forged ahead with purpose and resolve, embracing digitalisation, launching new products and solutions and creating expanded access and greater convenience for our customers, ultimately delivering a 2021 performance comprising 25% increase in our net interest income and 22% growth in our net profit.

At BRAC Bank, a bank that is synonymous with progress, development, trust, solidity and security, we know that if we believe in ourselves, anything is possible. The future is an opportunity to be seized and we remain relentless in our quest for leadership and domination in our drive to become the best bank of Bangladesh. Stewarded responsibly by our bold leadership, an inspired team, innovative products and services, and a vibrant digital culture, we are ready for our next leap forward.

This thrust is anchored on a philosophy that has held us in good stead in the past and will continue to hold us solid in the future.

Our ability to Transforming Banking, Transforming Lives!



সম্ভাবনার পথে
সীমানা ছাড়িয়ে

২০
বছর

ব্র্যাক ব্যাংক
আমু অফিস

Bangladesh is moving forward with infinite possibilities at an indomitable spirit. BRAC Bank has been a partner in this progress for the last two decades. We will continue to march together on the path of fulfilling our dreams and go beyond boundaries.

We thank all our customers and well-wishers for their trust in us.

Letter of Transmittal

To
All shareholders
Bangladesh Bank (BB)
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms (RJSC & F)
Financial Reporting Council (FRC)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE)

Dear sir (s),

Ref: Annual Report for the year ended December 31, 2021

We are pleased to enclose a copy of BRAC Bank Limited's Integrated Annual Report, together with the Audited Financial Statements as on December 31, 2021, for your kind information and record.

Yours sincerely,



M Mahbubur Rahman FCS
Acting Company Secretary

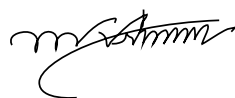
Notice of the Twenty-third Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-third Annual General Meeting (AGM) of BRAC Bank Limited will be held on April 28, 2022, Thursday, at 11:00 a.m. through digital platform to transact the following business:

- 23rd AGM 2022-01: To receive, consider and adopt the Audited Financial Statements for the year ended December 31, 2021 and the Auditors' and Directors' Reports;
- 23rd AGM 2022-02: To declare dividend for the year ended December 31, 2021;
- 23rd AGM 2022-03: To elect/re-elect Directors;
- 23rd AGM 2022-04: To appoint Statutory Auditors of the Bank for the year 2022 and to fix their remuneration;
- 23rd AGM 2022-05: To appoint Corporate Governance Compliance Auditors for the year 2022 and to fix their remuneration.

All shareholders are requested to make it convenient to attend the meeting.

On behalf of the Board,



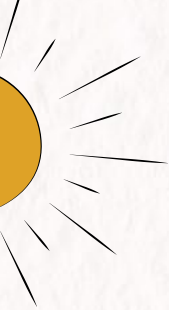
M Mahbubur Rahman FCS

Acting Company Secretary

Date: April 04, 2022

NOTES:

- i. The "Record Date" is **April 06, 2022**. Members whose names appear in the Members'/Depository Register on Record Date will be eligible to attend/participate and vote in the Annual General Meeting.
- ii. The Board of Directors has recommended **15% Dividend comprising 7.50% Cash and 7.50% Stock** (subject to the approval of the regulatory bodies).
- iii. Pursuant to the Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2009-193/08 dated March 10, 2021, and Letter No. SEC/SRMIC/94-231/91 dated March 31, 2021, the AGM will be held virtually (using digital platform), which will be conducted via live webcast.
- iv. Link for joining the AGM through digital platform and details of the login process will be notified to the respective member's email address and also by SMS.
- v. Members whose email address has been updated/changed are requested to email us at sharedept@bracbank.com mentioning their full name, Folio/BO ID, email address and mobile number to get the digital platform meeting invitation.
- vi. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, the soft copy of the Integrated Annual Report, 2021 will be sent to the email address of the members available in their Beneficial Owner (BO) accounts maintained with the Depository. The Integrated Annual Report, 2021 will also be made available on the Company's website: www.bracbank.com
- vii. A member entitled to attend and vote at the AGM may appoint a proxy to attend and vote on his/her behalf. The scanned copy of the "Proxy Form", duly signed and affixed with BDT 20 revenue stamp must be sent through email to BBL's Share Office at sharedept@bracbank.com no later than 72 hours before the commencement of the AGM.
- viii. Members are requested to update their 12 digit Taxpayer's Identification Number (e-TIN) through their member house. Without the updated 12 digit e-TIN, by default, tax from cash dividend will be deducted @15% instead of @10%.
- ix. **Merchant banks and depository participant (DPs) are requested to email the soft copy of their margin clients' list (in MS Excel format) as on 'Record Date' to sharedept@bracbank.com by April 17, 2022 for facilitating payment of cash dividend.**
- x. Members are requested to update their respective Bank Account information. (Bank Name, Branch Name, 13-digit A/c no., 9-digit Routing no.), Address, Mobile Number, etc., through their respective Depository Participant (DP)/member house before the 'Record Date'.



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Value Created for Stakeholders

For society



Contributed
BDT 6,658 mn
to National Exchequer in
2021 (BDT 32,155 mn over
the last 5 years)



Contributed
BDT 50 mn
to Prime Minister's Relief
and Welfare Fund



Spent **BDT 45 mn**
for food support to 30,267
COVID-affected families

Free-meal initiative
of Mehmankhana

Feeds **2,000 people** daily
and sends **400 packets** to
households



Monthly scholarship of
BDT 3,000 to 250
meritorious students of
University of Dhaka

Contributed **BDT 50 mn** to
Bangabandhu Memorial Trust for
Ashrayan Project



BRAC Bank-Prothom Alo Trust
Adama Medhabi Scholarships
**50 students intake each year for
the last 10 years**

Contributing **BDT 1 mn**
each year to BRAC Limb and Brace Center



Contributed **BDT 3 mn** to
BEZA for **tree plantation
initiatives**

BDT 205 mn spent on
CSR throughout 2021



Contributed **51,000**
pcs of blankets to people
during harsh winter months

For customers



Loans and advances
BDT 321,212 mn



Customer deposits
BDT 314,599 mn



SME Unit Offices
456



Launched Mobile
Banking App
Astha

Branches

187



373 ATMs



93 CDMs

705

Agent Banking Outlets



1.3 mn
Customers

For investors



Total revenue

BDT 23,364 mn



Operating profit

BDT 10,944 mn

Net profit after tax

BDT 5,547 mn



EPS **BDT 3.98**



ROE

11.00%



NAV per share

BDT 39.09



ROA **1.31%**

17%

Average dividend over
the last 5 years



★★★★☆

Top-notch credit ratings

CRAB : **AA1/ST-1**

CRISL : **AA+/ST-1**

ECRL : **AA+/ST-1**

Local

S&P Global : **B+**
Moody's : **Ba3**

Global

CRAR
14.36%



Market capitalisation

BDT 76,987 mn



ICSB National Award for
Corporate Governance
Excellence 2020

"Gold Award"



ICMAB Best Corporate
Award 2020

"Gold Award"



"ICAB National Awards for
Best Presented Annual
Report 2020

"Joint 2nd"

For employees



Salary increased for

4,548

Employees for
market alignment

In-house Fitness Center
with a professional
trainer for employee
health and wellbeing



452

Training programs
conducted



Training participants

55,874 people



**Responding
to Covid-19**

- **2,130** in-house
Covid tests
- Hybrid office
in-premises and
off-premises



Training hours

177,437



Equal opportunity
employer

**Job opportunity for the
transgender community
and people with special
needs**

INTRODUCTION



About our Integrated Report

BRAC Bank Limited is proud to present its Integrated Annual Report for the year ended 31st December 2021. This report advances our belief in reporting transparency and conciseness in content, thus ensuring easy comprehension for all readers of this report.

Our Integrated Reporting Journey Continues at Pace

As a banking institution that creates a real impact on Bangladesh's socio-economy, our purpose is to contribute to the nation's developmental aspirations, especially in the post-pandemic recovery period. In meeting the aspirations and expectations of our customers, we offer a wide choice of deposit and savings products that contribute to financial security. On the other hand, we provide a wide range of loan products customised to meet the specific aspirations of individuals and businesses. This report narrates our impact on our customers and society and thus in preparing and presenting our 2021 Integrated Annual Report (IAR), we have followed an organisation-wide integrated reporting process. This process is governed by our Board and led by our Management through our Managing Director & Chief Executive Officer and Chief Financial Officer.

Our Reporting Approach

This IAR is prepared in accordance with the International <IR> Framework of the International Integrated Reporting Council (IIRC) (2013). Where possible, we have also taken account of revisions to the International <IR> Framework, as published

in January 2021, which has become effective for reporting periods commencing January 2022. Particularly, we have used the Integrated Thinking Principles, which have guided Board and Management planning and decision-making and also the Integrated Reporting Framework that provides principles-based approach to corporate reporting.

Reporting Period

We produce and publish an annual report annually. This IAR covers the financial year 1 January 2021 to 31 December 2021, and is referenced throughout as 2021 or our financial year. Any material events after the reporting period and up to the Board approval date of 15th March 2022 have also been included, as deemed appropriate.

Our Stakeholders

Our IAR provides information relating to our financial and non-financial reporting performance, opportunities, risks, trade-offs and outcomes attributable to/associated with our key stakeholders, which have a significant influence on our ability to create and preserve value. This report is intended to address the information requirements of a wide range of our internal and external stakeholders, especially our shareholders and investors.

Our Major Stakeholders



Shareholders



Employees



Customers



Communities



Business Partners

BRAC Bank's Activities and their Impact on our Stakeholders

Innovation	Engagement	Insights	Social impact	Outcomes
Value for our clients	Value for our employees	Value for our partners	Value for society	Value for our shareholders

Read more on page 15 for the detailed approach of stakeholder identification of BRAC Bank.

Our Material Matters

Addressing the key material matters and expectations of our identified stakeholders is a prioritised endeavour of the bank. We apply the principle of materiality in determining which information should be included in the report. Accordingly, this IAR focuses on the opportunities and challenges that have a material impact on the bank's business and operations and hence on our stakeholders.



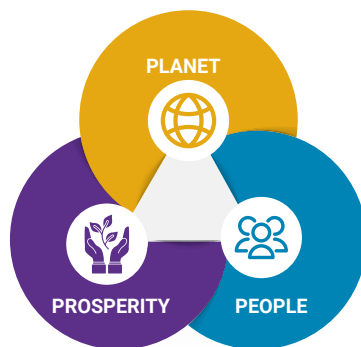
The bank follows a comprehensive approach to determination of materiality, considering the information needs for wide range of stakeholders connected with the bank. The assessment process of materiality has been elaborated on Page 16.

Bank's Six Capitals

 <p>FINANCIAL CAPITAL</p> <p>Funds comprising debt and equity that we use for enabling our operations. Read more on pg. 89</p>	 <p>INFRASTRUCTURE CAPITAL</p> <p>Our workplace premises, including branches and other outlets that enable day-to-day business conduct. Read more on pg. 91</p>	 <p>HUMAN CAPITAL</p> <p>Our people representing our true value creators that enable us to attain our goals and objectives. Read more on pg. 91</p>
 <p>INTELLECTUAL CAPITAL</p> <p>Our IT infrastructure and digital assets that facilitate us to fulfill our customer and operational objectives. Read more on pg. 92</p>	 <p>NATURAL CAPITAL</p> <p>Our precious natural resources that we seek to conserve, including our climate action plans. Read more on pg. 93</p>	 <p>SOCIAL AND RELATIONSHIP CAPITAL</p> <p>Our society-centric initiatives that allow us to foster a sustainable positive impact. Read more on pg. 95</p>

Our Accreditations

BRAC Bank is the only member of the Global Alliance for Banking on Values (GABV) from Bangladesh. As a member, the bank pledges to advance values-based banking in Bangladesh that has the triple impact on people, planet and prosperity, putting credit to work for the benefit of individuals and society.



Report Guiding Principles

Regulations

- Companies Act, 1994
- Bank Company Act, 1991 (and amendments thereof)
- Circulars, rules and regulations issued by Bangladesh Bank
- Financial Reporting Act, 2015 (issued by Financial Reporting Council)
- Bangladesh Securities and Exchange Commission rules and regulations
- Income Tax Ordinance, 1984 (and amendments thereof)
- Value Added Tax Act, 2012 and Value Added Tax Rules, 2016 (and amendments thereof)
- Corporate Governance Code
- Listing requirements of Dhaka Stock Exchange and Chittagong Stock Exchange
- Rules and regulations of Central Depository Bangladesh Limited

Frameworks and Guidelines

- International Financial Reporting Standards and related interpretations
- Integrated Reporting <IR> Framework, as prescribed by Value Reporting Foundation
- SAFA Integrated Reporting Checklist
- ICAB Annual Report and Corporate Governance Checklist
- ICSB Corporate Governance Checklist
- ICMA Best Corporate Checklist
- Global Reporting Initiative (GRI) Standards

Impacting the SDGs

As a bank with a largescale impact on society, we create value aligned to the Sustainable Development Goals (SDGs). Our impact is two-pronged; one, through our business and two, via our community outreach and citizenship programs. In all, we impact 12 SDGs.



Awards for our 2020 IAR

Every year, our endeavour is to raise the bar with respect to the quality of our reporting initiatives. Our 2020 IAR won many awards and we are humbled by these external endorsements that only encourage us to do better every year in presenting our report, anchored on completeness, accuracy, consistency, conciseness, comparability and reliability, thus meeting the information needs of our stakeholders.

Enhanced Reliability Through External Assurance

Various content components of this IAR have been externally assured by reputed assurance providers. The bank has obtained external assurance on the following report sections for the reporting period under consideration:

Report section	External assurance
Financial Statements Audit	Hoda Vasi Chowdhury & Co., Chartered Accountants
Certification of Custodian Service	Hoda Vasi Chowdhury & Co., Chartered Accountants
Nostro Certification	Hoda Vasi Chowdhury & Co., Chartered Accountants
Provident Fund Financial Audit	ACNABIN, Chartered Accountants
Gratuity Fund Financial Audit	ACNABIN, Chartered Accountants
Entity Credit Rating	<ul style="list-style-type: none">▪ S&P Global▪ Moody's▪ Credit Rating Agency of Bangladesh Ltd▪ Credit Rating Information and Services Ltd▪ Emerging Credit Rating Ltd
Corporate Governance Certification	Hussain Farhad & Co., Chartered Accountants
Gratuity Fund Actuarial Valuation	Z. Halim & Associates
Investment Promotion and Financing Facilities (IPFF) Audit	Rahman Rahman Huq, Chartered Accountants

Green Initiatives

As part of our ongoing commitment to further our sustainability practices, we have printed limited copies of this report. However, all shareholders and the general public have access to the e-report published on the bank's website. Further, our report can also be immediately downloaded from the QR code given alongside.



We Solicit your Feedback

BRAC Bank engages with stakeholders on an ongoing basis and we value your feedback and comments on this report. You may direct your feedback to our Investor Relations team: shareddept@bracbank.com

Disclaimer on Forward-looking Statements

Our public interactions include spoken or written forward-looking statements. Statements of this type are based on hypothetical/ballpark figures. Statements with such considerations and future prospects are included in this annual report and may be included in other filings with Bangladesh Securities and Exchange Commission (BSEC) or in other communication.

Forward-looking statements may include comments with respect to BRAC Bank's objectives, strategies to achieve those objectives, expected financial results (including those in the realm of risk management), and the forward outlook. Such statements are generally identified by words/phrases, such as 'believe', 'expect', 'anticipate', 'intend', 'estimate', 'plan', 'may increase', 'may fluctuate' and similar such expressions of future, or conditional verbs, such as 'will', 'would', 'should' and 'could'.


Forward-looking statements involve assumptions, inherent risks and uncertainties, both general and specific. The estimations and other forward-looking statements may not prove to be accurate and hence readers are advised to exercise caution and analyse any forward-looking statements or such statements based on their own judgement. The bank and its affiliates disclaim any future liabilities arising from any forward-looking statements.

Responsibility Statement

The content of this IAR has been scrutinised by the Management for accuracy, completeness and relevance of information presented, and also reviewed and approved by the Board. The Board and the Management acknowledge their responsibility over the preparation and presentation of this IAR.

On behalf of the Board of Directors, I acknowledge our responsibility to ensure the integrity of this Integrated Annual Report and opine that the Report has been prepared in accordance with the Integrated Reporting <IR> Framework prescribed by the International Integrated Reporting Council (IIRC).

Sincerely,



Dr. Ahsan H. Mansur
Chairman

Navigating through this Integrated Report

Content Elements	What to look for	Referred topic	Page no.
Organizational overview and external environment	Organization's strategic objectives	Overall Strategic Objectives	108
	Mission, vision and values	Mission, Vision & Values	44
	Ownership and operating structure	Distribution of Shareholding	55
	Principal activities and markets	Financial Statements (note 1.1)	396
	Competitive landscape and market positioning	Competitive Intensity and Tactical Responses	117
	Key quantitative information	Five Years' Financial Summary	160
	Significant factors affecting the external environment	PESTEL framework	178
Governance	Leadership structure and their skills and diversity	Board of Directors	58
		Management Committee	80
		Senior Officials	82
	Overall corporate governance compliance and monitoring	Corporate Governance Report	245
		Corporate Governance Compliance Report	231
Business model	Processes used to make strategic decisions and establish and monitor the culture of the organization	Our Value Creation Framework	112
		Business Model	114
		Directors' Responsibility Statement	69
	Attitude to risk and mechanisms for addressing integrity and ethical issues	Message from the Desk of Chief Risk Officer Corporate Governance Report	311 245
Risks and opportunities	Entity's business model including key inputs, business activities, outputs & outcomes	Our Business Model	114
Strategy and resource allocation	The sources of risks and opportunities	Risk Management Chapter	311
	Assessment of the likelihood of occurrence and the magnitude of effect		
	Steps taken to mitigate or manage key risks		
Performance	Organization's short, medium and long-term strategic objectives	Overall Strategic Objectives Strategy & Resource Allocation	108 109
	Strategies in place to achieve those strategic objectives		
	The resource allocation plans it has to implement its strategy		
Outlook	Quantitative performance indicators with respect to targets, risks and opportunities	Financial Statements	380
	The organization's effects on the capitals	Bank's Six Capitals	89
	Key stakeholder relationships and the organization's response to them	Stakeholders Identification Stakeholder Engagement	15 120
	Linkages between organization's past and current performance	Five Years' Performance	149, 160
	Organization's expectations about external environment, risks, opportunities and challenges and their effects	SWOT Analysis PESTEL Framework	180 178
Basis of preparation and presentation	Availability, quality and affordability of capitals the organization uses or affects including how key relationships are managed	Bank's Six Capitals Integrated Stakeholder Engagement	89 120
	Organization's ability to create value over time	Value Added for Stakeholders Our Value Creation Framework	6 112
	Organization's materiality determination process and key judgements	Materiality Determination	16
	Identification of the reporting boundary and its determination process	Integrated Reporting	9
Basis of preparation and presentation	Significant frameworks and methods used to quantify or evaluate material matters	Financial Statements (Accounting policy notes)	396
	Risks, opportunities and outcomes attributable to or associated with other entities/stakeholders	Subsidiaries Financial Statements	500

Stakeholder Identification

Stakeholder mapping

Stakeholder Identification at BRAC Bank is an ongoing process that enables us to understand stakeholder expectations and identify material issues impacting our business. This, in turn, empowers us to become a relevant and responsible corporate that is in sync with its stakeholders' evolving expectations.

Our key stakeholders include customers, shareholders & investors, employees, suppliers & business partners, community and regulators. As the

first step of our stakeholder identification process, we carry out a stakeholder mapping, which involves mapping stakeholders based on the influence of interest and power they have in Company activities.

We aggregate our material stakeholders in terms of their level of influence on us and our impact on them. Based on this broad-based framework, we address the needs of each relationship, developing goals and measuring outcomes for each stakeholder group.

Key attributes	Key stakeholder constituency
Keep satisfied:	Regulators
Manage closely:	Customers & Investors
Monitor:	Business partners & Community
Engage and keep informed:	Employees

As a responsible, value-based banking organisation, BRAC Bank takes into cognisance the holistic needs and expectations of all its stakeholders. Thus, we are committed to understanding each stakeholder's concerns and expectations and applying the relevant inputs into our decision-making process to ensure sustained value creation for all.



Environmental

- Environmental groups/ organisations
- Regulators



Economic

- Customers
- Investors/Debt providers
- Suppliers/Service providers
- Government/Regulatory bodies



Social

- Employees
- Local communities
- Civil society

Materiality Determination

Materiality determination and reporting process

At BRAC Bank, we apply integrated thinking to identify those matters that influence our ability to create value over the short, medium and long-term. Such matters inform our strategy to manage risks and maximise opportunities that present themselves in our operating landscape.

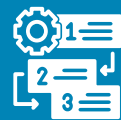
This report includes information that is material to our stakeholders and provides an overview of our business and related activities. We also disclose matters that substantially impact or affect the bank's ability to create value and could influence decisions of providers of capital, as well as other stakeholders.



IDENTIFY

We analyse our business context, our operating environment, the resources we rely on, as well as the feedback received from our stakeholders (both internal and external), to assess matters that could have a financial, reputational, operational, environmental, social, strategic or legislative significance. We consider those matters that could impact our business in the short, medium and long-term, as well as actual events that have taken place.

We use the outcomes of this analysis and the key risks and opportunities identified to prioritise those matters that are most material to our ability to create sustained value. Our prioritisation process is an outcome of online tools and in-person workshops. Based on the material impacts identified, we derive our risk and opportunity register which we update throughout the year.



PRIORITISE



INTEGRATE

We integrate our material matters into our strategy by contextualising them into our strategic priorities that guide our integrated approach to premeditated choices. Performance against this strategy is tracked by setting well-defined and clearly identified key performance indicators (KPIs) that are cascaded throughout our business to deliver on our strategic priorities.

We disclose our material matters that substantially affect our value creation process to the internal stakeholders, such as relevant business heads, management committee and Board of Directors as well as external stakeholders throughout different stakeholder engagement activities performed.

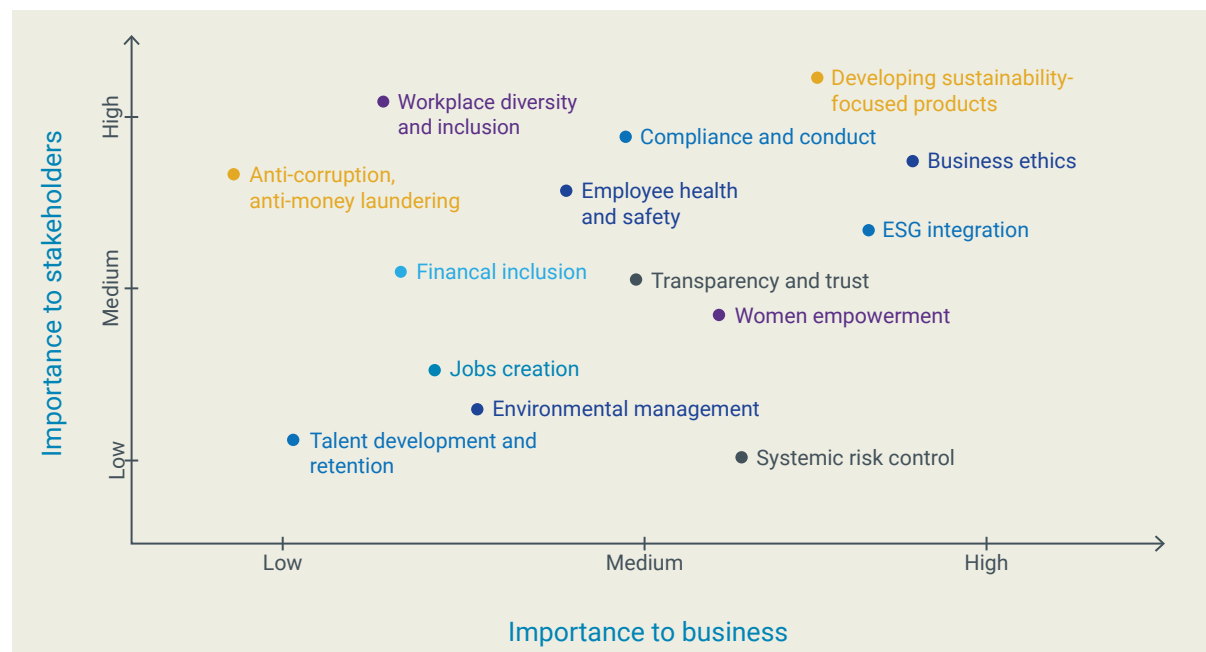


DISCLOSE

Materiality determination for meeting stakeholder expectations

Stakeholders	Expectations
Customers	<ul style="list-style-type: none"> Products meeting customer financing/savings/investments needs Service quality and loan turnaround time (TAT)
Investors and debt providers	<ul style="list-style-type: none"> Return on investment Shareholders' rights Dividend
Suppliers/Service providers	<ul style="list-style-type: none"> On-time payment of dues Long-term relationships Sharing good business practices
Employees	<ul style="list-style-type: none"> Benchmarked compensation and benefits Career advancement opportunities Work-life integration
Government/ Regulatory bodies	<ul style="list-style-type: none"> Tax contributions Implement regulatory directives/guidelines Compliance Input on draft policy/white papers
Communities	<ul style="list-style-type: none"> Sustainable impact through citizenship programs Local jobs creation
Environmental groups/ organisations/Civil society	<ul style="list-style-type: none"> Carbon footprint minimisation Green and sustainable practices, including green capital, ESG, etc. Upholding human rights

BRAC Bank's material matters, 2021



Similar to 2020, the bank continued to address societal needs through financial inclusion and community empowerment during the year. Specifically, we focused on helping those who were most affected by the prolonged pandemic to get back on their feet by providing financial stimulus of the government and support through various assistance programmes and targeted contributions.

At the same time, we continued to emphasise on developing sustainability-focused products and services, including green economy lending solutions. In this regard, we demonstrate our commitment to meet the SDG goals of Bangladesh by 2030.

We also made rapid strides in further strengthening our governance, particularly in the area of risk and sustainability, while embedding the principles of ESG (environmental, social and governance) into our business model for added sustainability and stakeholder confidence.

As we move into 2022, we will focus on our long-term priorities and the ever-changing operating landscape, including building our digital assets, while staying true to our themes of financial inclusion, employment generation, women entrepreneurship development and our other major material matters.



In a year when pandemic induced disruption has been the theme for the wider economy, for BRAC Bank to record a solid 22% growth in net interest income and 15% expansion in net profit on consolidated basis is nothing short of extraordinary. These accomplishments were facilitated by our strategic pillars, which enabled the bank to sustain momentum despite the prevailing macro-challenges. What also supported our growth was our unrelenting commitment to transforming banking for transforming lives. This comprised the heart of all our endeavours.

Dr. Ahsan H. Mansur, Chairman

Key Message from Chairman

Dear Stakeholders,

On behalf of the Board of Directors of BRAC Bank, it gives me great pleasure to present our Integrated Annual Report and audited financial statements for the financial year ended 31 December 2021. It is indeed a very special occasion for us, as BRAC Bank celebrated its glorious 20th anniversary in 2021. While we look back on the past 20 years with pride, we also look forward with optimism to the next 20 years and beyond. On behalf of the Board and myself, I would like to voice our sincere thanks and utmost gratitude to you for your unwavering support to the bank. Standing at a historic juncture in what is hopefully the end of the pandemic, we recommit pledge of sustainable value creation for all.

I trust our report will provide you with an in-depth understanding of the bank's value creation process as well as the strategies that enabled us to successfully navigate the Covid-19 pandemic in 2021 and emerge stronger and more resilient by the end of the year.

Link to our Capitals:



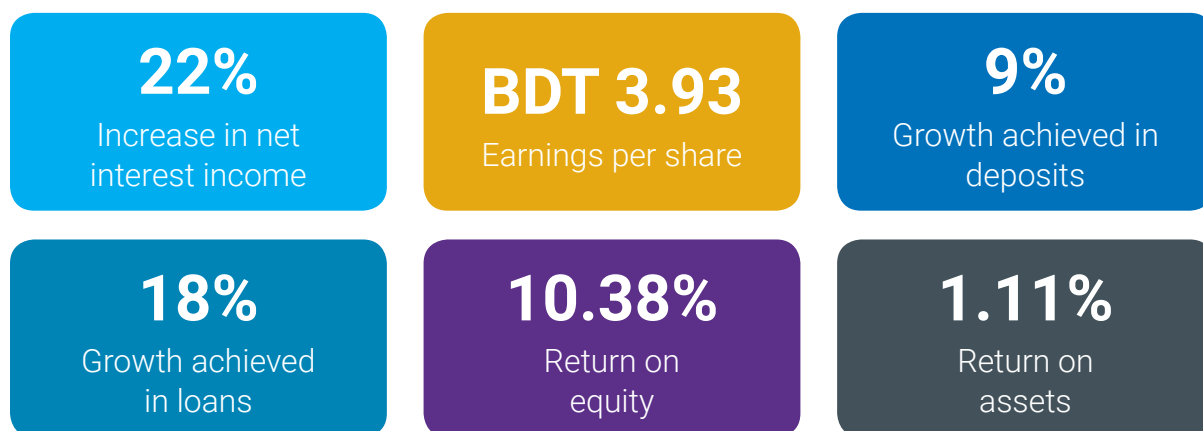
Link to our SDGs:



Link to our Stakeholders:



2021 consolidated performance at a glance



While the prolonged effects of the pandemic continued to impact many aspects of the business, especially on account of the devastating second wave of the virus, our relentless focus on developing best-fit digital banking service propositions coupled with dynamic and agile business strategies adopted by the bank resulted in strong recovery in business activity. This positive momentum is reflected in the outstanding performance of the bank and the tangible value we have generated for all our stakeholders.

50 years of Bangladesh, 20 years of BRAC Bank

The year 2021 marked the glorious 50 years of Bangladesh's independence. The country has come a long way from a nation that was in destitution, extreme poverty and hardship to one that is self-reliant, dynamic and gone through massive social transformation.

While it was thought that for a country like Bangladesh to face a major shock event like the Covid-19 pandemic will be extremely difficult, surprisingly, the nation has done remarkably well in halting the economic decline induced by the pandemic and never letting GDP growth slip into the negative zone. This is the exact opposite of most other countries that faced negative declines in their economic growth rates. Bangladesh's macro fundamentals are stronger with foreign exchange reserves at record levels.

Today, Bangladesh is forging ahead with infinite potentials with an indomitable spirit, as rapid export growth and inflow of remittance helped support sustained GDP and per capita income growth. The private sector has regained momentum, thanks to the Government's business-friendly policies and a strong global economic recovery.

Supported by prudent macroeconomic management Bangladesh has been recording 6.5%+ GDP growth consistently over the last decade, which is the highest in South Asia. Over the years, sustained economic development has been accompanied by improving social indicators, such as higher literacy rates, women empowerment, better healthcare, increased life expectancy, etc.

As a corporate entity entrenched in Bangladesh's socio-economic fabric, BRAC Bank takes pride in being able to play a catalytic role in the development journey of Bangladesh, supporting significantly the government priorities of industrialisation, financial inclusion, entrepreneurship development and employment creation.

The performance of a bank is reflected in the trust of its customers. In this truism, BRAC Bank has not done remarkably well, as it has passed through various ups and downs, while firmly holding on to its core values and remaining in step with the aspirations of the nation and its citizens.

Living up to the vision of our late founder, Sir Fazle Hasan Abed KCMG, who was committed to create a viable mechanism by which the large "missing-middle" of the economy, the SMEs, could access institutional finance, we remain fully committed to this segment as we believe we can make the biggest impact there. We remain fully committed financial inclusion and accelerate that process in the digital era.

Today, the bank's SME loan portfolio constitutes 47% of the total asset book. We still expect to turbocharge further our SME and women entrepreneurs' loan portfolio, go hand-in-hand with Sir Abed's beloved ideals of financial inclusion, women empowerment and self-reliance.

Countering a disruptive environment with disruptive innovation

Like most businesses, we too had our fair share of challenges, but overcame these with committed focus on materialising our strategies and focusing on execution, especially in the realm of our digital platforms. By fully concentrating on digital, we were able to cater to the diverse needs of our customers in a rapidly changing environment. Throughout the year, we developed innovative products, including BRAC Bank "Astha" app, which is a historic milestone as we were able to open up a completely new channel of engagement with our customers, while providing them a plethora of banking services at their fingertips. Astha is a feature-rich mobile banking app that offers all sorts of banking services digitally. We have also launched Enterprise Service Bus (ESB), a middleware that enables quick system integration with different platforms, resulting in faster launch of new products in the market.

Seen this way, the App not only reflects the maturing of our digital ecosystem, but also represents the culmination of customer expectations meeting evolved regulatory standards.

Further, we also introduced many solutions that go beyond just enabling businesses, but also supporting customers in the realm of financial inclusivity. To serve the end-to-end needs of our different customer segments, we continued to innovate and, in the process, developed new value drivers – from solutions that help smaller businesses to advance despite the pandemic, to comprehensive and unique digital banking platform "CORPnet" that facilitates our corporate customers by way of a seamless online transaction platform.

Besides, the rollout of core banking, card management system, call center, e-commerce and POS platform, e-KYC, agent banking mobile app, lending app Obichol and unified communication have together helped the bank achieve service excellence. Now we are in the process of implementing cash management, trade and supply chain financing solutions, loan origination system, document management system, bulk MFS transactions and data analytics that would take the bank's service to newer standards.

In response to growing concerns on climate change, we took bold steps through our focus on sustainability to drive collective change. We seek to be there for all our stakeholders, from

our customers to our communities, to help them progress on their journey towards transitioning to a low-carbon economy, no matter what stage they are at. Thus, green capital and ESG remained at the front and centre of our efforts in sustainable and values-based banking.

Bringing our people together and working as one team

It goes without saying that our staff is our most valuable asset. They are not only the face of our organisation, they also determine our performance. As such, the bank adopts a holistic approach to ensure the well-being of our employees, looking into their physical, mental and emotional health. Since the pandemic, we have done our best to keep our people safe from the virus. We have actively encouraged our employees to be vaccinated. We also continued to promote a hybrid work environment, allowing teams to be split between the office and home while leveraging hybrid engagement platforms for seamless and secure interactions.

During the peak of the pandemic months, we adopted a number of steps to ensure the overall wellbeing of our staff and initiated such measures as centralised health monitoring for any symptomatic or confirmed COVID cases, thermal screening at the entrance, social distancing measures, sessions on mental health/stress management, appointment of health consultant, distribution of personal protective items, medical reimbursements and insurance coverage, Sanitised transport service for frontline employees, Training on health and safety and trauma management etc.

Besides, we have reviewed and raised upward to remuneration package of all grades of employee's to align with the market by appointing an international HR consultant. Simultaneously there has been added focus on diversity, equality and inclusion, as we strive to bring together a culturally vibrant and diverse workforce that has sound representation of different age groups, experience and, of course, gender. Although we have done well in terms of gender inclusion, given that only 13% of our total workforce is women, we still have a long way to go.

Our 2021 performance comprises our intent for the future – accelerating growth

Protraction of the pandemic vexed the government, people and businesses alike. Intermittent lockdowns and restrictions, uncertainty over loan repayment forbearance, interest rate cap on lending and floor

on deposits, and delayed business recovery were major challenges for BRAC Bank operations. Yet, private sector resistance supported by the nationwide vaccination drive led to the progressive reopening of the economy. Today, as I speak to you, caseloads have dwindled and there is a sense of renewed optimism in the air.

In spite of the incipient challenges, BRAC Bank delivered an exceptional financial performance, thanks to strong and able leadership, committed and specialist employees, proactive business management, fine execution of the business strategy, appropriate deployment of technology, and commitment to applied governance that together ushered in a new wave of efficiency and urgency to perform against the odds.

Consolidated net interest income grew by 22% to BDT 16,312 million due to the bank's ability to source low-cost funds from the market through our strong credit ratings. Total revenue increased by 11% to BDT 31,623 million, up from BDT 28,554 million in the previous year. Revenue expansion was driven by an increase in net interest income (NII), commissions, exchange and brokerage and other operating income.

From the robust cost optimization efforts, we have achieved an excellent cost efficiency with only 6% increase in consolidated operating costs whereas revenue increased by 11%.

Thus, on a consolidated basis, the bank achieved net profit of BDT 4,653 million, up from BDT 4,041 million in 2020, registering a solid 15% growth. Earnings per share increased to BDT 3.93, from BDT 3.17 in 2020.

Consolidated return on equity (ROE) and return on assets (ROA) increased to 10.38% from 10.02% and 1.11% from 1.02%, respectively. The consolidated NAV per share increased by BDT 6.52 to BDT 41.08 in 2021.

The subsidiaries also showed a resilient performance in the challenging year. While bKash incurred a strategic loss of BDT 1,234 mn, BRAC EPL Investment Limited and BRAC EPL Stock Brokerage Limited earned profits of BDT 247 mn and BDT 258 mn with significant growth of 458% and 60%, respectively, in 2021.

Based on the 2021 financial performance and considering a sanguine view of the future, the Board has recommended total dividend 15% for 2021, comprising an equal combination of 7.50% in cash and 7.50% in stock per share. Maintaining our dividend policy in this challenge-filled year reflects our unwavering commitment to rewarding our shareholders. Our ability to do so underlines our strong forward outlook, prudent risk management culture, intrinsic capabilities to remain agile and ability to adapt to the prevalent conditions.

Advancing our framework for a well-governed and sustainable future

I am pleased to note that there were no departures from any of the provisions of the bank's code of business conduct and ethics and our governance practices, as advocated by the regulators. I also affirm our commitment to upholding the bank's organisational policies, where emphasis is placed on ethical and legal dealings and zero tolerance to corruption, bribery and any form of harassment or discrimination in the workplace and in any work-related situations. We strictly enforce our standards and have appropriate mechanisms in place, such as a whistle-blower policy, to bring to notice such incidents.

During the year, several initiatives were implemented to further strengthen the bank's technology governance framework and controls. Along with remote working arrangements, the bank strengthened its cybersecurity infrastructure to ensure data protection and integrity. We also placed cybersecurity as a key area of focus across our broader tech infrastructure and have robust systems and processes in place to thwart any untoward incidents. Furthermore, considering the sheer volume of data we process, we are also cognisant of data privacy and have systems in place that stave-off any attempts to breach our networks, being aligned with industry standards.

Further details on governance initiatives and compliance can be found in the Corporate Governance section of this report.

Strengthening bank-wide sustainability is an ongoing endeavour at BRAC Bank. Going green and being socially responsible are among our strategic priorities,

as we mainstream sustainability by integrating ESG considerations into our policies and decision-making. We made advances in 2021 by setting up critical governance structures to drive forward this strategic priority. In keeping with our commitments, we have also deepened our accountability by embedding sustainability as key performance indicators into the bank's performance scorecard.

Heartfelt thanks

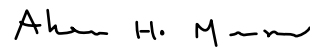
With each passing year, we increasingly recognise just how important our stakeholders are to our sustainable growth journey. Interdependency and interconnectedness of organisations and their ecosystems were made even more evident by the pandemic, highlighting, on the other side, the importance and power of multi-stakeholder collaborations and cooperation. With this in mind, I would like to thank all our stakeholders for their continued and invaluable support extended to the bank.

A special note of appreciation to my fellow colleagues on the Board and to our senior leadership team.

I also extend my appreciation to all regulatory bodies of Bangladesh Government, especially Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, National Board of Revenue, Dhaka and Chittagong stock exchanges, Central Depository Bangladesh and Financial Reporting Council. Your ongoing support and guidance are tremendously appreciated.

Finally, my sincere appreciation to all in the BRAC Bank team who continue to uphold our core values and, in doing so, add value to all the lives we touch in one way or another.

Sincerely,



Dr. Ahsan H. Mansur
Chairman



সামষ্টিক অর্থনীতিতে মহামারীর সৃষ্ট নানারকম প্রতিবন্ধকতার এমন একটি বছরেও ব্র্যাক ব্যাংক সামষ্টিকভাবে (কনসলিডেটেড) নিট ইন্টারেস্ট আয়ে ২২% এবং নিট মুনাফায় ১৫% প্রবৃদ্ধি অর্জন করেছে। দুটি ক্ষেত্রেই ব্যাংকের অর্জন অসাধারণ। বড় চ্যালেঞ্জের পরও ব্যাংকের টেকসই ধারাবাহিকতা রেখে এমন অর্জন আমাদের কৌশলগত ভিত্তির কারণে সম্ভব হয়েছে। মানুষের জীবন পরিবর্তনের জন্য পরিবর্তিত ব্যাংকিং- এই দৃঢ় প্রত্যয় আমাদের প্রবৃদ্ধি অর্জনে সহায়ক হয়েছে। আর এই প্রতিশ্রুতি ছিল আমাদের সব প্রচেষ্টার মূলে।

ড. আহসান এইচ. মনসুর, চেয়ারম্যান

চেয়ারম্যানের বক্তব্য

প্রিয় স্টেকহোল্ডারগণ,

ব্র্যাক ব্যাংক এর পরিচালনা পর্ষদের পক্ষ থেকে অত্যন্ত আনন্দের সাথে আমি ৩১ ডিসেম্বর, ২০২১ সমাপ্ত অর্থ বছরের সমন্বিত বার্ষিক প্রতিবেদন এবং নিরীক্ষিত আর্থিক বিবরণী উপস্থাপন করছি। ২০২১ সালে ব্র্যাক ব্যাংক এর গৌরবোজ্জ্বল ২০তম প্রতিষ্ঠাবার্ষিকী উদযাপন করেছে, যা আমাদের জন্য বিশেষ আনন্দের উপলক্ষ। গর্বের সঙ্গে বিগত ২০ বছরের দিকে ফিরে তাকানোর সঙ্গে সঙ্গে আমরা আগামী ২০ বছর ও পরবর্তী সময়ে সফল হওয়ার অনুপ্রেরণাও খুঁজে পাই। ব্যাংকের প্রতি অবিচল সমর্থনের জন্য পরিচালনা পর্ষদের পক্ষ থেকে ও আমি ব্যক্তিগতভাবে আপনাদের আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাই। মহামারির সম্ভাব্য সমাপ্তির এই ঐতিহাসিক সন্ধিক্ষণে দাঁড়িয়ে আমরা সবার জন্য টেকসই সমৃদ্ধি অর্জনের অঙ্গীকার পুনর্ব্যক্ত করছি।

আমাদের প্রতিবেদন ব্যাংকের মূল্যবোধ সৃষ্টির প্রক্রিয়া সম্পর্কে গভীরভাবে বোঝানোসহ কোভিড-১৯ মহামারির মধ্যে ব্যাংকের এগিয়ে চলা এবং বছরের অন্যান্য সময়ে আরও শক্তিশালী ও স্থিতিশীল হয়ে উঠা সম্পর্কে বোঝার জন্য যথেষ্ট তথ্য জানাবে বলে আমি বিশ্বাস করি।

মহামারির দীর্ঘস্থায়ী প্রভাব ব্যবসাকে বিভিন্ন দিক থেকে প্রভাবিত করেছে। এই প্রভাব বিশেষভাবে দেখা যায় চলতি বছরের মহামারির ভয়াবহ দ্বিতীয় ডেউয়ের সময়ে। ওই সময়ে আমাদের

আমাদের মূলধনের সঙ্গে সম্পৃক্ততা:



আমাদের এসডিজির সঙ্গে সম্পৃক্ততা:



আমাদের স্টেকহোল্ডারদের সম্পৃক্ততা:



একনজরে ২০২১ সালের সাফল্য সামষ্টিকভাবে (কনসলিডেটেড ভিত্তিতে)



নিরলস মনোযোগ ছিল সবচেয়ে উপযোগী ডিজিটাল ব্যাংকিং সেবা চালু করায়। গতিশীল ও সক্রিয় ব্যবসায়িক কৌশলের সঙ্গে মানানসই ডিজিটাল সেবা আমাদের ব্যবসায়িক কার্যক্রম পুনরুদ্ধারে সহায়তা করেছে। এই ইতিবাচক গতি ব্যাংকের অসামান্য সাফল্য এবং সকল স্টেকহোল্ডারের জন্য বাস্তবিক মূল্য তৈরিতে প্রতিফলিত হয়েছে।

বাংলাদেশের ৫০ বছর, ব্যাংক ব্যাংক এর ২০ বছর

২০২১ সালে বাংলাদেশের গৌরবোজ্জ্বল স্বাধীনতার সুবর্ণজয়ন্তী উদযাপিত হলো। চরম দারিদ্র্য ও দুর্ভোগ অবস্থা থেকে বাংলাদেশ অনেক পথ পাড়ি দিয়ে স্বনির্ভর, গতিশীল ও ব্যাপক সামাজিকভাবে রূপান্তরিত দেশে পরিণত হয়েছে।

বাংলাদেশের মতো একটি দেশের পক্ষে কোভিড-১৯ মহামারির মতো একটি বড় দুর্ঘটনার মুখোমুখি হওয়া অত্যন্ত কষ্টসাধ্য বলেই মনে হয়েছিল। তবে আশ্চর্যের বিষয় হলো তেমনটিই ঘটেনি। আমরা জাতিগতভাবে অর্থনৈতিক পতন রোধ করেছি এবং মহামারি সত্ত্বেও অর্থনৈতিক প্রবৃদ্ধি কখনোই নেতিবাচক হয়নি। এটি অধিকাংশ দেশের অবস্থার বিপরীত চিত্র। অধিকাংশ দেশেই অর্থনৈতিক সূচকে নেতিবাচক অবস্থা দেখা গেছে। রেকর্ড পরিমাণ বৈদেশিক মুদ্রার রিজার্ভের কারণে বাংলাদেশের সামষ্টিক অর্থনৈতিক সূচক শক্তিশালী ছিল।

আজ বাংলাদেশ একটি অদম্য চেতনা নিয়ে অসীম সম্ভাবনার দিকে এগিয়ে চলছে। রপ্তানি ও বৈদেশিক রেমিটেন্সের প্রবাহ ব্যাপক হারে বৃদ্ধি জিডিপি ও মাথাপিছু আয় বৃদ্ধিতে সাহায্য করে। সরকারের ব্যবসাবান্ধব নীতি এবং দৃঢ় বৈশ্বিক অর্থনৈতিক পুনরুদ্ধারের কারণে বেসরকারি খাত গতি ফিরে পেয়েছে।

বিচক্ষণ সামষ্টিক অর্থনৈতিক ব্যবস্থাপনার ফলে বাংলাদেশ গত এক দশক ধরে ধারাবাহিকভাবে ৬.৫% এর বেশি জিডিপি প্রবৃদ্ধির রেকর্ড করছে। এটি দক্ষিণ এশিয়ার মধ্যে সর্বোচ্চ। অধিক সাক্ষরতার হার, নারীর ক্ষমতায়ন, উন্নত স্বাস্থ্যসেবা, মানুষের অধিক গড় আয়ু ইত্যাদির মতো সামাজিক সুযোগগুলোর উন্নতির মাধ্যমে বছরের পর বছর ধরে টেকসই অর্থনৈতিক উন্নয়ন অর্জন সম্ভব হচ্ছে।

বাংলাদেশের আর্থ-সামাজিক কাঠামাতে একটি কর্পোরেট প্রতিষ্ঠান হিসেবে শিল্পায়ন, আর্থিক অন্তর্ভুক্তি, উদ্যোক্তা উন্নয়ন

ও কর্মসংস্থান সৃষ্টির মতো সরকারের অগ্রাধিকার দেওয়া প্রধান বিষয়গুলোতে অবদান রেখে ব্যাংক ব্যাংক দেশের উন্নয়ন অগ্রযাত্রায় সহায়কের ভূমিকা পালন করেছে।

একটি ব্যাংকের কর্মদক্ষতা এর গ্রাহকদের আস্থায় প্রতিফলিত হয়। এই উক্তি অনুযায়ী, ব্যাংক ব্যাংক লক্ষ্যণীয় ফলাফল অর্জন করেছে। দীর্ঘ পথ পাড়ি দিয়ে ব্যাংকটি অনেক উত্থান-পতনের স্বাক্ষী হয়েছে। আর এই পথচলায় সবসময়ই ছিল এর প্রধান মূল্যবোধকে ধারণ এবং দেশ ও দেশের মানুষের আশা-আকাঙ্ক্ষার সঙ্গে থাকার প্রত্যয়।

আমাদের প্রয়াত প্রতিষ্ঠাতা স্যার ফজলে হাসান আবেদ কেসিএমজি'র দর্শন অনুযায়ী আমরা এগিয়ে চলছি। দেশের ব্যাংকিং সেবার বাইরে থাকা বিপুল সংখ্যক মানুষ, এসএমই উদ্যোক্তাদের ঋণ প্রদানের লক্ষ্যে কার্যকর ব্যবস্থা তৈরি করতে তিনি প্রতিজ্ঞাবদ্ধ ছিলেন। এর ওপর আমরা বিশ্বাস স্থাপন করি এবং এ ক্ষেত্রেই সবচেয়ে বেশি প্রভাব রাখতে পারবো বলে মনে করি। এই ডিজিটাল যুগে আর্থিক অন্তর্ভুক্তির ক্ষেত্রে আমরা এখনো আমাদের আগ্রহের বিষয়েই আস্থা রেখে চলছি।

বর্তমানে ব্যাংকের মোট “অ্যাসেট বুক” এর ৪৭% শতাংশই এসএমই ঋণ। স্যার ফজলে হাসান আবেদের আর্থিক অন্তর্ভুক্তি ও নারীর ক্ষমতায়ন বিষয়ক আদর্শের সঙ্গে মিল রেখে আমরা এসএমই এবং নারী উদ্যোক্তাদের ঋণ প্রদান আরও বাড়ানোর আশা করছি।

বিস্তৃত পরিবেশ মোকাবেলায় উপযুক্ত প্রযুক্তির ব্যবহার

অধিকাংশ ব্যবসার মতো, আমরাও অনেক চ্যালেঞ্জের মুখোমুখি হয়েছি। আমাদের কর্মকৌশল বাস্তবায়নে প্রতিশ্রুতিবদ্ধ থাকা এবং বাস্তবায়নের ওপর জোর প্রদান, বিশেষ করে আমাদের ডিজিটাল প্লাটফর্মে। আমাদের ডিজিটাল অংশের ওপর পুরোপুরি মনোযোগ দিয়ে আমরা দ্রুত পরিবর্তনশীল এই পরিবেশে গ্রাহকদের চাহিদা মেটাতে সক্ষম হয়েছি। সারা বছর ধরে আমরা ব্যাংক ব্যাংক এর “আস্থা” অ্যাপসহ উদ্ভাবনী প্রোডাক্টগুলো তৈরি করেছি, যা একটি মাইলফলক বলা চলে। এর মাধ্যমে গ্রাহকদের সঙ্গে সম্পৃক্ততার নতুন একটি চ্যানেল খোলার পাশাপাশি আমরা ব্যাংকিং সেবাকে নিয়ে এসেছি হাতের আঙ্গুলের স্পর্শের মধ্যে। আস্থা একটি বৈশিষ্ট্যসম্পন্ন মোবাইল ব্যাংকিং অ্যাপ। এর মাধ্যমে ব্যাংকের সব ধরনের সেবা ডিজিটালে প্রদান করা সম্ভব।

এছাড়া আমরা এন্টারপ্রাইজ সার্ভিস বাস (ইএসবি) নামক একটি মিডলওয়্যার তৈরি করেছি, যা বিভিন্ন প্ল্যাটফর্মের সঙ্গে যুক্ত হতে পারে। এর ফলে মার্কেটে নতুন প্রোডাক্ট আনা দ্রুততর হয়।

এভাবে দেখলে, অ্যাপটি শুধু আমাদের ডিজিটাল ইকোসিস্টেমের পরিপক্বতার প্রতিফলনই নয়, একই সঙ্গে যথাযথ পরিবর্তনের মাধ্যমে গ্রাহকদের প্রত্যাশাও চূড়ান্তভাবে পূরণ করে।

এছাড়া, আমরা আরও অনেক সমাধান নিয়ে এসেছি, যা ব্যবসার সুযোগ করে দেওয়ার পাশাপাশি গ্রাহকদের আর্থিক অন্তর্ভুক্তির ক্ষেত্রেও প্রভাব ফেলেছে। আমাদের বিভিন্ন গ্রাহক সেগমেন্টকে সেবা প্রদানের জন্য আমরা উদ্ভাবন অব্যাহত রেখেছি এবং এই প্রক্রিয়ায় নতুন কিছু বিষয় নিয়ে এসেছি। এগুলোর মধ্যে আছে মহামারির মধ্যে ক্ষুদ্র ব্যবসায়ীদের এগিয়ে যাওয়ার সমাধান এবং বিস্তৃত ও অনন্য ডিজিটাল ব্যাংকিং প্ল্যাটফর্ম “কর্পনেট”। এই ব্যাংকিং প্ল্যাটফর্ম আমাদের গ্রাহকদের নিরবচ্ছিন্ন ব্যাংকিং লেনদেনের সুবিধা দেয়।

কোর ব্যাংকিং, কার্ড ম্যানেজমেন্ট, কল সেন্টার, ই-কমার্স ও পিওএস প্ল্যাটফর্ম, ই-কেওয়াইসি, এজেন্ট ব্যাংকিং মোবাইল অ্যাপ, ঋণের অ্যাপ ‘অবিচল’ এবং ইউনিফাইড কমিউনিকেশন ব্যবস্থার মতো বিষয়গুলো ব্যাংককে সেবা প্রদানে শ্রেষ্ঠ অবস্থানে নিয়ে গেছে। আমরা এখন ক্যাশ ম্যানেজমেন্ট, ট্রেড ও সাপ্লাই চেইনে অর্থায়ন, “লোন অরিজিনেশন” ব্যবস্থা, ডকুমেন্ট ম্যানেজমেন্ট, বিপুল পরিমাণ এমএফএস লেনদেন এবং তথ্য বিশ্লেষণের প্রক্রিয়ার মধ্যে আছি। আর এসব বাস্তবায়ন ব্যাংককে নতুন অবস্থানে নিয়ে যাবে।

জলবায়ু পরিবর্তনের বিষয়ে ক্রমবর্ধমান উদ্বেগের প্রতিক্রিয়া হিসেবে আমরা টেকসই বিষয়ের ওপর জোর দিয়ে সাহসী পদক্ষেপ গ্রহণের মাধ্যমে আমাদের কার্যক্রমে সামগ্রিক পরিবর্তন এনেছি। গ্রাহক থেকে শুরু করে কমিউনিটি পর্যন্ত আমাদের সকল স্টেকহোল্ডার বর্তমানে যে অবস্থানেই থাকুক না কেন, কার্বন নিঃসরণ কম এমন অর্থনীতিতে তাদের নিয়ে আসতে আমরা সচেষ্ট আছি। আমাদের টেকসই ও মূল্যবোধ ভিত্তিক ব্যাংকিং প্রচেষ্টার কেন্দ্রে আছে পরিবেশবান্ধব ও ইএসজি ব্যবস্থা।

সবাইকে একসঙ্গে নিয়ে দলগতভাবে কাজ করা

এটি বলার অপেক্ষা রাখে না, জনবলই আমাদের সবচেয়ে বড় সম্পদ। তারা শুধু আমাদের প্রতিষ্ঠানের পরিচয়ই নয়, একই সঙ্গে আমাদের সাফল্যও নির্ধারণ করে দেয়। আর এজন্যই, কর্মীদের শারীরিক ও মানসিক স্বাস্থ্য ও আবেগ-অনুভূতির ওপর নজর রেখে তাদের সুস্থতা নিশ্চিত করতে আমরা একটি সামগ্রিক পদ্ধতি অবলম্বন করি। মহামারির শুরু থেকেই ভাইরাস থেকে কর্মীদের বাঁচাতে আমরা সবসময়ই সচেষ্ট ছিলাম। টিকা নিতে আমরা কর্মীদের সক্রিয়ভাবে উৎসাহিত করেছি। একই সঙ্গে আমরা এমন একটি কার্যকর পরিবেশ তৈরি করেছি যেখানে কয়েকটি দলে ভাগ হয়ে কিছু কর্মী অফিসে এবং বাকিরা বাসায় থেকে কাজ করতে পারে। আর এরই মধ্যে দিয়ে কাজ যেমন নির্বিলম্ব হয় তেমনি পরিবেশও থাকে নিরাপদ।

মহামারির সর্বোচ্চ পর্যায়ের মাসগুলোতে কর্মীদের সামগ্রিক সুস্থতা নিশ্চিত করতে আমরা বেশ কিছু পদক্ষেপ গ্রহণ করি। এসব পদক্ষেপের মধ্যে ছিল - কোভিডের কোনো লক্ষণ আছে কিনা বুঝতে কেন্দ্রীয়ভাবে সবার স্বাস্থ্য পর্যবেক্ষণ, ব্যাংকের প্রবেশমুখে

তাপমাত্রা পরিমাপ ব্যবস্থা স্থাপন, সামাজিক দূরত্ব রক্ষা, মানসিক স্বাস্থ্য সুরক্ষা বা মানসিক চাপ কমানোর ওপর সেশন, স্বাস্থ্য পরামর্শক নিয়োগ, ব্যক্তিগত স্বাস্থ্য সুরক্ষা সামগ্রী বিতরণ, চিকিৎসা সামগ্রী প্রদান এবং বীমার কাভারেজ, সম্মুখসারির কর্মীদের জন্য জীবাণুমুক্ত পরিবহন সেবা, স্বাস্থ্য ও সুরক্ষা এবং মানসিক চাপ কমানোর উপর প্রশিক্ষণ ইত্যাদি।

এছাড়া একজন আন্তর্জাতিক পরামর্শক নিয়োগের মাধ্যমে ব্যাংকিং খাতের সব গ্রেডের কর্মকর্তাদের বেতনকাঠামো পর্যালোচনা ও উন্নততর করা হয়েছে।

একই সাথে, বৈচিত্র্য, সমতা ও অন্তর্ভুক্তির ওপর জোর দেওয়া হয়েছে। সাংস্কৃতিকভাবে প্রাণবন্ত ও বৈচিত্র্যময় একটি কর্মীবাহিনীকে আমরা একত্র করার চেষ্টা করি, যেখানে আছে বিভিন্ন বয়সের ও অভিজ্ঞতার মানুষের প্রতিনিধিত্ব এবং সব লিঙ্গের মানুষের অংশগ্রহণ। যদিও বিভিন্ন লিঙ্গের মানুষের অংশগ্রহণের ক্ষেত্রে আমরা ভালো অবস্থানে আছি, আমাদের মোট কর্মীর মধ্যে নারীর সংখ্যা মাত্র ১৩%। এক্ষেত্রে আমাদের অনেক দূর যেতে হবে।

২০২১ সালের সাফল্য আমাদের ভবিষ্যতের কথা বলে- ত্বরান্বিত প্রবৃদ্ধি

মহামারি প্রতিরোধে গ্রহণকৃত পদক্ষেপগুলো সরকার, জনগণ ও ব্যবসাকে সমস্যায় ফেলেছে। বিরতিহীন লকডাউন এবং বিধিনিষেধ, ঋণ পরিশোধ নিয়ে অনিশ্চয়তা, ঋণ প্রদান ও আমানতের ওপর সুদের হারের সীমা বেধে দেওয়া, ব্যবসা পুনরুদ্ধারে মছরগতি ব্র্যাক ব্যাংক এর মূল চ্যালেঞ্জ ছিল। দেশজুড়ে টিকাপ্রদান কর্মসূচি বেসরকারি খাতের ঘুরে দাঁড়াতে সাহায্য করেছে, যা অর্থনীতি সচল করতে ভূমিকা রেখেছে। এখন আমি যখন আপনাদের সাথে কথা বলছি তখন সমস্যার সংখ্যা কমে আসতে শুরু করেছে এবং নতুন আশাবাদের সুবাস ছড়িয়েছে বাতাসে।

পথ চলার শুরুতে চ্যালেঞ্জ সত্ত্বেও ব্র্যাক ব্যাংক ব্যতিক্রমী সাফল্য অর্জন করেছে। এজন্য ধন্যবাদ দিতে হয় শক্তিশালী ও সক্ষম নেতৃত্ব, নিবেদিত ও বিশেষজ্ঞ কর্মী, সক্রিয় ব্যবসা ব্যবস্থাপনা, ব্যাবসায়িক কৌশলের সূক্ষ্মতম বাস্তবায়ন, যথাযথভাবে প্রযুক্তি স্থাপন এবং এসব বিষয় সঠিকভাবে পরিচালনাকে। আর এরই মধ্যে দিয়ে প্রতিকূল পরিবেশেও কাজ এগিয়ে নেওয়ার এক নতুন ধরনের কর্মদক্ষতা তৈরি হয়েছে।

২০২১ সালে সামষ্টিকভাবে (কনসলিডেটেড) ভিত্তিতে ব্র্যাক ব্যাংক নিট ইন্টারেস্ট আয় ২২% বৃদ্ধি পেয়ে ১৬,৩১২ মিলিয়ন টাকায় উন্নীত হয়েছে। দৃঢ় ক্রেডিট রেটিংয়ের উপর নির্ভর করে স্বল্প খরচের আমানত সংগ্রহের ফলে এটি সম্ভব হয়েছে। মোট রেভিনিউ পূর্বের বছরের তুলনায় ১১% বৃদ্ধি পেয়ে ২০২১ সালে ৩১,৬২৩ মিলিয়ন টাকায় দাঁড়িয়েছে, যা পূর্ববর্তী বছরে ছিল ২৮,৫৫৪ মিলিয়ন টাকা। নিট ইন্টারেস্ট আয়, কমিশন, এক্সচেঞ্জ, ব্রোকারেজ ও অন্যান্য পরিচালনাগত আয়ের বৃদ্ধির ফলে সার্বিকভাবে আয় বেড়েছে।

ব্যয়ের সর্বোত্তম ও কার্যকর ব্যবস্থাপনার কারণে সামষ্টিকভাবে ব্যাংকের পরিচালনা ব্যয় মাত্র ৬% বৃদ্ধি পেয়েছে, যেখানে আয় বেড়েছে ১১%।

এর ফলে সামষ্টিকভাবে (কনসলিডেটেড) নিট মুনাফা হয়েছে ৪,৬৫৩ মিলিয়ন টাকা। ২০২০ সালে এই মুনাফা ছিল ৪,০৪১ মিলিয়ন টাকা। অর্থাৎ ১৫% প্রবৃদ্ধি অর্জিত হয়েছে। শেয়ারপ্রতি আয় বেড়ে দাঁড়িয়েছে ৩.৯৩ টাকা। ২০২০ সালে এর পরিমাণ ছিল ৩.১৭ টাকা।

কনসলিডেটেড ভিত্তিতে রিটার্ন অন ইকুইটি আগের বছরের ১০.০২% থেকে বৃদ্ধি পেয়ে ১০.৩৮% তে উন্নিত হয়েছে। রিটার্ন অব অ্যাসেসট ১.০২% থেকে বৃদ্ধি পেয়ে ১.১১% এ দাঁড়িয়েছে। কনসলিডেটেড ভিত্তিতে শেয়ারপ্রতি নিট অ্যাসেসট ভ্যালু ৬.৫২ টাকা বেড়ে ৪১.০৮ টাকায় দাঁড়িয়েছে।

এই চ্যালেঞ্জিং বছরে আমাদের সহযোগী প্রতিষ্ঠানসমূহও ঘুরে দাঁড়ানোর মত আর্থিক ফলাফল নিয়ে এসেছে। বিকাশ কৌশলগত কারণে ১,২৩৪ মিলিয়ন টাকা ক্ষতির মুখোমুখি হলেও ব্র্যাক ইপিএল ইনভেস্টমেন্ট লিমিটেড এবং ব্র্যাক ইপিএল স্টক ব্রোকারেজ লিমিটেড যথাক্রমে ২৪৭ মিলিয়ন টাকা ও ২৫৮ মিলিয়ন টাকা মুনাফা অর্জন করেছে, যাতে পূর্বের বছরের তুলনায় প্রবৃদ্ধি হয়েছে যথাক্রমে ৪৫৮% ও ৬০%।

২০২১ সালের আর্থিক সাফল্য এবং একটি সুন্দর ভবিষ্যতের জন্য, পরিচালনা পর্ষদ ২০২১ সালের জন্য ১৫% লভ্যাংশ (৭.৫০% নগদ এবং ৭.৫০% স্টক) সুপারিশ করেছে। চ্যালেঞ্জপূর্ণ একটি বছরেও আমাদের লভ্যাংশ প্রদানের নীতি আমাদের শেয়ারহোল্ডারদের পুরস্কৃত করার প্রতিশ্রুতিরই প্রতিফলন। এই সক্ষমতা আমাদের এগিয়ে চলার দৃষ্টিভঙ্গি, বিচক্ষণ ঝুঁকি ব্যবস্থাপনা, দ্রুত সিদ্ধান্ত গ্রহণ ও বাস্তবায়ন এবং প্রতিকূল পরিবেশেও প্রচলিত অবস্থার সঙ্গে খাপ খাইয়ে নেওয়ার অন্তর্নিহিত ক্ষমতার কথা জানায়।

সুশাসন ও টেকসই ভবিষ্যতের জন্য আমাদের কাঠামোগত অগ্রগতি

আমি আনন্দের সঙ্গে জানাচ্ছি যে, নিয়ন্ত্রণ সংস্থাসমূহের দ্বারা নির্ধারিত ব্যাংকের ব্যবসায়িক আচরণবিধি এবং নৈতিকতার কোনো বিধান থেকেই আমরা সরে যাইনি। ব্যাংকের সাংগঠনিক নীতি সমুন্নত রাখার প্রতিশ্রুতিও আমি নিশ্চিত করেছি। এক্ষেত্রে নৈতিক ও আইনি লেনদেনের ওপর জোর দেওয়া হয়। আর কর্মক্ষেত্রে ও এই সম্পর্কিত স্থানে দুর্নীতি, ঘুষ ও যেকোনো বৈষম্যকে কোনো প্রশ্রয় দেওয়া হয় না। আমরা কঠোরভাবে মান নিয়ন্ত্রণ করি এবং এ ধরনের ঘটনাগুলো নজরে আনার জন্য “হুইসেল-ব্লোয়ার” নীতির মতো কিছু উপযুক্ত ব্যবস্থা গ্রহণ করা হয়েছে।

এই বছরের মধ্যে ব্যাংকের প্রযুক্তি পরিচালনা কাঠামো ও নিয়ন্ত্রণ আরও জোরদার করার লক্ষ্যে বেশ কিছু উদ্যোগ বাস্তবায়িত হয়েছে। দূরবর্তী স্থান থেকে কাজের ব্যবস্থা রাখার পাশাপাশি তথ্য নিরাপত্তা বাড়ানোর লক্ষ্যে ব্যাংকের সাইবার নিরাপত্তা কাঠামো জোরদার করা হয়। যেকোনো ধরনের অপ্রীতিকর ঘটনা এড়াতে আমাদের বৃহত্তর প্রযুক্তি অবকাঠামোতে সাইবার নিরাপত্তাকে মূল ফোকাসে নিয়ে যথেষ্ট শক্তিশালী সিস্টেম ও

প্রক্রিয়া রাখা হয়েছে। এছাড়া, তথ্য বিশ্লেষণের ব্যাপকতার কথা মাথায় রেখে আমরা তথ্যের গোপনীয়তার বিষয়ে সচেতন এবং এমন ব্যবস্থা নেওয়া হয়েছে যা এই শিল্পের মানদণ্ডের সঙ্গে সামঞ্জস্যপূর্ণভাবে তথ্য চুরির যেকোনো প্রচেষ্টাকে বাধা প্রদানে সক্ষম।

সুশাসন উদ্যোগ ও পরিপালন বিষয়ে বিস্তারিত পাওয়া যাবে এই প্রতিবেদনের কর্পোরেট গভর্ন্যান্স অংশে।

ব্যাংকজুড়ে টেকসই ব্যবস্থার প্রচলন ব্র্যাক ব্যাংক এর একটি চলমান কার্যক্রম। টেকসই এবং সামাজিকভাবে আরও দায়বদ্ধ হওয়া আমাদের কৌশলগত অগ্রাধিকারের বিষয়গুলোর অন্যতম একটি। নীতি ও সিদ্ধান্ত গ্রহণে “ইএসজি” কে বিবেচনায় নেওয়ার মাধ্যমে আমরা টেকসই হওয়ার বিষয়টিকে মূল ধারায় নিয়ে এসেছি। এই কৌশলগত অগ্রাধিকারকে এগিয়ে নিয়ে যাওয়ার লক্ষ্যে আমরা ২০২১ সালে সমালোচনামূলক কাঠামো স্থাপনে এগিয়ে এসেছি। প্রতিশ্রুতি বজায় রেখে জবাবদিহিতাকে বাড়িয়ে আমরা টেকসই হওয়া ব্যাংকের সাফল্যের অন্যতম সূচক হিসেবে গণ্য করছি।

আন্তরিক ধন্যবাদ

প্রতি বছর পার হওয়ার সঙ্গে সঙ্গে আমরা স্বীকার করে নেই স্টেকহোল্ডাররা আমাদের টেকসই প্রবৃদ্ধির জন্য কতোটা গুরুত্বপূর্ণ। মহামারির এই সময়ে সংগঠনগুলোর মধ্যে আন্তঃসংযুক্তি ও পারস্পরিক নির্ভরশীলতার যৌক্তিকতা আরও স্পষ্ট হয়েছে। অন্যদিকে বহু স্টেকহোল্ডারের সহযোগিতা ও ঐক্যের গুরুত্ব ও শক্তি বোঝা গেছে। এই বিষয়টি মাথায় নিয়ে ব্যাংকের প্রতি অব্যাহত সমর্থন ও সহযোগিতার জন্য আমাদের সব স্টেকহোল্ডারকে আমি ধন্যবাদ জানাই।

বিশেষভাবে ধন্যবাদ জানাই পরিচালনা পর্ষদে আমার সহকর্মী ও সিনিয়র নেতৃত্বকে।

একই সঙ্গে আমি ধন্যবাদ জানাই বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, যৌথ মূলধন কোম্পানি ও ফার্মসমূহের নিবন্ধকের পরিদপ্তর, জাতীয় রাজস্ব বোর্ড, ঢাকা ও চট্টগ্রাম স্টক এক্সচেঞ্জ, সেন্ট্রাল ডিপোজিটরি বাংলাদেশ এবং ফিন্যান্সিয়াল রিপোর্টিং কাউন্সিলকে। আপনাদের সমর্থন ও দিকনির্দেশনা অত্যন্ত প্রশংসনীয়।

পরিশেষে, ব্র্যাক ব্যাংক টিমের সকলের প্রতি আমার আন্তরিক কৃতজ্ঞতা জানাই। আমাদের মূল্যবোধগুলো ধারণ করে তারা এগিয়ে চলছেন। আর এরই মাধ্যমে সংশ্লিষ্ট সকলের জীবনে কোনো না কোনোভাবে তারা প্রভাব রাখতে পেরেছেন।

ধন্যবাদান্তে—

Ahmed H. Munn

ড. আহসান এইচ. মনসুর
চেয়ারম্যান



Our performance for the year 2021 speaks of the strength within, as we marshalled resilience and agility to face the challenges boldly, executing on our strategic themes of innovation, digitalisation, customer value, teamwork and sustainability. Thus, fortified by the power of our BRAC Bank squad, we achieved 9% and 18% growth in our total deposits and loans & advances, respectively on standalone basis, validating our long-held belief that moments of crisis display true character and identity.

Selim R. F. Hussain, Managing Director & CEO

Review from Managing Director & CEO

Dear Shareholders,

I extend a warm welcome to you to our Integrated Annual Report for the year 2021 and hope all of you are in good health and keeping safe.

BRAC Bank began 2021 in a spirit of euphoria, with celebrations marking the 20 years of our operations in Bangladesh, a period during which the bank has become an integral part of the economic and social landscape of the nation. We take a moment to remember the immense contributions of our late Founder, Sir Fazle Hasan Abed KCMG, who truly created the foundations of financial inclusion and empowerment with his ideals and beliefs in the power of the nation and its people.

Incidentally, our 20-year celebrations coincided with the joyous occasion of the 50th independence anniversary of Bangladesh in 2021. Throughout our journey, BRAC Bank has garnered a reputation of accompanying customers and the community through the toughest of times, and 2021 was no exception, as we continued to serve the prioritised agenda of the nation, contributing through both our direct and indirect impact.

Link to our Capitals:



Link to our SDGs:



Link to our Stakeholders:



2021 performance at a glance

321,212 mn

Loans and advances
(BDT)

314,599 mn

Total deposits (BDT)

57%

CASA

53%

Cost-to-income ratio

76,987 mn

Market
capitalisation (BDT)

7,619

Total team
size

At the commencement of the year, a renewed sense of optimism for recovery from the difficulties of the previous year abounded, but soon we were confronted by the adverse period of the devastating second wave that, despite the best efforts in containment by the authorities, had a sharp impact on lives and livelihoods and indeed the broader economy. As we reach two years of living with the Covid-19 pandemic globally and locally, it is clear that we are in a world that is being transformed. And though we are beginning the year 2022 with the same sense of positivity as the year before and though there are evident signs that the pandemic is likely to have reached an endemic stage, it would be prudent to exercise caution.

Marking 20 years of progress – from financial inclusion to digital financial inclusion

Financial inclusion was the primary reason BRAC Bank was spawned 20 years ago. The bank was conceived as an important part of the vision of progressing the overall financial agenda of BRAC, a leading global non-governmental organisation and a major shareholder of the bank. While serving the needs of low-income households through microcredit, the pressing need for institutional-developmental finance was identified for SME businesses, the large “missing middle” of the country. Sir Abed had envisioned that Bangladesh needed a bank that would serve this segment.

Today, 20 years down the line, we remain deeply committed to the financial inclusion manifesto with which the bank was founded. Though we have come a long way, we still have a long way to go when we consider that out of a population of 166-mn people living in the country, half still remain unbanked, being financially excluded and hence unable to participate in the economic story of the country. We believe financial inclusion is a fundamental right for all, which

is well reflected in over 47% of our customer assets being in the SME segment and we being the largest in the industry in terms of collateral-free CMSME loans. Yet, today, we have discovered a renewed opening to push this agenda forward. The digital age.

The pandemic, regrettable that it is, had one silver lining. It advanced digital adoption by many years. Thus, many banking activities that were thought impossible to conduct virtually are being done via the smart phone today. While the cost of onboarding and maintaining a low-ticket customer account has generally been prohibitive in a brick-and-mortar environment, today, this cost has declined and the service proposition has become much more viable as we are now able to open such accounts through multiple solutions, including digital app, internet banking, agent banking, etc.

Thus, through sustained and heavy investments in our digital assets and backend systems and infrastructure we are focusing on advancing our agenda of financial inclusion using digital tools and technologies. In addition, technology has also opened up serving the retail segment that has a large volume of lower-income customer cohorts as well. Thus, pushing investments in technology is a key priority to move forward and offer different banking services to many more customers segments. Taking an example, our robust agent banking platform that comprises over 700 outlets spread across the country has enabled us to seamlessly onboard customers at a low viable cost. Within a short period, our agent banking network has been able to spawn a deposit and loan portfolio of BDT 7,653 mn and BDT 33,736 mn, respectively, at the close of 2021. In another major development of the year, we launched our mobile banking app, Astha, that brought the convenience of the whole bank right to the fingertips of our customers. Notably, the app has already been downloaded 162,000 times since its launch in the month of April 2021.

I must also mention that a changed and more supportive regulatory environment has played a major role in the transition to digital banking and we hope for continued favourable policy measures that align digital banking more closely with the Digital Bangladesh vision of the government.

Achieving a robust performance that we are proud of

Marshalling a groundswell of resilience and our spirit of achieving bold performance despite the odds, even the pandemic could not dampen our business dynamics. Thus, the bank's key financial parameters outperformed market expectations, thanks to our extensive presence in the market, wide product suite with a solutions orientation, strong customer relations, process simplification through technology and service excellence standards.

In 2021, deposits continued to grow at pace, registering a 9% YoY increase, reflecting growing customer confidence reposed in our franchise as a trusted custodian of their financial security. CASA deposits constituted 57% of the total deposit base, up from 54% in the preceding year, showing expansion in our low-cost fund base and attendant strong liquidity position. On the other hand, loan portfolio witnessed a solid 18% YoY growth, recording a big jump from the 3% growth witnessed in 2020. Importantly, we onboarded quality credit without any compromise on our scrutiny or underwriting standards.

Further, determining the pressures of the pandemic, we were clear on expense control as a means to calibrate our business in line with the external environment. This paid off, with the bank achieving moderation in its cost-to-income ratio of 53% in 2021, improving significantly from 58% in the previous year. Notably, thanks to our sustained operational efficiency initiatives, despite pressure on interest income due to the interest cap, we were able to expand our profit before tax by 17% to BDT 7,890 mn and profit after tax by 22% to BDT 5,547 mn in 2021, a creditable achievement by any standard amid difficult times.

At a granular level, the bank's net asset value (NAV) per share improved to BDT 39.09 from BDT 33.38 in 2020 and return on equity increased to 11.00%, up from 10.69% in the preceding year. Just to dwell a bit on our non-performing loans (NPLs). As one of the well-managed banks of the country with an uncompromised focus on KYC and credit scrutiny, our NPLs are much lower than the general industry average. Still, it is our continuous endeavour to reduce overdue loans on our books and this will get a further thrust in the current year. Our NPLs increased to 3.90% in 2021, as compared to 2.93% in 2020.

Further, as a means to avoid any credit shock, we have set aside provisions to the extent of BDT 3,054 mn in 2021, thus reporting a NPL coverage ratio of 124% for 2021.

(BDT in mn, unless otherwise stated)

Performance indicators (Standalone)	2021	2020
Profit before tax	7,890	6,735
Net profit after tax	5,547	4,541
Earnings per share (BDT)	3.98	3.26
Growth in deposits	9%	8%
CASA as a percentage of total deposits	57%	54%
Growth in loan portfolio	18%	3%
Cost-to-income ratio	53%	58%
Non-performing loans	3.90%	2.93%
CRAR	14.36%	14.55%
Net asset value per share (BDT)	39.09	33.38
Return on equity	11.00%	10.69%
Closing market price (DSE, BDT)	55.3	44.3
Closing market price (CSE, BDT)	54.6	44.3

On the capital markets front, though the protracted pandemic had a negative impact on investor sentiment, yet, by the end of December 2021, BRAC Bank's closing market price stood at BDT 55.3 on the Dhaka Stock Exchange (DSE), up from BDT 44.3 at the close of the previous year, thus resulting in linear appreciation of about 25% during the year.

Relying on our homegrown solutions to support our customers during a difficult period

The bank has faced many challenges and ups and downs in its journey, helping develop a fighting spirit and the expectation of performing against the odds.

The question constantly on our minds was how do we support customers and help them build resilience to tide over the difficult time. How do we show solidarity in their efforts to counter liquidity challenges. We determined that a myopic focus here on immediate returns would threaten the future sustainability of the bank. However, a long-term perspective, driven by faith in our stakeholder relationships and a commitment to our identity as a bank with ethics and integrity, was the order of the day.

Today, I'm proud that in the pandemic recovery process the bank has played a significant role in supporting the affected sectors. In fact, we channelled the highest concessionary stimulus funds to targetted beneficiaries in the CMSME segment at BDT 11,851 mn in 2021. Subsidised credit is truly helping rejuvenate the industry and will be instrumental in facilitation of the government's GDP

growth targets. We harnessed our extensive SME network and mobilised our large team to enable stimulus loan transmission, thus emerging as a major interface between the government and the public. Furthermore, as part of the stimulus, the bank also provided BDT 2,833 mn to corporate customers. It also extended a BDT 800 mn soft loan to small businesses under the stimulus package, spearheaded by SME Foundation.

Support was the need of the hour too as, into the second year, the pandemic showed no signs of abating with erratic economic pause and un-pause witnessed right throughout 2021 that created additional uncertainty. The pandemic continued prolonging the misery of small-scale entrepreneurs who stared at broken supply chains and distribution networks.

In view of the crisis, BRAC Bank undertook a unique approach to help SMEs counter the pandemic ills. We conducted a series of surveys to elicit response from our SME customers on their state of business, impact of the pandemic and preferred support mechanism that would enable them to return to normalcy. This interactive and engagement-driven approach helped the bank develop personalised credit solutions that would best-fit the needs and expectations of our varied customers.

Achieving sustained progress across our key strategic pillars

BRAC Bank achieved all-round progress during the year. Some of the noteworthy initiatives are given below.

From haors to the hills, creating a pervasive presence through our agent banking network

Though late entrants, we have been off to a flying start in our agent banking business. Within a period of a few years, we have been able to develop 705 agent banking outlets around Bangladesh (as of 31 December 2021), covering 100% of the districts of the nation. From *haors*, plains to the hills, BRAC Bank's agent banking is going places that were beyond the reach of traditional branch-based banking.

Our agent banking service is fostering new employment opportunities and contributing significantly to uplift the micro-market economy, especially the rural parts. It now serves 140,000 people, with the channel's rural penetration hitting the industry's highest at 77%. Further, our agent banking channel conducts over 186,000 transactions of a cumulative BDT 16,000 mn per month. Apart from state-of-the-art security apparatus, including biometric verification and

real-time transaction support, yet another key differentiator is our 'Agent App' that facilitates agents/agents' staff to take banking right as a doorstep service for our customers.

Harnessing technology for advancing our digital banking objectives

BRAC Bank is leading the digital revolution in the banking sector, committed to bringing new and exciting mobile technologies to offer enhanced convenience to customers. The bank has also embraced a multi-channel strategy with a combination of physical and digital capabilities to reach out to more people and expand its footprint across the country.

The bank has embarked on a digital transformation journey, aimed at dispensing best-in-class services to customers. We have already deployed core banking system, card management system, mobile banking app 'Astha', internet banking for corporate customers under COPRNet, agent banking mobile app, e-commerce & POS platform, enterprise service bus and IVR-powered call centre to offer improved customer experience. Further, our lending app, Obichol, speeds up processing of retail loans and issue of credit cards with straight-through process and zero manual interventions.

Since launch of 'Astha' in April 2021, total transaction value has risen to BDT 1,465 cr/month in October 2021, up from BDT 832 cr/month in April 2021. Total transaction count also increased to 426,271/month in October 2021, up from 294,044/month in April 2021. More than 40% of all transactions currently occur beyond traditional banking hours, thanks to the bank's digital offerings and alternate delivery channels. Further, CORPNet has also witnessed 31% growth in transactions within just 9 months of 2021, compared to 2020. In 2021, BDT 33,590 cr was transacted using CORPNet, which is almost twice the total transactions of 2020.

Today, we are in the process of deploying loan origination system and document management solution that will quicken loan processing and help efficiently manage documents. We are also in the process of implementing e-KYC, trade and supply chain financing solutions and data analytics that will ensure customer delight and service excellence. With API connectivity with NBR system, BRAC Bank pioneered facilitation of online VAT payment, much to the delight of our corporate customers.

Making customer-centricity the driver of product innovation

Customer-centricity is at the heart of the bank's product design. The team thinks from the perspective

of our customers to align product propositions, thus developing best product-market fit propositions.

For instance, accounts especially for students, loan products especially for teachers, no-frills Prothom account for potential SMEs, the country's first-ever freelancer account and the launch of 'swipe load'- the country's first-ever POS transaction-based financing solution all attest to the bank's drive for product innovation to cater to the changing needs of our customers.

Prioritising employee health and safety, diversity and inclusion

We continued to show empathy and care amid the pandemic, spotlighting employee health and safety.

With strong tech foundations, we harnessed our tech capabilities to develop a holistic health-check app, where more than 7,500 co-workers regularly answered Covid-related questions twice a week. Based on the information acquired on the app, our safety and security teams arranged treatment or hospitalisation in cases of infection. Understanding that working during the pandemic was traumatic, the bank arranged trauma management sessions in small groups, virtually. Such sessions helped keep the morale high. Moreover, BRAC Bank was the first bank in the sector to complete insurance payout to Covid-infected co-workers.

As a values-based organisation, BRAC Bank believes in leaving no one behind. We believe that race, religion, sexual orientation, gender identity or physical disability should not be a barrier for an individual to discover their talent and deliver on their potential. Thus, as part of our diversity and social inclusion agenda, we emerged as the first in the banking industry to recruit people from the transgender community. This ushers a new era of fostering an inclusive society, where no one will be judged by their gender, but by their talent and potential.

Torchbearers of good governance, sustainability and compliance

BRAC Bank has a clear demarcation of responsibilities between the Board and the management. Further, the bank's Board composition is such that most of the directors are independent and specialists in their own fields. They set policies, guidelines and monitor performance and have assigned full freedom to the management to run the day-to-day affairs of the bank.

In a major testimony of our governance practices, Bangladesh Bank selected BRAC Bank as one of the top-10 sustainable banks of Bangladesh in 2021, recognising the bank's green and sustainable financing practices. Enthused, we will continue to explore avenues in green climate fund, bankable climate adaptation projects, green bonds and the bank's contribution to the SDGs in the future.

Our intrinsic culture of compliance is embedded in the value system of the bank. A number of tax accolades from the National Board of Revenue (NBR) personify the bank's reputation as one of the most compliant bank in the country.

Vote of thanks

Many lives have been lost as a result of the pandemic. Our sincerest condolences to employees, clients and stakeholders who have lost loved ones during this period. May we all find the courage to tap into our resilience and carry on living with gratitude and grace.

Steve Jobs once said that great things in business are never done by one person, but by a team of people. Thank you to our team of more than 7,600 co-workers who remained committed to living our purpose and serving our 1.3 mn customers during a turbulent time. I am deeply grateful for your resilience. I also thank all our other stakeholders, including our clients and customers, shareholders, regulators, business partners and members of the society in extending their support and cooperation to the bank.

Great crises tend to bring about profound change. The Plague marked the end of the Middle Ages and the beginning of the Renaissance. Similarly, the Spanish flu in 1918-19 gave rise to the euphoric 20s, a period of dramatic change. Although uncertainty abounds, we do know that all pandemics come to an end and we must use the Covid-19 crisis as an epochal event to build back better.

At BRAC Bank, I am confident that we will prevail, ensuring that our stakeholders are touched deeply by our collective quest to do good for all, leaving no one behind.

With best wishes,



Selim R. F. Hussain
Managing Director & CEO



২০২১ সালের সফলতা আমাদের অভ্যন্তরীণ শক্তিশালী সক্ষমতার পরিচয় দেয়। দৃঢ়তার সাথে চ্যালেঞ্জ মোকাবেলায় আমরা ঘুরে দাঁড়ানোর মানসিকতায় অবিচল বিশ্বাসী ও কর্মতৎপর ছিলাম। উদ্ভাবন, ডিজিটাইজেশন, কাস্টমার ভ্যালু, দলবদ্ধ কাজ এবং টেকসই উন্নয়ন, আমাদের মৌলিক এই আদর্শগুলোকে বাস্তবায়নের মধ্য দিয়েই আমরা তা করেছি। আর এভাবেই ব্র্যাক ব্যাংক ‘স্কোয়াড’ এর সুদৃঢ় শক্তিতে আমরা এককভাবে মোট আমানতে ৯% এবং ঋণ ও অগ্রিমে ১৮% প্রবৃদ্ধি অর্জন করেছি। একই সঙ্গে আমাদের দীর্ঘ এই বিশ্বাসটি আরেকবার সুদৃঢ় হলো যে, সংকটের সময়ই স্বকীয় চরিত্র ও পরিচয় পাওয়া যায়।

সেলিম আর. এফ. হোসেন, ব্যবস্থাপনা পরিচালক ও সিইও

সাফল্য পর্যালোচনায় ব্যবস্থাপনা পরিচালক ও সিইও

প্রিয় শেয়ারহোল্ডারবৃন্দ

আশা করি আপনারা সবাই সুস্থ ও নিরাপদে আছেন। ২০২১ সালের সমন্বিত বার্ষিক প্রতিবেদনে আপনাদের স্বাগত জানাচ্ছি।

ব্র্যাক ব্যাংক প্রতিষ্ঠার ২০ বছর পূর্তি উদ্‌যাপনের লক্ষ্য নিয়ে বিপুল উৎসাহ উদ্দীপনার মধ্যে দিয়ে ২০২১ সালটি শুরু করে। এই সময়ে ব্যাংকটি জাতীয় অর্থনীতি ও সামাজিক প্রেক্ষাপটে একটি অবিচ্ছেদ্য অংশ হয়ে উঠেছে। এ সময় আমরা প্রয়াত প্রতিষ্ঠাতা ফজলে হাসান আবেদের অপরিসীম অবদানের কথা স্মরণ করি। জাতি ও জনগণের শক্তির ওপর তাঁর দর্শন ও বিশ্বাস থেকে তিনি আর্থিক অন্তর্ভুক্তি ও ক্ষমতায়নের ভিত্তি তৈরি করে গেছেন।

ঘটনাক্রমে, আমাদের ২০ বছর উদযাপনের উপলক্ষ বাংলাদেশের স্বাধীনতার ৫০ বছর পূর্তির সঙ্গে মিলে যায়। এই যাত্রায় সবচেয়ে কঠিন সময়েও গ্রাহকদের পাশে থাকার সুনাম অর্জন করেছে ব্র্যাক ব্যাংক। ২০২১ সালও এর ব্যতিক্রম ছিল না। জাতীয় অগ্রাধিকারের বিষয়সমূহে প্রত্যক্ষ ও পরোক্ষভাবে আমরা অবদান রেখে চলেছি।

২০২১ সালের শুরুতে আগের বছরের সমস্যাগুলো থেকে পুনরুদ্ধারে এক নতুন আশা দেখা যায়। কিন্তু দ্রুতই আমরা করোনার বিশ্বব্যাপী দ্বিতীয় ঢেউয়ের প্রতিকূল সময়ের মুখোমুখি হয়েছিলাম। করোনার বিস্তার নিয়ন্ত্রণে কর্তৃপক্ষের সর্বোচ্চ চেষ্টা

আমাদের মূলধনের সঙ্গে সম্পৃক্ততা:



আমাদের এসডিজির সঙ্গে সম্পৃক্ততা:



আমাদের স্টেকহোল্ডারদের সম্পৃক্ততা:



২০২১ সালের সাফল্যের মূল সূচকগুলো

৩২১,২১২

মিলিয়ন টাকা
ঋণ ও অগ্রিম

৩১৪,৫৯৯

মিলিয়ন টাকা
মোট আমানত

৫৭%

কারেন্ট অ্যাকাউন্ট
সেভিং অ্যাকাউন্ট

৫৩%

আয়ের বিপরীতে
খরচের অনুপাত

৭৬,৯৮৭

মিলিয়ন টাকা
বাজার মূলধন

৭,৬১৯

জনবল

থাকলেও জীবন ও জীবিকাসহ প্রকৃতপক্ষে বৃহত্তর অর্থনীতিতে এর প্রভাব পড়েছিল। স্থানীয় ও বৈশ্বিকভাবে আমরা যখন কোভিড-১৯ এর মধ্যে দুই বছর কাটিয়ে দিয়েছি তখন একটি বিষয় স্পষ্ট যে, আমরা এক পরিবর্তিত বিশ্বে বসবাস করছি। পূর্বের বছরের মতো চলতি ২০২২ সালও আমরা ইতিবাচকভাবে শুরু করেছি। অবশ্য ইতিমধ্যেই একটি বিষয় অবস্থাদৃষ্টে স্পষ্ট বোঝা যাচ্ছে মহামারি এখন স্থানীয় পর্যায়ে এসে পড়েছে। তবে সতর্কতা অবলম্বনই হবে বুদ্ধিমানের কাজ।

২০ বছরের অগ্রগতি- আর্থিক অন্তর্ভুক্তি থেকে ডিজিটাল আর্থিক অন্তর্ভুক্তি

২০ বছর আগে ব্র্যাক ব্যাংক সৃষ্টির মূল লক্ষ্যই ছিল আর্থিক অন্তর্ভুক্তি। নেতৃস্থানীয় বৈশ্বিক বেসরকারি সংস্থা ও ব্যাংকের প্রধান শেয়ারহোল্ডার - ব্র্যাক - এর সামগ্রিক আর্থিক এজেন্ডাকে এগিয়ে নেওয়ার গুরুত্বপূর্ণ অংশ হিসেবে ব্যাংকের পরিকল্পনা করা হয়েছিল। ক্ষুদ্রঋণের মাধ্যমে স্বল্প আয়ের মানুষের চাহিদা পূরণের পাশাপাশি দেশের ব্যাংকিং সেবার বাইরে থাকা বিপুল সংখ্যক মানুষের জন্য ব্যাংকিং এবং এসএমই ব্যবসার জন্য অর্থায়নের প্রয়োজনীয়তা চিহ্নিত করা হয়েছিল। স্যার ফজলে হাসান আবেদের চিন্তায় ছিল বাংলাদেশে এমন একটি ব্যাংক দরকার যেটি এই খাতে কাজ করবে।

আজ ২০ বছর পর, এখনো আমরা আর্থিক অন্তর্ভুক্তির ঘোষণাপত্রের প্রতি গভীরভাবে প্রতিশ্রুতিবদ্ধ। এর ওপর ভিত্তি করেই ব্যাংকটি প্রতিষ্ঠিত হয়েছে। অনেকটা পথ আমরা পেরিয়ে এসেছি। তবে ১৬৬ মিলিয়ন জনসংখ্যার এই দেশের এখনো অর্ধেক মানুষ ব্যাংকিং সেবা বঞ্চিত এবং আর্থিকভাবে বাদ পড়ায় তারা দেশের অর্থনীতিতে অংশগ্রহণ করতে পারছেন না। বিষয়টি চিন্তা করলে এখনো আমাদের অনেক পথ যেতে হবে। আর্থিক অন্তর্ভুক্তি একটি মৌলিক অধিকার বলে আমাদের বিশ্বাস করি। আমাদের ব্যাংকের কাস্টমার অ্যাসেস্টের ৪৭% এসএমই এবং জামানতমুক্ত সিএমএসএমই লোনের ক্ষেত্রে আমরা এই শিল্পে দেশের সর্ববৃহৎ। আর এসব বিষয় আমাদের বিশ্বাসের প্রতিফলন। তবুও আজ আমরা বিষয়টিকে নতুন করে এগিয়ে নেওয়ায় এক পথ আবিষ্কার করেছি। আর সেটি হলো ডিজিটাল মাধ্যম।

মহামারির ভয়াবহ সময়েও একটি প্রাপ্তি আছে। এর ফলে ডিজিটাল গ্রহণযোগ্যতা কয়েক বছরের জন্য এগিয়ে গেছে। আর তাই, অনেক ব্যাংকিং কার্যক্রম, যা আগে ভার্চুয়ালি সম্ভব নয় বলে ধরে নেওয়া হতো, সেসব আজ স্মার্টফোনেই সম্পন্ন করা যাচ্ছে। প্রথাগত ব্যবসায়িক মডেলে স্বল্প আমানতের অ্যাকাউন্ট খোলা ও এর রক্ষণাবেক্ষণকে সাধারণভাবে নিষিদ্ধ ছিল। কিন্তু বর্তমান পরিবেশে এই খরচ কমেছে এবং সেবার পরিকল্পনা আরও কার্যকর হয়েছে। আমরা এখন এমন অ্যাকাউন্ট ডিজিটাল অ্যাপ, ইন্টারনেট ব্যাংকিং, এজেন্ট ব্যাংকিংসহ বিভিন্নভাবে খুলতে পারি।

এভাবে ডিজিটাল সম্পদ, ‘ব্যাংকএন্ড’ ব্যবস্থা ও অবকাঠামোতে টেকসই ও ভারী বিনিয়োগ করে ডিজিটাল টুলস ও প্রযুক্তি ব্যবহারের মাধ্যমে আমাদের এজেন্ডা আর্থিক অন্তর্ভুক্তির বাড়ানোর ওপর জোর দিচ্ছি। এছাড়া প্রযুক্তি আমাদের রিটেইল অংশকে সেবা প্রদানের ব্যবস্থা তৈরি করে দিয়েছে, যেখানে একটি বড় অংশই নিম্ন আয়ের গ্রাহক। এভাবে প্রযুক্তিতে বিনিয়োগকে এগিয়ে নেওয়ার অন্যতম লক্ষ্য হলো আরও গ্রাহকের মধ্যে বিভিন্ন ব্যাংকিং সেবা পৌঁছে দেওয়া। উদাহরণ হিসেবে বলা যায়, দেশজুড়ে আমাদের এজেন্ট ব্যাংকিং প্ল্যাটফর্মে ৭০০টির বেশি আউটলেট ছড়িয়ে আছে। এসব আউটলেটে স্বল্প খরচে গ্রাহক হওয়া যায়। এজেন্ট ব্যাংকিং নেটওয়ার্কের মাধ্যমে ২০২১ সালের শেষে আমানত ও ঋণ পোর্টফোলিও দাঁড়িয়েছে ৭,৬৫৩ মিলিয়ন টাকা ও ৩৩,৭৩৬ মিলিয়ন টাকা। বছরের আরেকটি গুরুত্বপূর্ণ বিষয় হলো, আমরা মোবাইল ব্যাংকিং অ্যাপ ‘আস্থা’ চালু করেছি। এই অ্যাপ ব্যাংকের সব সুবিধা গ্রাহকের নখদর্পনে নিয়ে গেছে। উল্লেখ্য, ২০২১ সালের এপ্রিলে চালু হলেও অ্যাপটি এরই মধ্যে ১৬২,০০০ বার ডাউনলোড করা হয়েছে।

এখানে আমাদের অবশ্যই উল্লেখ করতে হবে যে, নিয়ন্ত্রণ সংস্থার পরিবর্তিত এবং আরও সহায়ক পরিবেশের কথা, যা ডিজিটাল ব্যাংকিং রূপান্তরের ক্ষেত্রে বড় ভূমিকা পালন করেছে। আমরা আশা করবো এমন সহায়ক নীতি অব্যাহত থাকবে এবং ডিজিটাল বাংলাদেশ ভিশনের সঙ্গে আরও নিবিড়ভাবেই চলবে ডিজিটাল ব্যাংকিং।

গর্ব করার মতো আমাদের বড় সাফল্য

মহামারির মতো প্রতিকূলতা সত্ত্বেও বড় সাফল্যের জন্য আমাদের ঘুরে দাঁড়ানোর মনোভাব সকল বাধা জয় করেছে। আর এভাবে

ব্যাংকের মূল আর্থিক নির্দেশকগুলো মার্কেটের প্রত্যাশাকে ছাড়িয়ে যায়। এজন্য ধন্যবাদ দিতে হবে আমাদের দীর্ঘসময় মার্কেটে উপস্থিতি, সমাধানের উদ্দেশ্যে বিভিন্ন ধরনের প্রোডাক্ট, গ্রাহকদের সঙ্গে জোরদার সম্পর্ক, প্রযুক্তি ব্যবহারে মাধ্যমে প্রক্রিয়া সহজ করা এবং উন্নত মানের সেবা প্রদান ব্যবস্থাকে।

২০২১ সালে আমানত প্রবৃদ্ধি লক্ষ্যণীয় ছিল। আমরা আমানতে ৯% প্রবৃদ্ধি অর্জন করেছি। এই প্রবৃদ্ধি আর্থিক নিরাপত্তার রক্ষক হিসেবে আমাদের ওপর গ্রাহকদের আস্থার প্রতিফলন। চলতি ও সঞ্চয়ী অ্যাকাউন্টে আমানত মোট আমানতের ৫৭% এবং এই হার পূর্বের বছরের ৫৪% হার এর চেয়ে বেশি। এটি আমাদের স্বল্প খরচের তহবিলের ভিত্তি এবং তারল্যের শক্তিশালী অবস্থার কথা জানায়। অপরদিকে ঋণ পোর্টফোলিওতে পূর্বের বছরের তুলনায় ১৮% প্রবৃদ্ধি দেখা গেছে। ঋণ পোর্টফোলিওতে ২০২০ সালের ৩% প্রবৃদ্ধি থেকে এটি একটি বড় উন্নতি। গুরুত্বপূর্ণ বিষয় হলো আমাদের যাচাই ব্যবস্থা ও মানদণ্ডের সঙ্গে কোনো আপস ছাড়াই মানসম্পন্ন ঋণ প্রদান করতে পেরেছি।

এছাড়া, মহামারির চাপের কথা চিন্তা করে, বাহ্যিক পরিবেশের সঙ্গে সামঞ্জস্য রেখে আমরা ব্যয় নিয়ন্ত্রণের বিষয়ে স্পষ্ট ছিলাম। এর ইতিবাচক ফলাফলও এসেছে। ২০২১ সালে আমাদের আয়ের বিপরীতে খরচের অনুপাত হয়েছে ৫৩%। গতবছর এই হার ছিল ৫৮%। অর্থাৎ আমরা ব্যয় কমিয়ে আয়ের হার বাড়িয়েছি। বিশেষভাবে ধন্যবাদ দিতে হবে আমাদের পরিচালনার কার্যকর উদ্যোগগুলোকে। এর কারণেই ইন্টারেস্ট আয়ে ইন্টারেস্টের হার বেঁধে দেওয়ার চাপটি থাকলেও আমাদের কর পূর্ববর্তী মুনাফা বেড়েছে ১৭%, যা ৭,৮৯০ মিলিয়ন টাকা এবং কর পরবর্তী মুনাফায় প্রবৃদ্ধি ২২%, যা ৫,৫৪৭ মিলিয়ন টাকা। কঠিন এই সময়ে যেকোনো মানদণ্ডেই এটি প্রশংসনীয়।

(মিলিয়ন টাকায়, অন্যভাবে কিছু সজ্জায়িত না হলে)

সাফল্যের মূল সূচক (এককভাবে)	২০২১	২০২০
কর পূর্ববর্তী মুনাফা	৭,৮৯০	৬,৭৩৫
কর পরবর্তী মুনাফা	৫,৫৪৭	৪,৫৪১
শেয়ারপ্রতি আয় (টাকায়)	৩.৯৮	৩.২৬
আমানতে প্রবৃদ্ধি	৯%	৮%
চলতি ও সঞ্চয়ী আমানতের হার (সিএএসএ)	৫৭%	৫৪%
ঋণ ও অগ্রিমে প্রবৃদ্ধি	১৮%	৩%
আয়ের বিপরীতে খরচের অনুপাত	৫৩%	৫৮%
খেলাপি ঋণ	৩.৯০%	২.৯৩%
সিআরএআর	১৪.৩৬%	১৪.৫৫%
শেয়ারপ্রতি নিট অ্যাসেট ভ্যালু (টাকায়)	৩৯.০৯	৩৩.৩৮
রিটার্ন অন ইকুইটি	১১.০০%	১০.৬৯%
শেয়ারের সর্বশেষ লেনদেন মূল্য (ডিএসই, টাকায়)	৫৫.৩	৪৪.৩
শেয়ারের সর্বশেষ লেনদেন মূল্য (সিএই, টাকায়)	৫৪.৬	৪৪.৩

ব্যাংকের মোট সম্পদের মূল্য (এনএভি) শেয়ার প্রতি ২০২০ সালের ৩৩.৩৮ টাকা থেকে বেড়ে ৩৯.০৯ টাকা হয়েছে। আর রিটার্ন ইকুইটি বেড়ে হয়েছে ১১.০০%, যেখানে পূর্ববর্তী বছর এই হার ছিল ১০.৬৯%। খেলাপি ঋণ (এনপিএল) বিষয়ে একটু আলোকপাত করি। এরপরও গ্রাহককে জানা (কেওয়াইসি) ও ঋণের ব্যাপারে আপসহীন যাচাই প্রদানের কারণে এনপিএল এর ক্ষেত্রে সাধারণভাবে এই শিল্পের গড়ের চেয়ে আমাদের অবস্থান ভালো। এরপরও খেলাপি ঋণ যথাসময়ের মধ্যে কমিয়ে আনায় আমাদের ধারাবাহিক প্রচেষ্টা অব্যাহত থাকবে এবং চলতি বছর এই কার্যক্রম আরও বাড়বে। ২০২১ সালে আমাদের এনপিএল ৩.৯০%-তে দাঁড়িয়েছে, যা ২০২০ সালে ছিল ২.৯৩%। এছাড়া খেলাপি ঋণের মন্দাবস্থা এড়াতে ঋণে ২০২১ সালে ৩,০৫৪ মিলিয়ন টাকা প্রভিশনের জন্য আলাদা করে রাখা হয়েছে। আর তাই ২০২১ সালে এনপিএল কভারেজ অনুপাত হয়েছে ১২৪%।

দীর্ঘায়িত মহামারি পুঁজিবাজারে বিনিয়োগকারীদের মনোভাবের ওপর নেতিবাচক প্রভাব ফেলে। ডিসেম্বর ২০২১ এর শেষে পুঁজিবাজারে ব্র্যাক ব্যাংকের বাজার দর ছিল টাকা স্টক এক্সচেঞ্জে ৫৫.৩ টাকা এবং পূর্ববর্তী বছরের এই সময়ে এটি ছিল ৪৪.৩ টাকা। এর ফলে এক বছরে দাম বেড়েছে প্রায় ২৫%।

কঠিন সময়ে গ্রাহকদের সেবায় বিশেষায়িত সমাধানেই নির্ভরশীলতা

ব্যাংক এর যাত্রাপথে অনেক বাধা-বিপত্তি ও উত্থান পতনের সম্মুখীন হয়েছে। এর ফলে প্রতিকূলতার বিরুদ্ধে গিয়েও লড়াইয়ের মনোভাব ধরে রাখা এবং সঠিকভাবে কাজ করার প্রত্যাশা তৈরি হয়েছে।

আমাদের মনে ক্রমাগত এই প্রশ্নই উঠেছে, আমরা কীভাবে গ্রাহকদের কঠিন সময়ে সহযোগিতা ও সমর্থন দিয়ে পূর্বের অবস্থায় ফিরিয়ে নিতে পারবো, তারল্য চ্যালেঞ্জ মোকাবেলায় আমরা কীভাবে তাঁদের প্রতি সহমর্মিতা প্রদর্শন করবো। আমরা এই বিষয়টি স্থির করি যে, এখানে দ্রুত কিছু ফেরতের আশা করলে ব্যাংকের টেকসই অবস্থান ভবিষ্যত হুমকির সম্মুখীন হতে পারে। আর তাই, আমাদের স্টেকহোল্ডারদের সঙ্গে সম্পর্কের প্রতি আস্থা রেখে দীর্ঘমেয়াদি পরিকল্পনা গ্রহণ করে নীতি ও নৈতিকতাসহ একটি ব্যাংক হিসেবেই আমরা পরিচয় দিই।

আজ আমরা গর্বিত যে মহামারি থেকে পুনরুদ্ধারের প্রক্রিয়ায় ব্র্যাক ব্যাংক ক্ষতিগ্রস্ত খাতগুলোর সহায়তায় গুরুত্বপূর্ণ ভূমিকা পালন করতে পেরেছে। প্রকৃতপক্ষে ২০২১ সালে আমরা সিএমএসএমই অংশের গ্রাহকদের জন্য প্রণোদনার সর্বোচ্চ পরিমাণ তহবিল ১১,৮৫১ মিলিয়ন টাকা প্রদান করেছি। এই ভর্তুকিযুক্ত ঋণ সত্যিকার অর্থেই শিল্পকে পুনরুজ্জীবিত করতে সহায়ক হয়েছে এবং সরকারের জিডিপি বৃদ্ধির লক্ষ্যমাত্রা তৈরিতেও সহায়তা করবে। আমরা ব্যাংকের বিস্তৃত নেটওয়ার্ককে এই কাজে লাগিয়েছি। প্রণোদনার ঋণকে সহজ করতে আমাদের বৃহৎ টিমকে একত্রিত করেছি। এর ফলে সরকার ও জনগণের মধ্যে একটি বন্ধন তৈরি হয়েছে। এছাড়া এই প্রণোদনার ঋণ হিসেবে কর্পোরেট গ্রাহকদের মধ্যে ২,৮৩৩ মিলিয়ন টাকা বিতরণ করা হয়েছে। এরপরও প্রণোদনার প্যাকেজ হিসেবে ব্যাংকের পক্ষ থেকে ক্ষুদ্র ব্যবসায়ীদের মধ্যে ৮০০ মিলিয়ন টাকা এসএমই ফাউন্ডেশনের মাধ্যমে ‘সফট লোন’ হিসেবে বিতরণ করা হয়েছে।

পরবর্তী সময়েও সমর্থন প্রয়োজন ছিল, কারণ দ্বিতীয় বছরেও মহামারি দ্রুত চলে যাওয়ার কোনো লক্ষণ দেখায়নি এবং ২০২১ সালেও বাড়তি অনিশ্চয়তা দেখা যায়। মহামারি ক্ষুদ্র উদ্যোক্তাদের দুর্দশাকে বাড়তেই থাকে এবং তারা ভেঙে পড়া সাপ্লাই চেইন ও বিতরণ নেটওয়ার্কের দিকেই তাকিয়ে ছিল।

সংকটের পরিপ্রেক্ষিতে ব্র্যাক ব্যাংক এসএমই ও করোনায় ক্ষতিগ্রস্তদের মহামারি মোকাবেলায় এক অন্যান্য উদ্যোগ নিয়েছে। আমরা আমাদের এসএমই গ্রাহকদের কাছ থেকে তাদের ব্যবসার অবস্থা জানতে একাধিক সমীক্ষা চালাই। এসব সমীক্ষার মাধ্যমে মহামারিতে তাদের ব্যবসার অবস্থা, মহামারির প্রভাব এবং স্বাভাবিক অবস্থায় ফিরে আসতে সক্ষম করবে এমন সহায়তার বিষয়ে জানতে চাওয়া হয়। এসব সমন্বিত এবং সম্পৃক্ত পদ্ধতি ব্যাংককে বিশেষায়িত ঋণ সুবিধা তৈরিতে সহায়তা করেছে। আর বিষয়টি আমাদের বৈচিত্র্যময় গ্রাহকদের চাহিদা ও প্রত্যাশার জন্য সবচেয়ে উপযোগী হিসেবে দেখা গেছে।

মূল কৌশলগত স্তর কেন্দ্রিক টেকসই উন্নয়ন অর্জন

ব্র্যাক ব্যাংক এ বছর সর্বাঙ্গিক অগ্রগতি অর্জন করেছে। এক্ষেত্রে কিছু উল্লেখযোগ্য উদ্যোগ নিচে দেওয়া হলো:

এজেন্ট ব্যাংকিংয়ে নেটওয়ার্কের মাধ্যমে হাওর থেকে পাহাড় অঞ্চল পর্যন্ত ব্যাংকিং সম্প্রসারণ

দেরিতে শুরু করলেও এজেন্ট ব্যাংকিং ব্যবস্থায় আমাদের সূচনা হয়েছে ইতিবাচক। কয়েক বছরের মধ্যে, দেশজুড়ে আমরা ৭০৫ টি এজেন্ট ব্যাংকিং আউটলেট (৩১ ডিসেম্বর ২০২১ সালের তথ্য) তৈরি করেছি। আর এর মাধ্যমে দেশের ৬৪টি জেলা ১০০% কাভার করা যাচ্ছে। হাওর থেকে সমতল, সেখান থেকে পাহাড়, ব্র্যাক ব্যাংক এর এজেন্ট ব্যাংকিং এমন সব স্থানে পৌঁছে গেছে যেখানে প্রচলিত ধারণার শাখা ব্যাংকিং দিয়ে পৌঁছানো অসম্ভব।

আমাদের এজেন্ট ব্যাংকিং সেবার মাধ্যমে নতুন কর্মসংস্থানের সৃষ্টি হয়েছে। আর এর মাধ্যমে মাইক্রো-মার্কেট অর্থনীতি, বিশেষ করে গ্রামীণ অর্থনীতির উন্নয়নে উল্লেখযোগ্য অবদান রাখা সম্ভব হচ্ছে। এই মাধ্যমে এখন সেবা পাচ্ছে ১.৪০ লাখ মানুষ। গ্রামীণ জনপদের মানুষের এখানে সংশ্লিষ্টতা এই শিল্পের সর্বোচ্চ ৭৭%। এছাড়া আমাদের এজেন্ট ব্যাংকিং চ্যানেলে প্রতিমাসে ১৮৬,০০০ টি লেনদেনে আনুমানিক ১,৬০০ কোটি টাকা লেনদেন হয়। বায়োমেট্রিক যাচাইকরণ ও রিয়েল-টাইম লেনদেন সম্পন্ন করার জন্য অত্যন্ত সুরক্ষা অবকাঠামো ছাড়াও অন্যদের সঙ্গে আমাদের পার্থক্য গড়ে দিয়েছে ‘এজেন্ট অ্যাপ’। এর মাধ্যমে এজেন্টরা ব্যাংকিং সেবাকে মানুষের বাড়ি পর্যন্ত নিয়ে যেতে পারছেন।

আমাদের ডিজিটাল ব্যাংকিং ব্যবস্থাকে এগিয়ে নেওয়ায় প্রযুক্তির ব্যবহার

ব্যাংকিং সেক্টরে ডিজিটাল বিপ্লবের নেতৃত্ব দিচ্ছে ব্র্যাক ব্যাংক। গ্রাহকদের উন্নত সেবা দিতে নতুন ও আকর্ষণীয় মোবাইল প্রযুক্তি আনতে ব্র্যাক ব্যাংক প্রতিশ্রুতিবদ্ধ। আরও বেশি মানুষের কাছে পৌঁছাতে এবং সারা দেশে উপস্থিতি নিশ্চিত করতে ব্র্যাক ব্যাংক একটি ‘মাল্টি-চ্যানেল’ কৌশল গ্রহণ করেছে যেখানে স্থায়ী অবকাঠামো ও ডিজিটাল সক্ষমতার সমন্বয় ঘটেছে।

গ্রাহকদের সবচেয়ে মানসম্পন্ন সেবা প্রদানের লক্ষ্যে ব্র্যাক ব্যাংক ডিজিটাল রূপান্তর যাত্রা শুরু করেছে। গ্রাহকদের উন্নত মানের অভিজ্ঞতা প্রদানের লক্ষ্যে আমরা ইতিমধ্যেই কোর ব্যাংকিং ম্যানেজমেন্ট, কার্ড ম্যানেজমেন্ট, মোবাইল ব্যাংকিং অ্যাপ ‘আস্থা’, কর্পোরেট গ্রাহকদের জন্য ইন্টারনেট ব্যাংকিং ব্যবস্থা ‘কর্পনেট’, এজেন্ট ব্যাংকিং মোবাইল অ্যাপ, ই-কমার্স ও পিওএস প্ল্যাটফর্ম, এন্টারপ্রাইজ সার্ভিস বাস এবং আইভিআর-ভিত্তিক কল সেন্টার তৈরি করেছি। এছাড়া, আমাদের ঋণ প্রদানের অ্যাপ ‘অবিচল’ রিটেইল ঋণের প্রক্রিয়াকে ত্বরান্বিত করেছে এবং ক্রেডিট কার্ড ইস্যু করার প্রক্রিয়া সরাসরি হয়েছে, যেখানে ম্যানুয়াল কোনো কিছুই করতে হবে না।

২০২১ সালের এপ্রিলে ‘আস্থা’ চালু হওয়ার পর লেনদেনের পরিমাণ বেড়েছে। ২০২১ সালের অক্টোবরে প্রতি মাসে মোট লেনদেন হয়েছে ১,৪৬৫ কোটি টাকা, যেখানে ২০২১ সালের এপ্রিলে প্রতি মাসে লেনদেনের পরিমাণ ছিল ৮৩২ কোটি টাকা।

মোট লেনদেনের সংখ্যাও বেড়েছে। ২০২১ সালের অক্টোবরে প্রতি মাসে মোট লেনদেন হয়েছে ৪২৬,২৭১টি, যেখানে ২০২১ সালের এপ্রিলে প্রতি মাসে লেনদেনের পরিমাণ ছিল ২৯৪,০৪৪ টি। এখন ব্যাংকের মোট লেনদেনের ৪০% প্রচলিত ব্যাংকিং সময়ের বাইরে ঘটেছে। আর এজন্য আমাদের ডিজিটাল ব্যাংকিং এবং অলটারনেট ডেলিভারি চ্যানেলকে ধন্যবাদ দিতে হবে। এছাড়া, ‘কর্পনেট’ প্ল্যাটফর্মে ২০২০ সালের চেয়ে ২০২১ সালের মাত্র ৯ মাসে ৩১% লেনদেন বেড়েছে। ২০২১ সালে ‘কর্পনেট’ ব্যবহার করে ৩৩,৫৯০ কোটি টাকা লেনদেন হয়েছে, ২০২০ সালের মোট লেনদেনের তুলনায় যা প্রায় দ্বিগুণ।

দ্রুত ঋণ প্রক্রিয়াকরণ ও নথিপত্র ব্যবস্থাপনায় সহায়তার জন্য এখন আমরা লোন অরিজিনেশন সিস্টেম ও ডকুমেন্ট ম্যানেজমেন্ট সল্যুশন নিয়ে কাজ করছি। ই-কেওয়াইসি, ট্রেড অ্যান্ড সাপ্লাই চেইন ফাইন্যান্সিং সল্যুশন ও ডেটা অ্যানালিটিক্স ব্যবস্থা বাস্তবায়নের প্রক্রিয়ার মধ্যে আছি। এই বিষয়গুলো গ্রাহকদের জন্য আনন্দদায়ক হবে এবং উন্নত সেবা নিশ্চিত করবে। জাতীয় রাজস্ব বোর্ডের সিস্টেমে এপিআই সংযোগের মাধ্যমে ‘কর্পনেট’ গ্রাহকদের জন্য সহজে অনলাইনে ভ্যাট প্রদানের ব্যবস্থা তৈরিতে ব্র্যাক ব্যাংক অগ্রণী ভূমিকা পালন করছে।

গ্রাহক-কেন্দ্রিকতাই প্রোডাক্ট উদ্ভাবনের চালিকা শক্তি

গ্রাহক কেন্দ্রিকতাই ব্যাংকের প্রোডাক্ট ডিজাইনের কেন্দ্রবিন্দুতে আছে। প্রোডাক্ট টিম আমাদের গ্রাহকদের দৃষ্টিকোণ থেকে প্রোডাক্টের সুযোগসুবিধা নিয়ে চিন্তা করে, যেন সবচেয়ে উৎকৃষ্ট প্রোডাক্টগুলোই আমরা মার্কেটে নিয়ে আসতে পারি।

উদাহরণ হিসেবে শিক্ষার্থীদের জন্য বিশেষ অ্যাকাউন্ট, শিক্ষকদের জন্য ঋণ, সম্ভাবনাময় এসএমই এর জন্য স্বল্প খরচের প্রথম অ্যাকাউন্ট, দেশের প্রথম ফ্রিল্যান্সার অ্যাকাউন্ট, দেশের প্রথম পিওস ভিত্তিক ফাইন্যান্সিং সল্যুশন -

‘সোয়াইপ লোড’ এর মতো প্রোডাক্টগুলো উল্লেখযোগ্য। আর এগুলো ব্যাংকের প্রোডাক্ট উদ্ভাবনে গ্রাহকদের পরিবর্তিত চাহিদার বিষয়ে গুরুত্ব প্রদানের প্রমাণ দেয়।

কর্মকর্তাদের স্বাস্থ্য ও নিরাপত্তা, বৈচিত্র্য ও অন্তর্ভুক্তিতে অগ্রাধিকার

কর্মকর্তাদের স্বাস্থ্য ও নিরাপত্তায় বিশেষ গুরুত্ব দিয়ে মহামারির মধ্যে আমরা নজর, সহানুভূতি ও যত্ন প্রদান অব্যাহত রেখেছি।

শক্তিশালী প্রযুক্তিগত ভিত্তির সঙ্গে সঙ্গে একটি সামগ্রিক স্বাস্থ্য-পরীক্ষা অ্যাপ তৈরি করতে আমরা আমাদের প্রযুক্তিগত সক্ষমতাকে কাজে লাগিয়েছি, যেখানে ৭,৫০০ এর বেশি সহকর্মী সপ্তাহে দুবার কোভিড-সম্পর্কিত প্রশ্নের উত্তর দেন। অ্যাপের পাওয়া তথ্যের ওপর ভিত্তি করে আমাদের সুরক্ষা ও নিরাপত্তা টিম আক্রান্তদের চিকিৎসা ও হাসপাতালে ভর্তির ব্যবস্থা করে। মহামারি চলাকালে কাজ চালিয়ে যাওয়া কষ্টকর বুঝতে পেরে ব্যাংকের পক্ষ থেকে ছোট ছোট গ্রুপে ‘ট্রমা ম্যানেজমেন্ট’ সেশনের আয়োজন করা হয়। সেশনগুলো মনোবল চাঙা রাখতে সহায়তা করে। সর্বোপরি, ব্র্যাক ব্যাংকই একমাত্র ব্যাংক যারা কোভিড আক্রান্ত সহকর্মীদের বীমা প্রদান সম্পন্ন করেছে।

মূল্যবোধ ভিত্তিক একটি সংগঠন হিসেবে কাউকে পেছনে ফেলে না আসায় বিশ্বাস করে ব্র্যাক ব্যাংক। আমরা বিশ্বাস করি জাতি, ধর্ম, যৌন অভিমুখীতা, লিঙ্গ পরিচয় বা শারীরিক অক্ষমতা কারও প্রতিভা বিকাশ এবং সেটি প্রকাশে বাধা হওয়া উচিত নয়। আর তাই বৈচিত্র্যময়তা এবং সামাজিক অন্তর্ভুক্তির অংশ হিসেবে ব্যাংকিং শিল্পে আমরাই প্রথম ট্রান্সজেন্ডার সম্প্রদায়কে নিয়োগের ব্যবস্থা করেছি। আর এরই মাধ্যমে অন্তর্ভুক্তিমূলক সমাজ গড়ে তোলায় নতুন যুগের সূচনা হয়েছে। লিঙ্গের ভিত্তিতে কাউকে মূল্যায়ন নয় বরং মূল্যায়ন হবে তার মেধা ও প্রতিভার ভিত্তিতে।

সুশাসন, টেকসই উন্নয়ন ও নিয়মানুবর্তিতার নিদর্শন

ব্র্যাক ব্যাংক এর পরিচালনা পর্ষদ এবং ব্যবস্থাপনার মধ্যে দায়িত্বের একটি সুস্পষ্ট সীমানা আছে। ব্যাংকের পর্ষদ এমনভাবে গঠিত যে এর পরিচালকরা স্বাধীন এবং তাঁদের নিজস্ব ক্ষেত্রে বিশেষজ্ঞ। তারা নীতি, নির্দেশনা ও কর্মদক্ষতা পর্যবেক্ষণ করেন। আর ব্যাংকের দৈনন্দিন বিষয়গুলো পরিচালনার জন্য ম্যানেজমেন্টকে তারা সম্পূর্ণ স্বাধীনতা প্রদান করেছেন।

পরিচালনা নীতির কারণে ২০২১ সালে ব্র্যাক ব্যাংককে দেশের শীর্ষ ১০টি টেকসই ব্যাংকের একটি হিসেবে স্বীকৃতি দিয়েছে বাংলাদেশ ব্যাংক। ব্যাংকের পরিবেশবান্ধব ও টেকসই কার্যক্রমের স্বীকৃতি দেওয়া হয়েছে। এই উৎসাহে আমরা সবুজ জলবায়ুর তহবিল, ব্যাংকের জন্য উপযোগী জলবায়ু অভিযোজন প্রকল্প,

পরিবেশবান্ধব বন্ড এবং টেকসই উন্নয়ন লক্ষ্যমাত্রায় (এসডিজি) ব্যাংকের অংশগ্রহণ ভবিষ্যতে আরও বৃদ্ধি করবো।

আমাদের নিয়মানুবর্তিতার সংস্কৃতি ব্যাংকের মূল্যবোধের মধ্যেই অন্তর্নিহিত। কর প্রদানের জন্য জাতীয় রাজস্ব বোর্ড (এনবিআর) এর একাধিক স্বীকৃতি নিয়মানুবর্তী ব্যাংক হিসেবে এর সুখ্যাতির কথাই জানায়।

ধন্যবাদ জানাই

মহামারিতে আমরা হারিয়েছি বহু প্রাণ। এই সময়ে প্রিয়জন হারানো কর্মকর্তা, গ্রাহক ও স্টেকহোল্ডারদের প্রতি আমাদের সমবেদনা। আমরা সবাই যেন সুন্দর ও স্বাভাবিকভাবে বেঁচে থাকার সাহস খুঁজে পাই এই প্রত্যাশা করি।

স্টিভ জবস বলেছেন, ব্যবসার অসাধারণ বিষয়গুলো শুধু একজনের দ্বারা হয়নি, বরং একদল মানুষ এজন্য কাজ করেছে। ৭,৬০০ সহকর্মীকে আমি ধন্যবাদ জানাই যারা নিষ্ঠার সঙ্গে তাঁদের দায়িত্বে প্রতিশ্রুতিবদ্ধ ছিলেন এবং সংকটকালেও ১.২ মিলিয়ন গ্রাহককে সেবা দিয়েছেন। দায়িত্বশীলতার জন্য আপনাদের প্রতি আমার গভীর শ্রদ্ধা। আমি আরও ধন্যবাদ জানাই আমাদের গ্রাহক, শেয়ারহোল্ডার, নিয়ন্ত্রক সংস্থা, ব্যবসায়িক অংশীদার, সমাজের সদস্যসহ অন্য সব স্টেকহোল্ডারদের।

বড় সংকট গভীর পরিবর্তন আনে। প্লেগ মধ্যযুগের শেষ এবং রেনেসাঁর সূচনা করেছিল। একইভাবে, ১৯১৮-১৯ সালের ‘স্প্যানিশ ফ্লু’ নিয়ে আসে অনেক নাটকীয় পরিবর্তন। অনিশ্চয়তা থাকলেও আমরা জানি একসময় মহামারি শেষ হবে এবং আমাদের ভিত্তি মজবুত কোভিড-১৯ সংকটকে অবশ্যই একটি নবযুগ সূচনাকারী ঘটনা হিসেবে নিতে হবে।

সবার মঙ্গলের জন্য এবং কাউকে পেছনে ফেলে রেখে নয় - আমাদের সম্মিলিত এই প্রচেষ্টায় স্টেকহোল্ডারদের গভীরভাবে शामिल করে ব্র্যাক ব্যাংক জয়ী হবেই বলে আমার বিশ্বাস।

আন্তরিক শুভেচ্ছাসহ,

সেলিম আর. এফ. হোসেন

ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা

THE COMPANY



Years of Experience. A Year of Reinvention!



Amongst the largest and systematically important bank in Bangladesh

BRAC Bank Limited is amongst the largest private sector commercial bank in Bangladesh in terms of total assets, which stood at Tk. 449 bn (USD 5.23bn) as at the end of 2021. The bank accounts for approximately 2.0% and 2.2% of the sectors loans & advances and deposits respectively.

Legacy of over 20 years

The bank's origins date back to 2001, marking 20 years of successful operations in 2021. The total staff cadre of the bank stood at 7,740 as at end 2021 and they serve over 1.3 mn customers comprising around 3.7 lac SME customers, about 17,000 corporate client groups, and around 8.6 lac retail customers through a wide local and international network of branches, subsidiaries, agency arrangements and correspondent banking relationships. The bank also has a sound base of around 1.16 mn deposit-holders.

Versatile financial intermediation

BRAC Bank was established with the noble vision of providing formal banking solutions to the 'unbanked' small and medium enterprises of Bangladesh. These comprise the socioeconomic backbone of the country and yet did not have access to institutional finance. Today, BRAC Bank not only bridges this disparity, hence contributing to the true spirit of financial inclusion, but has also emerged as a bank synonymous with SME finance in Bangladesh.

Robust diversification

In addition to charting its own trailblazing path in SME finance, today, BRAC Bank has also built large and thriving businesses around its three other pillars – Small Business, Retail and Corporate segments. Furthermore, BRAC Bank's subsidiary, bKash, is the largest and fastest-growing mobile finance services (MFS) business with 2.7 lac agents and more than 57 mn verified accounts. Besides business diversification, the bank has successfully accomplished a high level of diversification in its operations across many other parameters, such as customer profile, products and services portfolio, funding profile, maturity profile, economic sectors and sources of revenue.

Fostering values-based inclusive banking

BRAC Bank, as a member of the prestigious Global Alliance for Banking on Values (GABV), is committed to humanise finance, embracing the holistic "3P" philosophy of People, Planet and Profit. With a partnership mindset, we are focused on accelerating social, cultural, environmental and economic transformation across Bangladesh, enhancing our impact in ways that help to build more inclusive communities and improve the well-being of people. We will continue to explore and embrace opportunities in green climate fund, bankable climate adaptation projects and green bonds, while aligning our impacts with those of the SDGs and Government priorities.

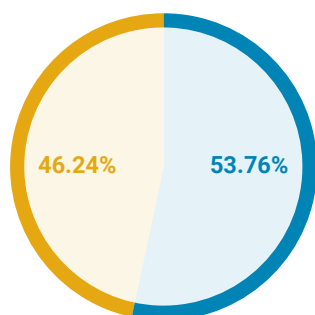
Strong capitalisation

BRAC Bank's Tier-1 Capital Ratio and Total Capital Ratio stood at 12.89% and 14.36%, respectively, as at December 31, 2021, compared to the regulatory minimum ratios of 6% and 12.5%. The bank's growth was prudent, with gearing in terms of on-balance

sheet assets as well as risk-weighted assets remaining at 8.25 times and 5.65 times, respectively, as of the end of 2021. Demonstrating the strength of the franchise, the bank's shares reported satisfactory price to book value (PBV) of 13.88 times and a market capitalisation of Tk 77 bn on the Dhaka Stock Exchange at year's end.

Ownership of the bank

Number of shares



Sponsor	No. of shares	%
BRAC	642,696,863	46.17%
Others	1,074,421	0.08%
Non-sponsor		
Non Resident Bangladeshi	978,349	0.07%
Mutual Funds	29,686,702	2.13%
Institutions and General Public	717,736,064	51.56%

Domestic ratings	Network	Financials
AA1/ST-1	187	13,997 mn
CRAB rating	Branches	Net interest income
AA+/ST-1	373	10,944 mn
CRISL rating	ATMs	Operating profit
AA+/ST-1	93	5,547 mn
Emerging Credit Rating	CDMs	Profit after tax

Our many firsts!

Only member of the Global Alliance for Banking on Values (GABV) from Bangladesh	First bank in Bangladesh with the best credit ratings from all top-tier domestic credit rating agencies	Highest market capitalisation in the banking sector at Tk. 77 bn (as on end-2021)	Largest international investor shareholding in the domestic banking industry (37.88% as on end-2021)

Our Philosophy

3Ps in alignment with GABV principles

At BRAC Bank, our focus on sustainability is driven by our underlying emphasis on the “3P” philosophy of People, Planet, Prosperity. Guided by the underlying principles of this approach, our conduct is rooted in nurturing a comprehensive impact that benefits all constituents of our stakeholders, especially in alignment with the principles of the Global Alliance for Banking on Values (GABV), of which we are the only member from Bangladesh.



The culture of sustainability, good governance and compliance is embedded in the bank's value system. As a member of the GABV, BRAC Bank has embraced the following principles:

PRINCIPLE 1	PRINCIPLE 2	PRINCIPLE 3	PRINCIPLE 4	PRINCIPLE 5	PRINCIPLE 6
Social and environmental impact and sustainability are at the heart of our business model	Grounded in communities, we serve the real economy and enable new business models to meet the needs of both	We forge long-term relationships with clients and enable a direct understanding of their economic activities and the risks involved	We focus on the long-term, are self-sustaining and remain resilient to outside disruptions	We foster transparent and inclusive governance	All these principles are embedded in our culture as a financial institution of repute

BRAC Bank's 3P focus is enshrined in its philosophy. It includes:



PEOPLE FOCUS

- Our products and solutions cater to the widest range of needs and requirements – from corporate loans to SME credit to personal loans and easy loans to women entrepreneurs, thereby enabling us to closely integrate with the lives of our customers.
- Over the past 20 years, we have continually evolved to maximise our developmental impact, most notably as pioneers in SME loans in Bangladesh. In 2021, the bank served 145,972 SME entrepreneurs with a SME loan portfolio of over BDT 134,621 mn, which is the market capitalisation of several other smaller banks put together.
- The bank has a robust financial foundation and an excellent reputation built on its exemplary record of governance controls and oversight, which helps reinforce people trust on the bank.



PLANET FOCUS

- As a major player in the financial services sector, BRAC Bank influences a wide arch of stakeholders, comprising people, customers, communities and the environment.
- In 2021, BRAC Bank was recognised by Bangladesh Bank as one of the top-10 sustainable banks of Bangladesh, a commendation alluded to the bank's green and sustainable financing initiatives.
- As a member of the GABV, the bank ensures that enterprises that receive our financing meet common environmental standards.
- We have instituted partnerships with renowned international organisations and local banks to initiate capacity-building programmes to support the culture of responsible credit.



PROSPERITY FOCUS

- As part of our focus on shared prosperity, we are advancing the developmental impact in Bangladesh by expanding access to finance.
- We are effectively integrating and implementing sustainable development solutions to support holistic socio-economic growth.
- We strongly believe in the inherent nature of the projects we support so that these can become catalysts of sustainable development.

Vision, Mission and Values

Since inception, BRAC Bank has been a trusted partner to large corporations and small agencies, large deposit-holders as well as micro account-holders. Thus, anchored on its core philosophies, the bank is renowned in the financial services industry for delivering innovative, value-added, robust and adaptive finance-led transformation solutions that help generate the maximum impact.



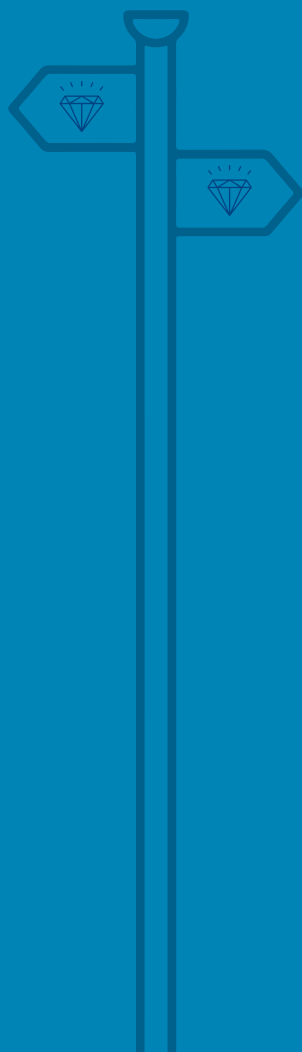
Our Vision

Building a profitable and socially responsible financial institution focused on markets and businesses with growth potential, thereby assisting BRAC and stakeholders to build a “just, enlightened, healthy, democratic and poverty-free Bangladesh”.



Our Mission

- Sustained growth in ‘Small & Medium Enterprise’ sector
- Continuous low-cost deposit growth with controlled growth in Retained Assets
- Corporate Assets to be funded through self-liability mobilization. Growth in Assets through Syndications and Investment in faster-growing sectors
- Continuous endeavor to increase fee-based income
- Keep our debt charges at 2% to maintain a steady profitable growth
- Achieve efficient synergies between the bank’s branches, SME Unit Offices and BRAC field officers for delivery of remittance and the bank’s other products and services
- Manage various lines of business in a fully controlled environment with no compromise on service quality
- Keep a diverse, far-flung team fully motivated and driven towards materializing the bank’s vision into reality



Our Values

Our strength emanates from our owner – BRAC. This means, we will hold the following values and will be guided by them as we do our jobs.

- **Innovation-** BRAC has been an innovator in the creation of opportunities for the poor to lift themselves out of poverty. We value creativity in program design and strive to display global leadership in groundbreaking development initiatives.
- **Integrity-** We value transparency and accountability in all our professional work, with clear policies and procedures, while displaying the utmost level of honesty in our financial dealings. We hold these to be the most essential elements of our work ethic.
- **Inclusiveness-** We are committed to engaging, supporting and recognizing the value of all members of society, regardless of race, religion, gender, nationality, ethnicity, age, physical or mental ability, socioeconomic status and geography.
- **Effectiveness-** We value efficiency and excellence in all our work, constantly challenging ourselves to perform better, to meet and exceed program targets, and to improve and deepen the impact of our interventions.



Our Code of Conduct



CODE OF CONDUCT FOR EMPLOYERS

BRAC Bank will ensure to maintain a pleasant working environment in the Bank in terms of the presence of well set and well-defined compensation package, clearly set goals, as well as a performance-led job description for employees of all levels. The Bank will ensure the scope for both professional and career development of employees. Such an environment with well-designed strategic and logistic support would reinforce the satisfaction of employees, which will ultimately make them loyal to the bank and its culture.

The working environment, as well as procedures in BRAC Bank, is well designed and well maintained to make it reasonably and promptly responsive to the customer needs, along with compliance with legal and regulatory requirements. Hence, the employees should therefore be expected to be well-trained and well-mannered to perform their duties efficiently, which will eventually enhance the goodwill of the bank and thereby, expand the customer base and increase the market share. Importantly, to motivate the employees towards the goals of the bank and enable them to perform to the best of their levels, responsibilities are clearly defined and carefully allocated along with requirements and procedures for accountability and performance reporting and evaluation.



● RESPONSIBILITY TO THE SHAREHOLDERS

- To preserve the lawful benefits and interests of shareholders;
- To make an utmost endeavor to maximize profit and increase payout ratio for the stakeholders, and
- To make best effort to maximize company profit and manage the same ethically and properly.



● RESPONSIBILITY TO THE CUSTOMERS

To satisfy the customers-needs efficiently, we must:

- Understand and honor the customer needs, as well as serve them indifferently, promptly and honestly;
- Ensure complete secrecy of customers affairs/account information always unless asked by any competent court or any other lawful authority;
- Issue notice with reasonable time in case of closure of bank accounts for any legitimate reason(s);
- Provide customers with requested account statements accurately and promptly;
- Keep the customers updated regarding any suspicious operations in his account;
- Exercise due diligence in the operation of customer accounts; and
- Keep customers fully informed with all banking and financial products.



● RESPONSIBILITY TO COMMUNITY/SOCIETY

All financial activities of BRAC Bank must comply with the recognized/established legal, regulatory, as well as social/community norms, customs and values.



● FAIR TREATMENT OF CUSTOMERS

Treating customers fairly and without prejudice fosters good rapport and helps to build long-term sustainable business relationships. Moreover, in the advent of the global financial crisis, both local and global law-makers and regulators are increasingly focusing on ensuring that banks employ fair practices in dealing with customers. BRAC Bank is focused on ensuring fair practices in dealing with customers that entails:

- Ensuring that communications are fair, concise, clear and not misleading so that clients are fully aware of the product features, relevant fees and associated risks for financial products and services;
- Creating products that meets customer needs and take into account their financial situation, profile and risk tolerance;
- Providing quality customer service, delivering on service level promises and handling complaints in an efficient, prompt and friendly manner; and
- Identifying and managing possible customer conflicts openly and clearly.



● TRANSPARENCY AND ACCURACY OF FINANCIAL, TAX AND OTHER REPORTING

Employees of the bank shall ensure that its reports and communication is true, complete and accurate and shall not be misleading. It shall maintain transparency in its business operations and dealings with clients, stakeholders and regulators.



● DIVERSITY

BRAC Bank respects all employees as unique individuals regardless of their ethnicity, race, religion, gender or any other background with fundamental human rights and supports the cultural and ethnic diversity of its workforce. It believes that creating a work environment that enables to attract, retain and fully engage diverse talents, leads to enhanced innovation and creativity in the services of the bank.

General Profile of BRAC Bank

Brief synopsis

BRAC Bank's corporate governance practices have scaled new heights, with the bank achieving the record of winning the prestigious ICMAB recognition for five years straight in a row. The bank has been bestowed with the 'Gold Award' in "ICMAB Best Corporate Award 2020", which is the highest ranking award in the private commercial bank category.

BRAC Bank has also emerged as the first bank in Bangladesh to be endorsed by the ISO 27001:2013 certification, acknowledging its pioneering role in furthering financial inclusion through a robust technology apparatus, while ensuring full regulatory compliance. Furthermore, BRAC Bank is also the only member of the Global Alliance for Banking on Values (GABV) from Bangladesh. As a member of GABV, the bank enables responsible financial facilitation with respect to promulgating values-based banking and sustainable credit practices.

Share capital

	2021 (BDT)	2020 (BDT)
Authorised share capital	20,000,000,000	20,000,000,000
Issued, subscribed and paid-up capital	13,921,723,990	13,258,784,760

Credit rating

BRAC Bank has been assessed by several renowned credit rating agencies around the world. Based on the financial statements of December 31, 2020, as well as other quantitative and qualitative information, BRAC Bank's ratings are as follows:

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

The ratings signify that BRAC Bank is one of the most financially- solvent banks of Bangladesh, with a secure ability to fulfill all its financial obligations. Further, the bank was able to secure credit ratings in 2020 similar to 2019, despite the major ill-effects of the Covid-19 pandemic that emerged in 2020.

BRAC Bank's credit rating, based on its financial statements for the year ended December 31, 2021, is under process and will be published in due course.

Key information about the bank

BRAC Bank's business can be broadly classified around its three major wings:



Network

The bank has established an expansive network of service touch-points across Bangladesh in its efforts to enabling access to banking a reality for all. The bank serves 1.3 mn people mostly in rural and semi-urban parts of the country, with the bank's rural penetration hitting the industry highest at 77%. Furthermore, the bank's agent banking network, comprising an effective branchless banking model dispensing all the services of a typical branch, conducts 186,000+ transactions.

The bank's overall distribution network comprises:

Service points	Number
Business regions	8
Total branches (including SME SC/KB)	187
Premium lounges	18
ATMs	373
CDMs	93
SME unit offices	456
Agent banking outlets	705

Office address

Corporate office address	Share Department
BRAC Bank Limited	BRAC Bank Limited
Head Office: Anik Tower, 220/B, Tejgaon-Gulshan Link Road, Tejgaon I/A, Dhaka-1208, Bangladesh	Head Office: Anik Tower (Ground Floor), 220/B, Tejgaon Gulshan Link Road, Tejgaon I/A, Dhaka-1208, Bangladesh
	Phone: 09677555124, 09677555125

Subsidiary information

Within Bangladesh			Outside Bangladesh
BRAC EPL Investment Limited	BRAC EPL Stock Brokerage Limited	bKash Limited	BRAC Saajan Exchange Company Limited
Concord Baksh Tower, Plot #11/A, Road #48, Block #CWN (A), Kamal Ataturk Avenue, Gulshan-2, Dhaka-1212, Bangladesh	DSE Annex Branch, Suite 1001-3 (9 th floor), 9/E Motijheel C/A, Dhaka-1000, Bangladesh	Shadhinata Tower, Bir Sreshtha Shaheed Jahangir Gate, 546 Shaheed Sharani, Dhaka-1206, Bangladesh	160-162, Lozells Road, Birmingham, West Midlands, B19 2SX, United Kingdom

Financial calendar

Quarterly results

Particulars	Submission date to regulatory bodies
Un-audited consolidated results for the 1 st quarter ended 31 March 2021	May 17, 2021
Un-audited consolidated results for the 2 nd quarter and half-year ended 30 June 2021	July 29, 2021
Un-audited consolidated results for the 3 rd quarter ended 30 September 2021	October 28, 2021

Dividend

Particulars	Submission date to regulatory bodies
Notice date of the 22 nd Annual General Meeting	May 05, 2021
Record date	May 04, 2021
22 nd Annual General Meeting held on	May 27, 2021
Date of distribution of bonus shares	June 06, 2021

Taxation on dividend income

Stock dividend is tax-exempt. In case of cash dividend, the following is the current deduction of tax at source on dividend income, as per the current Fiscal Act:

- If the shareholder is a company, either resident or non-resident, the taxation rate applicable is 20%
- If the shareholder is a resident or non-resident Bangladeshi, other than a company, the taxation rate is 10%
- If the shareholder is a non-resident (other than Bangladeshi), other than a company, the taxation rate is 20%

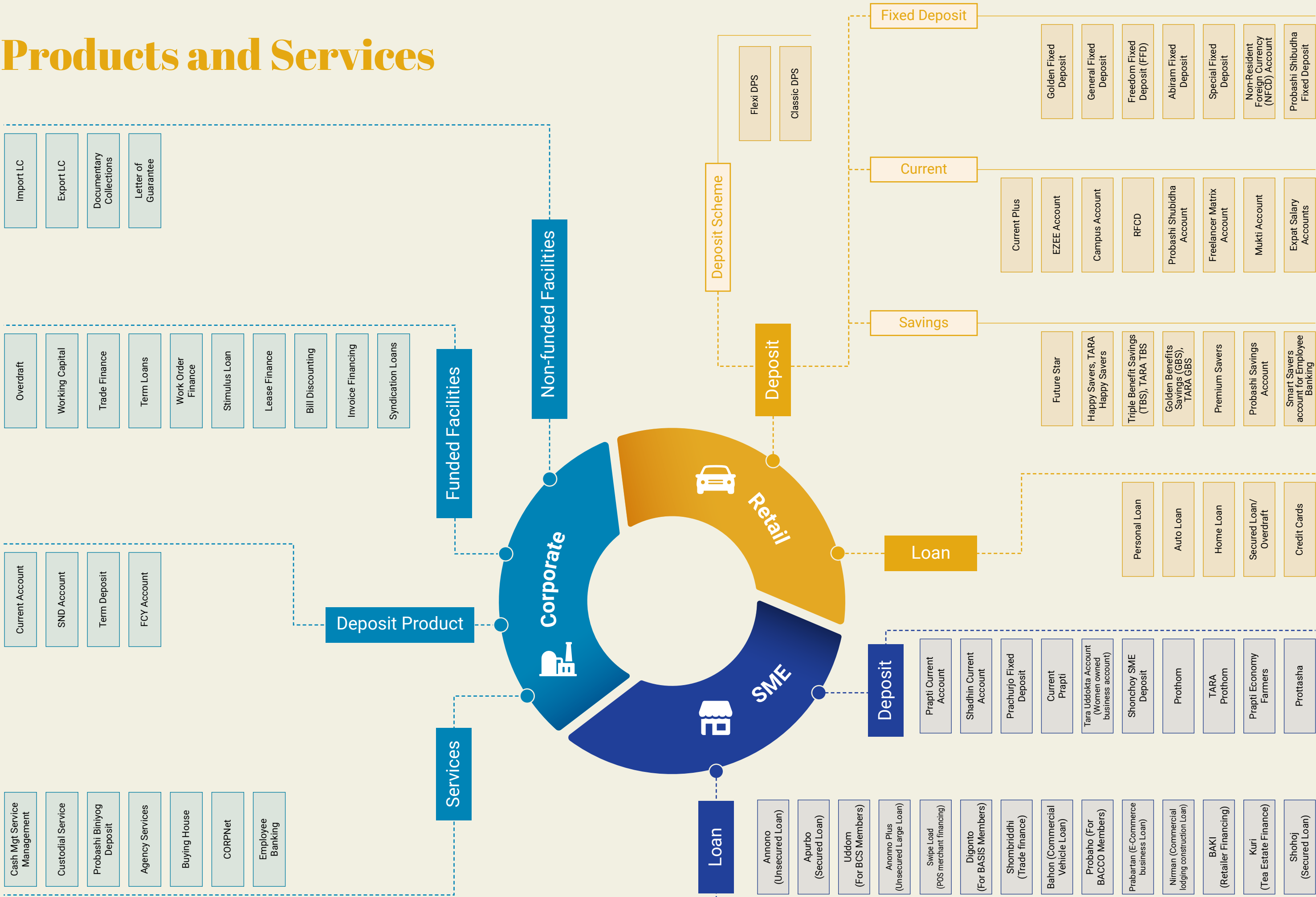
Information sensitive to share price

Particulars	Date of disclosure
Corporate disclosure for the approval of the Financial Statements 2020, recommendation of dividend, record date for dividend entitlement of 22 nd AGM (May 27, 2021)	April 13, 2021
Corporate disclosure for the first quarter financial information (un-audited) ended on 31 March, 2021	May 12, 2021
Corporate disclosure for the half-year financial information (un-audited) ended on 30 June, 2021	August 02, 2021
Corporate disclosure for the 3 rd quarter financial information (un-audited) ended on 30 September, 2021	October 28, 2021

Capital market details

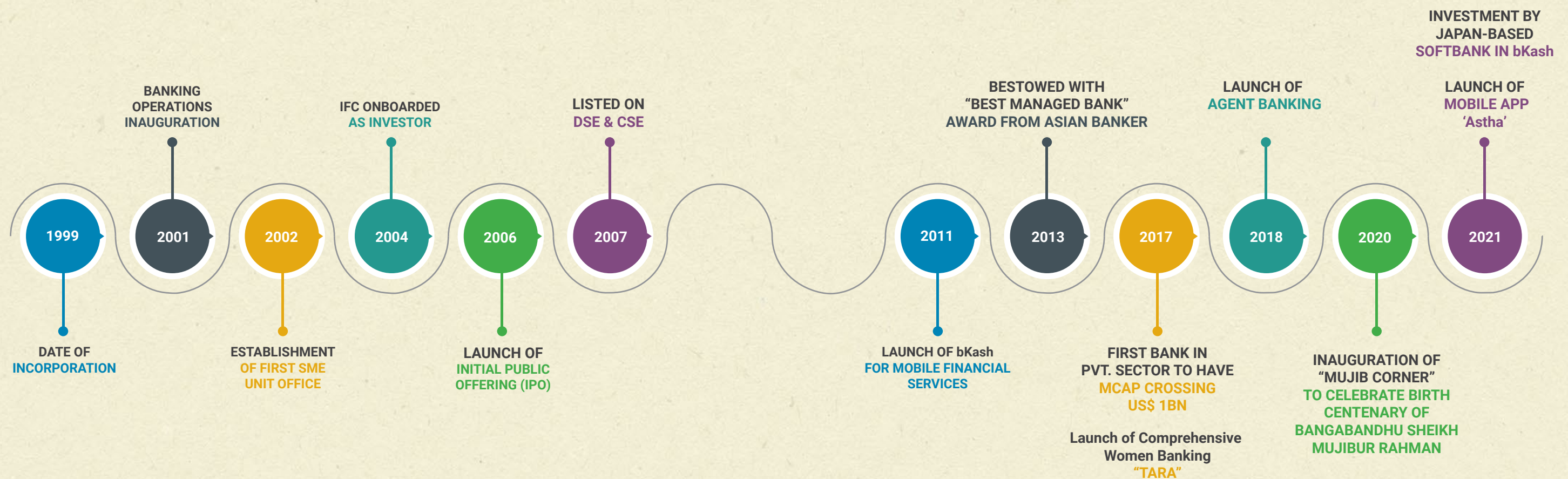
Particulars	DSE	CSE
Stock symbol	BRACBANK	BRACBANK
Company/scrip code	11138	22029
Year of listing	2007	2007
Market category	A	A
Electronic share availability	Yes	Yes
Market lot (Nos)	1	1
Face value of each share (BDT)	10	10
Total number of securities	1,392,172,399	1,392,172,399

Products and Services



Historic 20 Years of Operations

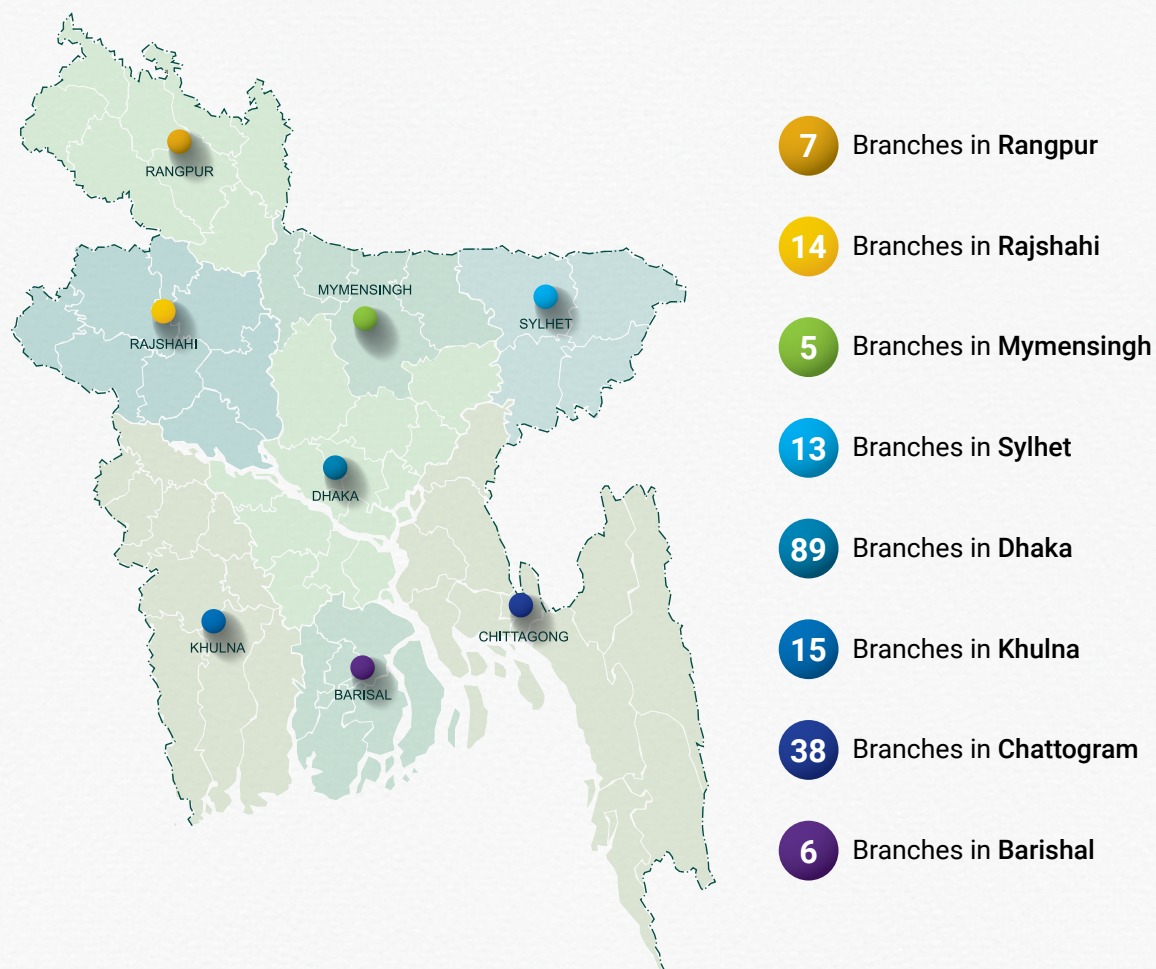
Leading from the front in our journey
of creating the best bank of Bangladesh



Footprint of BRAC Bank

Division	Branches	SME Unit Offices	ATMs & CDMs	Agent Banking Outlets
Dhaka	89	127	333	133
Chattogram	38	95	57	150
Sylhet	13	28	21	31
Khulna	15	59	17	107
Barishal	6	31	6	52
Mymensingh	5	23	6	34
Rajshahi	14	57	18	103
Rangpur	7	41	8	95
Grand total	187	461	466	705

As on December 31, 2021



Distribution of Shareholding

BRAC Bank has a robust shareholding structure distributed amongst three major entities:

46.165%

BRAC
holding

0.077%

Individual Sponsors/
Directors holding

53.758%

General public
holding

Sl. no.	Name	Sponsors/Directors/Others	No. of shares held as on 31.12.2021	% paid-up shares
1.	BRAC	Sponsor	642,696,863	46.165
2.	Late Sir Fazle Hasan Abed, KCMG	Sponsor	13,667	0.001
3.	Late A. S. Mahmud	Sponsor	11,431	0.001
4.	Late Faruq A. Choudhury	Sponsor	11,431	0.001
5.	Dr. Saleh Uddin Ahmed	Sponsor	9,392	0.001
6.	Dr. Ahsan H. Mansur (Chairman)	Independent Director	Nil	Nil
7.	Mr. Asif Saleh (Nominated by BRAC)	Nominated Director	31,000	0.002
8.	Ms. Fahima Choudhury	Independent Director	Nil	Nil
9.	Ms. Farzana Ahmed	Independent Director	Nil	Nil
10.	Dr. Zahid Hussain	Independent Director	Nil	Nil
11.	Mr. Meheriar M. Hasan (Nominated by BRAC)	Nominated Director	Nil	Nil
12.	Mr. Shameran Bahar Abed (Nominated by BRAC)	Nominated Director	997,500	0.071
13.	Dr. Mustafa Kamal Mujeri	Independent Director	Nil	Nil
14.	Mr. Faruq Mayeenuddin Ahmed	Independent Director	Nil	Nil
15.	Mr. Salek Ahmed Abul Masrur**	Independent Director	Nil	Nil
16.	General public	Other than Sponsor/ Director	748,401,115	53.758
Total shares			1,392,172,399	100%

** Mr. Kazi Mahmood Sattar Resigned from the Board of BRAC Bank Ltd in December 2021.

** Mr. Salek Ahmed Abul Masrur appointed as an Independent Director to the Board of BRAC Bank Limited in March 2022.

Bundle of joy for Farhana Islam



BRAC Bank's TARA customers can open a deposit pension scheme that comes bundled with an online consultation service from Digital Healthcare.

Farhana Islam

Farhana Islam was anxious when the pandemic began. She was worried about the movement restrictions imposed during the lockdown. She was expecting a baby and needed to see her doctor for regular checkups. Like many doctors, her consulting physician also stopped coming to the chamber. She didn't know what to do. Then, she came to know about BRAC Bank Women Banking TARA's partnership with Digital Healthcare Solutions, an initiative of Grameen Telecom Trust.

Interestingly, the bank's TARA customers can open a deposit pension scheme that comes bundled with an online consultation service from Digital Healthcare. Thus, Farhana could not be happier as she was already thinking about opening a DPS to support her future medical expenses and also secure her child's future. Much to her delight, she was

informed that she was entitled to avail a cashback of up to BDT 40,000. After a few months, Farhana was blessed with a baby, her bundle of joy and the greatest blessing in her life. After the birth of her child, she redeemed the cashback worth BDT 10,000 on medical services for her baby and herself from Digital Healthcare.

This is how BRAC Bank TARA fulfils the needs of women when it comes to banking and other necessities of life. Like Farhana, thousands of women can now get support and realise their potential with the help of TARA, the most comprehensive women banking proposition in Bangladesh.

TARA is proud to stand beside women like Farhana, empowering them by catering to their personalised financial and lifestyle needs.

BRAC BANK'S MANAGEMENT



Board of Directors

Guardians of stakeholder trust

BRAC Bank's Board strives to create maximum organisational value by delivering on the bank's overarching purpose of financial inclusion and empowerment, while ensuring relevance and sustainability of the business model by monitoring the macro environment, availability and quantity of capital inputs, and meeting stakeholder expectations, all of which inform the strategy of the bank's business.

Some of the major focus areas of Board discussion in 2021 comprised:

- Response to the Covid-19 pandemic, including the intermittent lockdowns imposed during the year
- Pivoting the bank's strategy around digital transformation
- Driving innovation for customer value
- Strengthening response to climate action through green capital, etc.

61

Board and Board committee meetings held in 2021

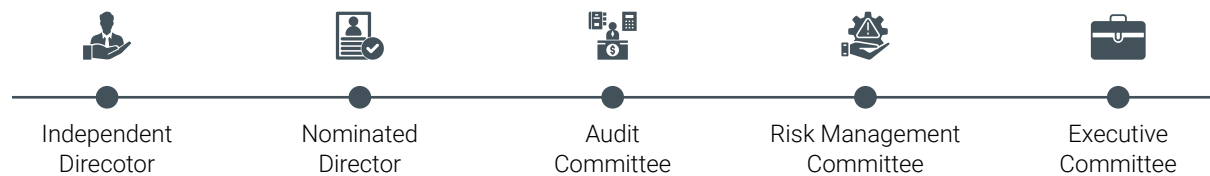
02

Members appointed to the Board in 2021


02

Members who stepped down from the Board in 2021

Board composition at a glance



Name of Director	Board position	Sub-committee membership
Dr. Ahsan H. Mansur		
Mr. Asif Saleh		
Mr. Shameran Bahar Abed		
Ms. Fahima Choudhury		
Ms. Farzana Ahmed		
Dr. Zahid Hussain		
Mr. Meheriar M. Hasan		
Dr. Mustafa K. Mujeri		
Mr. Faruq Mayeenuddin Ahmed		
Mr. Salek Ahmed Abul Masrur		

A portrait of Dr. Ahsan H. Mansur, a middle-aged man with dark hair and glasses, wearing a blue shirt and a dark suit jacket. He is smiling slightly and looking towards the camera. The background is a solid blue color.

Dr. Ahsan H. Mansur
Chairman

Dr. Ahsan H. Mansur was inducted as an Independent Director to the Board of BRAC Bank Limited in May 2017. Afterward, he was elected as Chairman of BRAC Bank Limited on August 26, 2019, taking over from the Founder Chairman late Sir Fazle Hasan Abed KCMG.

Dr. Mansur started his career in 1976 as a Lecturer of Economics at the University of Dhaka. The same year, he left for Canada for higher studies in Economics. As a graduate student and research assistant, he also offered regular Economics courses at the undergraduate level at the University of Western Ontario, Canada, from 1978 to 1981. Dr. Mansur joined the International Monetary Fund (IMF) under its Economist Programme in 1981 and then completed his Ph.D. in Economics (on general equilibrium analysis) from the University of Western Ontario in 1982.

During his long career at the IMF, Dr. Mansur worked with Middle Eastern, Asian, African, and Central American countries. He worked in some important functional departments (Fiscal Affairs and Policy Review and Development departments) and area departments (the Middle East and Central Asia and Asian departments) of the IMF. He also served as the IMF Senior Resident Representative to Pakistan during 1998-2001 and as the Fiscal Advisor to the Minister of Finance, Government of Bangladesh (1989-91). During his assignment in Bangladesh, Dr. Mansur was involved with the successful introduction of Value Added Tax in Bangladesh in 1991. He also served as the Division Chief of the Gulf

Cooperation Council (GCC) Division and was the IMF Mission Chief for Saudi Arabia, Kuwait, and Oman. After taking early retirement, Dr. Mansur joined hands with some professionals to establish an institute for policy analysis and joined the Policy Research Institute of Bangladesh as its founder Director and Executive Director.

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

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

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

A professional headshot of Asif Saleh, a man with dark hair, wearing a light blue shirt and a dark grey blazer, set against a blue gradient background.

Asif Saleh
Director

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

Prior to joining BRAC, Mr. Saleh worked as a policy specialist for the Access to Information (A2i) Programme at the Prime Minister's Office in Bangladesh. As part of the Government's Digital Bangladesh initiative, he led the policy effort to expand affordable broadband connectivity across Bangladesh and devised the Government's m-governance strategy. He spent 12 years in Goldman Sachs in different fin-tech roles in New York and London ending his term there as an Executive Director. He has also worked in Glaxo Wellcome, IBM and Nortel.

Mr. Saleh is a non-resident fellow at the Center for Global Development in Washington, D.C. He is also an active member in a range of international networks and alliances advocating inclusive achievement of

the Sustainable Development Goals. He is a member of the Millions Learning International Advisory Group, Brookings Institute, a member of the advisory group of South Africa-based Innovation Edge, an institution promoting early childhood development. He is a member of the global board for Generation Unlimited, a global body of UNICEF promoting youth skills, and also a member of the global governing council of Water Resource Group 2030.

Mr. Saleh chairs BRAC IT Services Limited, co-chairs BRAC Net, and is on the Board of BRAC Bank, bKash, and edotco Bangladesh Ltd. He also chairs the Institute of Informatics and Development.

He was recognised for his work by Asia Society's Asia 21 programme in 2008, the Bangladeshi American Foundation in 2007, and was selected as an Asia 21 Fellow in 2012. He was selected as a Young Global Leader by the World Economic Forum in 2013.

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



Shameran Bahar Abed
Director

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

Shameran has significant Board experience on several non-profit and corporate entities, chairing

the board of bKash, BRAC Bank's mobile financial services subsidiary and one of the world's largest mobile money providers, and serving on the boards of several institutions including BRAC Bank, BRAC Uganda Bank, and the Global Alliance for Banking on Values (GABV).

Shameran is also chairman of the Microfinance Network and is a member of the Steering Committee of the Partnership for Economic Inclusion at the World Bank. Shameran holds a Bachelor's Degree in Economics from Hamilton College in the United States and is a qualified Barrister in the UK.



Fahima Choudhury
Director

Ms. Fahima Choudhury was appointed as an Independent Director to the Board of BRAC Bank Limited in April 2018. At present, she also serves as the Chair of the Board Risk Management Committee and as a member of the Board Audit Committee.

Since end-2018, Ms. Choudhury also serves as a BRAC Bank Nominated Director on the boards of BRAC-EPL Investments Ltd. and BRAC-EPL Stock Brokerage Ltd.; and is currently the Acting Chair of both these companies. She is also Director of bKash Limited, nominated by BRAC Bank Limited.

Ms. Choudhury is a management consultant and a marketing communications & advertising specialist with over 25 years of experience in various entrepreneurial and leadership roles across multiple firms. Due to her long involvement in the advertising business, she has had the opportunity to serve diverse range of local and international clients across a number of sectors and industries.

Ms. Choudhury started her career in Adcomm Limited (one of the oldest and most renowned advertising

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

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

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



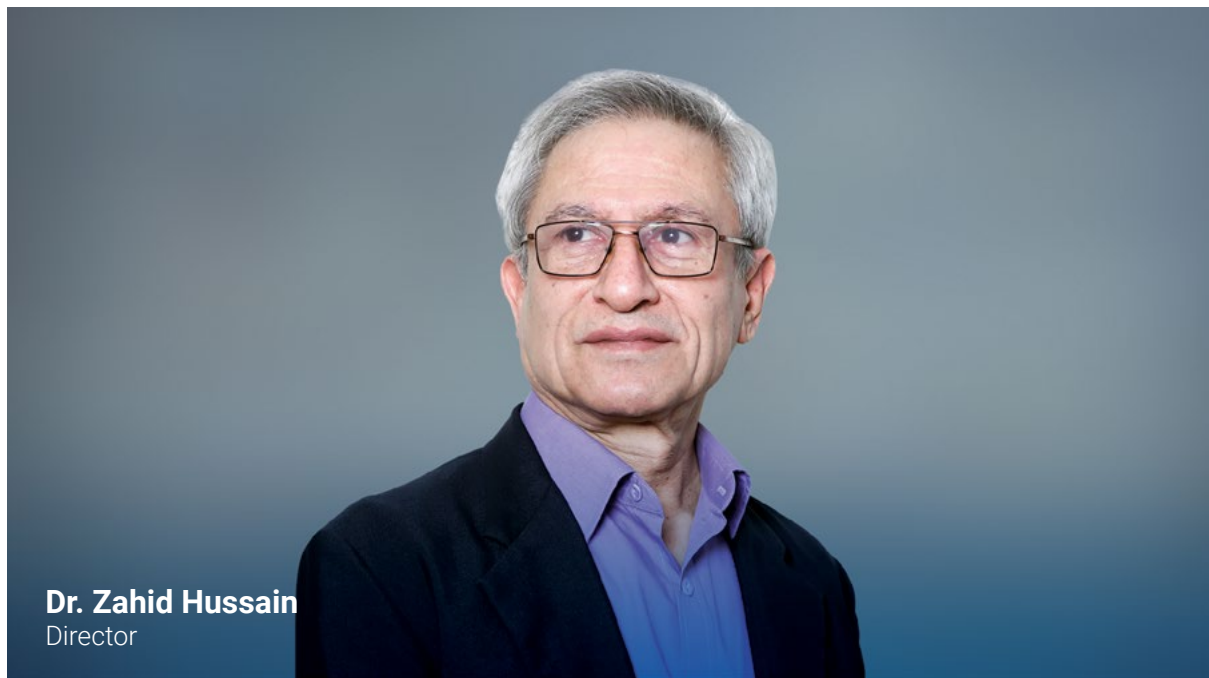
Ms. Farzana Ahmed was appointed as an Independent Director of BRAC Bank Limited on February, 2020. She is also the Chairman of the Board Audit Committee and the Member of Board Risk Management Committee.

Ms. Farzana has over 35 years of working experience as a chartered accountant in the public and private sectors in the United Kingdom, Australia and the Philippines. Prior to joining BRAC Bank Limited, she worked at the Asian Development Bank (ADB), the Philippines for over 20 years from where she took voluntary early retirement in October 2019. Whilst at ADB, Ms. Farzana worked in various capacities with her most recent position as Lead, Evaluation Specialist in the Independent Evaluation Department. Before that she served as a Lead Results Management Specialist (Public Sector Management) in ADB's Strategy and Policy Department where she was also the Principal Coordinator of the Asia Pacific Community of Practice on Managing for Development Results. Ms. Farzana worked in ADB operations as Senior Portfolio Management Specialist, South East Asia Regional Department where she joined in 2008 following a 7 year posting to ADB's Indonesia Office. At the Resident Office she was the Senior Financial Management Specialist from where she was seconded as Advisor to the Australian Government

to help coordinate Australia's support to the reconstruction of Aceh, after the 2004 tsunami.

Ms. Farzana started her working career in 1982 as a trainee chartered accountant at Peat Marwick Mitchell in United Kingdom. Following a move to Australia in 1986, she joined Peat Marwick Mitchell in Sydney prior to moving to Rothmans Holdings Ltd in 1987 to start the Internal Audit Department. From there she worked in various accounting capacities at Port Waratah Services Ltd and the Australian Manganese Company Ltd and the Broken Hill Proprietary Limited. In 1996, she joined Westfield Ltd. Australia as Finance Manager - Corporate & International, which she left in 1998 to join the ADB.

Ms. Farzana was awarded a BA (Hons) in Philosophy, Politics and Economics from Oxford University, England and this was followed by an MA (Hons) in 1991. She was admitted to the Institute of Chartered Accountants in England & Wales in 1987 and then also became a member of the Institute of Chartered Accountant in Australia in the same year. Ms. Farzana has a keen interest in the education sector and is currently the Principal of Kids Tutorial, an English Medium School based in Shantinagar, Dhaka.



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

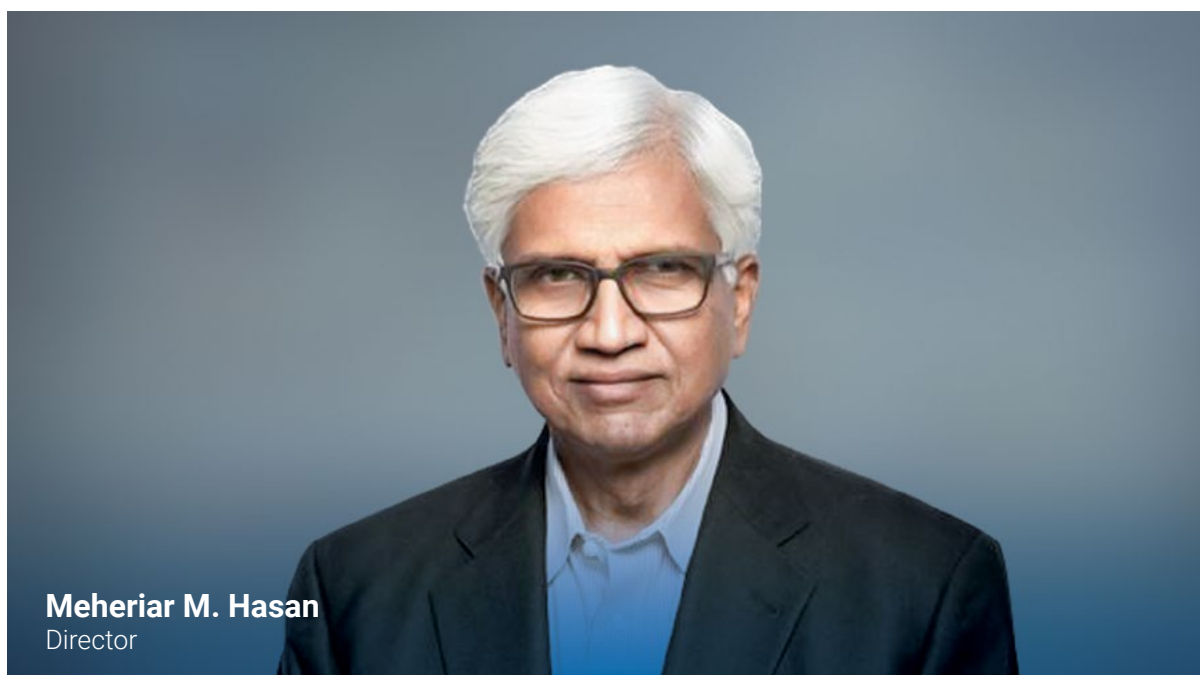
Dr. Hussain served as a Consultant in the World Bank Dhaka Office from July 01, 2019, to June 30, 2020. He retired from the World Bank, which he joined on May 1, 1995, as a Lead Economist on June 30, 2019. During this time, he was a key member of the bank's macro, trade, and investment global practice providing budgetary support (development support credit) and technical assistance to the government, and prepared growth diagnostics, public expenditure reviews, annual macroeconomic updates, and policy notes on macroeconomic management and structural issues.

Dr. Hussain was also engaged as a Lecturer at Boston University, the University of Massachusetts Boston and Framingham State College, Framingham, Massachusetts in the USA during 1987-1992.

At present, he is a Director of BRAC EPL Investment Limited and BRAC EPL Stock Brokerage Limited.

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

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



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

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

Some of Mr. Hasan's distinguished engagements include:

- Defined the vision and led the building of Terafina, which was ranked amongst the top-two fintech disruptors by Celent. Terafina was acquired by NCR Corporation in February 2021.
- As head of digital banking at the US Bank, he led the build-out of one of the largest digital banking channels in the country in record time, which now delivers millions of dollars of bottom-line. The digital channel ranked first in overall

customer experience by Keynote, a third-party benchmark.

- As Executive Vice President at Wells Fargo, he designed and developed one of the largest direct-to-consumer/digital lending channels in the financial services industry, resulting in 100 percent growth in revenue, 118 per cent growth in net income, and 104 per cent growth in portfolio balance over three years.
- He designed and delivered the largest digital sales channel in the financial services industry at Wells Fargo, integrating call center and branch, which resulted in a 190 per cent growth in core bank product and investment product sales over two years.
- He was responsible for the design, engineering, and management of B2B and B2C products for Digital Insight, the largest online banking application service provider in the US to serve credit unions and small/mid-sized banks.
- At Transamerica, he pioneered the first private-labeled direct-to-consumer channel in the insurance industry, fully integrated with independent agencies and business back-office operations.

Over his long and resplendent career, Mr. Hasan, in addition to his current role as the Director of the Board of BRAC Bank, bKash Limited also holds Board membership across other prominent companies such as Toyota Financial Savings Bank (since 2015), and Mechanics Bank (since 2013).



Dr. Mustafa K. Mujeri was appointed as an Independent Director to the Board of BRAC Bank Limited in December 2021.

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

Dr. Mujeri obtained his Ph.D. from McMaster University in Canada in 1978 and M.A in Economics from McMaster University in 1974 after completing an M.A. in Economics from the University of Rajshahi, Bangladesh in 1972. He has wide-ranging experience in research and policy-focused analysis on development issues in different UN and other international organizations and multilateral, bilateral, and private sector organizations, including NGOs. He has the experience of working and traveling in many countries and attended workshops, seminars, and meetings on a wide range of development issues.

Dr. Mujeri has published extensively in national and international journals and written several books on Bangladesh's economy that was published by some of the leading international publishing houses. He was also a part of various policy-making and other committees at both the national and international levels.



Faruq Mayeenuddin Ahmed
Director

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

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

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

After completing BSS Honours and MSS in Economics from the University of Dhaka, Mr. Ahmed started his career as a Probationary Officer with AB Bank Limited in 1984. He received Bangladesh Bank Gold Medal and BCCI (erstwhile) Gold Medal in the Banking Diploma examination in 1987 for securing the first position obtaining above 60 per cent mark. He gained hands-on experience and knowledge through working in different capacities in almost all the banking fields at home and abroad. He served the Mumbai office of AB Bank for five

years as Country Manager facilitating correspondent and reimbursement banking services in India to the Bangladeshi banks. He is a well-rounded banker and has led different major sectors of banking areas in different phases of his service tenure.

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

Mr. Ahmed has participated in various professional trainings, workshops and seminars at home and abroad. A regular columnist on banking and economic issues in the national dailies, Mr. Ahmed has so far authored 25 books and numerous articles on economy and banking, capital market, accounting, literature and travel. For his noteworthy contributions to Bangla language and literature, he received Bangla Academy Award in 2019 in the travel writing category. He also received IFIC Bank Literary Award 2011 for the excellent translation of 'A Poet Apart' - the literary biography of poet Jibanananda Das originally written by Clinton B. Seely and "City-Anando Alo Award 2019 for one of his travelogues.



Mr. Salek Ahmed Abul Masrur was appointed as an Independent Director to the Board of BRAC Bank Limited in March 2022.

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

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

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

to 2005 at Standard Chartered Bank, Bangladesh, and as Head of Corporate Banking of Citibank NA, Bangladesh from 2000 to 2001. He also served as the Head of Corporate Banking in Standard Chartered Bank from 1995 to 1999

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

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

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

Directors' Responsibility Statement

Committed to open and transparent communication and interaction, specifically on our response measures, we recognise that our business sustainability is rooted in the trust we build with our shareholders and all other stakeholders.

As a financial services institution that is embedded in Bangladesh's socio-economic fabric, we remain dedicated to strengthening trust and relationships, as well as collaborate and shape policy that support our business and the broader economy towards common prosperity.

This objective is reflected in our business conduct and our focus on adopting the benchmarked governance standards. Advancing this responsibility and commitment is our Board of Directors that broadly own the responsibility of:

- Establishing core structural policies for the bank
- Managing and mitigating major risks
- Ensuring the robustness of internal control mechanisms
- Implementing internal audit and fulfillment of all requirements necessary to achieve full compliance
- Engaging with human resource capacity-building and development

In compliance with Bangladesh Bank BRPD Circular No. 11, dated 27 October 2013, and BSEC Corporate Governance Code, dated 3 June 2018, the following directives are issued as the key responsibilities of the Board of BRAC Bank for ensuring best-in-class governance, operational sustainability and organisational value creation.

Work planning and strategic management

BRAC Bank's Board is responsible for shaping the objectives and goals of the bank, while also ensuring that performance is achieved within the framework of our values and expected behaviours.

Towards this extent, the Board formulates strategies and operating guidelines on an annual basis to achieve the desired outcomes. The Board also works towards:

- Aligning the bank's strategies with target objectives and outcomes
- Implementing key changes to bring forward appropriate structural amendments
- Ensuring enhancement of institutional efficiencies for improved future preparedness
- Engaging across other applicable policy matters
- Evaluating and monitoring implementation of the bank's workflow on a quarterly basis

As part of its disclosure and reporting responsibilities, the Board offers an analytical dashboard review of the operating environment and the performance of the business in the context of the operating environment, which is narrated in the Annual Report. It also articulates practicable plans to achieve business and other performance targets, thus highlighting the bank's ability to create value in the short-, medium- and long-term. Through the Annual Report, the Board also familiarises shareholders on its strategic future plans and initiatives, especially from the point of view of expressing sustenance of shareholder and stakeholder value and establishing the bank's position as a going concern.

Further, as part of its resource management/ engagement responsibilities, the Board has established key performance indicators (KPIs) for the Managing Director & CEO and other officers two tiers below the Managing Director & CEO, and also engages in the evaluation of their performance from time-to-time.

Credit risk and risk governance

Credit risk is a key risk facing a financial institution, and controlling this risk is an important mandate of the Board's executive responsibilities. Policies, strategies, procedures, etc., in respect of evaluation of loan/investment proposals, sanctions, disbursements, recovery measures, payment rescheduling and write-offs are initiated with the Board's approval under the ambit of existing laws, rules and regulations.

The Board gives the authority of loan/investment sanction to the Managing Director & CEO and executives under him. Importantly, no Director interferes directly or indirectly, explicitly or tacitly, with the loan approval process, recusing themselves in the event of any apparent or perceived conflict of interest.

The Board also frames policies for enabling effective risk control, monitoring compliance with the risk framework on a regular basis and also retuning this framework as per the evolving business environment. The Board also engages in the review of the risk compliance report on a quarterly basis, and discussions and conclusions of the Board are incorporated in the minutes of the Board meeting for future reference. The Board also monitors compliance with guidelines of Bangladesh Bank with regards to risk management.

Put together, these activities ensure solidity and reliability in the bank's risk management process, enabling it to safeguard its operations and secure its credibility/reputation.

Internal control management

The Board remains watchful on the internal control systems of the bank in order to sustain satisfactory standards across its loan/investment portfolio. Notably, the Board's assurance on effective internal control systems is endorsed by internal audit. The Board also reviews reports submitted by its Audit Committee on a quarterly basis, ensuring compliance with recommendations made in internal and external audit reports and also with Bangladesh Bank's inspection reports.

Further, human resource management and development policies relating to recruitment, promotion, transfer, disciplinary and punitive action, training and up-skilling, etc., and even terms of employment, are framed and approved by the Board. The Chairman or any of the Directors do not involve or interfere with or exert influence over any administrative affair with regards to human resources.

Further, no member of the Board is included in the selection committee/s for staff recruitment or promotion, thereby demarcating the executive responsibilities of the Board with the operational responsibilities of the management.

Recruitment, promotions, transfers and penal actions of officers two tiers below the MD & CEO however rests with the Board. It is ensured that

all recruitments and promotions are conducted in compliance with the bank's service rules, including policies for recruitment and promotion.

The Board embraces a proactive role in skills development, specifically focusing on building human resource capacity in strategic planning, credit underwriting, customer service, digital skills and loan recovery, emphasising on alignment with the bank's values and ethics in all activities. The Board also engages in holistic 360-degree appraisal, thus ensuring attainment of goals and objectives and also how the performance was achieved.

Overall, the Board sets a leadership tone for ensuring appropriate business conduct and adherence to ethics, while also confirming compliance. This approach has ensured that compliance remains as a critical part of the bank's culture and operations.

Financial management

The annual budget and statutory financial statements are finalised with the approval of the Board. The Board engages in a comprehensive quarterly review of the bank's position with respect to its income, expenditure, liquidity, non-performing assets, capital adequacy, loan loss provisions and steps taken for loan recovery of default accounts, including legal measures.

The Board also frames policies and procedures for the bank's procurement activities and has deputed empowered teams with decentralised responsibilities for taking decisions with regards to effecting key procurement activities. The maximum possible delegation of responsibility for expenditure rests with the MD & CEO and his team. Decisions on matters relating to the bank's infrastructure development, including acquisition of land, buildings, vehicles, etc., for the purpose of advancing business activity are adopted with the approval of the Board. Further, the Board also reviews the performance of the bank's Asset-Liability Committee (ALCO), as per Bangladesh Bank guidelines.

Appointment of Managing Director & CEO

In order to strengthen the foundations of the bank and bolster stakeholder confidence in the bank's position as a sustainable enterprise, one of the major responsibilities of the Board is to appoint a Managing Director & CEO, aligned with the bank's explicit policy on such an appointment. Further, this appointment is made with the accord of Bangladesh Bank.

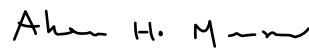
The Directors are responsible for the overall governance and administration of the bank and, in satisfying this responsibility, the Directors confirm to the best of their knowledge and belief that:

- a. The financial statements prepared by the bank's management present fairly its state of affairs, the result of its operations, cash flows and changes in equity
- b. Proper books of accounts of the bank have been maintained
- c. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment
- d. The international financial reporting standards (IFRS), as applicable in Bangladesh, have been

followed in the preparation of the financial statements, and any departure therefrom has been adequately disclosed

- e. The system of internal control is sound in design and has been effectively implemented and monitored
- f. There is no doubt whatsoever on the bank's ability to continue as a going concern

On behalf of the Board of Directors,



Dr. Ahsan H. Mansur
Chairman

Review from Chief Financial Officer

M Masud Rana FCA
Deputy Managing Director and CFO



ADAPTING TO THE NEW NORMAL, REINFORCING SUSTAINABLE GROWTH

In the year 2021, BRAC Bank gradually unbundled its cautious approach embraced earlier due to the Covid-19 pandemic and regained momentum towards growth and profitability. Amid the ever-challenging operating environment triggered by the pandemic, other sector-specific challenges, added requirement for provisions and lower interest spread, the bank posted a sizeable profit after tax (PAT) of BDT 5,547 mn, representing a 22% YoY growth. Furthermore, the bank was also able to turn in a remarkable 18% YoY growth in loan portfolio, with excellence in cost optimisation efforts yielding a reduction in cost-to-income ratio to 53% in 2021, vs. 58% in 2020. Other major highlights comprising significant moderation in deposit cost, sustained non-funded income and optimised operating expenses made it possible to ensure a satisfactory bottom-line in 2021, despite having to build additional loan provisions amid the challenges of the pandemic. Adding to the significant growth in balance sheet size achieved during the year, strong capital management initiatives made it possible to maintain a CRAR of 14.36% and offering a 15% dividend for 2021, thus meeting shareholders' expectations. Thus, the year 2021 was all about reaching the fixed goal of value creation, but adopting a flexible approach to reach that goal.



The focus of digital transformation will continue to provide faster service to customers, optimise operating costs and achieve economies-of-scale, while at the same time enhancing physical distribution channels to cater to both hi-tech and hi-touch demands of customers.



Our superior credit and operational risk management will continue to support our planned business growth. Information security is also a game-changing parameter in this digital age and we expect to fully harness it.



We aim to achieve significant growth in portfolio, overcoming the sluggish growth of the peak of the pandemic months.



We will continue to strengthen our compliance culture and continue high standards of governance at all times.

The year 2021 was a seminal period for BRAC Bank, as the financial services institution, founded by the legendary late Sir Fazle Hasan Abed KCMG, completed 20 historic years of operations in Bangladesh. The bank was founded with the noble vision of financial inclusivity and empowerment, especially to close the huge financing-led development gaps amongst the large grassroots micro and small business ecosystem.

Today, the bank continues to shine light in this area, building unparalleled prowess as the de facto SME bank of the nation, with the sector's highest outstanding collateral-free SME portfolio of BDT 151 bn as on end-2021. Furthermore, over time, the bank has also build significant other businesses in the Retail and Corporate banking segments, with loan outstanding portfolios of Tk 66 bn and Tk 104 bn, respectively, at the close of 2021.

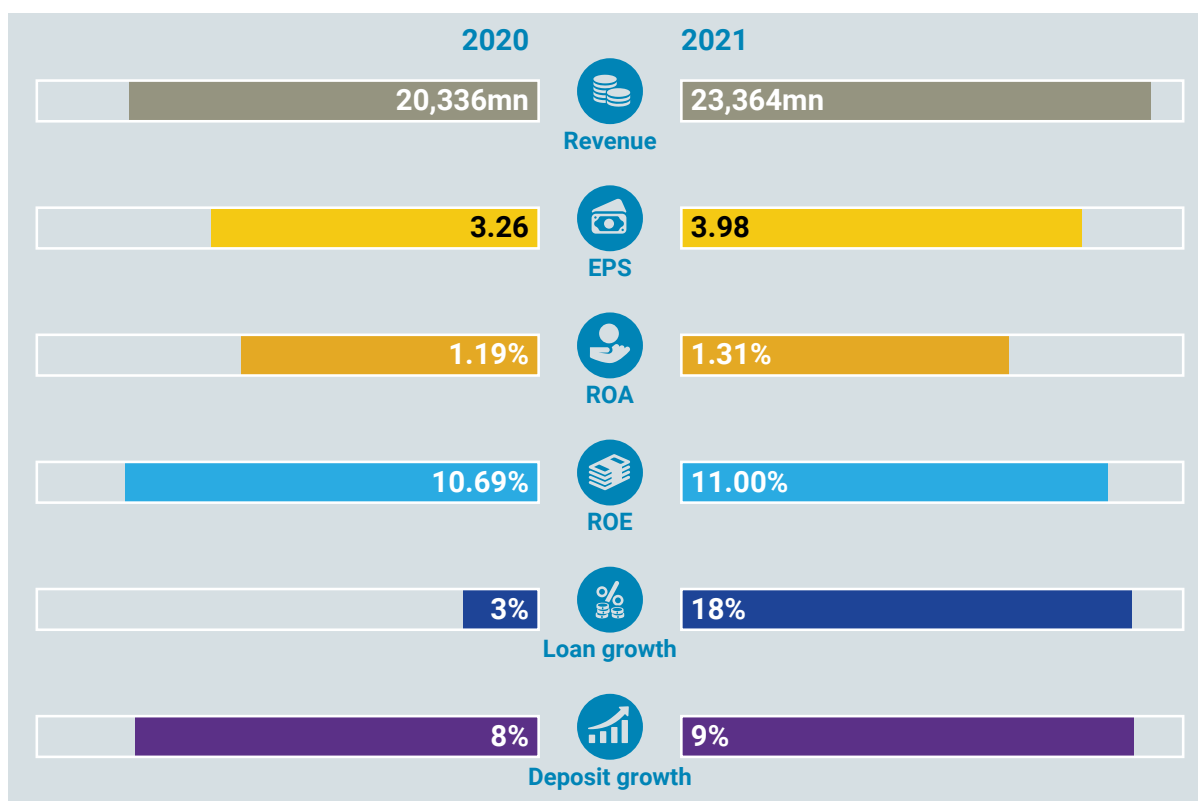
Key performance indicators 2021

The right strategic moves in critical periods allowed us to present the year 2021 as one of sustainable

financial performance. The thrusts and all-out efforts from every corner of the bank provided a force to achieve exceptional results during the year.

Some of the key performance indicators are presented below:

- Total revenue increased by 15% to BDT 23,364 mn
- Net profit after tax increased by 22% to BDT 5,547 mn
- Cost-to-income ratio (CIR) declined by 5% to 53%
- Earnings per share (EPS) increased by 22% to BDT 3.98
- Total assets increased by 13% to BDT 449,084 mn
- Total loans and advances increased by 18% to BDT 321,212 mn
- Total deposits increased by 9% to BDT 314,599 mn
- Total equity increased by 17% to BDT 54,419 mn
- Return on assets (ROA) increased by 12 bps to 1.31%
- Return on equity (ROE) increased by 31 bps to 11.00%



Amidst the challenging times, the flat-out initiatives by the bank and enhanced customer trust, paired with crucial timely measures, helped the bank achieve a substantial pride-enhancing financial performance for the year. Despite the two lockdowns covering almost two months, the bank demonstrated resilient performance, both in standalone and consolidated financial figures.

As an organisation, we learnt and re-learnt along the way, while pivoting our approach to a remote working culture so as to be able to continue to serve our customers. I am truly delighted by the way our colleagues responded to the myriad challenges we all faced.

Subsidiaries' business performance

We are closely monitoring the business function and performance of the bank's four subsidiaries to improve consolidated performance of the Group. All subsidiaries exhibited resilient performance as well in 2021.

- After a long struggle, BRAC EPL Investment achieved a substantive 458% growth in net profit to BDT 247 mn in 2021.
- BRAC EPL Stock Brokerage also turned in a 60% growth in net profit in 2021 (2021: BDT 258 mn; 2020: BDT 161 mn).

- Due to continued strategic investments over the last few years, though bKash incurred a net loss in 2021, it has emerged as a valuable homegrown MFS brand of Bangladesh.

Strategic focus areas

Adopting the new normal, we have advanced our performance goals, with significant growth objective over the coming days. In this regard, we have taken clearly outlined strategies:

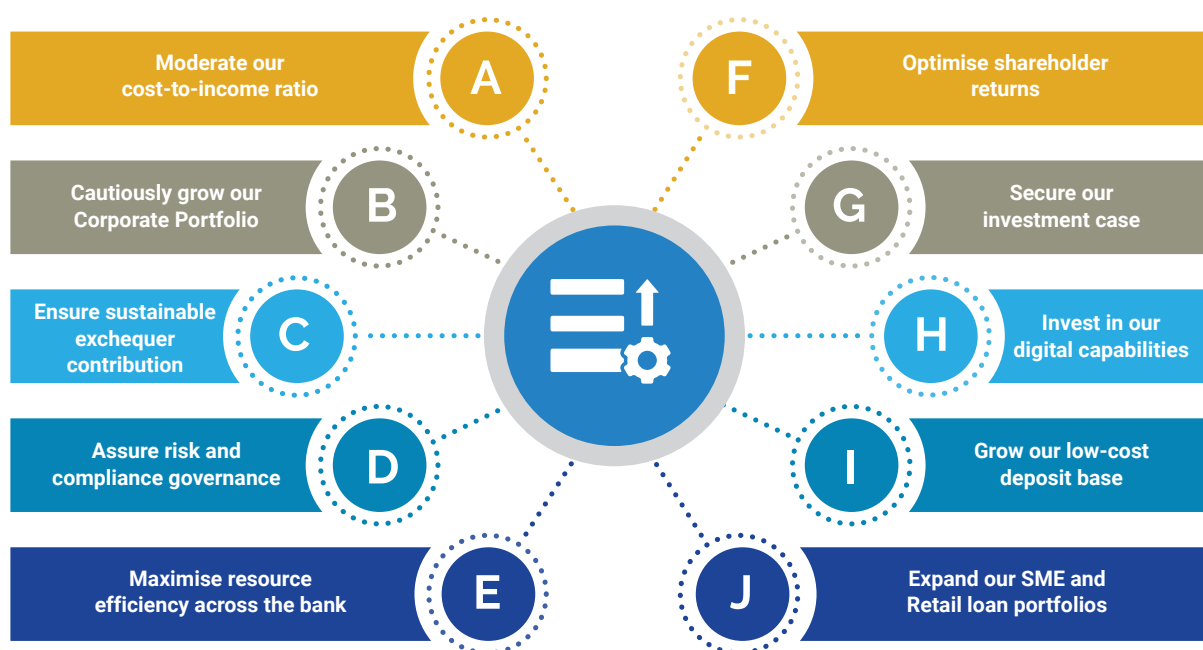
- We will accelerate growth in loans and advances with a focus on each area of financing, considering individual or business requirements. Our dynamic product team will continue exploring customised financing needs of customers and step forward to meet their requirements.
- The growth objective will be fully supported by our renewed focus and vigorous investment in technologies and digital platforms. The technologies will not only ensure faster business growth, but will also play a pivotal role in achieving cost efficiency. We are working on many new exciting opportunities to improve customer experience and introduce new innovations.

- In our strategic growth journey, the quality of our people will ultimately lead the bank in the industry. For this, we will continue our investment in developing talented human resources with improved skill-sets and increased capacity for innovation.
- With the growth in our business and balance sheet size, risk management will be a hallmark of our business success. In managing multi-dimensional risks, the effort will continue to be to further bolster the key risk management mechanism, i.e. functions of internal audit, strong credit and underwriting risk management

resources and tools, compliance with regulatory requirements, anti-money laundering initiatives, strong corporate governance, etc. We continue to closely monitor potential build-up of asset quality slippages that could place pressure on capital levels and future shareholder returns.

Outlook and major priorities

As Bangladesh's economy shifts to a more sustained recovery in 2022, we will maintain our capital and liquidity strength. We will also defend our CASA balances to preserve NIM, as economic activity rebounds and mobility normalises.



As the Chief Financial Officer of BRAC Bank, prudent allocation of capital among the business units is one of my key responsibilities. We are continuously observing and evaluating the capital consumed by each business and the potential returns from these businesses to make necessary adjustments accordingly.

Going forward, BRAC Bank will continue its focus on increasing balance sheet size with a quality portfolio, while strengthening risk management systems and maintaining proactive engagement with borrowers to address asset quality concerns. Sustaining strong recovery will be a key success factor for small ticket-based lending, a field pioneered by BRAC Bank.

The bank will also target fee-based income opportunities and focus on accelerating digital product rollout to enhance and widen market

penetration, while also meeting the objectives of financial inclusion and empowerment. Furthermore, we will also enhance productivity and efficiencies, while maintaining disciplined cost management to offset income pressures.

In closing, I would like to place on record my sincere thanks to you for your continued interest in BRAC Bank. We will do everything possible to grow the value of our association with you.

Warm wishes,

M Masud Rana FCA

Deputy Managing Director and CFO

From the Desk of Chief Operating Officer

Sabbir Hossain

Deputy Managing Director & COO



In today's hyper digital age, it is essential that we keep our alternative banking channels functioning on a 24x7x365 basis. Running centralised operations, we continued to provide full operational support to aid the growth momentum of the bank.

Dear stakeholders,

It is my pleasure to share with you a glimpse of BRAC Bank's journey in 2021 on the important facets of technology, digital banking, operations, information security and general services.

At BRAC Bank, customers are at the centre of all that we do, guiding our key decisions, strategies and policies. The desire to serve our customers better led the bank to be amongst the first in Bangladesh to introduce digital banking, even as we pioneered the mobile banking space through the launch of our app, Astha, during the year.

Over time, we have developed our digital platform to improve customer experience, meet customers' financial needs in the most intuitive and convenient manner, as well as extend our reach to the underserved and unreached.

Through digitalisation, we continuously seek to better understand our customers and become their trusted lifestyle and business partner. Today, we continue to differentiate ourselves by staying ahead of the curve, pushing the envelope to embed a culture in which every co-worker is future-ready and driven to enhance customer service, operations and services.

Coming to 2021, the year comprised continuation of rebuilding efforts of the bank to support customers and the nation in the recovery period comprising the aftermath of the pandemic. In 2020, the first full year of the pandemic that witnessed the key trend of digital adoption, the bank also witnessed rising use of alternative banking channels, observing the major shift in customer transactions behaviour from branch banking toward digital channels.

Thus, footfalls at branches declined considerably, which accelerated our efforts and investments in digital channels to fit the change in customer demand patterns. It became clear that customers were becoming habituated to use online digital banking channels.

In our continuous desire for excellence, we observed the launch of #1 trending mobile and internet banking application, Astha. Hence emerging as the most connected bank in the country, Astha has given us yet another edge to reach more customers in a convenient and cost-effective manner. Further, our homegrown corporate internet banking solution, CORPNet, is also evidence of our focus on providing seamless end-to-end digital tools to our corporate banking clients.

Notably, this journey would have been incomplete if not for our Enterprise Service Bus (ESB) system and solutions. In open API-based banking around the world, we need to have a state-of-the-art platform and ESB enables us to connect to our partners easily and effectively, thus shifting away from the conventional spaghetti architecture.

I'm happy to note that our digital journey has been validated through important external endorsements. For instance, we were conferred with the South Asian Business Excellence Award for the "Best use of Internet Technology", and "Best use of Mobile Banking".

We achieved rapid strides in other major domains too. For example, determining the rising demand for digital, we introduced the e-KYC platform so that any customer could get onboarded easily, representing a cost-effective proposition for the bank too. This feature enabled us to bag the FINTECH Award in 2021, organised by the Brand Forum. More digital-driven programs are in the pipeline that manifest our intent on being the best digital bank in the country.

Amid the Covid challenges, the simultaneous launch of large projects and running the day-to-day operations at the same time was not an easy task.

Yet, we never lost focus and continued to deliver value to our customers, employees, shareholders and all other stakeholders associated with the bank.

In no small way was this made possible by the untiring efforts of our people at all levels of the bank who stood up to the challenges with courage and fortitude and took sincere responsibility across their respective domains, collaborating with cross-functional teams and demonstrating commitment to meet the needs of our customers. The passion to make a difference in the lives of our customers and whoever we touch was evident in their actions and efforts.

The Board and the Management extended their full support, enabling the fructification of performance amid the challenges.

In today's hyper digital age, it is essential that we keep our alternative banking channels functioning on a 24x7x365 basis. Running centralised operations, we continued to provide full operational support to aid the growth momentum of the bank. Enormous effort was given by our Operations team to process the highest number of loan files, maintain regulations and ensure health and safety protocol compliance in the wake of the novel coronavirus pandemic.

As a bank, we recognised their contributions and offered moral and financial support to all employees so they could concentrate on their work. Such innovative approaches did not go unnoticed as the bank received the Most Innovative COVID Response in South Asia award.

With the rise in digital, cyber resilience is an important facet for the bank and we struck the balance between ensuring both- resilience and compliance. Majorly, we received the PCI-DSS compliance certification in 2021. All of the bank's core systems and satellite systems are PCI-DSS compliant and, going forward, all our forward implementations will continue to adopt the regulatory norms. This is the longest-running initiative with the best outcomes and it is a matter of pride to be an internationally-complaint organisation in Bangladesh.

Cyberthreats are increasing every day. In the face of this, our modern Security Operations Center helps monitor all threats and thwarts any attack, while building impregnable defenses. Further, even as we continued to make strategic investments, we focused on cost, compliance and transparency during the entire journey.

Pre-audits were also conducted across all large procurements and authorised procurement processes were followed in a straightforward manner in all cases. Thus, expectedly, internal and external audit reports conducted across our operating departments raised no significant issues, thus giving us comfort that we are on the right track. Moreover, the bank did not face any significant operational loss during the year as well.

Looking into 2022- a new horizon- we will focus on our journey of becoming the best bank of Bangladesh with excellence in providing thoughtful and speedy customer service. We will continue to nurture our people, streamline our processes and introduce new “phygital” channels to bring our service to the doorstep or fingertips of the customers. We will transform into a lean and agile organisation, reduce time-to-market with respect to any product launch, and provide on-demand service to our customers.

At the bank, customer service is the centerpiece of our differentiation strategy, and we will harness our multi-channel reach spread countrywide and digitally to advance our goals and objectives. Excellence is the DNA of BRAC Bank and we will thrive on this in 2022 and beyond.

In closing, I would like to thank you for being a part of BRAC Bank and choosing to support an institution whose focus will remain on sustainable growth aligned to our values and ethics and never on growth at any cost.

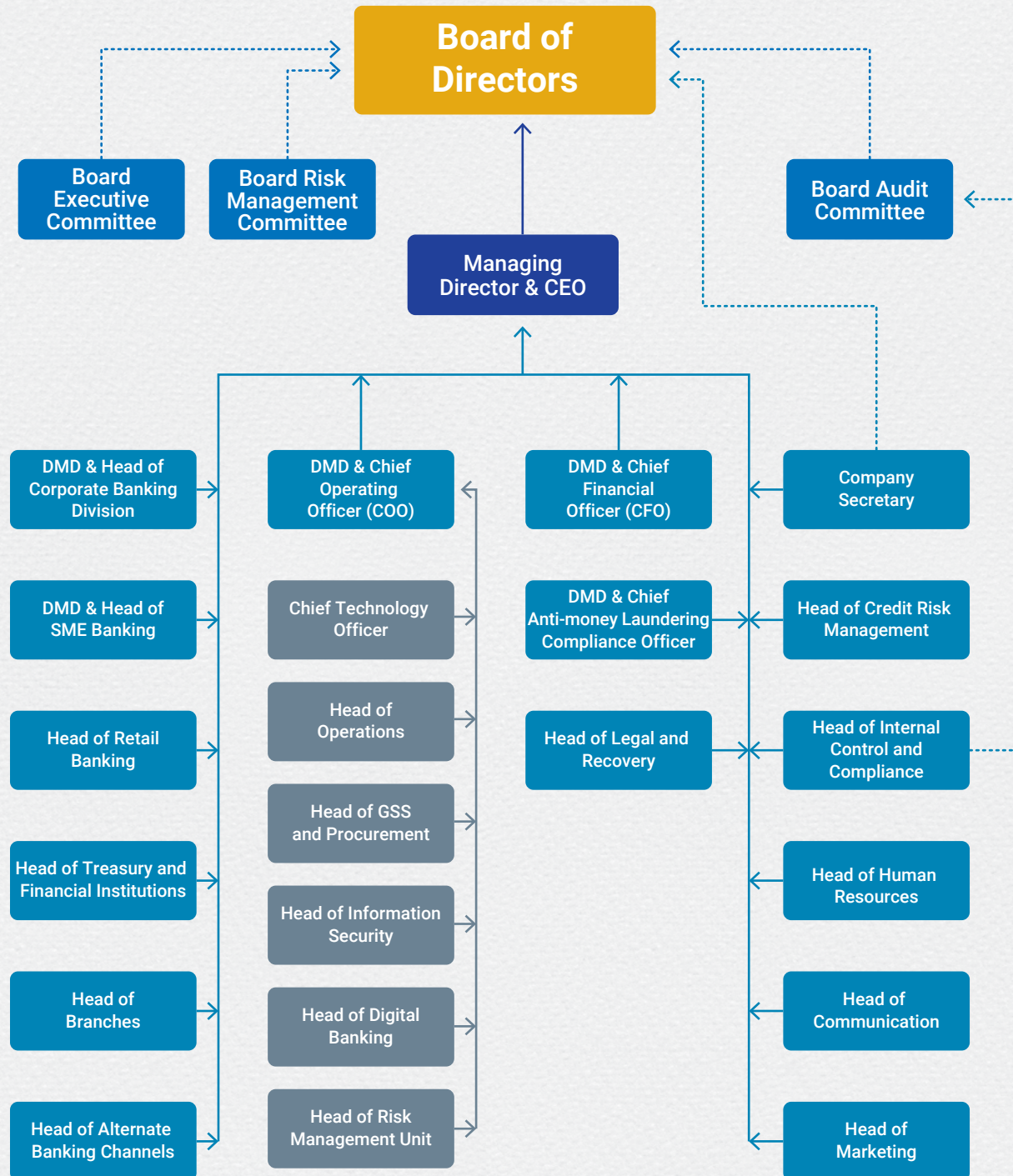
Thank you,



Sabbir Hossain

Deputy Managing Director & COO

Corporate Organogram



Sir Fazle Hasan Abed KCMG
1936 - 2019

We promise
To be worthy of your legacy



Management Committee

Sitting from left to right

Syed Abdul Momen
DMD & Head of SME Banking

Tareq Refat Ullah Khan
DMD & Head of Corporate Banking

Nurun Nahar Begum
Chief Technology Officer

Selim R. F. Hussain
Managing Director & CEO

M Masud Rana FCA
Deputy Managing Director & CFO

Sabbir Hossain
Deputy Managing Director & COO

Chowdhury Moinul Islam
Deputy Managing Director & CAMLCO

Standing from left to right

Akhteruddin Mahmood
Head of Human Resources

Muniruzzaman Molla
Head of Operations

Nazmur Rahim
Head of Alternate Banking Channels

Md. Shaheen Iqbal, CFA
Head of Treasury & FIs

Md. Mahiul Islam
Head of Retail Banking

M Sarwar Ahmed
Head of Internal Control & Compliance

Brigadier General Tushar Kanti Chakma (Retd.)
Head of GSS & Procurement

Ahmed Rashid Joy
Head of Credit Risk Management

Barrister Rasheed Ahmed
Head of Legal & Recovery

Sheikh Mohammad Ashfaque
Head of Branches

Ekram Kabir
Head of Communication

Senior Officials



A. K. M. Tareq
Regional Head, Dhaka
Central and Rajshahi Region



Faisal Hussain
Head of HR Projects



Indrajit Sur
Head of Emerging Corporate



Kayesh Chowdhury
Head of Regional Corporate
- Chattogram



Kazi Asaduzzaman
Head of Asset and ROC
Operations



**Mohammad Abdul Ohab
Miah FCA**
Financial Controller



Md. Javedul Alam
Head of Transaction Banking



Md. Nazrul Islam
Head of Small Business,
West



Md. Shahin Lasker
Head of Process Re-
Engineering



Md. Taher Hasan Al Mamun
Regional Head, Dhaka South
Region



S.M. Alomgir Hossain
Head of Small Business,
East



Abu Sadat Chowdhury
Area Head -1, Dhaka



Abu Sayem Ansari
Head of Premium Banking



ATM Zamal Uddin
Head of Commercial Banking



B.M. Zahid-Ul Haque
Head of Information Security



Biplab Kumar Biswas
Head of Underwriting, Small Business, (North and South)



Dewan Shihab Minhaz
Area Head -2, Dhaka



Hasnain Mohammad Abid Zaman
Head of SAM -Retail



Imtiaz Ahmed
Head of ADC



Kazi A. B. M. Bashir Ahmed
Head of Trade Operations



Khairuddin Ahmed
Head of Merchant Acquiring



Khan Md. Golam Shahriar
Deputy CAMLCO



Khan Mohammed Istiaque
Head of Relationship Unit 7



Lt. Col. Mahdi Nasrullah Shahir (Retd.)
Head of SAM-SME



Md Rashedul Hasan Stalin
Head of Payments and Partnership Business



Md. Abu Taher Mridha
Head of Payments and Transactions



Md. Ariful Islam
Head of Underwriting, Small Business, (South)



Md. Mahboob Ur Rahman
Head of Underwriting, WB, Unit-1



Mesbah Uddin Muntassir

Senior HR Business Partner,
SME, Legal and Recovery



**Mohammad Ashiqur
Rahman**

Head of Retail Underwriting



**Mohammad Maroof
Hossain**

Deputy CAMLCO



Mohammad Monirul Islam

Head of Retail Lending



Mohammad Reza Hyder

Head of Relationship Unit 2



Mohammad Syed Bashir Ali FCA

Head of Regulatory Reporting
and Taxation



**Mohammed Aminul
Hoque Sarwar**

Head of Procurement



Monzur Ul - Mowla

Head of Credit
Administration



Muntasir Rahman

Head of Application
Development and Enterprise
Systems



Najmus Sakeb Jamil

Head of Technology
Infrastructure and Systems
Management



Sarah Anam

Head of Retail Deposit and
NFB



Shah Ibnul

Head of Corporate SAM



Shahrear Md. Zamil

Head of Remittance and
Probashi Banking



Shakir Hasan

Head of Organizational
Development



Sk. Moinul Hassan

Head of Underwriting,
Emerging Corporate



Sk. Sunjur Ahmed

Head of Digital Banking



Swapan Kumar Das
Head of Treasury and FI
Operations



Taimur Ali
Head of Marketing



Tapati Bose
Head of Account Services



Abdul Gaffar
Area Head, Dhaka North and
Narayanganj Region



**Abu Naser Mohammad
Faysal Haider**
Regional Head, North Bengal
and Dhaka North West Region



Anowarul Islam
Head of Credit Inspection
and Monitoring



Debprasad Chowdhury
Head of Business Planning
and Analysis



Farhana Sharmin Sumi
Senior HR Business Partner,
Retail Banking



Fouzia Rahman
Head of Markets



Goutam Kumar Sarker
Senior Manager, Loan
Operations-SME



Ishrat Jahan
Head of Cards, Bonds and
Custodial Operations



Jamshed Ahmed Chowdhury
Regional Head, Chattogram
Region



Joarder Tanvir Faisal
Head of Credit Cards



Kazi Reshad Mahboob
Head of Customer Centricity



Khaled Al Fesani
Head of Relationship Unit 6



Khaled Bin Kamal
Head of Risk Management
Unit



Khondker Emdadul Haq
Head of Employee Banking



Mahfuz Nawaz Khan
Head of Administration



Md. Abdul Wahed
Senior Manager, Loan
Operations-Retail



Md. Abu Zaher
Head of Call Center



Md. Arifuzzaman
Area Head, Dhaka Central
and Rajshahi Region



Md. Borhan Uddin
Area Head, Dhaka South
Region



Md. Hafizur Rahman
Head of SAM, Small
Business-East



Md. Rafiqul Islam
Unit Head, Emerging Small
Business-Unit 2



Md. Rubait Tauhid Siddique
Head of Employee Relations



Md. Shah Alam
Head of Business Support and
Women Entrepreneur Cell



Mehruba Reza
Head of Women Banking-
TARA and Student File



Mesbah Uddin Ahmed
Head of Relationship Unit 3



Mohammad Anamul Hoque
Head of Export Trade
Operations



Mohammad Arif Chowdhury
Head of Safety and Security



Mohammad Lutful Haque
Head of Special Projects



M Mahbubur Rahman FCS
Acting Company Secretary



Mohammad Mahbubur Rahman Khan
Senior HR Business Partner,
Distribution Network and ABC



Mohammad Masudur Rahaman
Head of Relationship Unit 5



Mohammed Abdul Aziz
Regional Head of SME
Banking



Mohammed Monir Hossain
Regional Head of SME
Banking



Mohammed Shohel Ahmed
Unit Head, Emerging Small
Business-Unit 3



Mohd. Mahabubur Rashid
Unit Head, Public Sector,
Transaction Banking



Muhammad Ali Talukder
Head of Branch Governance



Muhammad Tunvir Rahman
Area Head, Dhaka South
Region



Muhammed Rishad Hossain
Head of Talent Acquisition
and Employer Branding



Nakib Zaman
Regional Head, Barishal and
Dhaka South West Region



S. M. Soeb
Senior Manager, Export,
OBU and Guarantee



Sabrina Faruk
Head of AML Trade



Shah Mohammad Emdadul Haque
Regional Head, Khulna and Dhaka
North East Region



Shankar Kumer Das
Unit Head, Credit-Emerging
Business



Sheikh Nabidur Rahman
Area Head, Dhaka North and
Narayanganj Region



Sk. Md. Zulfqir Amin
Head of Compliance



Syeda Mahzabeen

Area Head, Khulna and
Dhaka North East Region



Tapos Kumar Roy

Head of Agricultural Finance
and MFI Finance



Tofazzul Hossain

Regional Head of SME
Banking



Uttam Adhikari

Head of Core Banking
Application



Wahid-Bin-Ahmed

Unit Head, Credit-Emerging
Corporate



Yusuf Zaman Khan

Area Head, Khulna and
Dhaka North East Region



Zahedul Matin

Area Head, Dhaka Central and
Rajshahi Region

Bank's Six Capitals



FINANCIAL CAPITAL

Financial capital is the most critical input for a bank/financial services institution and at BRAC Bank, it consists of funds comprising debt and equity that we use for enabling our day-to-day operations as well as securing our long-term growth plans.

Our strong balance sheet position, sustained cash flow growth and consistent shareholder returns speak of our disciplined approach towards raising, lending and managing our financial capital, which is primarily composed of customer deposits, shareholders' equity, retained earnings and external borrowings.

Sustaining all-round fiscal performance despite Covid challenges

The bank has maintained its position of strength and delivered consistent growth across most of its key financial parameters. Despite the challenges induced by the pandemic, we continued to deliver double-digit growth in net earnings, with our profit after tax expanding by 22.16% in 2021. Further, we also kept a check on our operational costs, resulting in a lower cost-to-income ratio of 53%, down by 5% over the previous year.

The bank's resiliency is an important indicator of our credit risk evaluation and management progress. Our key strength continues to be maintaining one of the lowest levels of non-performing assets (NPAs) in the country's banking industry, which stood at 3.90% during the year.

Key financial highlights, 2021

449,084 mn

Total balance sheet size

54,419 mn

Total shareholders' equity

10,944 mn

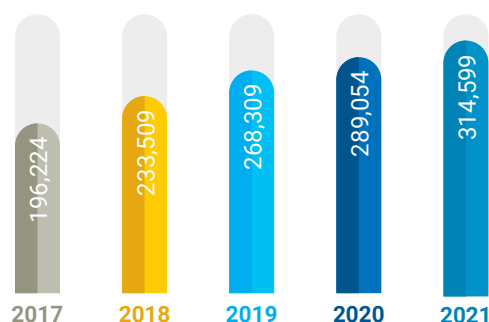
Operating profit

5,547 mn

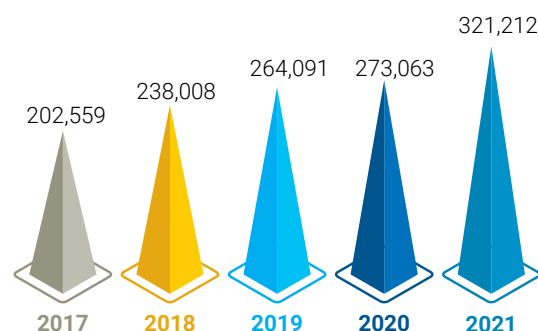
Net profit after tax

BDT in million unless otherwise specified

Deposit and other accounts



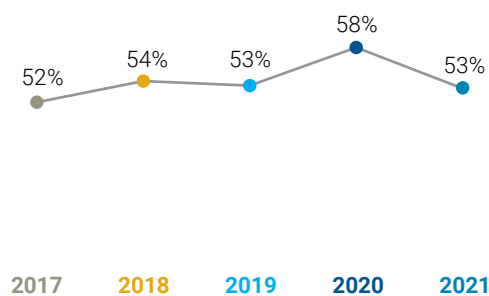
Loans and advances



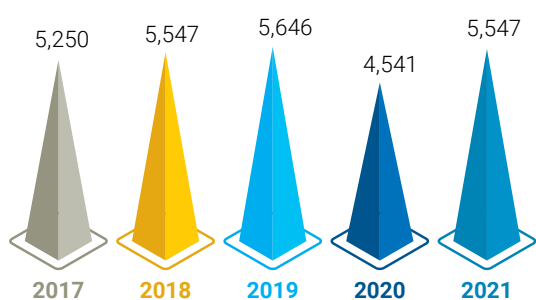
Operating profit



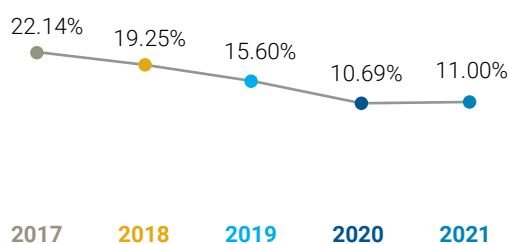
Cost to income ratio



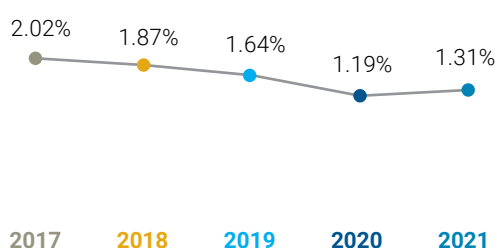
Net profit after tax



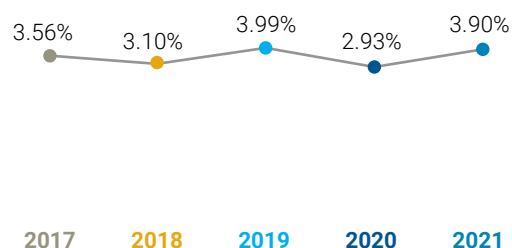
Return on equity



Return on assets



Percentage of NPLs to total loans and advances



Maintaining financial stability

Asset growth: The bank's total assets rose by 13% to BDT 449,084 mn in 2021, driven by moderate loan growth and enhanced liquidity position, with the bank seeking to build-up its liquidity buffers. However, this stance mostly reversed in the last quarter of the year as the bank focused on building back its loan book, thus deploying liquidity into its core business.

Asset quality: Credit quality deterioration was a factor witnessed across the broader industry environment in 2021, with continued pressure of the pandemic and

lifting-off forbearance. Yet, at BRAC Bank, our NPL ratio increased only slightly to 3.90% in 2021 from 2.93% in the previous year, enforced primarily by the major share of retail loan classification.

Capital and funding

- The bank's funding profile is dominated by deposits, with a share of 70% of total assets as at end December 2021
- Borrowings accounted for 11% of the bank's funding profile during the year

- Strong profit retention during the year resulted in the bank's equity base increasing by 17% to BDT 54,419 mn. Further, the bank's total capital ratio increased to 14.36%, comfortably above the regulatory requirement of 12.5%.

Shareholder return

Earnings per share (EPS) increased by 22% to BDT 3.98, reflecting the bank's improved profitability, while net asset value per share also expanded by 17% to BDT 39.09, with the bank continuing to record sound

balance sheet growth. Considering this, the Board of Directors have declared a 15% dividend for the year 2021, split equally between cash and stock.

Way forward

- Diversification of loan portfolio
- Improving portfolio quality
- Deepening transactional banking footprint
- Accelerating increased contribution from fee-based income



INFRASTRUCTURE CAPITAL

Promoting a convenient and user-friendly omni-channel network

Infrastructure capital – Our workplace premises, including branches and other outlets that enable day-to-day business conduct.

Infrastructure excellence is a key pillar of the bank's strategic agenda and will play an increasingly important role in its transformation over the next few years.

At BRAC Bank, it is critical that we offer the choice to our customers in terms of accessing the bank the way they want to. Thus, we foster a "phygital" omni-channel network that comprises both branch-based physical banking as well as digital-based virtual banking.

Thus, our physical infrastructure comprises of our branches, sub-branches, SME unit offices, agent banking network and a wide number of ATMs and CDMs located across the country. These premises enable physical interactions and is crucial for us to maintain this network, also to ensure continued public and customer visibility.

With regards to digital banking, the bank has been better able to embrace and adapt to new technologies in a customer-centric manner, thus driving enhanced customer experiences and hence sharpening the competitive edge. Advanced digital capabilities have also paved the way for increased agility and efficiency of processes, reducing the cost to serve customers and enabling better optimisation of resources.



HUMAN CAPITAL

Transforming our people to be future ready

Our people represent our true value creators that enable us to attain our goals and objectives.

At BRAC Bank, talent attraction, acquisition, development and retention are mainstream HR activities that ensures the availability of quality human resources and also their level of engagement for value creation.

Our employee value proposition is all about making work enjoyable and rewarding, and the alignment

between this proposition and the experience of our employees, together with a fair, equitable, meritocratic and diverse culture, has created a unique employer brand for BRAC Bank, which helps us attract, retain and engage talent in our value creation process.

Our talent management strategy goes beyond training and development. In fact, we highlight the importance of individual transformation so that our people can keep up with the ongoing changes in the environment, especially in the realm of digital banking. This agenda is the focus of all of our HR activities. We also have a dedicated team of HR experts who ensures employee transformation across the bank.

Employee engagement is a key performance indicator to assess the level of employee engagement for value creation. It reflects employee alignment to our vision and purpose. During the year under review, employee engagement was elevated, especially on account of reactivation of remote working during the second wave of the pandemic.

At the bank, we are also developing management systems that harness integrated thinking. Harnessing well-rounded individuals is routed through the management systems, including quality, environment, social accountability and performance management

system. Indeed, management systems provide a systematic approach for managing what is material for value creation to the business unit-level managers.

It is true that changing business needs and volatility in the environment require constant streamlining of HR processes and practices. Together with the digital transformation, BRAC Bank is also automating HR practices and improving the availability and quality of HR insights. This is in line with the bank's focus on streamlining employee policies through a comprehensive assessment of on-job positions and also incentive payment schemes.



INTELLECTUAL CAPITAL

Intellectual capital includes the bank's IT infrastructure and digital assets that facilitate us to fulfill our customer and operational objectives.

The bank's intellectual capital is a key source of competitive edge and determines its capacity for innovation, resilience and agility and commercial and social viability. Brand value is strengthened through branding initiatives to targeted segments, while

organisational capital is built internally through a culture of sharing, learning and empowerment.

Digitisation: Staying ahead with smart banking

The bank's successful transformation over the last few years, coupled with targeted penetration of the Retail and SME segments and targeted customer engagement activities has enabled the bank to drive increased brand visibility and strengthen its brand value.

Digital Customer Engagement

209,429

People using digital channels

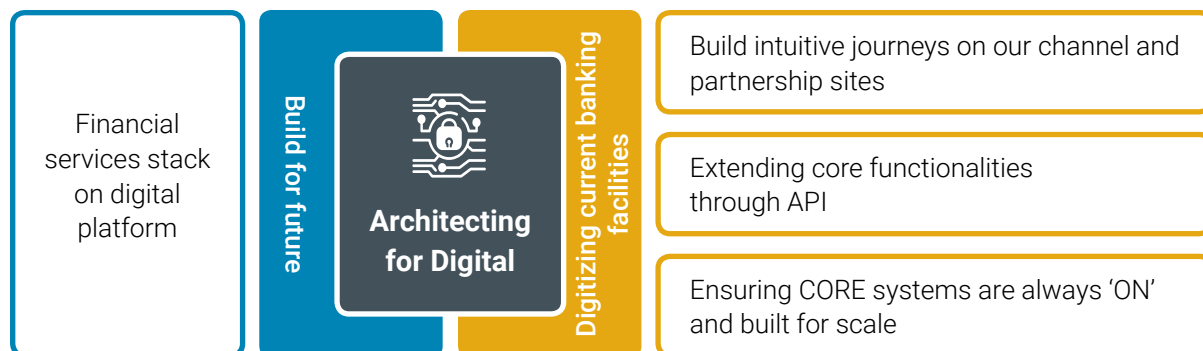
275,841

Followers on Facebook

119,000

Followers on LinkedIn

At the bank, our digitisation initiatives are founded on our mission to emerge as a preferred bank with a "neo" customer experience, while also driving operational efficiencies, process optimisation and productivity enhancements.



In our continuous desire for excellence, we observed the launch of #1 trending mobile and internet banking application, Astha. Hence, emerging as the most connected bank in the country with a large ecosystem of digital assets, Astha has given us yet another edge to reach more customers in a convenient and cost-effective manner. Further, our homegrown corporate internet banking solution, CORPNet, is also evidence of our focus on providing seamless end-to-end digital tools to our corporate banking clients.

Digitising customer journeys

We strive to transform customer service by offering our potential and existing customers intuitive, zero-touch, paperless journeys. Integration of new-age technology and analytics in our processes, applications and APIs, enables us to offer differentiated experiences to our customers. Our aim is to extend end-to-end banking assistance throughout the transaction ecosystem for our customers.

Reimagining customer journeys and experiences

Digital factory

- Reimagining 'un-bank-like' customer experience
- Building secure and scalable platforms

- Using new age cloud native open-source technologies, micro services enabled

Enterprise factory

- Building enterprise tech capabilities to support digital factory
- Decoupling core systems into micro services-based business logic
- Moving from monolith to 'loosely coupled systems', micro services architecture

Enterprise IT

- Enhancing the core to sustain growth
- Ensuring that core technologies are 'always ON', building stack resiliency
- Modernising legacy platforms

Way forward

Our brand building strategy focuses on customer journeys, with digital as a key transformation tool. We will also leverage the learnings obtained from the bank's organization-wide operational efficiency and effectiveness improvement programmes to achieve further improvements in efficiency and cost rationalisation.



NATURAL CAPITAL

Precious natural resources that we seek to conserve, including our climate action plans, help our business foster greater societal responsibility. As a service organisation, the bank's environmental impacts are

limited; however, we see significant opportunities in driving environmental consciousness and propagating sustainable business practices through responsible lending.



Initiatives to reduce ESG risks



Going paperless via digital banking initiatives

Reduction in paper usage and emissions footprint through:

- Implementation of digital banking initiatives, like mobile banking, net banking and ATM banking
- Introduction of several digital products and services, even in remote rural/semi urban markets
- Investment in R&D in innovative digital products

Ambitious plantation target

- Spent BDT 3 mn for tree plantation initiative in BEZA
- Green building
- Use of environment-friendly equipment to improve energy efficiency
- Leadership in Energy and Environmental Design (LEED)-certified green industry
- Implementing elevator and equipment scheduling to reduce energy consumption

Managing our carbon emissions

- Stated intent to become carbon neutral by 2023
- Mitigating our carbon footprint through digital transformation and sustainable financing.
- Working with PCAF to calculate the carbon footprint of the bank's entire loan portfolio

Use of renewable energy

- Increasing share of renewable energy in our total power consumption
- Installing solar plants in SME unit offices
- Installing solar panels in our upcoming office buildings, wherever feasible

Positive environmental impact through community initiatives

The bank's approach to managing its environmental footprint as well as mitigating environmental risks have been formalised through an organisation-wide 'Environmental and Social Management System'. The bank adopts the "8R" approach in minimising the environmental footprint of its operations, as illustrated below.

Responsible financing

BRAC Bank have a substantial portfolio under green and socially responsible financing and we aim to double our portfolio over the next 5 years.

46,493.82 mn

Green finance disbursement (2021)

10,415.47 mn

Green finance disbursement (2020)

Way forward

- Continue to focus on lending to the renewable energy sector
- Continue with employee volunteerism activities centering on environmental preservation



SOCIAL & RELATIONSHIP CAPITAL

Social & relationship capital includes our society-centric initiatives that allow us to foster a sustainable positive impact.

As an organisation with deep-rooted relationships across customer segments and communities, we understand that consistently enhancing the quality of these relationships is critical in ensuring our social license to operate. The bank continues to invest in strengthening stakeholder relationships through delivering unique value propositions that are aligned to our overall mission and strategy.

Customer-centricity

Our unflinching commitment to keep customers at the center of everything we do is reflected in the value and recall our brand enjoys.

As we cater to a diverse customer base – from individuals to the government, SMEs to large corporates, and farmers to start-ups – we undertake various initiatives focused on delivering a distinct and quality experience across their entire lifecycle experience with us.

Serving our customers



Building a customer-centric culture

At BRAC Bank, we believe that delivering an outstanding customer experience is a strong differentiator for a great product and is key to a sustained competitive advantage. The bank always believes in customer-centric actions and continuous improvements in its offerings, processes and policies.

Customer support and debt relief

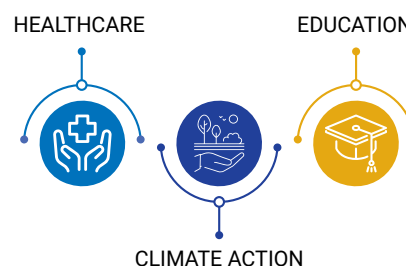
During Covid-19, the bank quickly responded to provide the best customer services, like enabling access to cash and facilitating seamless banking transactions. Accordingly, the bank also implemented numerous debt relief measures as per Bangladesh Bank's guideline to ensure survival of businesses during the pandemic.

Customer privacy

With the bank's increased thrust towards digital platforms, confidentiality of customer data has gained critical importance. We continue to invest in strengthening the bank's IT infrastructure while customer privacy has been included as an element of employee code of conduct to ensure the value of protecting customers' privacy is reinforced at all levels.

Supplier relationships

We have over 380 suppliers who support our value creation and ensure the smooth continuity of operations. The bank procures a range of IT, office equipment and consumables from a network of suppliers with the bulk of these being local corporates and SMEs. The bank has formulated a Sustainable Procurement and Supplier Policy which sets out ethical and sustainability criteria to be adopted when screening suppliers.



This year, the focus was on healthcare and contributing to the nation's response to the pandemic.

CSR highlights, 2021

- Spent BDT 45 mn for food support to 30,267 Covid-affected families
- Contributed BDT 50 mn to Bangabandhu Memorial Trust for Ashrayan project
- Free-meal initiative of Mehmankhana, with meals served to 2,000 people daily and dispatch of 400 packets to households
- Contributed 51,000 blankets to backward households during the harsh winter months
- Expended BDT 205 mn spent in CSR in 2021
- Provided cost of treatment of 24 young thalassemia patients at Bangladesh Thalassemia Samity Hospital

Two young entrepreneurs' successful bet on Jamdani transformation



Nahidul Islam (left), Md. Anis (right)

To their absolute delight, they received proactive support from BRAC Bank and managed to get the much needed loan in a hassle-free manner.

Two young men from Narayanganj ventured into the Jamdani saree business with hope and aspiration twinkling in their eyes. Incidentally, Jamdani is a 700-year-old craft of intricate handloom-made sarees. Jamdani is exclusive and expensive as it requires deep craftsmanship. These sarees are cherished by women from all walks of life.

Mr. Nahidul Islam and Mr. Md. Anis were doing well with their Jamdani business, Raznur Jamdani, until the pandemic struck. As demand nosedived, they had to shut down the handloom factory and lay off the artisans. After much exploration to pivot their business to face the new normal, they figured that they could sell their products online. Encouraged by this ray of light, they invested their savings in buying more than 500 sarees from the market for putting them on sale online. Soon, they started getting orders from many parts of the country and even from abroad.

The orders prompted them to expand their business. They needed capital but were skeptical about getting a bank loan as they feared going through the mountainous documentation process. Yet, to their absolute delight, they received proactive support from BRAC Bank and managed to get the much needed loan in a hassle-free manner.

With the fund – and new energy in their step, they expanded their handloom capacity to 100 lines and hired a larger number of artisans. They are now hoping to expand their business' reach further locally and globally, utilising digital tools of app and website, while even using social media for marketing. Like many other SMEs, Bangladesh's handloom industry also suffered due to the pandemic. Lack of capital, shortages of raw material, inability to use new technology and weak marketing practices impacted the industry.

During the difficult period of Covid-19, BRAC Bank tried to extend financial support to the most-affected SMEs and encourage entrepreneurs like Mr. Nahid and Mr. Anis to rise up to the next step using technology in a rapidly changing business landscape.

The story reflects how a traditional way of marketing and doing business can be modernised through digital transformation. Going the extra mile, BRAC Bank came up with a financing solution to protect this heritage industry, thus enabling traditional businesses to transform in a changing landscape.

BRAC Bank offers collateral-free SME loans to create an enabling environment for thousands of grassroots entrepreneurs like the Jamdani entrepreneurs to pursue their dreams and prosper in business.

RESPONDING TO COVID-19



Accelerating Covid-safe Measures and Initiatives

Spotlight on safety and security

At BRAC Bank, our prioritised focus area comprised ensuring the health and safety of our people and customers. This emphasis remained a consistent endeavour in 2021 as well, which was the second year of the coronavirus pandemic in Bangladesh.

Harnessing the learnings and insights of the past, the bank activated an updated Business Continuity Plan (BCP) to ensure uninterrupted services to customers.

In the wake of the Delta variant, the government announced mobility restrictions from April 14-28 and again from July 1 to August 11 with an Eid holiday break during July 14-22.

The bank undertook a number of measures to keep its services operational for customers, while safeguarding its people and standing shoulder-to-shoulder with the community to protect them from the worst effects of the virus.

Prestigious international recognition for Covid response

BRAC Bank received the coveted accolade as an institution with the 'Most Innovative Covid Response' measures, reflecting the high-quality initiatives adopted for customers, people and the community amidst the pandemic. BRAC Bank won the accolade at South Asian Business Excellence Awards 2021 held in Colombo, Sri Lanka, on December 10, 2021.



BRAC Bank's major Covid-centred efforts



Launched Astha mobile app for customer convenience



Disbursed Tk 15,484 mn as stimulus funds during 2021



Launched an HR app for all employee health-related assistance



Contributed BDT 5 cr to the PM's Relief and Welfare Fund



Strictly enforced no-mask no-service policy across all premises



Provided sanitised transport services to frontline employees

Customer-centric initiatives

- CORPNet, internet banking platform for our corporate customers, enabled them to meet their banking requirements in a branch-less environment
- Increased transaction limits of internet banking and MFS transfers
- Enabled self-enrolment for internet banking, thus widening access to our online banking platform
- Enhanced ATM withdrawal limits
- Ensured rotational deployment of frontline employees

Stimulus for businesses

- In the first phase (April 2020-June 2021) of the Covid-19 stimulus package of Bangladesh Bank, the bank fulfilled incremental target of BDT 1,500 cr, which is the highest in the industry
- In the second phase (July 2021-June 2022), the bank disbursed BDT 893 cr
- The bank also disbursed BDT 283 cr to corporate businesses under the stimulus package in 2021
- In the package managed by the SME Foundation, BRAC Bank successfully disbursed BDT 80 cr to CMSMEs across the country

People-led initiatives

- Rolled-out mandatory vaccination for employees
- Ensured regular awareness communication and training to keep the morale high
- Activated home office with IT access and appropriate logistics for employees, especially for elderly, pregnant women, back-office and support function employees
- Actuated online approval procedure
- Ensured insurance payout to infected employees

Community-driven initiatives

- Allocated BDT 4.54 cr, or 1% of the banks' net profit of 2020, to provide emergency food-related support to 30,267 families

- Bank's employees donated BDT 1.65 cr from their salary to BRAC's "COVID-19: Emergency food assistance" fund to provide food assistance to 11,000 daily-wage earners and poor households

Segment wise initiatives

SME banking

- Assisted CMSME entrepreneurs by disbursing BDT 2,429 cr under stimulus package
- Launched COVID Emergency Fund project in partnership with ACDI/VOCA (funded by USAID) for farmers
- Offered collateral-free financing to ICT entrepreneurs

Distribution network

- Ensured high levels of operational resilience and flexibility
- Provided comprehensive safety measures for staff and customers
- Optimised client access and convenience through existing distribution channels while also advancing the use of the bank's digital channels
- Introduced Virtual Branch initiative

Corporate banking

- Disbursement of stimulus facilities helped support 1.1 lakh+ beneficiaries
- Extended forbearance support to pandemic-affected customers, as per regulatory guidelines
- Facilitated online transactions through CORPNet, with the result that 279 new CORPNet accounts were established during the year

Alternate banking channels

- Supported PIN generation and changes for all types of cards
- Enabled electronic statement and transaction receipt generation

Fatema dreams big for her daughter



Fatema Dinar Salauddin

Call it providence, but Fatema came to know about a bank that had introduced a specially-designed personal loan product, exclusively for teachers like her.

Fatema Dinar Salauddin works as a Senior Section Teacher in Sir John Wilson School. She is a mother of three children who are studying in different classes.

During the peak of the pandemic, her income was greatly affected. As luck would have it, it so happened that she needed immediate fund assistance for securing admission of her daughter in a renowned college. She didn't have the fund as all her savings were exhausted amid the pandemic. Yet, as a teacher, she understood the importance of education and thus could not let her daughter miss the golden opportunity of a quality education.

Call it providence, but Fatema came to know about a bank that had introduced a specially-designed personal loan product, exclusively for teachers like her. She soon discovered that teachers from public, private, MPO schools, colleges and universities and English medium schools could apply for this loan, having a minimum monthly income of BDT 17,000.

This information came as a huge relief to Fatema. The loan, 'Dishari', is first-of-its-kind product

meant only for teachers of the country. So Fatema immediately approached BRAC Bank and within a week she received the loan credited into her account, without much documentation hassles. Today, Fatema proudly dreams of a bright future for her daughter as she is now able to pursue her higher studies.

Like Fatema, hundreds of thousands of teachers across the country are now availing Teachers Loan from BRAC Bank to meet their urgent financial needs. With this unsecured personal loan facility, teachers can now borrow a maximum of BDT 2 mn, with a loan tenor of up to 5 years with competitive interest rate and short processing time.

Teaching is a noble profession and our teachers' contribution to developing quality human resources is unmatched. Previously, they used to experience obstacles in getting access to finance. Solving this challenge, at BRAC Bank, we think this is the least we can do to show respect to our teachers and acknowledge their immense contribution to the development of the nation.

Our Valuable Endorsements

BRAC Bank is among the most awarded bank of Bangladesh, being conferred with a number of prestigious awards and certifications both from international as well as domestic organisations and institutions over the years. The year 2021 was no different, as the bank continued on its winning journey, picking up laurels and accreditations that reflect a variety of critical organisational facets, including good governance, financial reporting, operational excellence and digital transformation, among others.

Despite the despondency of Covid, these achievements have given BRAC Bank family moments of celebration, joy and pride, even as we believe this glory is truly made possible by our stakeholders, including our valued customers, shareholders and business partners. Some of the prestigious accolades bestowed upon us in 2021 are mentioned below:



Key Event Highlights



The National Board of Revenue (NBR) honoured BRAC Bank as one of the top taxpayers in Bangladesh in Fiscal Year (FY) 2020-21



BRAC Bank signed an agreement with Bangladesh Bank to become a participating financial institution for Technology Development and Upgradation Refinance Fund



BRAC Bank and SME Foundation joined hands to help small businesses recover from pandemic impact



The Institute of Chartered Secretaries of Bangladesh (ICSB) has conferred 'Gold Award' to BRAC Bank at 8th ICSB National Award for Corporate Governance Excellence Awards



Bangladesh Bank recognised BRAC Bank for disbursing highest Covid-19 stimulus package for CMSMEs



JP Morgan Chase conferred '2021 STP Quality Recognition Award' in four categories to BRAC Bank



BRAC Bank won a number of awards at Bangladesh Fintech Award 2021



The senior officials celebrated the formal launch of Mobile App Astha by cutting a cake in Head Office



BRAC Bank launched the country's first ever Freelancer Account styled 'BRAC Bank Freelancer Matrix Account'



BRAC Bank and Mastercard launched the Mastercard Millennial Titanium Credit Card – the first Titanium card for Bangladeshi youth



BRAC Bank achieved exclusive international security standard 'PCI DSS Certification'



BRAC Bank added yet another facility for its people by setting up a gymnasium at the bank's head office

Key Event Highlights



BRAC Bank observed International Women's Day in 2021



BRAC Bank honoured the frontline employees who contributed greatly during the height of the pandemic



The Institute of Cost and Management Accountants of Bangladesh (ICMAB) has awarded 'Gold Award' in "ICMAB Best Corporate Award 2020" to BRAC Bank



The National Board of Revenue (NBR) recognized BRAC Bank as the one of the highest tax payers in banking sector and awarded Tax Card for Tax Year 2020-2021



The National Board of Revenue (NBR) partnered with BRAC Bank, allowing the bank to establish its API connectivity with NBR's VAT Online Project



BRAC Bank gained more capability as it teamed up with Green Delta Insurance to offer microinsurance services for livestock farmers in rural areas



BRAC Bank and Trust Axiata Digital Limited signed a partnership agreement to provide digital payment and settlement services



BRAC Bank and University of Dhaka launched entrepreneur accelerator programme Uddokta 101



BRAC Bank planted trees to observe the National Mourning Day and paid tribute to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman on his 46th death anniversary



The 10th edition of BRAC Bank-Samakal Shahitya Puroshkar 2019-2020 honoured six writers



BRAC Bank awarded the top performing Agents of its Agent Banking Channel



BRAC Bank and Sheba Platform signed an agreement and marked the official kickoff of "SME Bondhu"

Rehana's inspiring journey: from an artist to a successful entrepreneur



Rehana Akter

Since the days of her initial struggle, she has never had to look back. Today, her company employs 70 artisans and exports handmade ceramics to 35 countries around the world.

Rehana Akter had a passion for the arts right from her childhood. As she grew up, this passion led her to enroll at the Fine Arts Institute at University of Dhaka. Here, experiments with clay became an everyday affair. She started making different products during her student years. Incidentally, all her products got sold out, which instilled the confidence in her to make a business out of her passion for clay in the future. Rehana completed her BA in Fine Arts in 2002 and plunged towards entrepreneurship to turn her business venture into reality. That same year, Clay Image was born.

The company started with a table and a manually-operated potter's wheel in her parents' garage. She soon took over a part of the roof terrace as her expansion plans continued unabated. A kiln was then built behind the house and she continued to work in her "studio" until her final year in Fine Arts. Perfecting the bisque-firing technique at her home-made kiln, Rehana then converted an ancestral house into a factory.

With the initial small support from her family and without relying on formal bank credit, Rehana has turned Clay Image into a small-scale manufacturing industry, producing delightful hand-made products

using recycled clay and glaze from a mixture of non-toxic environment-friendly chemicals.

Clay Image is a pioneer in handmade ceramics in Bangladesh. With her passion and hard work she received consistent orders during her initial years, which helped her keep the kiln alight, so to speak. Since the days of her initial struggle, she has never had to look back. Today, her company employs 70 artisans and exports handmade ceramics to 35 countries around the world.

Bangladesh is a land of opportunity where more and more women are starting out in business. To help them realise their goals and empower them, BRAC Bank launched a unique women banking proposition, 'TARA', in 2017. The goal was to capture an untapped market and support women entrepreneurs like Rehana who require viable solutions for their unique business ideas.

While other banks shy away from valuing the true potential of such projects, at BRAC Bank, as a trusted financial partner of our customers, we offer collateral-free SME loans to create an enabling environment for thousands of women like Rehana to pursue their dreams and also showcase homegrown entrepreneurial creativity to the world.

CORPORATE STRATEGY



Overall Strategic Objectives

BRAC Bank focuses on making a difference to the real economy by advancing the major themes of financial inclusion, employment generation and creating a credit-linked impact on socio-economic development. Thus, the bank embraces the “3P” philosophy of fostering a developmental imprint on people and planet in its pursuit of profit. This comprises the heart of the bank’s responsible stewardship model as it pursues its 5 major strategic objectives.

Strategic objectives



Help customers prosper

BRAC Bank has successfully contributed to solving customer challenges. The bank, a pioneer in SME financing, has exerted a tremendous institutional credit-driven impact on thousands of small ventures, thus enabling them to fulfill their aspirations and ensure common prosperity.



Focus on SMEs

BRAC Bank placed its faith on small and medium enterprises of the country that were earlier considered non-bankable. Today, the bank has transformed this model and has emerged as one of the most successful SME financiers of the country with a SME book comprising 50% of the total portfolio.



Omni-channel strategy

BRAC Bank has achieved an optimum mix of physical-digital channels in its bid to enhance customer access and enable them to reach the bank the way it is convenient for them. As a people-centric bank, it endeavours to provide the whole host of banking solutions across all its channels.



Responsible governance stewardship

Good governance, transparency, ethics and compliance comprise the bank’s key foundations. Such a governance culture has led to strong investor confidence, reflected in the bank’s market capitalization that is in excess of US\$ 897 mn and a high proportion of foreign investor shareholding.



Bank of choice

BRAC Bank offers a wide variety of products and solutions that has enabled it to emerge as the preferred bank of choice for a large cross-section of Bangladesh’s population. Further, its strong focus on values-based banking exudes trust amongst customers, which has not only enabled it to create a multi-product, but also a multi-generational connect with its customers.

Major themes impacted



Financial inclusion



Digital Bangladesh



Infrastructure development



Employment creation



Societal uplift



Exchequer contribution



Governance and compliance



Environmental stewardship

Strategy and Resource Allocation

Key priorities of our strategy



Investing in our long-term strategy

At BRAC Bank, we are executing a long-term, disciplined strategy, focused on adding quality clients and delivering valuable solutions to help them succeed. Serving people and society and helping them prosper is at the heart of our strategy.

Throughout 2021, we remained focused on our strategic priorities and continued to invest and innovate across our business.

Investing to serve more clients

Being able to deliver our broad-based capabilities even at micro grassroots level distinguishes us from our competitors. While market expansion is one part of BBL's growth strategy, deepening relationships with existing clients is equally important to us.

Investing in innovation

We are innovating and building for the future and, at the same time, managing a franchise at scale. Looking forward, we will continue to direct our investments in data capabilities, technology, platforms and solutions to help further differentiate our value proposition and how we do business.

In the new normal environment, we believe challenges posed by the pandemic has only made us stronger. With the insights learned, we will accelerate the execution of our strategy for even greater success in the future.

Investing in our team

Our outstanding team and culture of excellence are the foundations of our success. This was especially

true last year, with a significant part of our team working remotely – and a small group of truly heroic co-workers continuing to carry out essential operations on-site.

Mobilisation efforts on managing the pandemic

In light of the Covid-19 health crisis, BRAC Bank mobilised and marshalled resources to assist customers, support the national economy and contribute to assisting those in need. We realise that the pandemic is a particularly difficult human ordeal and as bankers we own the special responsibility to ensure continuity of financial services, while helping not only our customers to overcome the crisis but also individual clients who have had to adapt to sudden, unexpected difficulties. Banking is an essential function during the current crisis and it is our duty to ensure business continuity at all times.

'Phygital' strategy to grow bigger and expand the business across the country

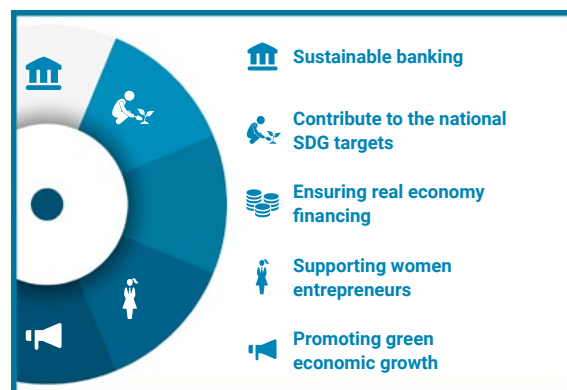
BRAC Bank has embraced an omni-channel strategy with the combination of physical and digital capabilities to reach out to more people and expand the business across the country. We embarked on a digital transformation journey to roll out new technology aiming at ensuring best-in-class services to our customers and, at the same time, rapidly expanding our agent banking network to serve the unbanked even in the most remote parts of the country.

Our multi-channel strategy

Digital transformation aiming at ensuring best-in-class services to customers	<ul style="list-style-type: none"> Core banking system Card management system Mobile banking app 'Astha' CORPNet - Internet banking for corporate customers 	Reinforce physical network to provide customer convenience	<ul style="list-style-type: none"> 700+ agent banking outlets in 64 districts Sub-branches to further reinforce physical network
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Achieve sustainable growth with ESG Focus

At BRAC Bank, our goal is to connect opportunities and possibilities with customer and client needs and requirements, thus fostering an interconnected environment where everyone can thrive and achieve their goals in life. Building societal resilience is yet another aim, especially in the aftermath of the pandemic, as vulnerable communities that have fallen back into the poverty trap will need extensive support to get on and get back up the economic ladder.

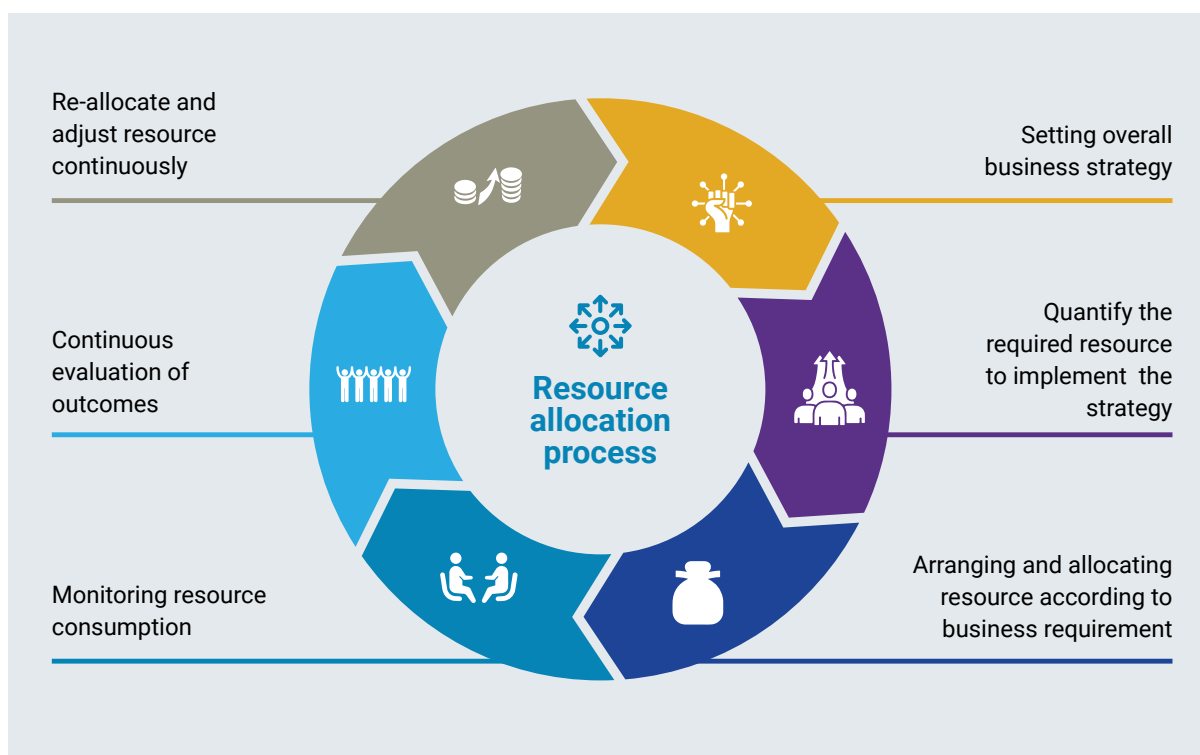


Our strategic focus areas

Short-term goals	Medium-term goals	Long-term goals
<ul style="list-style-type: none"> Develop new products/ services to generate additional income Sustained growth in 'Small & Medium Enterprise' sector Digital innovation to be more competitive Footprint coverage across the country Financial inclusion through new products and channels for unbanked populations Become the number no. 1 employer of choice Supporting our employees to acquire new skills or update existing ones 	<ul style="list-style-type: none"> Implement more tech-based solutions to provide faster customer onboarding, client service & internal processes Optimise client reach through existing distribution channels and adopting new digitized distribution networks Introduce enriched hiring tools to improve person-job fit, reduce recruitment times and lower hiring cost Implement more elaborate analytics solutions for improved credit appraisal, faster customer acquisition and forecasting needs Expand digital lending 	<ul style="list-style-type: none"> Catering to the customers' evolving needs with customized solutions. Strong focus on SMEs to ensure easy access to finance for the unbanked missing middle Improve credit & collection processes to restrict NPLs within desired levels and further review policies and processes to ensure portfolio quality in the backdrop of business growth objectives Establish a detailed data strategy and initiate, among other things, a drive towards improved analytics for management reporting Develop more measures to monitor and manage environmental footprint

Resource allocation at BRAC Bank

Resource allocation involves balancing competing needs and priorities and determining the most effective course of action in order to maximise the effective use of resources and gain the best return on investment. At BRAC Bank, we assign and manage our assets in a manner that supports our strategic goals and enables us to make the best use of our capitals.



Current allocation of assets and bottom-line composition

Particulars	Total asset composition		Profit composition	
	2021	2020	2021	2020
BRAC Bank Limited	83%	86%	120%	112%
bKash Limited	16%	13%	-26%	-16%
BRAC EPL Stock Brokerage Ltd.	1%	1%	6%	4%
BRAC EPL Investment Ltd.	1%	1%	5%	1%
BRAC Saajan Exchange Limited	0.01%	0.1%	-4%	-1%
BRAC Bank Group	100%	100%	100%	100%


Portfolio composition within BRAC Bank (Standalone)

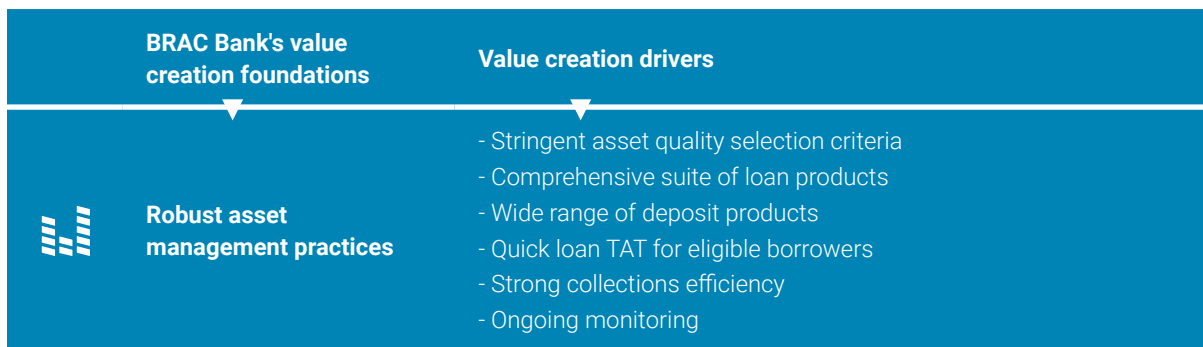
Particulars	Portfolio Amounts (BDT mn)		Composition	
	2021	2020	2021	2020
SME	150,749	134,621	47%	49%
Retail	66,014	46,212	21%	17%
Corporate	104,450	92,230	33%	34%
Total Loan Book (Standalone)	321,212	273,063	100%	100%

Our consistent and forward-thinking initiatives in strategy execution, aligned with smart resource allocation has placed us in a strong position today. We are meeting the challenges, both collectively and individually, thanks to our financial strength and our values and ability to adapt to the evolving conditions and circumstances. We have remained agile in the past and this is helping us to remain resilient in withstanding the current crisis, while also preparing for growth in the aftermath of the pandemic.

Our Value Creation Framework

At BRAC Bank, we are focused on creating value for all our stakeholders. This is the primary reason for our existence and the basis of our business.

BRAC Bank's value creation foundations		Value creation drivers
	Governance and risk management	<ul style="list-style-type: none"> - Regulatory compliance - Corporate governance - Credit risk management - Operational risk management - Internal control - Risk audit
	Advancing technological infrastructure	<ul style="list-style-type: none"> - World-class core banking software (CBS) - Data-driven decision-making system - Process automation - Best-in-class security standards - Technology audits
	World-class human resource practices	<ul style="list-style-type: none"> - Workforce planning - Fair recruitment policies - Employee training and development - Transparent performance appraisal - Strong rewards and recognition policies - Career advancement opportunities - Best-in-class compensation standards
	Robust financial reporting standards	<ul style="list-style-type: none"> - Adoption of international accounting standards adhering to BAS and BFRS - Financial reporting following all regulatory guidelines - MIS for improved decision-making
	Extensive market strategy and product planning	<ul style="list-style-type: none"> - Customer need surveys and segmentation - Design and development of products and services - Development of key processes
	Robust marketing and sales infrastructure	<ul style="list-style-type: none"> - Strong frontline sales force - Marketing and communications - Distribution network set-up - Customer service and complaint management
	End-to-end deposit management framework	<ul style="list-style-type: none"> - Expanded deposit origination/sourcing - Focus on lower-cost CASA - Diversified borrowings: <ul style="list-style-type: none"> Short-term Long-term

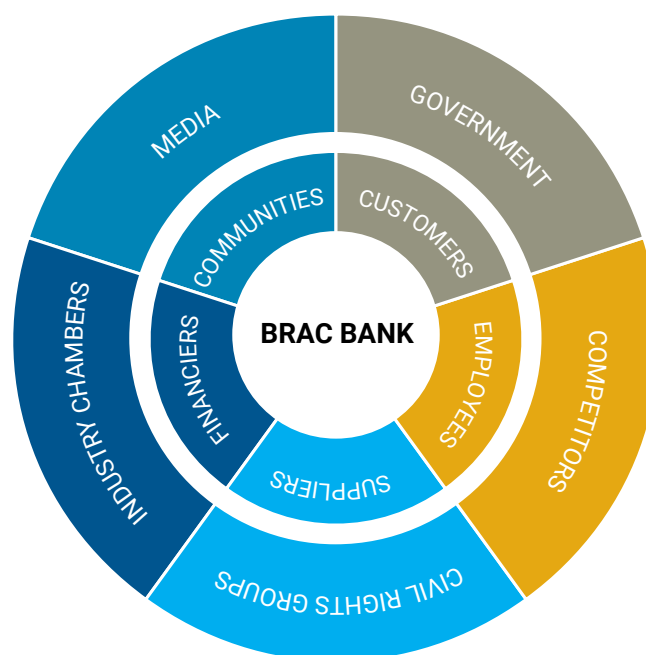


Our stakeholder-centric value creation focus

At BRAC Bank, we are focused on meeting the needs and expectations of all our stakeholders and furthering our sustainable value creation journey for all. Our value creation agenda is rooted in creating an enduring impact on all those associated with the bank.

The following infographic describes the broader value we foster amongst our diverse stakeholders.

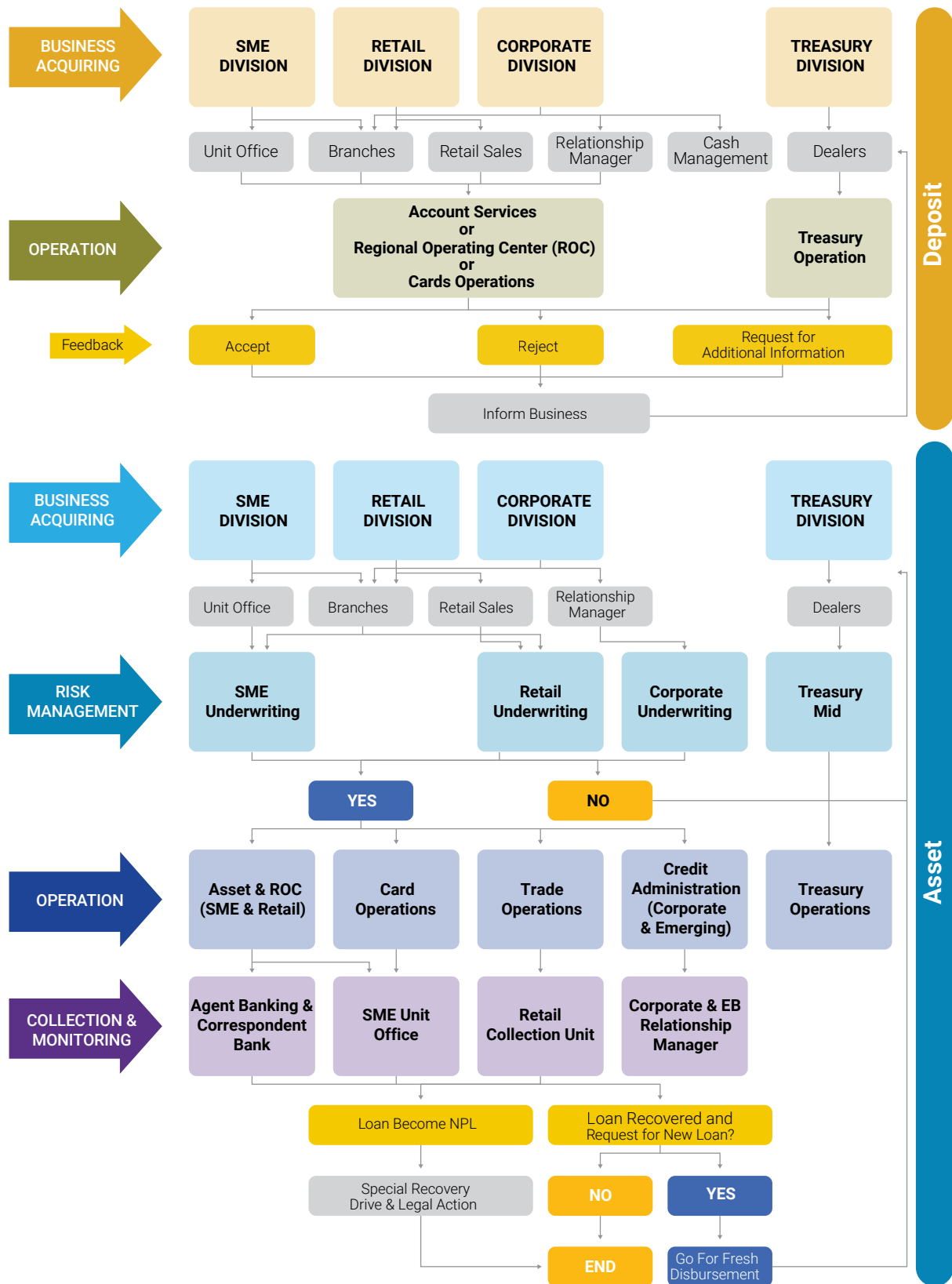
- Upholding public trust as custodians of their financial welfare and wellbeing
- Empowering customers to enable them to make better financial choices and achieve their life and lifestyle goals
- Improving digital literacy and safety through our ongoing awareness sessions, as well as ensuring seamless digital access to our products and services
- Supporting employment creation across through our scale and presence
- Embracing ESG principles to ensure a stable and holistic socio-financial impact
- Extending positive support to vulnerable and underprivileged households through high-impact citizenship programs
- Fulfilling our role as a partner in nation-building through honouring all our regulatory requirements, including contribution to the state purse
- Supporting small businesses and suppliers through our procurement division, with one of the largest procurement budgets in the country's banking sector
- Fostering information disclosure transparency with the media and industry bodies
- Upholding the expectations of civil rights groups and others through human rights and fair labour practices



Our Business Model



Work Flow of BRAC Bank



Competitive Intensity and Tactical Responses

At BRAC Bank, we remain mindful of our operating environment that is characterised by a high degree of competitive intensity. Yet, we are also focused on growing the share of the market in the true spirit of financial inclusion, as nearly half of Bangladesh remains outside of the formal banking ambit. Thus, onboarding the next mns of customers comprises our constant pursuit. We fulfill our objectives through key thrusts, including:

- Digital innovation
- Personalised solutions
- Superlative customer experiences
- Service excellence

As a bank with a longstanding heritage, we are focused on operating our business efficiently, managing risk prudently and delivering value to our clients and stakeholders. Thus, though the competitive intensity is high, our key competitive differentiators enable us to carve a niche and hence ensure sustainable growth.

Major forces in our operating environment and our responses



External factors influencing buyer power

- Large corporates and high net-worth individuals can exert influence on a bank
- Low switching costs enforces higher competitive intensity
- Location-agnostic services (alternative delivery channels, digital channels, etc.) can help sway customer decisions

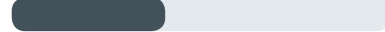
BRAC Bank's responses and forward strategy

- We focus on service as key differentiator. While it may be easy to copy a product, it is impossible to replicate service
- We offer amongst the industry's lowest loan TAT (turnaround time) to eligible borrowers
- Our digital banking channels, including app, ensure banking at the fingertips
- We focus on developing best-fit personalised product offerings that meet precise customer needs and expectations
- The pandemic has reinforced public trust in bigger and well-managed banks and such a shift represents a major advantage for us



SUPPLIER POWER

Moderate



External factors influencing buyer power

- Depositors comprise the primary source of capital and hence they are a major supplier group for the banking industry
- The threat from individual depositors is minimal, similar to their bargaining power
- Major corporate customers and high net-worth individuals have a sway on account of their typically more sizeable deposits
- Suppliers of goods and services have very low bargaining power, but large IT service/infrastructure providers exercise a higher power because of their size

BRAC Bank's responses and forward strategy

- We focus on attracting new CASA (current account, savings account) customers, offering various propositions and also ensuring lower cost funds origination
- We offer the most attractive interest rates on deposits, bolstered by our ability to draw low-cost funds through our superior credit ratings
- We offer a wide range of fixed deposit products across varying maturities that meet the myriad financial and socio-economic needs of our deposit-holders
- We manage bargaining power of goods and services suppliers through best practices in terms of our procurement policy



THREAT OF SUBSTITUTES

Moderate



External factors influencing buyer power

- Threat of substitutes is negligible in the context of Bangladesh, as there is no direct replacement of credit/savings products in the economy
- However, suppliers accepting payments from customers in EMI (equated monthly installments), as a means of financing is a rising threat
- FinTech/digital first entities, although operating on a limited scale in the country, may represent a threat in the future

BRAC Bank's responses and forward strategy

- We focus on innovation on digitisation of products and services that enable us to stave-off any substitute threats
- With our proven and trusted cash management and supply chain financing solutions, we ensure that our customers enjoy a diverse choice of financing options that meet their specific needs, thus ensuring another front to counter the risk of substitution



THREAT OF NEW ENTRANTS

Low



External factors influencing buyer power

- The threat of new entrants in the banking sector is relatively low on account of enormous upfront capital requirements being a deterrent to new players
- This threat is contingent on regulators' decision to award new banking licenses
- However, established banks in other countries could enforce greater competitive intensity if regulator permits them to operate in Bangladesh

BRAC Bank's responses and forward strategy

- Entering the market and competing on the same scale as BRAC Bank is not easy for a new bank. New entrant/s would have to establish a significant brand identity and delivery channel
- We are relentlessly focusing on tech and digital banking to maintain our competitive lead
- As a bank with a customer-first philosophy, we believe our continuous focus on excellence will help thwart any competitive pressures from new entrants



COMPETITIVE RIVALRY

High



External factors influencing buyer power

- Competition in the domestic banking industry is very high, with 61 scheduled banks, 5 non-scheduled banks and 34 financial institutions (FIs) competing for share of a highly concentrated industry
- Non-differentiated products and services among competitors, insignificant brand loyalty of customers and high exit barriers induce greater competitive intensity

BRAC Bank's responses and forward strategy

- We focus on financial inclusion and empowerment as a means to onboard customers that are unbanked or underserved
- We offer the most competitive rate on our loan products and most favourable rates on our deposit products
- We have adopted a "phygital" strategy combining the robust delivery network of our physical touchpoints along with our safe and secure digital banking channels that provide our customers to interface with the bank in multiple ways
- We foster enhanced customer trust through our strong and dependable governance practices
- We demonstrate empathetic, speedy and sensitive customer service and prompt grievance resolution that only helps build customer confidence

Stakeholder Engagement

Through stakeholder engagement and collaboration, BRAC Bank is committed to understanding and being responsive to the needs, interests and expectations of stakeholders and in partnering with them to explore solutions for shared value creation. Proactive, ongoing stakeholder engagement is increasingly integrated into the bank's business practices. The diagram below summarises the stakeholder engagement process at BRAC Bank.



INVESTORS

Analysis of stakeholder	17,026 shareholders 51.56% institutional and general public shareholding
Key expectations	<ul style="list-style-type: none"> ▪ Sustainable return ▪ Business risk management ▪ Transparency of management ▪ Information transparency ▪ Compliance with regulatory/legal requirements ▪ Timely communication
Management response	<ul style="list-style-type: none"> ▪ Demonstrated value delivery track record ▪ Strategic planning and proactive conduct ▪ Continuous evaluation and reinforcement of competitive drivers ▪ Ethics and good governance ▪ Strict maintenance of internal control and compliance
Method of engagement	<ul style="list-style-type: none"> ▪ Annual General Meeting ▪ Quarterly financial statements ▪ Announcements to stock exchanges ▪ Press conference and media releases ▪ Corporate website
Strategic direction	<ul style="list-style-type: none"> ▪ Continue to build on our value thrusts for consistent long-term investor value creation.



CUSTOMERS

Analysis of stakeholder	1.2 mn deposit-holders 0.4 mn SME clients 7k corporate clients 0.9 mn Retail clients 0.2 mn registered Astha app users
Key expectations	<ul style="list-style-type: none"> Ease and convenience of service accessibility Satisfaction in terms of service quality Ease of buying products Products cater to evolving needs Grievance handling and settlement
Management response	<ul style="list-style-type: none"> Digital innovation for easy anytime-anywhere access New products development Improvement of efficiency and service quality Expand geographical coverage area Review customer journeys and enhance experience
Method of engagement	<ul style="list-style-type: none"> Astha digital app CORPNet banking platform for corporate customers Numerous customer touchpoints, including branches and alternate delivery channels Helpline Corporate website Media campaigns/advertisements Social media
Strategic direction	<ul style="list-style-type: none"> Provide an empowered and entrepreneurial workplace for our people to thrive.



EMPLOYEES

Analysis of stakeholder	7,619 employees 13% female employees 6 transgender employees
Key expectations	<ul style="list-style-type: none"> Job security and career fulfillment Health and safety concerns on Covid-19 Enhancement of skills and knowledge Competitive/benchmarked remuneration Ensure healthy work-life integration Diversity and inclusivity
Management response	<ul style="list-style-type: none"> Build ownership by engaging employees within the business Friendly HR practices Strong career development pathways Precautionary actions taken against Covid-19 Full assistance in case of infection Training and professional development Fair pay and other benefits/emoluments Deep employee engagement focus Fair, meritocratic and gender-neutral workplace

Method of engagement	<ul style="list-style-type: none"> ▪ Employee meetings ▪ One-to-one interactions ▪ Trainings ▪ Offsites
Strategic direction	<ul style="list-style-type: none"> ▪ Focus on digital and new product innovation to ensure financial inclusion and empowerment.



GOVERNMENT & REGULATORS

Analysis of stakeholder	<ul style="list-style-type: none"> ▪ Bangladesh Bank ▪ Bangladesh Securities & Exchange Commission (BSEC) ▪ Dhaka and Chittagong stock exchanges
Key expectations	<ul style="list-style-type: none"> ▪ Compliance with applicable laws and regulations ▪ Good corporate governance and business ethics
Management response	<ul style="list-style-type: none"> ▪ Strong internal controls and corporate governance mechanism ▪ Strong governance practices ▪ Consistent exchequer contribution
Method of engagement	<ul style="list-style-type: none"> ▪ Directives and circulars ▪ Meetings/discussions ▪ Trainings and workshops
Strategic direction	<ul style="list-style-type: none"> ▪ Committed to upholding the highest standards of governance and remain as a reference in Bangladesh's banking industry.



SUPPLIERS

Analysis of stakeholder	980 work orders to IT vendors 477 work orders to non-IT vendors
Key expectations	<ul style="list-style-type: none"> ▪ Timely settlements
Management response	<ul style="list-style-type: none"> ▪ Proper implementation of purchase orders ▪ Procurement policy vetted by Deloitte, ensuring strong controls and fair treatment ▪ Streamlined payment processes ▪ Supplier development and extensive support initiatives
Method of engagement	<ul style="list-style-type: none"> ▪ Business meetings ▪ Insights on business growth/improvement
Strategic direction	<ul style="list-style-type: none"> ▪ Ensure smooth supply chain for procurement of goods and services in a cost-effective manner through our registered suppliers.



COMMUNITIES

Analysis of stakeholder	205 mn CSR spends, 2021
Key expectations	<ul style="list-style-type: none"> ▪ Support under-developed communities ▪ Contribute to grassroots development
Management response	<ul style="list-style-type: none"> ▪ Impact-driven citizenship initiatives ▪ Strong Covid-19 alleviation measures ▪ Activities focused on developing community foundations
Method of engagement	<ul style="list-style-type: none"> ▪ Community projects ▪ Employee volunteerism
Strategic direction	<ul style="list-style-type: none"> ▪ Continue to build community/societal value through our impact initiatives.



ENVIRONMENT

Analysis of stakeholder	Planet and society
Key expectations	<ul style="list-style-type: none"> ▪ Contribute to eliminating environmental degradation ▪ Environmental preservation
Management response	<ul style="list-style-type: none"> ▪ Green finance and finance-linked to sustainability ▪ Socially responsible finance ▪ Measuring and minimising carbon footprint ▪ Sustainable finance for renewable energy projects ▪ Dedicated sustainable finance desk at select branches ▪ Going paperless by promoting digital banking ▪ e-communication against paper-based correspondence ▪ Efforts to reduce plastic use
Method of engagement	<ul style="list-style-type: none"> ▪ Credit proposal analysis/vetting ▪ Customer site visits
Strategic direction	<ul style="list-style-type: none"> ▪ Focus on green capital as a means to take positive action for the climate.

Supporting the growth aspirations of large corporates



Sk. Bashir Uddin, Managing Director, Akij Ceramics Limited



Akij Ceramics Limited (ACRL) is one of the leading ceramic products brand of Bangladesh, manufacturing a

wide range of products, including floor tiles, wall tiles, sanitaryware and tableware.

In mid-2020, despite the onset of the Covid-19 pandemic, ACRL adopted a contrarian view and firmed up plans to enhance production capacity, pinning hope on major post-pandemic growth recovery. At that time, BRAC Bank devised a unique trade solution to cater to their requirements and support the company's growth expectations.

Today, ACRL's new expansion has created employment for 200+ people and will have a major cascading impact on the microeconomy and the

ACRL has stated that it is proud to have a major banking partner like BRAC Bank that is a member of the Global Alliance for Banking on Values (GABV), thus responsibly contributing to the growth of the nation.

broader society, including helping people live better. Further, the incorporation of modern energy-efficient machinery will also help reduce carbon emissions, thus ensuring a green environment.

ACRL has stated that it is proud to have a major banking partner like BRAC Bank that is a member of the Global Alliance for Banking on Values (GABV), thus responsibly contributing to the growth of the nation.

Thus, BRAC Bank is a significant growth partner to many big corporate conglomerates like ACRL, enabling them to achieve their business growth targets and aspirations. As a reliable partner of progress, BRAC Bank's comprehensive suite of banking products and solutions have been tailor-made to suit the specific needs of our customers, thus enabling them to achieve a broader and more widespread impact on the nation.

PERFORMANCE ANALYSIS



Directors' Report

to the Shareholders of BRAC Bank Limited

The Board of Directors of BRAC Bank Limited take immense pleasure to present to the shareholders the performance update of the bank's business and operations and other key strategic indicators that together form an integral part of this Integrated Annual Report 2021, along with the audited financial statements of the bank for the year ended 31 December 2021.

As a bank committed to information disclosure and transparency, the Directors' Report will enable you to get an insight into the global macroeconomic overview as well as performance and trends of Bangladesh's economy that comprised our broader

operating landscape. The Report also articulates the forward outlook and offers a detailed analysis of the bank's financial performance and competitive context for the year 2021, in compliance with the regulatory framework.

To ensure the integrity and reliability of the financial information presented in the financial statements, the Board has established the required internal control and IT security systems over recording, processing, reporting and archival of financial data, aligned with best practices in financial reporting standards.

Key information elements of our Directors' Report for ease of access for our shareholders



Global economic outlook
page 126



Bangladesh economic overview
page 127



Bangladesh's banking sector
page 129



BRAC Bank's performance report
page 130

Global economic outlook

5.9%

Projected global economic growth, 2021

4.4%

Projected global economic growth, 2022

In 2021, the world entered into the third year of the Covid-19 pandemic crisis, with a mix of encouraging and troubling economic developments, clouded by many risks and considerable uncertainty.

The recovery that was gathering pace after the first wave of the virus in March 2020 was met by the emergence of the second wave in mid-2021 that halted progress due to reimposition of shutdowns, mobility curbs, etc.

Few of the key global economic developments comprised:

- Emergence of the Omicron variant of the virus that enforced reimposition of mobility restrictions in December 2021
- Rising energy prices and supply disruptions that resulted in higher and more broad-based inflation than anticipated
- Ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption
- Geopolitical turmoil with regards to the Russian invasion of Ukraine

The International Monetary Fund (IMF) in its World Economic Outlook update of January 2022 has indicated that global growth is:

Estimated at
5.9% in 2021

Expected to
4.4% in 2022

half a percentage point lower than in the October 2021 World Economic Outlook update.

Some of the salient takeaways of the January 2022 WEO update include:

- Elevated inflation is expected to persist for longer than envisioned, with ongoing supply chain disruptions and high energy prices continuing in 2022
- Risks to the global baseline are tilted to the downside. The emergence of new Covid-19 variants could prolong the pandemic and induce renewed economic disruptions
- Supply chain disruptions and energy price volatility can translate to high inflation pressures
- Other global risks may crystallise, as geopolitical tensions remain high and the ongoing climate

emergency means that the probability of major natural disasters remains elevated

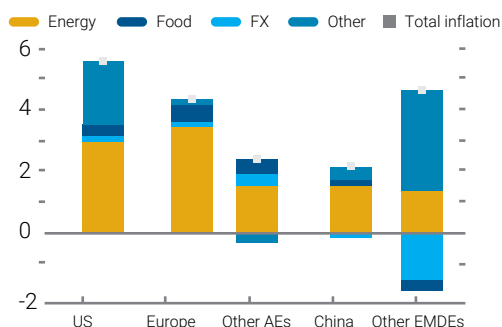
- With the pandemic maintaining a grip, though expectedly weakened now, the emphasis on an effective global health strategy is more critical than ever

Key events that have global implications include the stimulus tapering measures by the US Fed (Federal Reserve) and the European Central Bank (ECB) in response to broadening price and wage pressures.

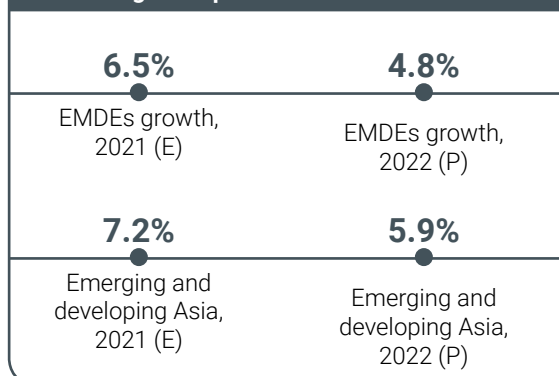
Although fiscal consolidation is anticipated in many emerging market and developing economies (EMDEs) in 2022, high post-pandemic debt burdens will be an ongoing challenge for years to come.

Key economic indicator to lookout for: Change in inflation

Percentage points



Key economic indicator to lookout for: Economic growth patterns



Source: World Economic Outlook update, January 2022; E=Estimates; P=Projections

Bangladesh economic overview

6.94%

GDP growth, FY2021

35.3 tn

Bangladesh GDP (BDT)

11.4%

GNI growth, FY21

3.45%

GDP growth, FY2020

219,738

Per capita income

\$2,591

Gross national income

Bangladesh's economy, rightly termed the "Asian Tiger", has demonstrated outstanding resilience amid the major pandemic shock, with GDP growth holding strong.

The country has managed its macro and fiscal policies prudently to navigate against the challenges, while prioritising lives and livelihoods.

Macroeconomic trend already reflects a V-shaped rapid recovery from the pandemic depths.

Today, with secured economic progress achieved even against a major "black swan" event, Bangladesh is aspiring to emerge as a half-trillion-dollar economy by 2022-23.

Few major economic developments include:

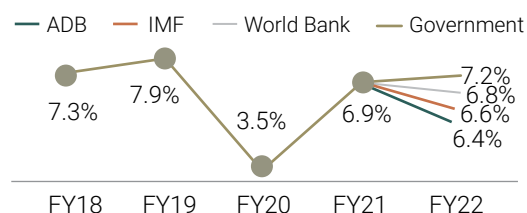
- Bangladesh's GDP has reached a size of \$0.416 trillion (current prices in FY21)
- It has already secured the final recommendation of the United Nations General Assembly to graduate from the Least Developed Country (LDC) category

GDP growth performance

Bangladesh's economy posted GDP growth of 6.94% in FY21, up sharply from 3.45% reported in the pandemic-affected FY20.

In a major endorsement of its rising economic might, the country overtook India in terms of per capita GDP in 2020 and will keep its position to reach \$2,995, compared to India's \$2,830, in 2025.

Key economic indicator to lookout for: GDP growth V-shaped recovery



Source: Government, ADB, IMF and World Bank publications

External sector developments

Exim (exports-imports) recovered throughout FY21, as both external and internal demand started picking up despite the pandemic.

- Import growth emerged faster at 19.7%, compared to exports at 15.1%
- Given the higher growth and larger base of imports, trade deficit widened to \$22.8 billion, representing an increase from \$17.9 billion in FY20
- However, current account deficit (CAD) moderated to \$3.8 billion in FY21 from \$4.1 billion, mainly due to continued strong inflow of remittances, which expanded by a record 36.1% to \$24.8 billion
- Till December 2021, export-import recovery gained further momentum, growing by 28.4% and 54.5%, respectively, while trade deficit stood at \$15.6 billion
- However, official remittance inflows slowed, declining by 20.9% during the July-December 2021 period, due to increased use of informal channels

While CAD stood at \$8.2 billion, financial account inflows remained satisfactory at \$6.7 billion, resulting in a balance of payment deficit of \$1.8 billion. Forex reserves also remained unchanged at \$46.4 billion, sufficient to cover import liability of up to 6.9 months.

Domestic credit overview

Domestic credit growth moderated to 10.1% in FY21 from 14.0% in FY20. Private sector credit grew by 8.3% (compared to 8.6% a year ago), as economic activity had limited momentum during the period.

- In FY22, domestic credit growth picked up to 12.4% during July-December from 9.9% a year ago
 - Private credit growth increased from 8.4% in December 2020 to 10.7% in December 2021
 - Public sector credit growth rose from 18.6% to 21.0%
- Bangladesh's private sector credit growth remains elevated, even above countries such as India, Pakistan and Indonesia, indicating continued economic buoyancy

Economic outlook

Bangladesh has emerged as one of the world's fastest growing economies. Adding further thrust to the momentum, Bangladesh government has set a GDP growth target of 7.2% for FY22. This growth has been factored considering several positive developments across key sectors of the economy.

RMG

- Demand for Bangladeshi RMG exports has been rising in major export destinations, such as the US and the EU
- Knitwear and woven garments are expected to continue to dominate the export basket with emergence of value-added products (home textiles and leather)
- "China+1" strategy for geographical diversification can accelerate investments into the sector

Remittance

- Rebound in manpower export is expected as global economy picks up
- Significant awareness campaigns are being conducted to promote remittance flow through formal channels

12-month average inflation is expected to edge up to 5.8% in FY22 due to rising price pressures from both domestic and external sources. This is attributed to excess imports, especially capital machinery

Certain other downside risks prevail as well, including further upward price pressures, which may worsen domestic financing conditions and erode real income. Further, any major deceleration in major economies, including the United States and China, may also weigh on external demand in Bangladesh.

Bangladesh's banking sector

19.8 tn

Aggregate banking sector assets (BDT)

64.8%

Asset-to-GDP ratio

7.93%

NPL, December 2021

Loans and advances constituted 64% of total assets. As per the latest quarterly data, assets increased by about 1.3% compared to 4.6% and 1.4% in the previous two quarters. This growth is largely attributed to increase in the investment portfolio of state-owned banks.

NPL ratio of the banking industry increased slightly to 7.93% in 2021 compared to 7.66% in 2020. Moreover, net NPL ratio decreased to -0.43% from maintenance of loan loss provision and accumulation of higher amount of interest suspense, compared to a net NPL ratio of -1.18% in 2020.

In 2021, the required provision increased considerably to BDT 806.5 billion compared to BDT 648.0 billion in 2020. In contrast, provision maintained increased marginally from BDT 646.8 billion to BDT 666.5 billion. As a result, provision shortfall increased significantly from BDT 1.2 billion to BDT 140.1 billion.

In terms of profitability, return-on-assets declined sharply from 0.42% in Q1'21 to 0.25% in Q4'21, while return-on-equity declined from 6.70% to 4.44% during the same period. Moreover, ROA of most banks remained below 2% and ROE remained below 5% for a large number of banks in 2021.

BRAC Bank: Celebrating 20 glorious years of contributing to Bangladesh's progress, welfare and development



The year 2021 represented a momentous milestone for BRAC Bank as it completed 20 years of existence in Bangladesh, having commenced operations in 2001.

The year was all the more historic as Bangladesh celebrated its 50th year of independence. Over the course of Bangladesh's journey from a "basket case" to an "Asian Tiger" is remarkable by any standard and is a testament to the distance Bangladesh has traversed in transforming itself over the decades.

At BRAC Bank, we salute this national spirit and are proud of our contributions to nation development. We will continue with the same passion and zeal in the future, aligning our impact more closely to the Government's prioritised areas of focus, thus enabling our country to the next leap forward.

At this historic juncture, we also pay tribute to Sir Fazle Hasan Abed KCMG, the Founder of BRAC Bank and an iconic leader of Bangladesh.

Sir Abed's enormous contribution to turn the cycle of poverty for millions in the country through developmental finance and shape sustainable prosperity will be forever etched in Bangladesh's history. He has truly set an exemplary example of sustainable development, ethics, philanthropy and, most importantly, valuing humanity.

As a bank that is rooted in Bangladesh's soil, BRAC Bank's growth mirrors the development of Bangladesh.

It has been a fulfilling and rewarding journey of the past two decades, with BRAC Bank emerging as a model exemplifying the impact of institutional finance on grassroots economy.

BRAC Bank embodies the essence of values-based banking, fostering a sustainable impact on the real economy of Bangladesh. Some of the bank's pride-enhancing achievements include:

- Highest market capitalisation amongst all private sector banks of Bangladesh
- Highest international investor shareholding among local banks
- Highest credit rating among all banks in the country, indicated by both international rating agencies- S&P and Moody's
- Highest rural penetration in the true spirit of financial inclusion
- Leading position in SME financing through collateral-free loans
- Pioneer of women banking concept in Bangladesh
- Leading positions in digital banking through Astha app, internet banking, etc.
- Torchbearer of corporate governance practices in the country

In line with the deeply cherished vision of Sir Abed of a progressive and developed Bangladesh, we recommit ourselves to the country's journey towards achieving the Sustainable Development Goals by 2030 and developed nation status by 2041.

Performance overview, 2021



BDT **449,084 mn**

TOTAL ASSETS



BDT **321,212 mn**

LOANS & ADVANCES



1.3 mn

TOTAL CUSTOMERS



Best CMSME
Bank with
highest exposure

Best Corporate
Governance Awards
by ICAB, ICSB, ICMAB

AWARDS & RECOGNITION



3.90%

BBL

7.93%

Industry

NPL

Key developments of the year at a glance

 DIGITAL	 INCLUSION	 AGILITY	 PARTNERING	 FUTURISING
Bridging gaps through advancing digital banking In response to the shift in customers' needs, we expanded our digital offerings to provide a wider choice of access and to empower our customers in their daily lifestyle and business needs.	Deepening relationships for customer empowerment through our omni-channel strategy Our strategy is built on financial inclusion and empowerment, and we focus on innovation to deliver on these goals.	Advancing towards securing our position in the post-pandemic era The Board sanctioned an aggressive strategy to expand the bank's balance sheet, while at the same time maintaining strict surveillance on the quality of business onboarded.	Partnering the Govt. in achieving broader socio-economic goals Through our SME and Agent Banking segments we are able to contribute to the financial inclusion and equitable development goals of the country.	Futurising our workforce and giving them an environment to thrive At the bank, we place our people foremost in every decision we make, to empower them to flourish and rise above any challenges and continuing on their path of career advancement.

Bridging gaps through advancing digital banking

During the year under report, BRAC Bank focused on accelerating transformation to harness the key trends that have been shaped by the pandemic. Notable amongst these is the adoption of banking via digital means.

Thus, guided by our core intent of providing superlative digital experiences to our customers anchored on convenience, trust and reliability, we continued to offer more personalised engagements and solutions via ecosystems that could be customised while maintaining resilient and secured backend systems.

We aimed to evolve from a trusted financial services provider rotating towards becoming our customers' lifestyle and business partner, supported by data analytics and digital systems and platforms. Hence, in response to the shift in customers' needs amidst the pandemic, we expanded our digital offerings to not only provide a much wider choice of access, but also to empower them in their daily lifestyle and business needs.

In one of the most significant developments of the year, we brought the whole host of our banking products and solutions right to the fingertips of our

customers through the launch of "Astha", our first-ever mobile banking app which received a tremendous response from the market.

Launched in 2021, the app was designed to provide easy and convenient banking services. Built entirely in-house and based on agile methodology, the app includes a plethora of features for enabling day-to-day transactions with the bank. Astha, thus positioned as a world-class app, brings forth the most modern banking services right at the "virtual doorstep" of our customers and it has not only redefined banking experience for them, but has also shone light on the positive impact of technology in making lives easier, simpler and better.

Astha hence is a key part of our larger ecosystem of digital assets and will support our strategy of customer acquisition and retention.

Deepening relationships for customer empowerment through our omni-channel strategy

At BRAC Bank, our strategy is built on financial inclusion and empowerment, and we focus on innovation to deliver on these goals.

Thus, our digital solutions are developed and designed based on needs arising from the continuously changing operating landscape –

from adapting to shifting customer behaviour to supporting businesses to evolve their business models, especially in the wake of the pandemic, while ensuring that we remain as the bank of choice amongst them for meeting their banking requirements.

We know that business owners today need support beyond banking. Many also face the challenge of having to digitise their operations. Therefore, our CORPNet banking platform for corporate customers has been designed as a single-stop solution to meet the banking and financial services needs of this customer segment.

While digital is important, we believe physical imprint is equally critical as well, as banking is a business of trust and hence customers continue to show an inclination for visiting our branches and offices for interacting with us.

Furthermore, in a far flung country like Bangladesh where digital is an effective strategy to meet the banking needs of remote populations, physical presence in these areas become crucial when these areas are not in the ambit of high-quality broadband services.

Thus, a physical network is central to reach the unbanked and underserved segments in mofussil parts of the country. At BRAC Bank, we are proud to have the most extensive grassroots presence, evident in our 187 branches, 456 SME Unit Offices and as many as 705 Agent Banking outlets spread throughout the country, which is expected to cross 1,000 outlets by the end of the current year.

We are committed to institutional finance-led customer empowerment and our digital-physical strategy advances this objective and is the centerpiece of our strategy to emerge as the best bank of Bangladesh.

Advancing responsibly towards securing our position in the post-pandemic era

Though 2021 started with some signals of economic recovery after the first wave of the virus in March 2020, the economic environment quickly deteriorated

with the onset of the second wave (unleashed by the Delta variant), impacting the performance of the bank and indeed most of the major companies of the economy on account of reimposition of shutdowns and movement restrictions.

Yet again, Bangladesh's economy demonstrated sheer resilience by bouncing-back, only to face the Omicron-led variant wave that hit the country in December 2021. However, considering evidence from other parts of the world, no major restrictions were enforced as this virus turned to be a milder form.

Thus, the bank faced significant volatility during the year, remaining agile to capitalise on opportunities while continuing with its role as an essential service provider.

While right from the onset of the pandemic the Board exercised caution in new business while providing full-fledged support to existing customers to overcome the challenges of the pandemic, as the pandemic waned, the Board issued the directive to pursue loan growth.

The result of this prudence was reflected in the sustainment of the bank's balance sheet, despite the external turbulence.

While the balance sheet remained virtually static till the third quarter of 2021, similar to the year 2020, however, determining the unfolding opportunities in external environment and looking at the long-term post-pandemic landscape, the Board sanctioned an aggressive strategy to expand the bank's balance sheet by speeding up loan growth, while at the same time maintaining strict surveillance on the quality of business onboarded.

BRAC Bank regained momentum in the later part of 2021 by recording a substantial 12% growth in loans and advances to BDT 33,862 mn, in the fourth quarter of 2021 alone.

For the full-year, loan growth stood at 18% to BDT 48,149 mn.

Such a growth rate achieved amid the challenges of the pandemic is highly credible and attests to the bank's sheer resilience to recover from a major shock event.

The Board continued to maintain a conservative stance on provisions to create a robust buffer of BDT 1,139 mn against unforeseen impacts of the pandemic (as on December 31, 2021) over and above the stipulated requirements of Bangladesh Bank.

Notably, notwithstanding the additional provisions, the bank was able to earn a net profit of BDT 5,547 mn, against BDT 4,541 mn recorded in the previous year.

2021 highlights at a glance



Partnering the government in achieving broader socio-economic goals

Well before the term “financial inclusion” became a part of public discourse, we have been practicing it actively and energetically, in fact pioneering the small collateral-free lending business in Bangladesh.

We have developed the business from the ground-up, believing in the capability and capacity of small time tradespeople to achieve transformation via institutional finance. Achieving customer empowerment is a critical leg of our strategy and, in addition to our bank being synonymous with SME lending, we have also created other pathbreaking solutions to reach the unbanked/underserved through our Agent Banking model.

This service, facilitated through our 705 Agent Banking outlets located in 383 Upazilas of the country and in the centre of major regional/local

micro-catchments, provides a whole range of banking services to customers in a branch-like environment that is safe, secure and completely reliable. Thus, through our SME and Agent Banking segments we are able to contribute to the financial inclusion and equitable development goals of the country.

The pandemic-stricken years of 2020 and 2021 were critical for the Government to keep economic activities on track. While this appeared to be most daunting given the scale of challenges, the Government performed admirably in managing public health and safety while eliminating financial and economic deprivation.

For this, the Government announced several stimulus packages for various target sectors of the economy, amongst which was also a package amounting to BDT 20,000 crore to provide relief to the CMSME sector.

BRAC Bank played a tremendous role in transmitting stimulus to intended beneficiaries.

The bank was successful in fulfilling its incremental target of BDT 1,500 crore in the first phase (April 2020-June 2021), which is the highest in the industry.

In the second phase (July 2021-June 2022), the bank remained far ahead to meet the disbursement targets. The bank's extensive SME network and large team facilitated the highest target in stimulus loan disbursement.

Bangladesh Bank recognised **BRAC Bank** for its outstanding role in implementation of the **first phase of the Covid-19 CMSME Stimulus Package** in FY 2020-2021

Futurising our workforce and giving them an environment to thrive

Guided by our mission of providing human-centric financial services, we remain committed to our journey of enabling our people to be digital-ready and customer-centric, while ensuring that their safety and well-being remains a top priority.

Our key HR pillars

At the bank, we place our people foremost in every decision we make, to empower them to flourish and rise above any challenges and continuing on their path of career advancement.

Our people strategy is guided by the following thrusts to shape a thriving, diverse and inclusive workplace that enables employees to be engaged, future-ready as well as mentally and physically fit, while embedding the organisational development approach that supports the need for businesses to rotate quickly in an environment undergoing continuous change:

- Workplace futurisation by institutionalising new ways of working
- Workforce futurisation by accelerating development and productivity of our people
- Future-ready infrastructure through innovative processes and tools

Today, we continue to nurture a community of employees deeply committed to serve our purpose. We do so through our robust HR value propositions that create mutual value for our employees and organisation. Ongoing training and development opportunities, a safe and inclusive work environment and attractive remuneration and benefits result in higher employee engagement levels which in turn results in high productivity levels.

A diverse and inclusive workforce

We are committed to nurturing a diverse workforce and continue to create an empowered environment where individuals are free to bring their authentic self to work without fear of judgement or discrimination. This acceptance of diversity enables us to understand our employees better and in a way mirrors the needs and expectations of our customers.

At BRAC Bank, ensuring gender parity and a bias-free workplace is an integral aspect of our diversity policy and we continue to strive to improve female representation at all levels of the bank.

Currently, 13% of our employees are female, whilst at senior manager position the representation is at 9%.

Our recruitment policy gives thrust on female employment, even as we have emerged as perhaps the first bank in the country to offer formal employment to people of the transgender community.

Financial performance, 2021

BRAC Bank entered 2021 with cautious optimism. As the year progressed, the emergence of new variants caused a spike in infections, bringing back movement restrictions and other containment measures. Recognising the need to continue to support our customers in this hour, we remained steadfast in providing financial support and solutions

to ensure they could weather the strain of the prolonged pandemic and its resulting impact. In doing so, we also continued to prioritise capital and liquidity in order to keep funding accessible to customers, while ensuring sufficient provision buffers to address potential asset quality issues. Thus, with our prudent stance, we managed to deliver a resilient performance in 2021.

BRAC Bank's 2021 financial performance at a glance (standalone)

23,364 mn

Total Operating Income

13,997 mn

Net Interest Income

53%

Cost-to-Income Ratio

3.90%

Non-Performing Loans

5,547 mn

Profit After Tax

449,084 mn

Total Assets

- Total revenues (net interest income plus other income) increased by a stellar 15% to BDT 23,364 mn, up from BDT 20,336 mn in the previous year. Revenue expansion was driven by an increase in net interest income (NII), commissions, exchange and brokerage and other operating income.
 - NII grew by 25% to BDT 13,997 mn due to the bank's ability to source low-cost funds from the market through our strong credit ratings.
 - Commission, exchange and brokerage income grew by 34% to BDT 3,440 mn from BDT 2,560 mn and other operating income grew by 31% to BDT 146 mn from BDT 112 mn.
- All-out efforts in cost reduction enabled us to create a leaner and more agile organisation, evident in our cost-to-income ratio declining to 53% in 2021 from 58% in the previous year. This represents a substantial reduction achieved in a single year.
- Thus, despite a 15% revenue growth, our operating expenses increased by a slower 6% to BDT 12,420 mn in 2021 (2020: BDT 11,734 mn), further reflecting our ability to drive operating leverage as we spread higher loan growth across an efficient cost base.
 - During the year, BDT 400 mn cost was incurred in procurement of hardware, software and technology, capitalised in the Statement of Financial Position as an asset, as we continue to develop and enhance our tech platform as part of our initiatives in digital banking.
 - Staff expenses expanded along a natural curve due to promotion and annual wage revision.
- The bank's provisioning policies remain aligned with principles more stringent than regulatory requirements. NPL coverage ratio based on only specific provisions excluding write-offs stood at 82%; including general and floating provisions, it stood at 124%.
 - The bank kept aside general provisions of BDT 110 mn during the year.
- NPL stood at 3.90%, as against 2.93% in the preceding year.
- Profit before tax grew by a satisfactory 17% to BDT 7,890 mn in 2021, commensurate with revenue growth of 15%. After providing for income tax of BDT 2,343 mn, net profit increased by 22% to BDT 5,547 mn for 2021, vs. BDT 4,541 mn in 2020.
- Earnings per share (basic) stood at BDT 3.98, up from BDT 3.26 (restated standalone basis) in 2020, recording a growth of 22%.
- Total Balance Sheet size stood at BDT 449,084 mn, representing an expansion of 13%, vs. BDT 396,982 mn in 2020.
 - Total deposits rose by 9% to BDT 314,599 mn, up from BDT 289,054 mn in the previous year.
 - Loans and advances of BDT 321,212 mn registered a growth of 18% over 2020 (BDT 273,063 mn).

Consolidated performance in brief

- Profit before tax on consolidated basis accelerated by 9% to BDT 6,910 mn. After providing for income tax of BDT 2,257 mn, net profit increased by 15% to BDT 4,653 mn, vs. BDT 4,041 mn in the previous year.
- Basic EPS stood at BDT 3.93, vs. BDT 3.17 in 2020 (restated)
- As on 31 December 2021, the bank's total balance sheet stood at BDT 527,913 mn, constituting a 16% increase over BDT 456,134 mn as on 31 December 2020.

Please refer to page 380 for details on the bank's financial disclosures.

Quarterly financial performance, 2021

The Board and Board's Audit Committee (BAC) monitor the financial and non-financial performance of the bank and the Group (including subsidiaries). During 2021, BAC reviewed the quarterly financial statements and BOD approved the same before disclosing it to shareholders and stakeholders. Key metrics under quarterly financial performance for 2021 are summarised below.

(BDT mn, unless otherwise stated)

Particulars	Standalone			
	Q1	Q2	Q3	Q4
Loans and advances	274,111	282,441	287,351	321,212
Deposits and other accounts	270,495	276,846	278,130	314,599
Total property and assets	388,197	394,005	390,896	449,084
Net asset value (NAV) per share (BDT)	35.04	33.59	34.08	39.09

Particulars	Standalone				
	Q1	Q2	Q3	Q4	Full Year 2021
Total revenue	6,046	5,929	5,864	5,524	23,364
Total operating expenses	3,024	3,028	3,190	3,179	12,420
Total provisions	1,079	927	642	407	3,054
PAT	1,407	1,439	1,378	1,323	5,547
EPS (BDT)	1.06	0.98	0.99	0.95	3.98

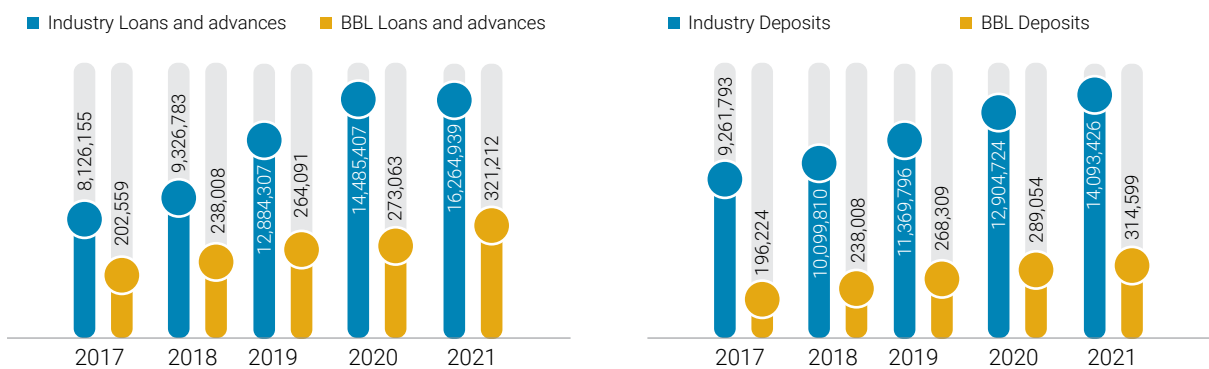
Particulars	Consolidated			
	Q1	Q2	Q3	Q4
Loans and advances	274,624	283,040	288,306	322,135
Deposits and other accounts	316,331	335,805	334,348	364,338
Total property and assets	447,646	466,373	461,928	527,913
Net asset value (NAV) per share (BDT)	36.24	34.73	35.23	41.08

Particulars	Consolidated				
	Q1	Q2	Q3	Q4	Full Year 2021
Total revenue	8,000	7,754	7,900	7,969	31,623
Total operating expenses	5,146	5,266	5,350	5,753	21,515
Total provisions	1,080	928	643	568	3,219
PAT	1,093	1,064	1,234	1,262	4,653
EPS (BDT)	0.93	0.92	1.02	1.06	3.93

In 2021, we bolstered our focus on business growth, cost optimisation, investments in technology, ESG targets adoption, and improving operating efficiency, thus representing a holistic approach to respond to an evolving operating environment and stakeholder needs and expectations.

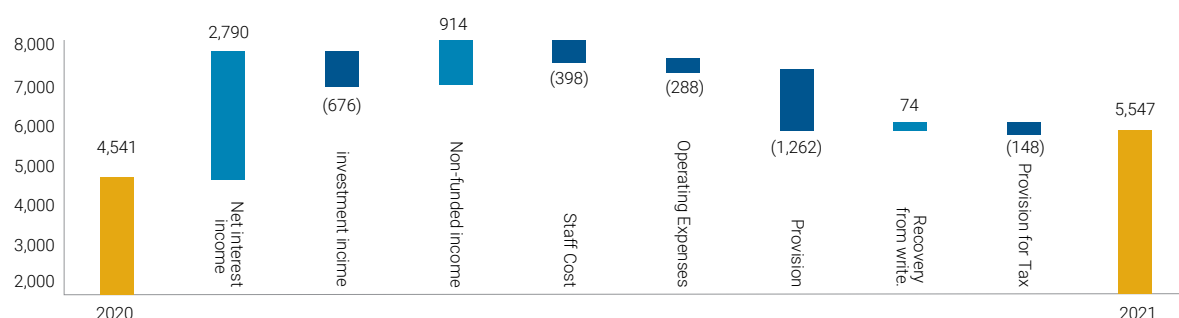
Please refer to page 149 for details on the bank's key operating performance indicators, shown as five-year financial summary and in graphical representation.

BRAC Bank vs. Industry



Profit growth in 2021 and its major constituents

BDT in million



Financial position and performance

Particulars (BDT mn)	Standalone			Consolidated		
	2021	2020	%	2021	2020	%
Cash and bank balances	42,558	33,602	27%	101,721	62,638	62%
Money at call and short notice	3,500	-	Full	3,500	-	
Investments	51,591	68,896	-25%	70,069	94,095	-26%
Loans and advances	321,212	273,063	18%	322,135	273,439	18%
Fixed assets	7,455	6,829	9%	12,834	10,606	21%
Other assets	22,764	14,526	57%	16,222	13,863	17%
Non-banking assets	5	66	-93%	5	66	-93%
Goodwill	-	-	-	1,427	1,427	0%
Total assets	449,084	396,982	13%	527,913	456,134	16%
Borrowing from banks	47,310	35,283	34%	47,327	35,943	32%
Money at call and short notice	-	85	-100%	-	85	-100%
Deposits and other accounts	314,599	289,054	9%	364,338	333,616	9%
Other liabilities	32,756	26,083	26%	39,300	32,732	20%
Total shareholders' equity	54,419	46,477	17%	57,187	48,111	19%
Non-controlling interest	-	-	-	19,761	5,648	250%
Total liabilities and shareholders' equity	449,084	396,982	13%	527,913	456,134	16%
Interest income	21,586	24,709	-13%	24,225	27,080	-11%
Interest expense	7,589	13,502	-44%	7,913	13,725	-42%
Net interest income	13,997	11,207	25%	16,312	13,355	22%
Investment income	5,781	6,457	-10%	7,142	8,182	-13%
Non-funded income	3,586	2,672	34%	8,168	7,017	16%
Non-interest income	9,367	9,129	3%	15,310	15,199	1%
Total operating income	23,364	20,336	15%	31,623	28,554	11%
Staff costs	6,645	6,247	6%	9,909	9,062	9%
Other operating expenses	5,775	5,487	5%	11,607	11,283	3%
Total operating expenses	12,420	11,734	6%	21,515	20,345	6%
Operating profit	10,944	8,602	27%	10,107	8,209	23%
Share of profit/(loss) of associates	-	-	-	4	-	Full
Gain/(loss) on disposal of subsidiaries/associates	-	-	-	17	-	Full
Profit/(loss) before provisions	10,944	8,602		10,128	8,209	23%
Provisions	3,054	1,867	64%	3,219	1,873	72%
Net profit before taxes	7,890	6,735	17%	6,910	6,336	9%
Provision For taxes	2,343	2,194	7%	2,257	2,295	-2%
Profit after taxes	5,547	4,541	22%	4,653	4,041	15%
Earnings per share (BDT)	3.98	3.26	22%	3.93	3.17	24%

Particulars (USD mn)	Standalone			Consolidated		
	2021	2020	%	2021	2020	%
Cash and bank balances	496	396	25%	1,186	738.64	61%
Money at call and short notice	41	-		41	-	
Investments	601	812	-26%	817	1,110	-26%
Loans and advances	3,744	3,220	16%	3,754	3,224	16%
Fixed assets	87	81	8%	150	125	20%
Other assets	265	171	55%	189	163	16%
Non-banking assets	0	1	-93%	0	1	-93%
Goodwill	-	-	-	17	17	-1%
Total assets	5,234	4,681	12%	6,153	5,379	14%
Borrowing from banks	551	416	33%	552	424	30%
Money at call and short notice	-	1	-100%	-	1	-100%
Deposits and other accounts	3,667	3,409	8%	4,246	3,934	8%
Other liabilities	382	308	24%	458	386	19%
Total shareholders' equity	634	548	16%	667	567	17%
Non-controlling interest	-	-	-	230	67	246%
Total liabilities and shareholders' equity	5,234	4,681	12%	6,153	5,379	14%
Interest income	252	291.37	-14%	282.35	319.33	-12%
Interest expense	88	159	-44%	92	162	-43%
Net interest income	163	132	23%	190	157	21%
Investment income	67	76	-12%	83	96	-14%
Non-funded income	42	32	33%	95	83	15%
Non-interest income	109	108	1%	178	179	0%
Total income	272	240	14%	369	337	9%
Staff costs	77	74	5%	115	107	8%
Other Operating expenses	67	65	4%	135	133	2%
Total operating expenses	145	138	5%	251	240	5%
Operating profit	128	101	26%	118	97	22%
Share of profit/(loss) of associates	-	-	-	0.04	-	Full
Gain/(loss) on disposal of subsidiaries/ associates	-	-	-	0.2	-	Full
Profit/(loss) before provisions	128	101		118	97	22%
Provision	36	22	62%	38	22	70%
Net profit before taxes	92	79	16%	81	75	8%
Provision For taxes	27	26	6%	26	27	-3%
Profit after taxes	65	54	21%	54	48	14%
Earnings per share (USD)	0.05	0.04	22%	0.05	0.04	24%

Note: The exchange rate as on 31 December of the respective year has been applied for the conversion to USD

Extraordinary gain/loss

During the year, BRAC Bank earned a substantial BDT 6,254 mn as OCI gain, net of deferred tax, carried in the standalone financial statements as per IFRS 9 Fair Value accounting for equity investment in subsidiaries and associates, mainly on account of issuance of preference shares by bKash to SoftBank at an extraordinary premium of BDT 22,323 mn. Hence, a big jump is evident in the retained earnings, with minority interest being noted in the consolidated financial statements. [Refer page 457 of financial statements note].

Change in the nature of business

During the year 2021, there has been no change in the nature of business.

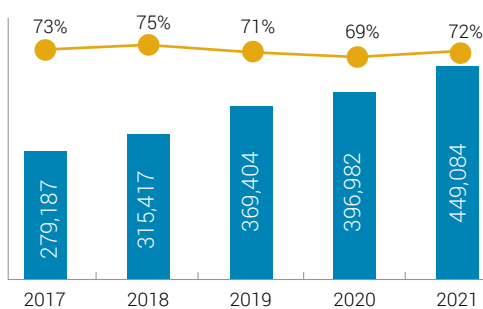
Portfolio and segmental performance analysis

BRAC Bank registered a robust growth of 13% YoY, or BDT 52,102 mn, in total assets from BDT 396,982 mn in 2020 to BDT 449,084 mn in 2021. Growth in total assets was mainly driven by

increase in loans and advances by BDT 48,149 mn (18%). The bank continues to focus on its small and medium enterprise (SME) portfolio during the current year as well.

A significant growth of BDT 8,238 mn was reported in other assets, mainly because of a substantial fair value gain on equity investment in bKash due to issuance of preference shares by the company to SoftBank at a high premium. Further, the bank also continued to invest in the development of its digital banking platform to cope with increased demand and ensure better and improved customer service and experience, which also contributed to increase in the total assets of the bank in 2021.

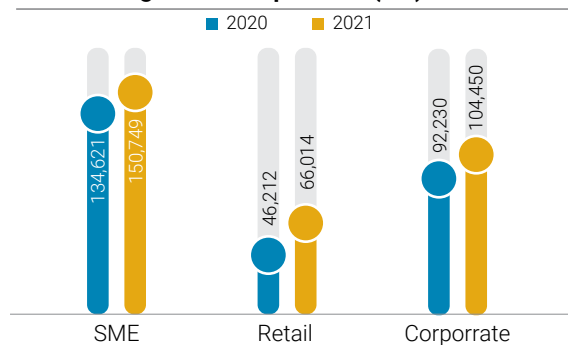
■ Total Assets ■ Loan and Advances as % of Total Assets



Business segment-wise portfolio

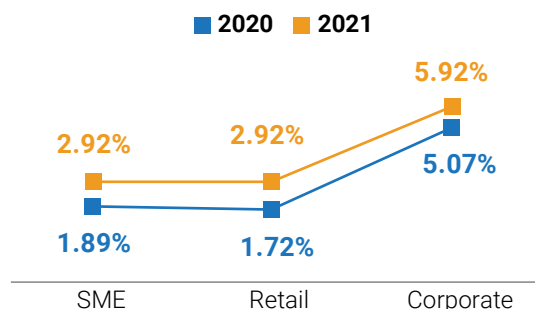
The 3 major business segments of the bank achieved positive performance in 2021, contributing to the 18% overall growth in loans and advances during the year. Particularly, a sharper expansion was witnessed in the SME and Retail divisions, the outcome of a conscious strategy by the bank to give thrust to these segments. While we will continue to pursue growth in these segments, we will scale our Corporate business adopting a cautious stance and calibrated to the external environment.

Business segment-wise portfolio (mn)



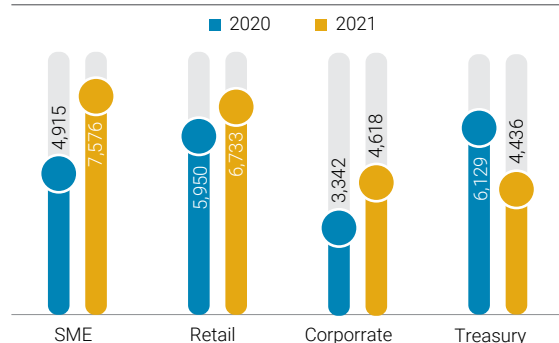
Considering the deep negative impacts of the pandemic, non-performing loans (NPLs) witnessed a minor jump in 2021 in all the bank's business segments. Overall NPL increased to 3.90% in 2021, compared to 2.93% in the previous year. Primarily, overall NPL increased mainly due to reclassification of a few big corporate accounts.

Segment wise NPL (%)



Facing the challenges of the pandemic with fortitude, revenue from core loan business demonstrated positive growth. With funds in the system being re-channelled to the main business with easing of the external environment, investment in treasury portfolio declined, resulting in lower treasury revenues as well.

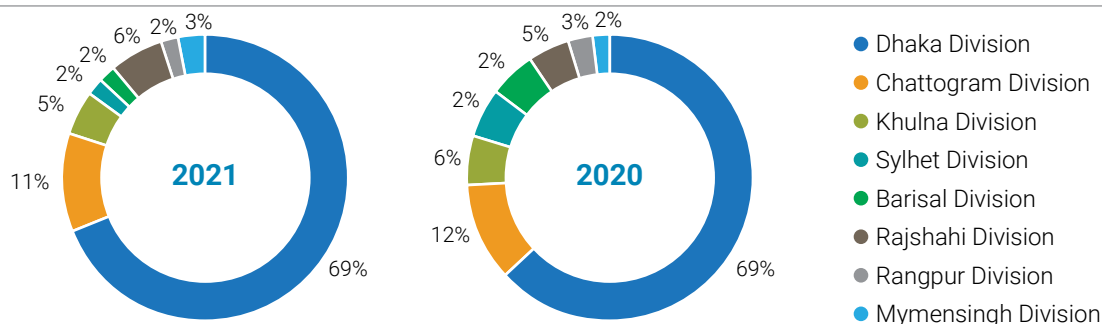
Segment wise revenue (mn)



Geographic location-wise portfolio

Concentration of loans remained virtually similar in 2021 as in 2020, presented below. However, it is to be noted that this concentration is calculated based on the location of the branch and not the actual location where the investment is made, that is the end destination. The bank strives to ensure geographical diversification of loan disbursement, facilitated by its wide network of branches and SME Unit Offices as well as digital platforms, which ensures homogenous financial inclusion and development.

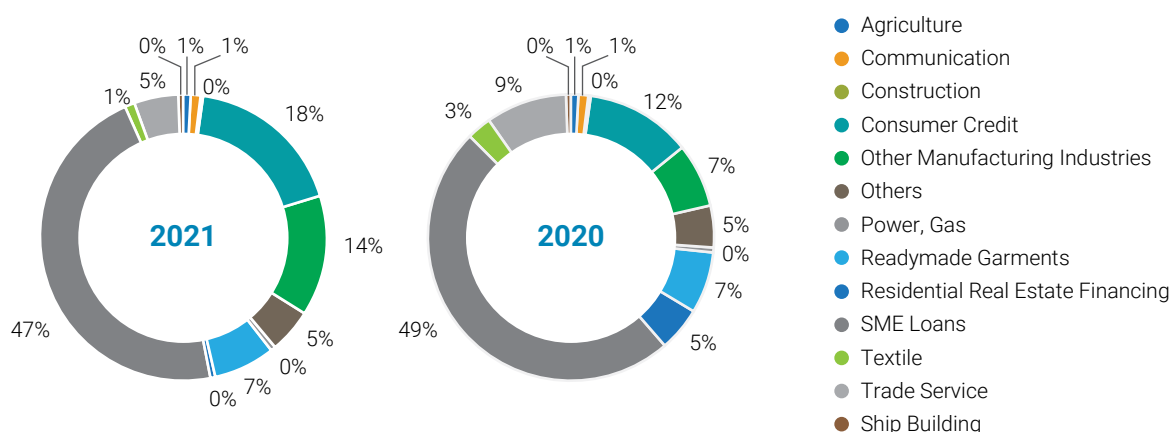
Geographical Location Wise Loan Portfolio



Industry sector-wise loan portfolio

As an SME-focused bank, we continuously strive to judiciously expand our SME portfolio. At 2021 year-end, SME portfolio comprised 47% of the overall loan portfolio. Though the percentage of SME mix has moderated by 2%, a massive growth of BDT 16,128 mn in SME loans was noted in 2021. Other than SME loans, consumer credit also increased to 18%, compared to 12% of 2020. Also, loans to manufacturing industries increased in the portfolio mix.

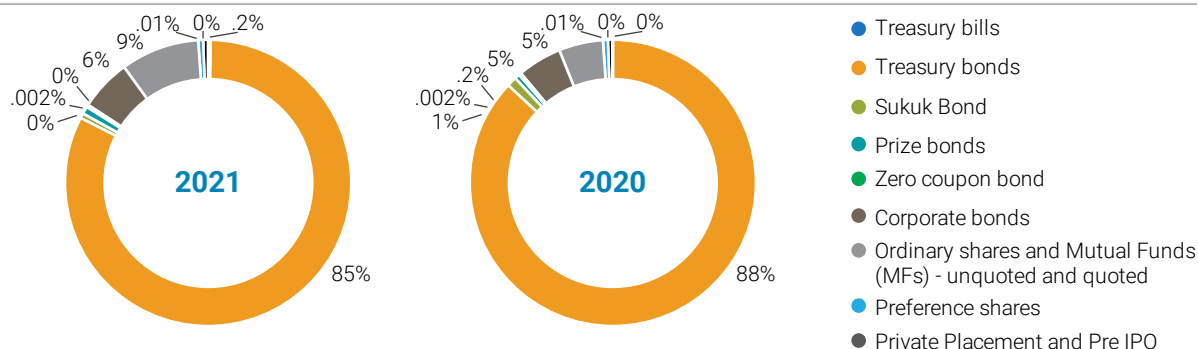
Particulars (Sector-wise Loan Portfolio)



Investment mix

The overall investment of the bank declined in 2021, aligned with the impetus to focus on our core business and expand our credit portfolio. Thus, the bank's investment in treasury bonds moderated to BDT 43,971 mn (85% of total investment in 2021), yet this remained the lion's share of the bank's investment portfolio. Investments were kept mostly to maintain SLR, as per Bangladesh Bank guidelines.

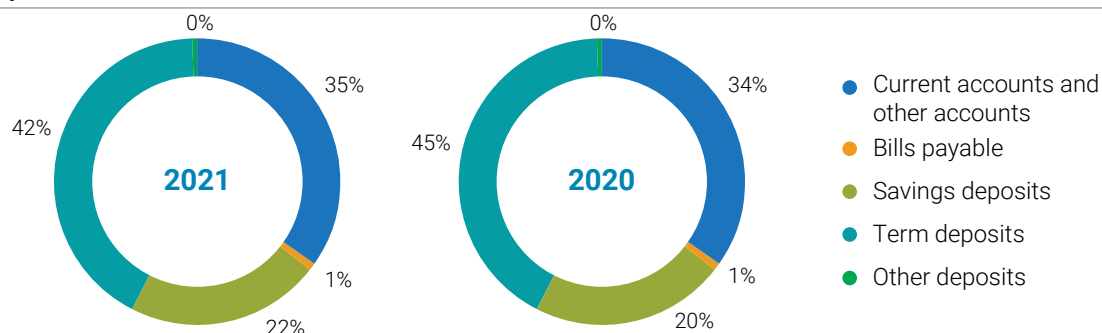
Investment Mix



Deposit portfolio

The bank continuously strives to enhance its deposit base, especially low-cost CASA, through ensuring superior customer service and offering high security of deposits. With a view to further build on our low-cost deposit franchisee, we continued to give thrust to current account that expanded to 35% (2020: 34%) of the overall portfolio. Our deposit portfolio remains fairly well-diversified.

Deposit Mix

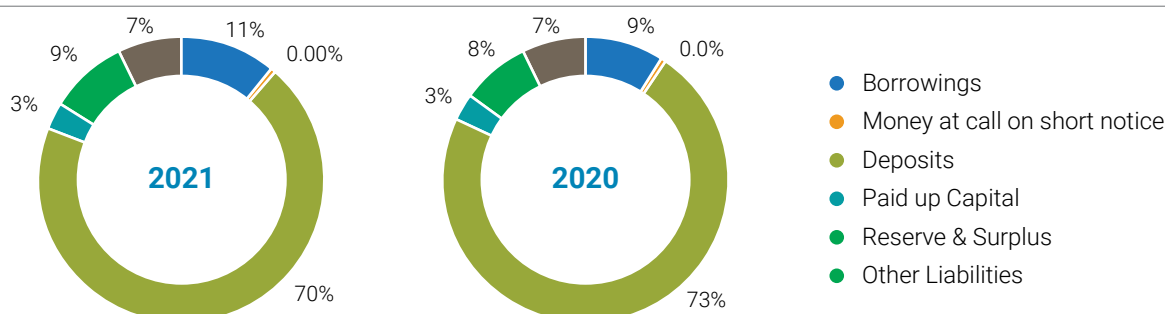


Sources and utilisation of funds

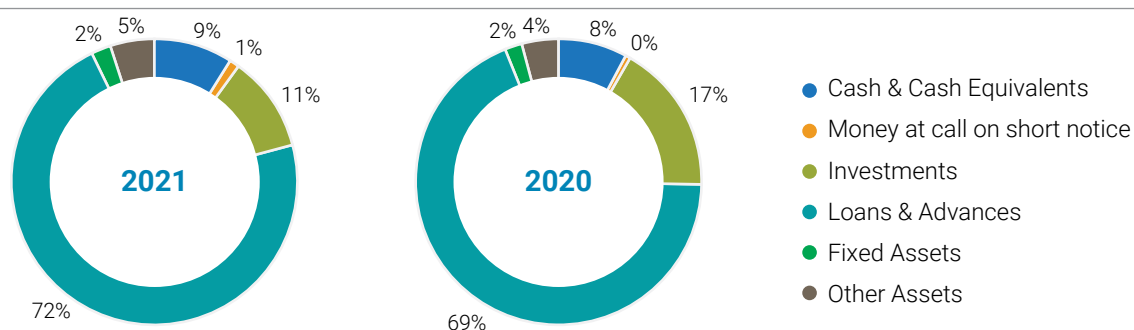
Total liabilities as on 31 December 2021 stood at BDT 394,665 mn, representing a YoY increase of 13%. The increase can be attributed to the 9% growth in deposits amounting to BDT 25,544 mn. Borrowing from other banks and FIs increased by BDT 12,221 mn in offshore banking units to support offshore business growth.

The major chunk of BRAC Bank's funds are derived from customer deposit accounts, bulk of which is utilised as loans and advances, as evidenced in the charts below. A slice of this pie is retained in the form of cash/equivalents to maintain adequate CRR and SLR ratios, as per Bangladesh Bank's guidelines.

Sources of Funds



Utilization of Funds



Efficiency review of BRAC Bank

Please refer to page 149 for detailed indicators on disclosure of five-year financial summary, graphical presentation, stock price, Dupont and horizontal and vertical analysis of the bank.

Regulatory capital

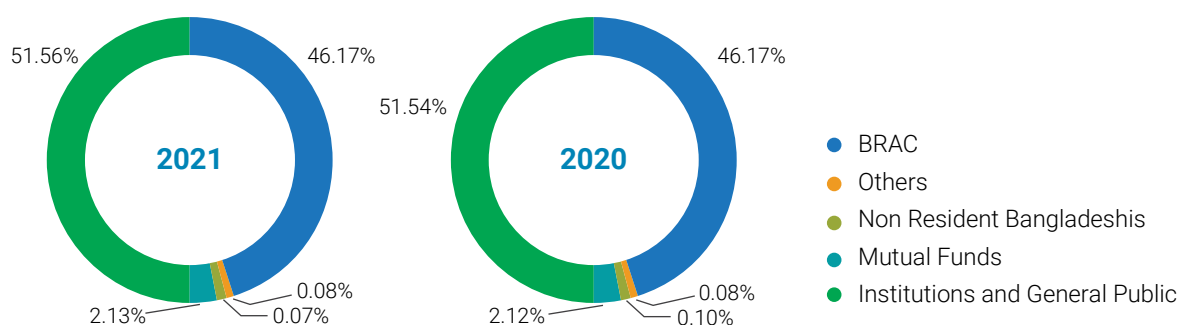
Please refer to page 453 for details on disclosure on financials and page 337 for Basel-III reporting.

Shareholder value creation

Shareholders' equity at BRAC Bank increased by 17% in 2021, compared to the previous year. Within the sponsors, BRAC holds 46.17% shareholding and institutions and the general public holds 51.56%.

The shareholding position of the bank as of December 31, 2021 and 2020 is mentioned hereunder:

Shareholding Position



Share price and market capitalisation

Please refer to page 168 for details on disclosure of the bank's stock price statistics.

Credit ratings

BRAC Bank's credit rating, based on financial statements for the year ended 31 December 2021, is under process and will be published in due course. Credit rating generally reflects the competitive strengths of a bank, evidenced by a strong management team; sustainable growth in key financial metrics, including interest income, non-interest income, loans and advances and deposits; sustenance of capital adequacy; improving asset quality and robust liquidity position. We have held on to our position in each of these parameters and hence expect continued sound credit ratings in the future.

Please refer to page 281 for details on all credit ratings obtained by BRAC Bank, which are furnished in disclosure on credit rating in the Corporate Governance section.

Contribution to the national exchequer

BRAC Bank has transformed itself into one of the strongest and best-run financial institutions of Bangladesh, leading the financial services sector with responsibility and agility. Over the years, the bank has ensured substantive contribution to the national economy, reflected in collecting Government revenues and depositing the same to the state purse, as per the laws. The bank also deducts tax, VAT and excise duty at the time of making payments for goods and services. Besides these, the bank also pays income tax.

Please refer to page 175 for details of disclosure on contribution to the nation in the performance analysis.

Basis for related party transactions

The bank is required to conduct transactions with related parties in the normal course of business. The nature of related party transactions are either loans and advances or deposits made with the bank at arm's length or at fair market value.

Please refer to page 496 for details of related party transactions that are disclosed in "Annexure – K".

Subsidiary performance

BRAC Bank has four subsidiary companies - BRAC EPL Investment Limited, BRAC EPL Stock Brokerage Limited, bKash Limited and BRAC Saajan Exchange Limited.

During the year 2021, BRAC EPL Investment Limited achieved a whopping 458% growth in profitability (2021: BDT 247 mn vs 2020: BDT 44 mn). The company demonstrated resilience in the execution of its strategies and took full advantage of the stock market recovery during the year.

BRAC EPL Stock Brokerage Limited has remained a consistent performer over the years. In 2021, the company reported a 60% (BDT 97 mn) growth in net profit. The company has built sound reputation as a stock market intermediary of repute in Bangladesh.

bKash Limited experienced a BDT 1,234 mn loss (excluding other comprehensive income) in 2021 due to continued investments in infrastructure development and capacity-building to build its lead in mobile financial services in the country.

	Within Bangladesh			Outside Bangladesh
Subsidiary name	BRAC EPL Investment Limited	BRAC EPL Stock Brokerage Limited	bKash Limited	BRAC Saajan Exchange Limited
Total assets	BDT 1,824 mn	BDT 2,426 mn	BDT 94,517 mn	GBP 2.7 mn
Profit/(Loss)	BDT 247 mn	BDT 258 mn	(BDT 1,234 mn)	(GBP 1.6 mn)
Address	Medona Tower, Level-4, 28 Mohakhali, Dhaka-1213	DSE Annex Building, Room No - 1001-03, 9/E Motijheel C/A, Dhaka- 1000	Shadhinata Tower, Bir Sreshtha Shaheed Jahangir Gate, Dhaka-1206	BSE House, 160-162 Lozells Road, Lozells, Birmingham, B19 2SX, United Kingdom
Website	www.bracepl.com/investments	www.bracepl.com/brokerage	www.bkash.com	https://bracsaaanexchange.com
E-mail	query@bracepl.com	info@bracepl.com	support@bkash.com	info@bracsaaanexchange.com
Details of all BBL's subsidiaries are furnished in the below disclosure				
BBL's percentage of shareholding	Notes to the financial statements as at and for the year ended 31 December 2021 [Note: 1.2.6 (Summary of shareholding in subsidiaries and associates)]			
Subsidiary overview	Page 500	Page 512	Page 523	Page 534
Subsidiary Directors' Report	Page 502	Page 514	Page 526	Page 536
Subsidiary financial statements	Page 508	Page 519	Page 530	Page 537

Business outlook: A brightening environment

Bangladesh's economic growth is expected to increase to 6.6% in the fiscal year ending June 2022 (FY22), according to the International Monetary Fund (IMF), as the coronavirus pandemic abates and policies remain accommodative. It expects growth to scale to 7.1% in FY23 on the hope of improvement in the external environment and enhanced domestic vaccination program.

At BRAC Bank, although we are hopeful of better economic performance on sustained re-openings of the market in 2022, the key downside risk for Bangladesh and indeed all ASEAN countries is the second-order impacts on global recovery arising from Russia's invasion of Ukraine. Despite the challenges, we remain focused on sustainably expanding our loan book, especially in SME and Retail businesses by leveraging our digital capabilities. We will also focus on remaining aggressive in our recovery efforts to lower our NPLs.

As a bank with a largescale impact, we are committed in supporting the economic recovery across Bangladesh by enabling access for financial support to our customers to strengthen their financial positions and capitalise on emerging growth opportunities. As

such, capital and liquidity preservation remain key priorities for us as we channel funds into our core lending business. As more customers experience an easing of cash flow pressures on sustained recovery, we will continue to proactively engage with them on a targeted basis to extend additional support for those in need and as part of our robust asset quality management process. We will also continue to support the digitisation efforts of our customers by emerging as the digital bank of choice, enabling from simple to even complex transactions.

On the financial front, we will look to defend our low-cost deposit base (CASA) to maintain our NIM in a rising rate environment and as mobility stabilises. We are hopeful that loan growth will surpass pre-pandemic levels, should business activities remain robust. As we ramp-up our initiatives to meet the long-term financial commitments, we will make strategic investments to enhance our digital and sustainability capabilities to remain ahead of the curve.

Finally, we will accelerate our sustainability efforts to drive greater financial inclusion, offer more sustainable solutions and make meaningful strides in the move towards a responsible transition to a low-carbon economy. We will particularly focus on green and sustainable finance to not just ensure climate action but to take positive action for the climate.

All in all, we expect a favourable year in 2022, even as we will remain committed to continue to remain on the path of sustainable value creation for all our shareholders and stakeholders.

Appointment, re-appointment and retirement of Directors

Dr. Mustafa Kamal Mujeri

Dr. Mustafa K. Mujeri was appointed as an Independent Director to the Board of BRAC Bank in December 2021.

Dr. Mujeri is currently the Executive Director of the Institute for Inclusive Finance and Development (InM). Earlier, he also served as the Director General of the Bangladesh Institute of Development Studies (BIDS) and the Chief Economist of Bangladesh Bank. Dr. Mujeri was also engaged with UNDP in Cambodia, IDRC in Bangladesh, CIRDAP, Visiting Faculty at the Department of Economics in University of Queensland located in Brisbane, National Expert in the Bangladesh Planning Commission, and Associate Professor of Economics, University of Rajshahi.

Dr. Mujeri obtained his PhD in Economics from McMaster University in Canada in 1978, MA in Economics from McMaster University in 1974 after completing his MA in Economics from the University of Rajshahi in 1972.

Mr. Faruq Mayeenuddin Ahmed

Mr. Faruq Mayeenuddin Ahmed was appointed as an Independent Director to the Board of BRAC Bank in December 2021. He is also the Chairman of the Executive Committee of the Bank. Mr. Ahmed led Trust Bank as the Managing Director and CEO from February 2018 to February 2021. Before taking up the position, he served as the Additional Managing Director of the bank.

Before Joining Trust Bank, Mr. Ahmed served as the Additional Managing Director of City Bank and held the positions of Chief Risk Officer and CAMLCO. He also served Mercantile Bank and AB Bank as Deputy Managing Director. He is the founder Chairman of the Association of Anti Money Laundering Compliance Officers of Banks in Bangladesh and a life member of the Bangladesh Economic Association.

Mr. Ahmed obtained his MSS in Economics from the University of Dhaka. He has participated in various professional trainings, workshops and seminars at home and abroad. A regular columnist on banking and economic issues in the national dailies, Mr.

Ahmed has so far authored 24 books and numerous articles on the economy, banking, capital markets, accounting, literature and travel. For his noteworthy contributions to Bangla language and literature, he received the Bangla Academy Award in 2019 in the travel writing category. He also received IFIC Bank Literary Award 2011 for the excellent translation of 'A Poet Apart' - the literary biography of poet Jibanananda Das originally written by Clinton B. Seely and "City-Anando Alo Award 2019 for one of his travelogues.

Mr. Salek Ahmed Abul Masrur

Mr. Salek Ahmed Abul Masrur was appointed as an Independent Director to the Board of BRAC Bank Limited in March 2022. Presently, he is the Chief Executive Officer of The Consolidated Tea & Lands Co. (Bangladesh) Limited (known as Finlay Tea). Mr. Masrur is a seasoned Banker with 35 years of Banking Experience in Bangladesh and International market in senior positions.

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

Pursuant to the Companies Act 1994, one-third of the Directors shall retire from the Board at the AGM in a Public Limited Company

According to the Companies Act, 1994, Schedule-1, Reg-79 and Clause 103 of the Articles of Association of BRAC Bank, "At the ordinary general meeting in every subsequent year, one third (1/3rd) of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office."

Further, as per the Corporate Governance (CG) Code issued by Bangladesh Securities and Exchange Commission (BSEC), Independent Director/s shall not be subject to retirement by rotation.

Accordingly, Mr. Asif Saleh, among the Nominated Directors, will retire from the Board at the Annual General Meeting and is eligible for re-appointment. He has given his consent for re-appointment.

The brief profile of the above Directors and involvement in other businesses has been furnished in the Director's profile section and notes to the financial statements.

Meetings of the Board, attendance and remuneration as on December 31, 2021:

Sl. no.	Name of the Directors	Designation	Presence of the Directors in the meeting during their tenure			Remuneration per meeting (BDT)
			No. of meetings	Present	Absent	
1.	Dr. Ahsan H. Mansur	Chairman	28	27	01	8,000
2.	Ms. Nihad Kabir**	Nominated Director	11	09	02	8,000
3.	Mr. Kazi Mahmood Sattar**	Independent Director	28	28	-	8,000
4.	Mr. Asif Saleh	Nominated Director	28	16	12	8,000
5.	Ms. Fahima Choudhury	Independent Director	28	28	-	8,000
6.	Ms. Farzana Ahmed	Independent Director	28	21	07	8,000
7.	Dr. Zahid Hussain	Independent Director	28	27	01	8,000
8.	Mr. Meheriar M Hasan	Nominated Director	28	15	13	8,000
9.	Mr. Shameran Bahar Abed	Nominated Director	28	21	07	8,000
10.	Dr. Mustafa Kamal Mujeri	Independent Director	02	02	-	8,000
11.	Mr. Faruq Mayeenuddin Ahmed	Independent Director	02	02	-	8,000
12.	Mr. Salek Ahmed Abul Masrur**	Independent Director				

** Ms. Nihad Kabir resigned from the Board in May 2021.

** Mr. Kazi Mahmood Sattar retired from the Board in December 2021.

** Mr. Salek Ahmed Abul Masrur appointed as an Independent Director to the Board of BRAC Bank Limited in March 2022.

Please refer to page 245 for details on disclosure on corporate governance report.

Managing business and other operational risks facing the bank

At BRAC Bank, one of our key priorities is to continuously strengthen our risk management framework and control strategy through our three lines of defense model. This enables us to maintain our medium-low risk profile in the face of an ever-changing economic, social and regulatory environment.

In line with the Group's forward-looking risk management and control practices, potential threats that may affect the development of our strategic plans are identified, assessed and monitored through regular analysis of our top risks under different stress scenarios. Further, the main strategic risks including mitigating actions as identified and decided by the bank and the extended Group are regularly monitored by the senior management.

Some of the key risks of the prevalent environment include credit risk (including default risk), cyber and information security risk arising out of digital transformation and a hypercompetitive environment, increased competition from existing players and new entrants (including FinTech players and digital natives). This has redefined the way business is conducted as well as customer experience and market expectations.

In this respect, at BRAC Bank, we believe digitalising our business while transforming the current bank into a digital platform is key to competing in the new environment. Our collaborative approach also plays a key role in this transformation, with a state-of-the-art SOC (security operation center) in place. Furthermore, we are also committed to the progress of society, supporting inclusive and sustainable growth.

Thus, operating in a complex and regulatory-charged environment, we have reinforced the bank's Risk Management Division (RMD) in 2021, increasingly aligning the function with regulatory requirements and guidelines. Furthermore, we have also revised the risk management policy and in 2021, we widened the operational perimeter of our risk management division, which in turn helps us stay abreast of best practices and deploy them to ensure holistic risk management within the bank.

Moreover, we have a specialist resource pool with robust risk management expertise that allows us to delegate responsible owners for each risk pool. Besides, we also have a proper delegation of authority to escalate and deal with every risk formation, thus ensuring sufficient mitigation. We have also constituted different forums for risk escalation, including the Enterprise Risk Associates Forum (ERAF) for evaluation and subsequent resolution. Subsequently, ERAF issues, which require top

management's guidance and decisions, are placed at the Enterprise Risk Management Committee (ERMC).

ERAF, as well as ERMC, convene every month periodically to identify, address and mitigate risks. Finally, for the Board's oversight and guidance, critical risk elements are highlighted in the Board Risk Management Committee (BRMC).

Details on disclosure on notes to financial statements section 2.11, risk management framework and risk mitigation methodology is given on page 410, 316, 323.

Preparation of financial statements and Annual Report

Our primary focus is to ensure the integrity and quality of the financial statements. Thus, while preparing the Annual Report, a true and fair presentation has been given top priority. We have also embraced the following principles:

- Appropriate accounting policies have been used and applied consistently
- We have maintained proper books of accounts
- We have applied judgments and accounting estimates that are reasonable and prudent
- We have prepared the financial statements on a going concern basis
- We have adopted other laws and rules applicable in Bangladesh

The Board Audit Committee of the bank has reviewed the financial statements of 2021 and referred to the Board of Directors for their consideration. The external auditor, M/s Hoda Vasi Chowdhury & Co., Chartered Accountants, appointed by the shareholders, have certified the fairness of the financial statements for the year ended 31 December 2021.

Details on Disclosure on notes to financial statements section 2.1 to 2.9.1

Internal control and compliance

Banking is a diversified and dynamic financial activity that involves dealing with and mitigating diverse risks. Hence, an effective internal control system, application of good governance, transparency of all financial activities and accountability towards stakeholders and regulators have become key to ensure sustainable and strong performance of the banking industry.

Thus, an effective internal control and compliance system has become essential in order to underpin effective risk management practices and to ensure sustainable performance of a bank. At BRAC Bank, our ICCD embodies our "TREE", which refers to:

- Transparency
- Reliability
- Effectiveness
- Ethics

BRAC Bank has established an appropriate and effective internal control environment through the Board of Directors, management, organisational and procedural controls and an independent audit function in order to ensure that the bank is managed and controlled in a sound and prudent manner. The bank identifies control weakness through internal audit system and adopt appropriate remedial actions to overcome identified control weaknesses. The Board has established an Independent Audit Committee to monitor the effectiveness of internal control systems of the bank. The Audit Committee meeting is held periodically to review the overall effectiveness of internal control system, transparency and adequacy of financial statements and to review policy procedures developed by the management. Audit Committee periodically advises the management to strengthen the internal control system of the bank and ensures that the management has taken appropriate actions as per the recommendations of central bank and other regulatory bodies, external auditor and internal auditor.

The bank reviews the overall effectiveness of the internal control system on an annual basis, which is reviewed by Audit committee and feedback is provided to the Board of Directors on the effectiveness of internal control policies, practices and procedures on an ongoing basis.

Please refer to page 271 for details of disclosure on ICCD.

Corporate governance

Our governance framework is premised on competent leadership, effective internal controls, a strong risk culture and ownership and accountability to all our stakeholders, including our customers, shareholders, employees, society and regulators.

BRAC Bank has an active Board that plays a key role in setting our governance standards to meet stakeholders' expectations, while our leadership and

operating model ensures an appropriate balance of power, accountability and independence in decision-making across various function of the bank. Further, robust mechanisms have been put into place to ensure that corporate governance principles are embedded deep in our corporate culture. The bank has also adopted best practices in terms of disclosure, transparency and business ethics aimed at adding value to stakeholders' expectations. We also complied with corporate governance practices in all respects of the Corporate Governance Code (CGC) and Good Governance guidelines issued by Bangladesh Bank.

The Board is aware about the need to shape governance structures and practices through their knowledge and leadership to drive the bank on a sustainable growth path. The Board is collectively engaged in ensuring that corporate governance processes are structured to direct the bank's actions, assets and resources to achieve this purpose while upholding all governance norms- in letter and in spirit.

Please refer to page 245 for details of disclosure on corporate governance.

Going concern basis

The bank's financial statements have been prepared on a going concern basis, as the Board don't have any intention to discontinue the business or don't see any challenges to continue the business over the foreseeable future. In assessing the going concern status, the Board has also considered the current statement of financial position, the profit & loss statement, business portfolio, operational strengths, long-term strategy of the business and regulatory capital and liquidity plans and plans for future capital mobilisation.

Hence, it can be concluded that there is no doubt about going concern rather we have firm reason to believe going concern of business.

Please refer to page 307 for details of disclosure on Going concern.

Corporate Social Responsibility (CSR)

Corporate responsibility and citizenship comprise an integral part of BRAC Bank's core values and culture. BRAC Bank prioritises long-term programmes and fulfilling the UN SDGs is top priority as the organisation passionately wants to contribute to the country's march towards the middle income nation rank.

BRAC Bank operated empathetically during Covid-19 pandemic. Considering the prolonged pandemic, the bank continued to focus on initiatives in healthcare and societal contributions to alleviate sufferings. Towards this effect, the bank made a contribution of BDT 5 crore to the Prime Minister's Relief and Welfare Fund to help tide over the adverse effects of the pandemic.

In April 2021, Bangladesh Bank, directed all scheduled banks to allocate a special CSR fund equivalent to one per cent of the banks' 2020 profits. Accordingly, BRAC Bank allocated BDT 4.54 crore to support the affected families through such a CSR fund which was utilised to provide emergency food support to 30,267 families across the country.

Furthermore, the bank's employees donated BDT 1.65 crore from their salary to BRAC's "COVID-19: Emergency food assistance" fund that provided food assistance to 11,000 daily-wage earners and poor households across the country. In all, the Bank's CSR spends stood at BDT 20 crore in 2021.

Livelihood assistance to lower income households in view of Covid-19, scholarship support to meritorious students, healthcare support to thalassemia patients and artificial limb transplant and food support to the underprivileged are some of the unique ways in which we create a deep and enduring socio-economic imprint. We also strive to fulfil sustainable development goals (SDGs), thus positively influencing the society.

Dividend

BRAC Bank's dividend policy is reviewed annually if any material changes take place in the applicable rules and regulations. Our Board is continuously making efforts to uphold and protect the interests of all categories of shareholders as well as to ensure stable growth of the bank. The decision regarding dividend shall be taken only by the Board at its meeting and not by a committee of the Board or by way of a resolution passed by circulation. Final dividend shall be paid only after approval by the shareholders' at the Annual General Meeting (AGM) of the bank complying with all rules and regulations.

In order to maintain a satisfactory total capital to risk-weighted asset ratio (CRAR) of the bank, the Board of Directors recommended total dividend 15% in combination of 7.5% Cash and 7.5% Stock dividend for the year ended December 31, 2021, subject to approval at the 23rd Annual General Meeting (AGM).

Appointment of auditor

The existing Auditor, M/s Hoda Vasi Chowdhury & Co., Chartered Accountants, BTMC Bhaban (7th & 8th Level), 7-9 Kazi Nazrul Islam Avenue, Kawran Bazar C/A, Dhaka -1217 has completed their first audit session for the year 2021. However, they are eligible for re-appointment for the year 2022 and hence they have expressed their willingness to work with the bank. The Board of Directors has recommended M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, to appoint as auditors of the bank for the year 2022. The appointment of auditor will be confirmed by the shareholders at the 23rd Annual General Meeting.

Appointment of professional for the Certification on Corporate Governance

The existing professional Auditor, M/s Hussain Farhad & Co, has expressed willingness to work as auditor on compliance status on Corporate Governance Code, and the Board of Directors has also recommended M/s Hussain Farhad & Co as compliance auditor for the year 2022. As per Bangladesh Securities & Exchange Commission notification on Corporate Governance Code for appointment of professional for the certification on corporate governance for the year 2022 will be confirmed at the 23rd AGM.

Acknowledgements and gratitude

We, as the Board of BRAC Bank, are truly thankful to the government and our regulatory authorities for

their guidance and wise counsel that has contributed to the bank's growth over the years.

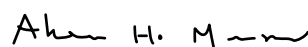
Further, we also acknowledge the efforts of all individuals who made BRAC Bank's success possible; they are truly at the heart of the organisation, having built it to its current strength and made it a globally recognised brand that it is today. Together, our success has been defined by us touching the lives of millions of people around the country.

To our shareholders and customers, thank you for placing the highest trust and confidence in us. To our business partners and regulators, thank you for your unwavering support that has allowed us to prosper and grow to greater heights.

Finally, we thank the communities in which BRAC Bank serves for embracing our presence and letting us be a part of their journey.

It is with the greatest gratitude and appreciation that we close this report, especially remembering the contribution of our front-liners who remained our brave warriors in controlling the pandemic. We salute their spirit, which is truly the spirit of Bangladesh – being resilient, courageous and unrelenting in the pursuit of the greater good.

For and on behalf of the Board of Directors,



Dr. Ahsan H. Mansur

Chairman, BRAC Bank Limited

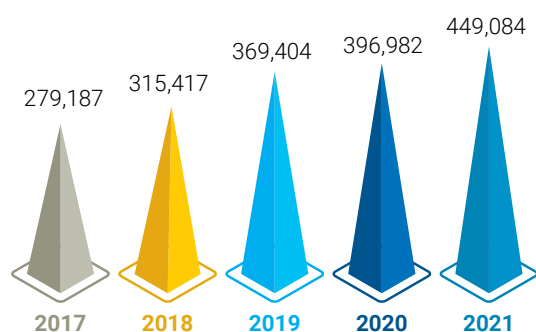
Five Years' Financial Summary

Graphical Presentation

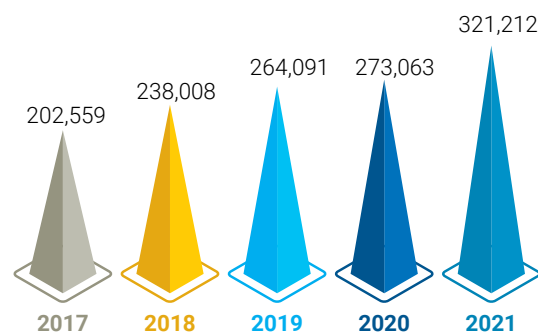
Standalone information

BDT in million unless otherwise specified

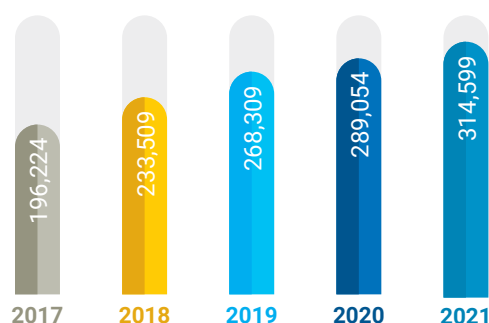
Total assets



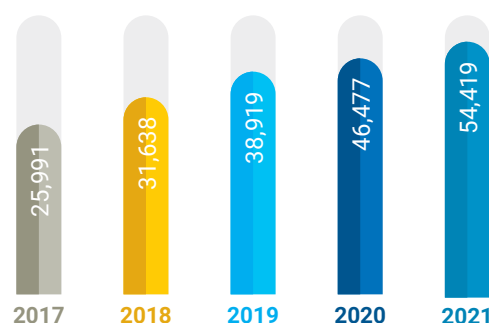
Loans and advances



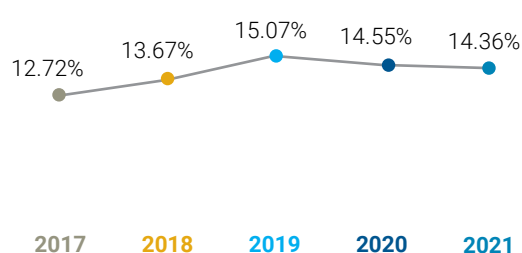
Deposit and other accounts



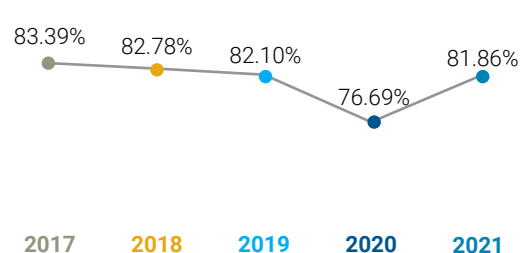
Total shareholders' equity



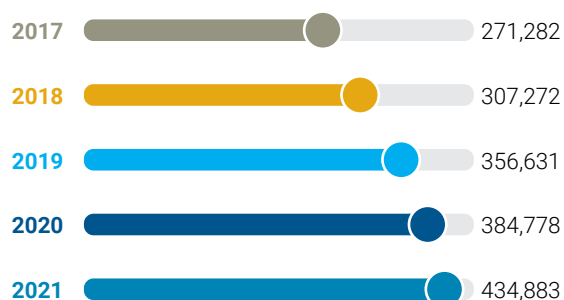
Capital to risk-weighted asset ratio (CRAR)



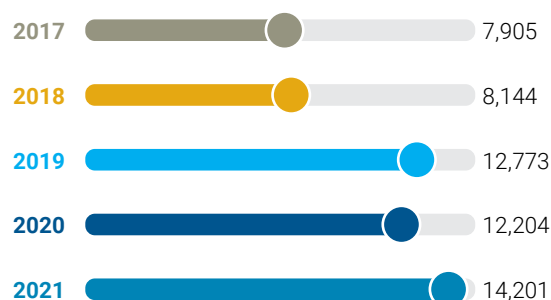
AD ratio



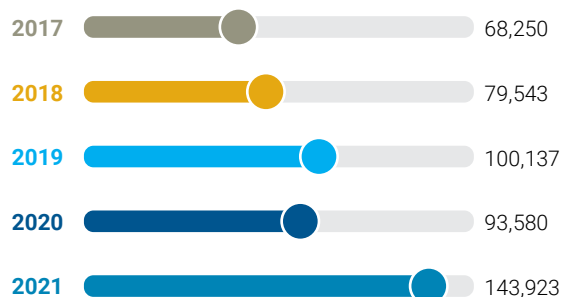
Interest earning assets



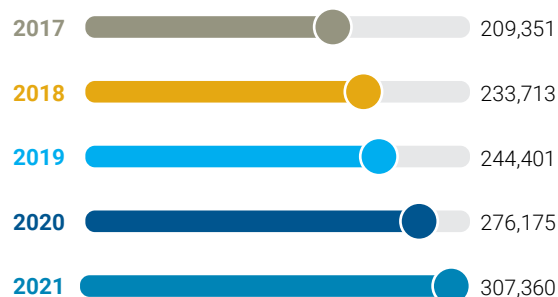
Non-interest earning assets



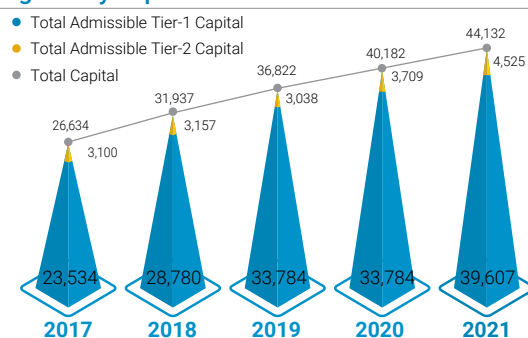
Off balance sheet items



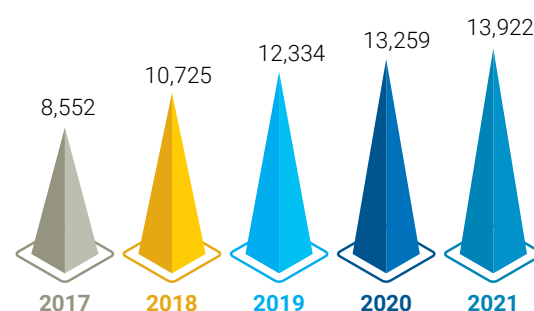
Risk weighted assets



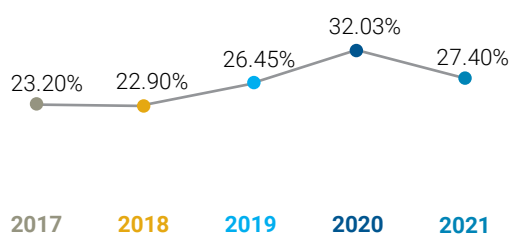
Regulatory capital



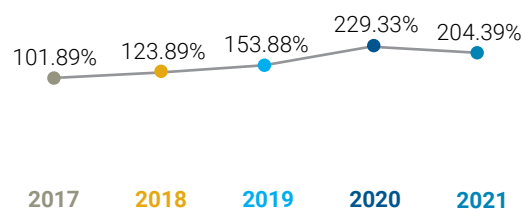
Paid up share capital



Liquid asset to total deposit ratio



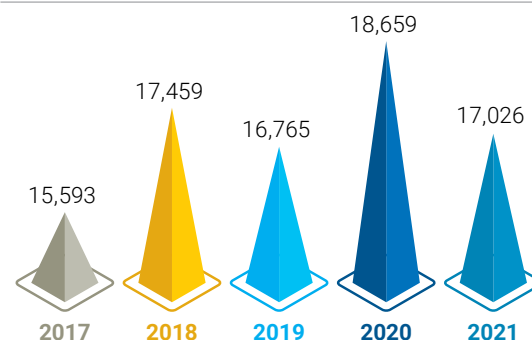
Liquid asset to short term liabilities



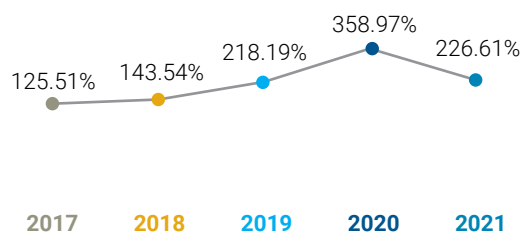
No. of shares



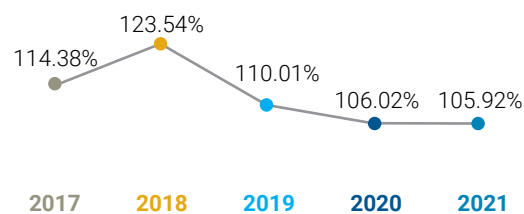
Number of shareholders



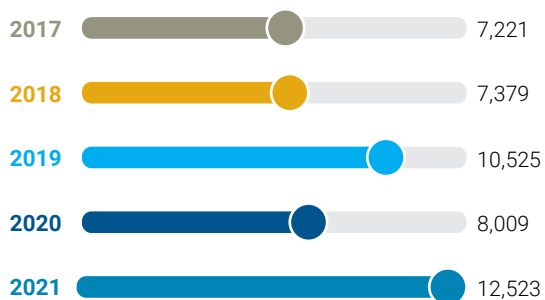
Liquidity coverage ratio (LCR)



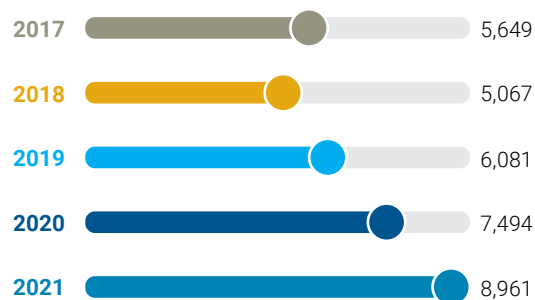
Net stable funding ratio (NSFR)



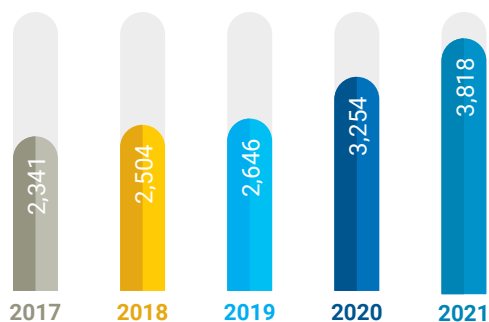
Classified loans



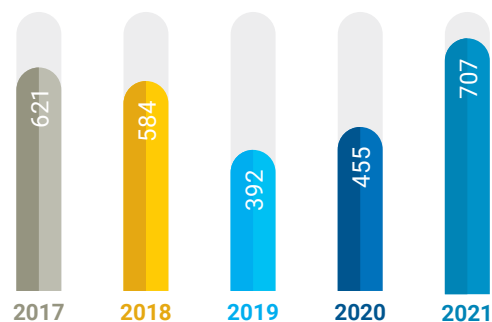
Provision for classified loans (SP)



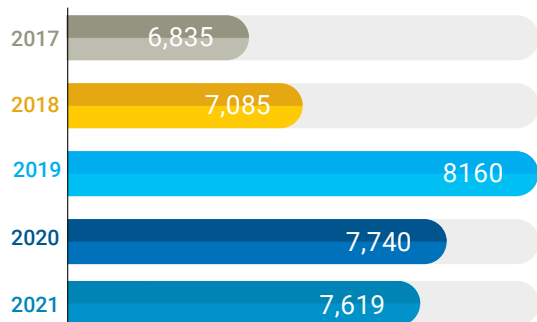
Provision for unclassified loans (GP)



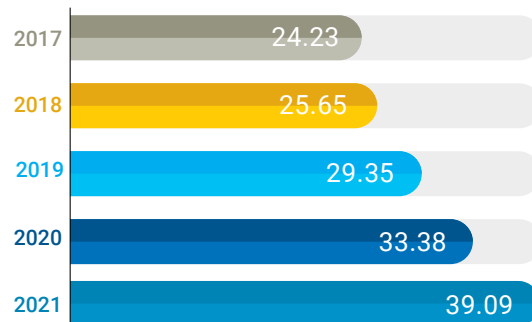
Provision for off balance sheet items



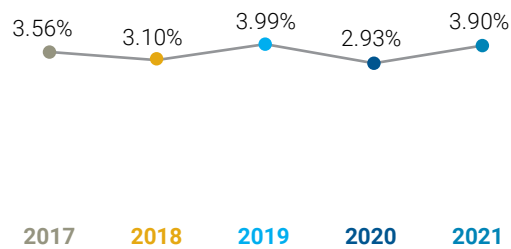
Number of employees



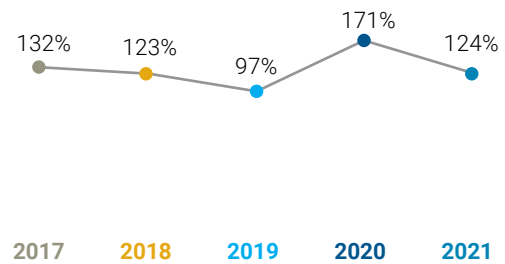
Net asset value per share in TK



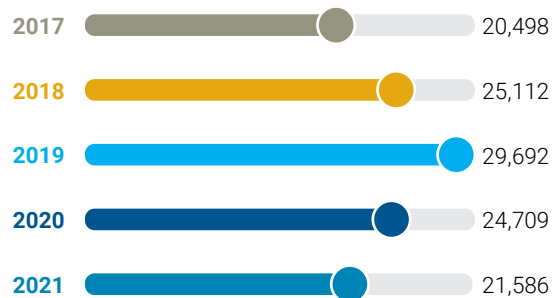
Percentage of NPLs to total loans and advances



NPL coverage ratio (incl. GP)



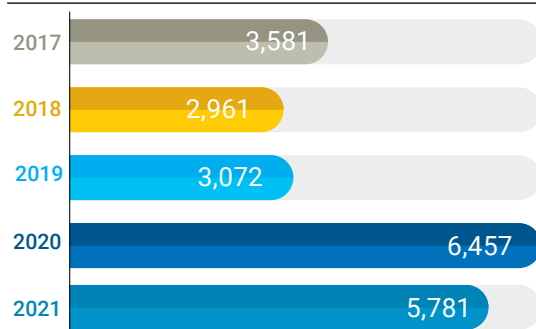
Interest income



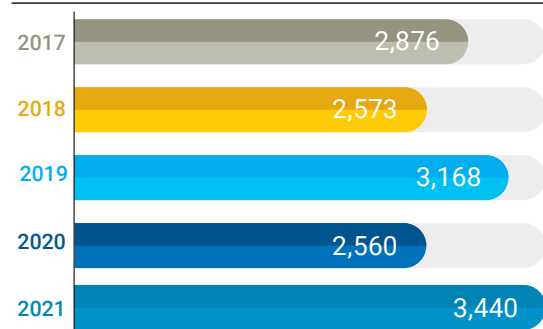
Interest expense



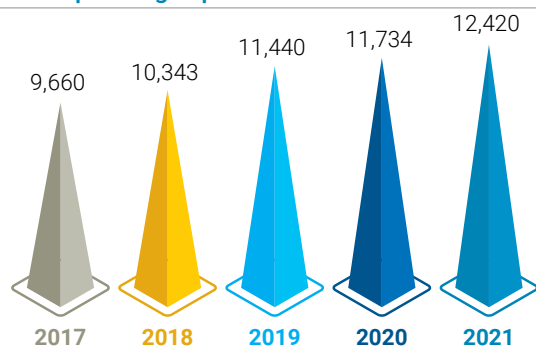
Investment income



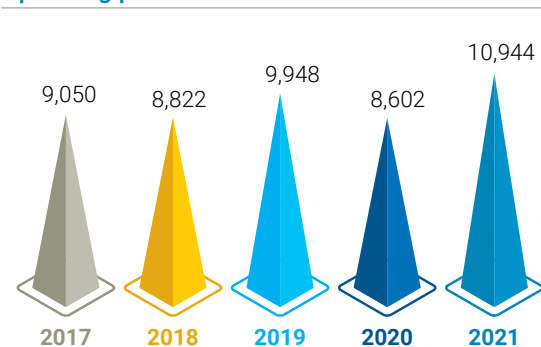
Commission exchange & brokerage



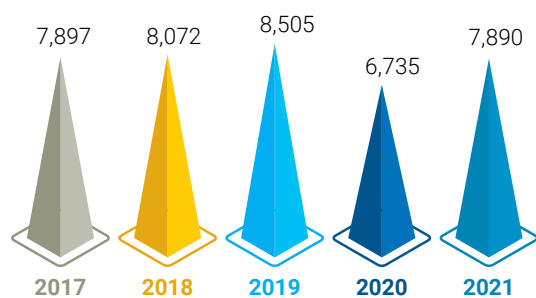
Total operating expenses



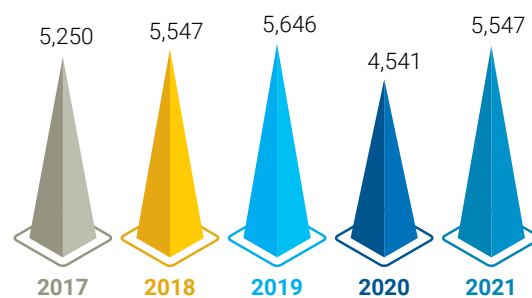
Operating profit



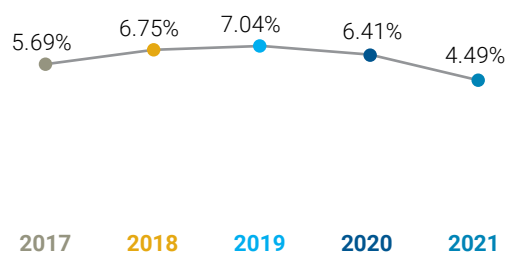
Profit before tax



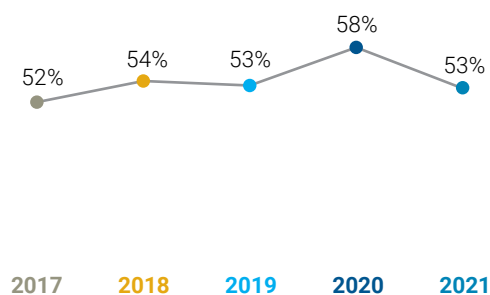
Net profit after tax



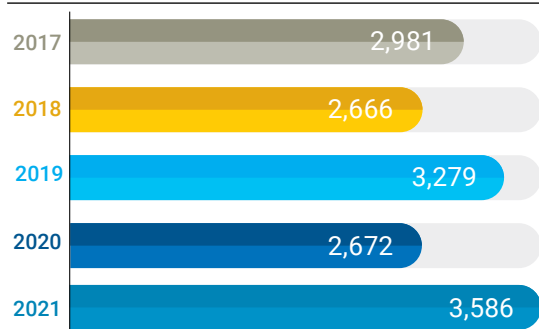
Cost of funds



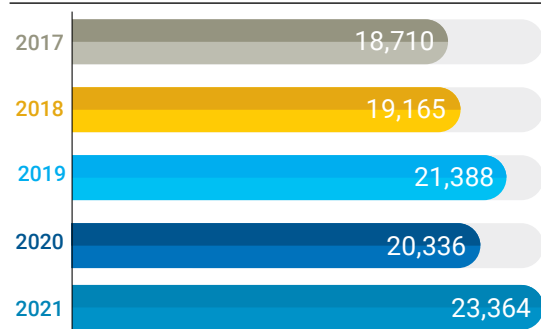
Cost to income ratio



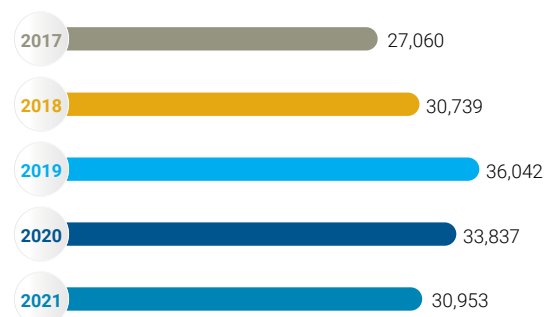
Non-interest income



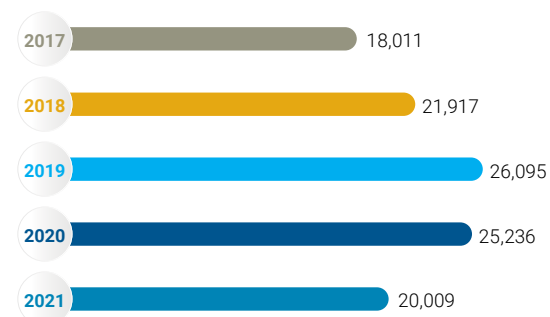
Total revenue



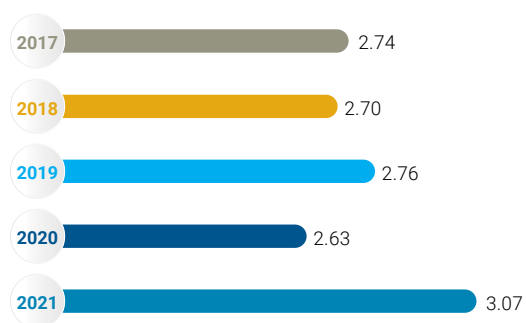
Total income



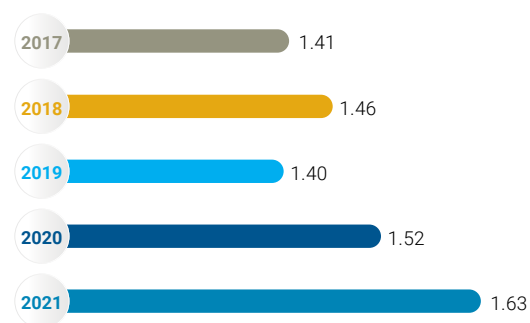
Total expenditure



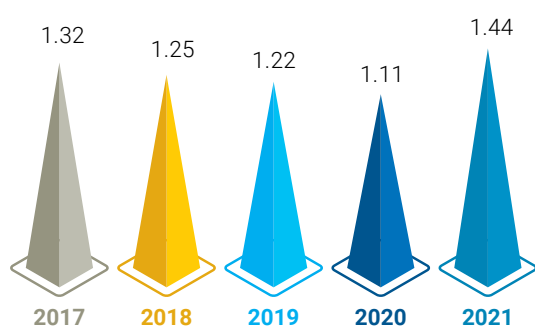
Operating income per employee



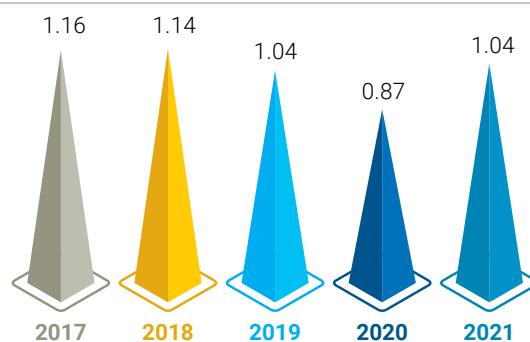
Operating cost per employee



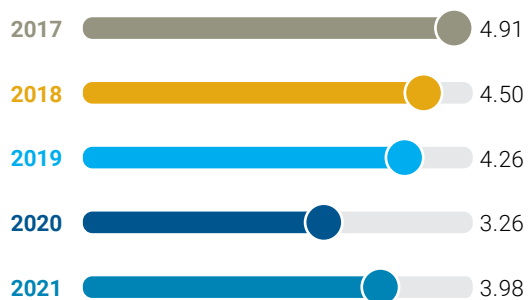
Operating profit per employee



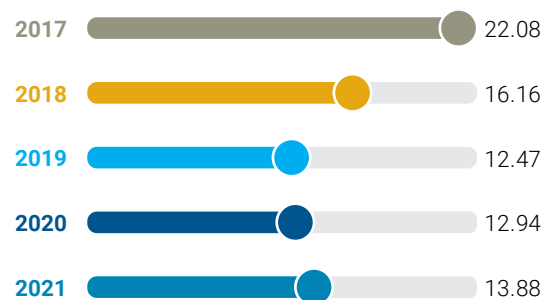
PBT per employee



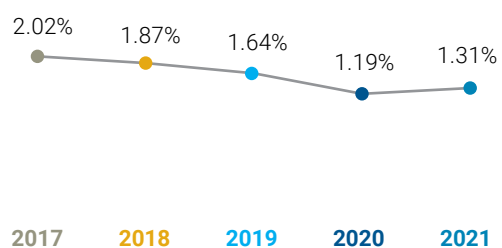
Earnings per share (BDT)



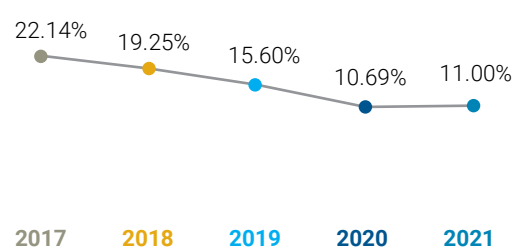
Price earnings ratio



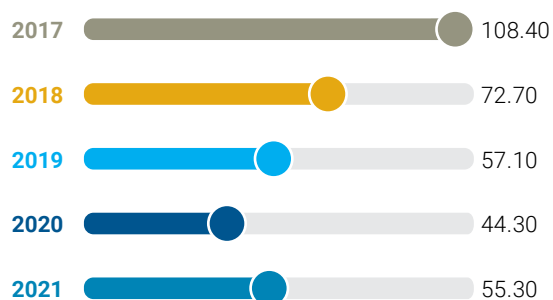
Return on assets



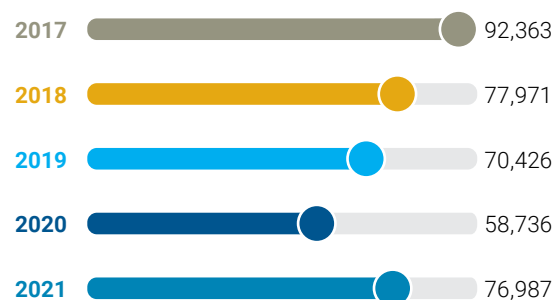
Return on equity



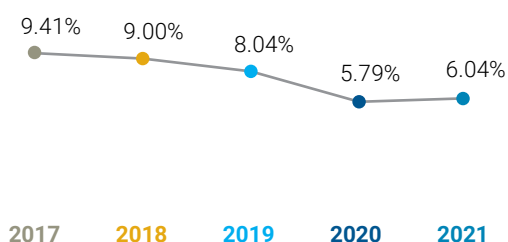
Market value per share (year end) in TK



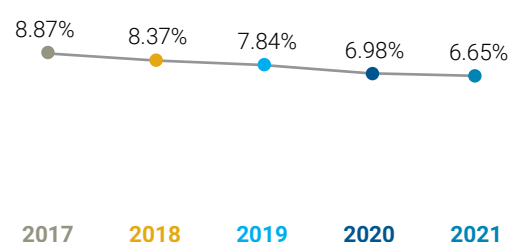
Market capitalization at the year end



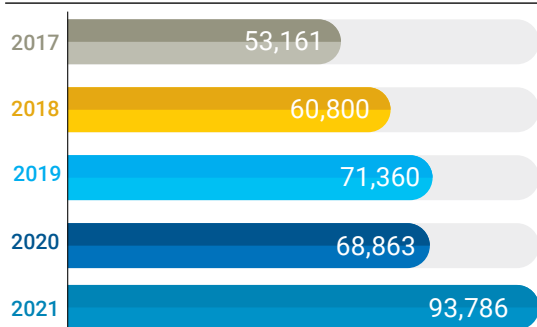
Return on investment



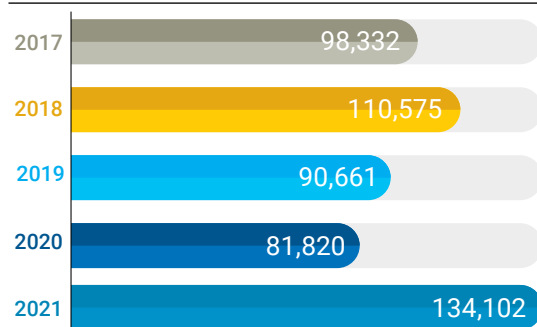
Debt equity ratio (times)



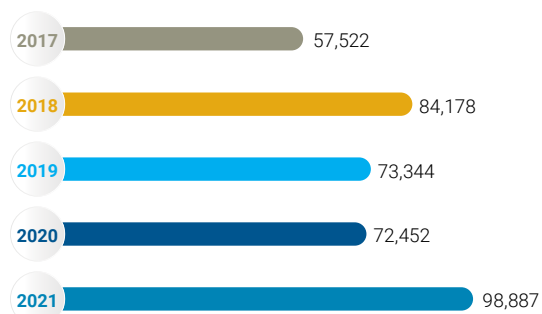
Export



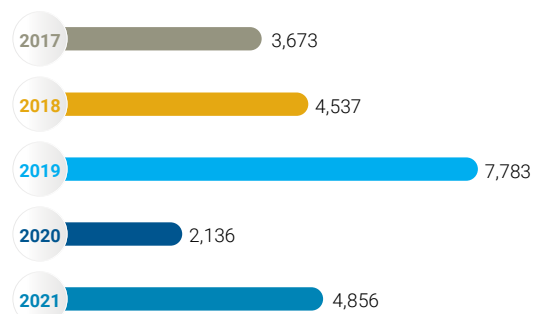
Import



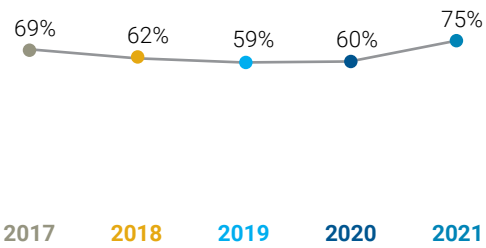
Remittance (inward)



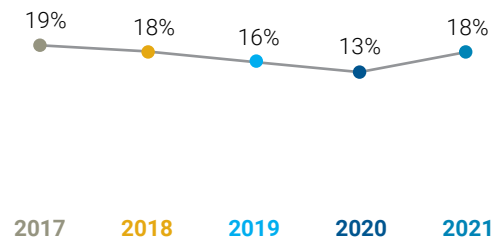
Guarantee



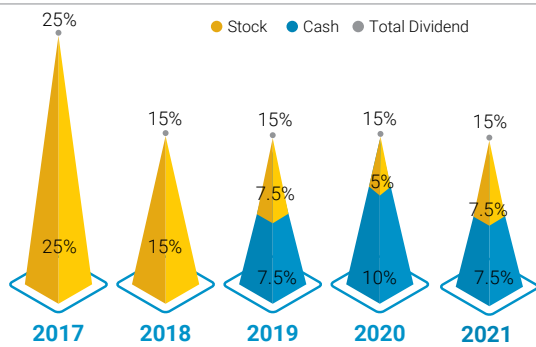
GP margin



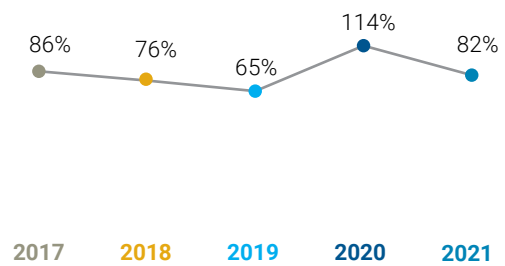
NP margin



Dividend payment



NPL coverage ratio (excluding GP)



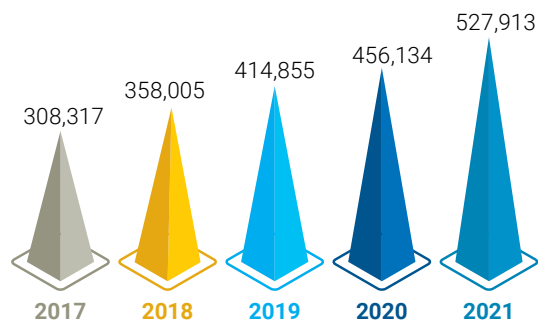
Five Years' Financial Summary

Graphical Presentation

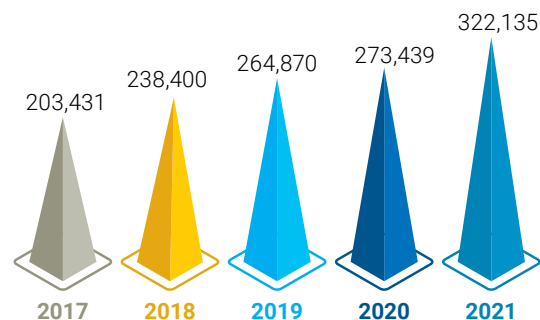
Consolidated information

BDT in million unless otherwise specified

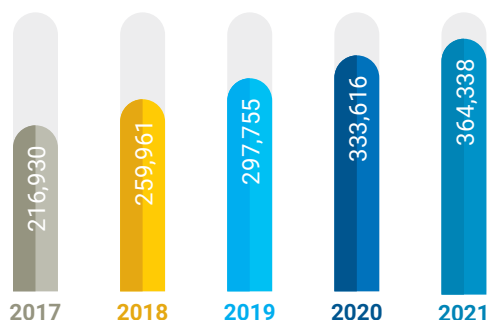
Total assets



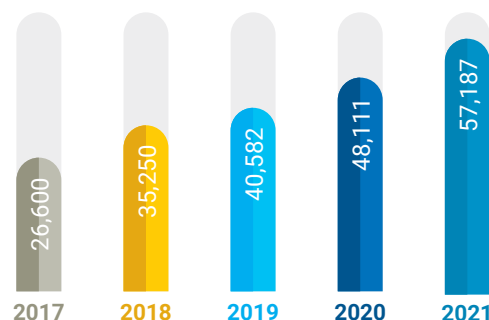
Loans and advances



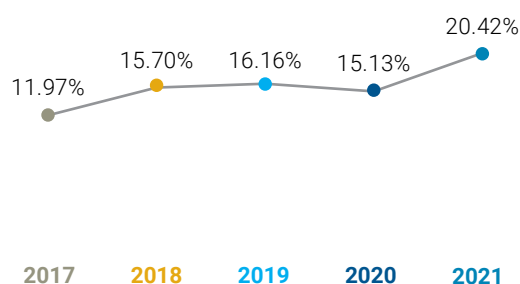
Deposit and other accounts



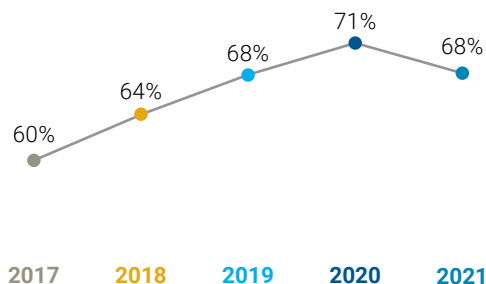
Total shareholders' equity



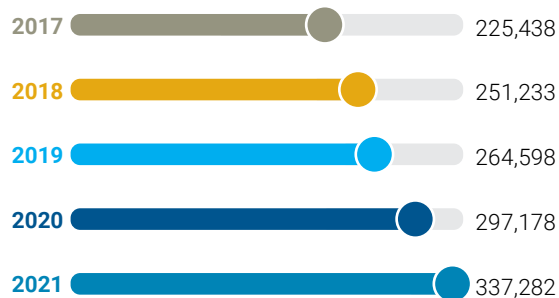
Capital to risk-weighted asset ratio (CRAR)



Cost-to-income ratio

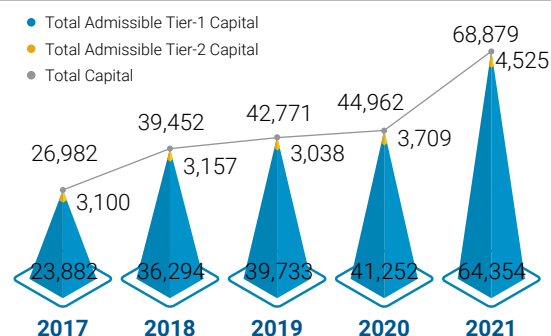


Risk weighted assets

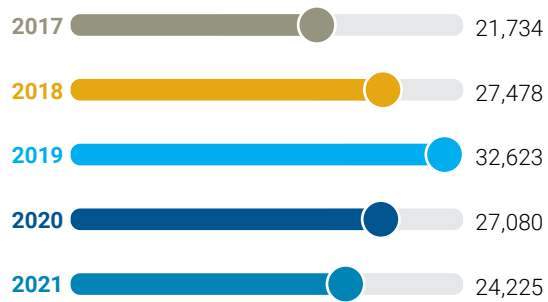


Regulatory capital

BDT in million



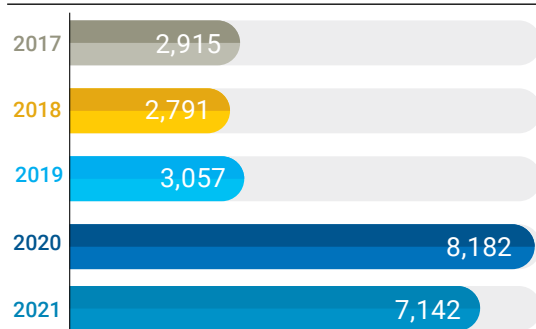
Interest income



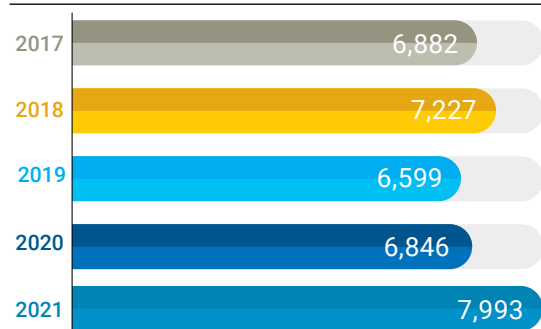
Interest expense



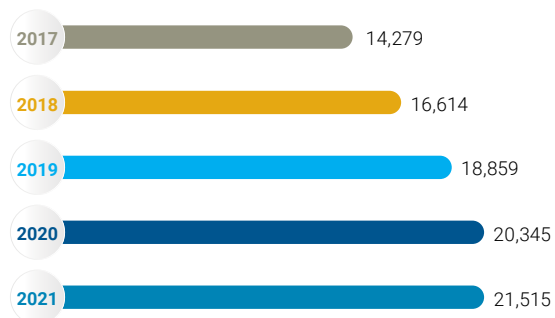
Investment income



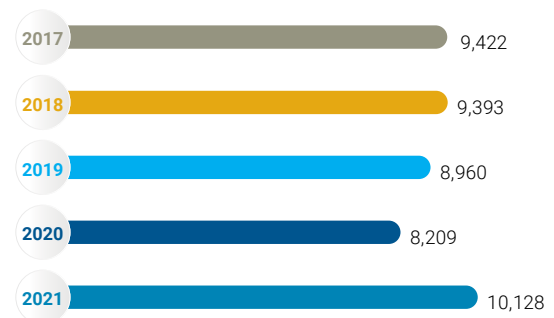
Commission exchange & brokerage



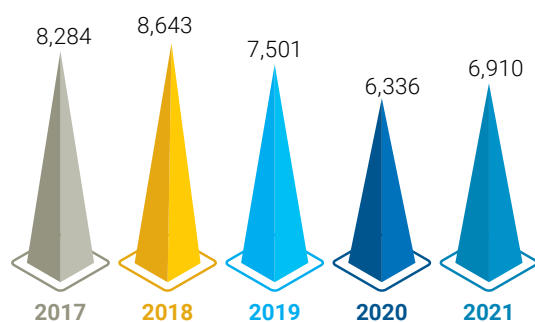
Total operating expenses



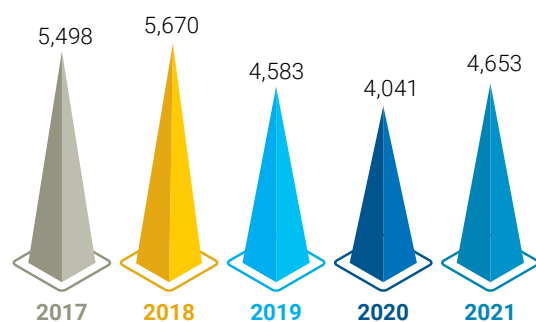
Operating profit



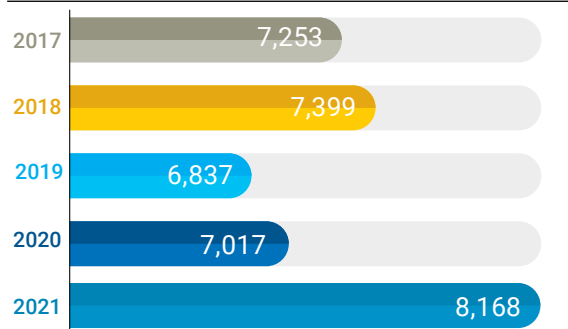
Profit before tax



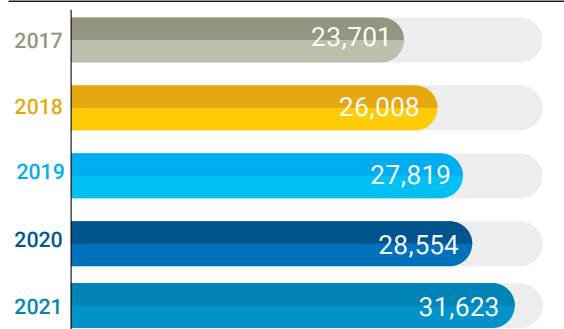
Net profit after tax



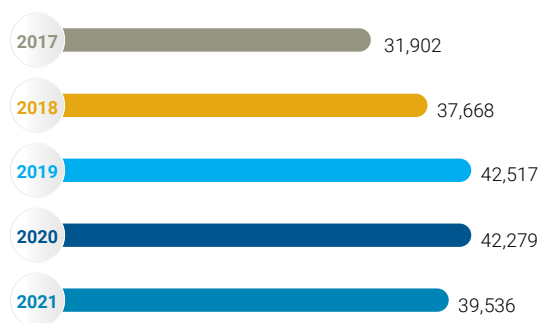
Non-interest income



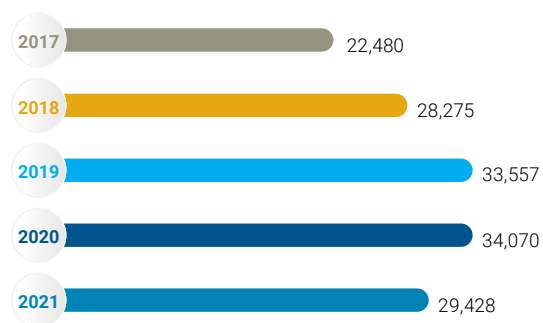
Total revenue



Total income



Total expenditure



Earnings per share (BDT)



Five Years' Financial Summary

BDT in million unless otherwise specified

STANDALONE INFORMATION	2021	2020	2019	2018	2017
FINANCIAL POSITION					
Cash and bank balances	42,558	33,602	38,629	37,253	37,681
Money at call and short notice	3,500	-	-	-	-
Investments	51,591	68,896	45,944	25,765	24,966
Loans and advances	321,212	273,063	264,091	238,008	202,559
Fixed asset	7,455	6,829	8,189	4,301	4,275
Other assets	22,764	14,526	12,485	10,023	9,642
Non-banking assets	5	66	66	66	63
Total assets	449,084	396,982	369,404	315,417	279,187
Borrowing	47,310	35,283	35,390	31,303	28,807
Convertible subordinate bonds	-	-	-	-	2,850
Money at call and on short notice	-	85	1,274	-	2,700
Deposit and other accounts	314,599	289,054	268,309	233,509	196,224
Other liabilities	32,756	26,083	25,512	18,966	22,615
Total shareholders' equity	54,419	46,477	38,919	31,638	25,991
Total liability and shareholders equity	449,084	396,982	369,404	315,417	279,187
AD ratio	81.86%	76.69%	82.10%	82.78%	83.39%
Off balance sheet items	143,923	93,580	100,137	79,543	68,250
Interest earning assets	434,883	384,778	356,631	307,272	271,282
Non-interest earning assets	14,201	12,204	12,773	8,144	7,905
Liquid asset to total deposit ratio	27.40%	32.03%	26.45%	22.90%	23.20%
Liquid asset to short term liabilities	204.39%	229.33%	153.88%	123.89%	101.89%
Liquidity coverage ratio (LCR)	226.61%	358.97%	218.19%	143.54%	125.51%
Net stable funding ratio (NSFR)	105.92%	106.02%	110.01%	123.54%	114.38%
INCOME STATEMENT- PERFORMANCE AND PROFITABILITY					
Total revenue	23,364	20,336	21,388	19,165	18,710
Interest income	21,586	24,709	29,692	25,112	20,498
Interest expense	7,589	13,502	14,654	11,574	8,351
Investment income	5,781	6,457	3,072	2,961	3,581
Commission exchange & brokerage	3,440	2,560	3,168	2,573	2,876
Non-interest income	3,586	2,672	3,279	2,666	2,981
Total operating expenses	12,420	11,734	11,440	10,343	9,660
Total income	30,953	33,837	36,042	30,739	27,060

STANDALONE INFORMATION	2021	2020	2019	2018	2017
Total expenditure	20,009	25,236	26,095	21,917	18,011
Operating profit	10,944	8,602	9,948	8,822	9,050
Profit before tax	7,890	6,735	8,505	8,072	7,897
Net profit after tax	5,547	4,541	5,646	5,547	5,250
CAPITAL MEASURES					
Authorized capital	20,000	20,000	20,000	20,000	12,000
Paid up share capital	13,922	13,259	12,334	10,725	8,552
Risk weighted assets	307,360	276,175	244,401	233,713	209,351
Common equity tier-1 capital	39,607	36,473	33,784	28,780	23,534
Total admissible tier-1 capital	39,607	36,473	33,784	28,780	23,534
Total admissible tier-2 capital	4,525	3,709	3,038	3,157	3,100
Total capital	44,132	40,182	36,822	31,937	26,634
Capital surplus/(deficit)	5,712	5,660	6,272	4,184	3,082
Common equity tier-I (CET1) capital ratio	12.89%	13.21%	13.82%	12.31%	11.24%
Total capital to risk-weighted asset ratio (CRAR)	14.36%	14.55%	15.07%	13.67%	12.72%
ASSET QUALITY					
Total loans and advance	321,212	273,063	264,091	238,008	202,559
Classified loans	12,523	8,009	10,525	7,379	7,221
Provision for unclassified loans (GP)	3,818	3,254	2,646	2,504	2,341
Provision for classified loans (SP)	8,961	7,494	6,081	5,067	5,649
Provision for off balance sheet items	707	455	392	584	621
Percentage of NPLs to total loans and advances	3.90%	2.93%	3.99%	3.10%	3.56%
NPL coverage ratio (incl. GP)	124%	171%	97%	123%	132%
NPL coverage ratio	82%	114%	65%	76%	86%
FOREIGN EXCHANGE BUSINESS					
Import	134,102	81,820	90,661	110,575	98,332
Export	93,786	68,863	71,360	60,800	53,161
Remittance (inward)	98,887	72,452	73,344	84,178	57,522
Guarantee	4,856	2,136	7,783	4,537	3,673
OPERATING PROFIT RATIOS					
Cost of fund	4.49%	6.41%	7.04%	6.75%	5.69%
Return on assets	1.31%	1.19%	1.64%	1.87%	2.02%
Return on equity	11.00%	10.69%	15.60%	19.25%	22.14%
Return on investment	6.04%	5.79%	8.04%	9.00%	9.41%
Debt equity ratio (times)	6.65%	6.98%	7.84%	8.37%	8.87%
GP margin	75%	60%	59%	62%	69%
NP margin	18%	13%	16%	18%	19%
MANAGEMENT EFFICIENCY RATIOS					
Operating income per employee	3.07	2.63	2.62	2.70	2.74
Operating cost per employee	1.63	1.52	1.40	1.46	1.41
Operating profit per employee	1.44	1.11	1.22	1.25	1.32

STANDALONE INFORMATION	2021	2020	2019	2018	2017
PBT per employee	1.04	0.87	1.04	1.14	1.16
Cost to income ratio	53%	58%	53%	54%	52%
Net interest income as a percentage of Operating cost	113%	96%	131%	131%	126%
DIVIDEND PAYMENT					
Cash	7.5%	10.0%	7.5%	0%	0%
Stock	7.5%	5.0%	7.5%	15%	25%
Total dividend	15%	15%	15%	15%	25%
Dividend coverage ratio	2.66	2.28	3.05	3.45	2.46
SHARE INFORMATION					
No. of shares	1,392,172,399	1,325,878,476	1,233,375,327	1,072,500,285	855,209,694
Earnings per share (BDT)	3.98	3.26	4.26	4.50	4.91
Number of shareholders	17,026	18,659	16,765	17,459	15,593
Market value per share (year end) in taka	55.30	44.30	57.10	72.70	108.40
Price earnings ratio	13.88	12.94	12.47	16.16	22.08
Net asset value per share in taka	39.09	33.38	29.35	25.65	24.23
Market capitalization at the year end	76,987	58,736	70,426	77,971	92,363
DISTRIBUTION NETWORK					
Number of customer (mn)	1.3	1.1	1.3	1.2	1.3
Number of branches	120	120	120	119	118
No. of SME SC/KB	67	67	67	67	68
Number of SME unit office	456	456	456	456	457
Number of ATMs	373	375	424	448	447
Number of CDM	93	96	89	97	90
Number of employees	7,619	7,740	8160	7,085	6,835
Number of foreign correspondents	391	381	379	370	396

CONSOLIDATED INFORMATION	2021	2020	2019	2018	2017
FINANCIAL POSITION					
Cash and bank balances	101,721	62,638	69,662	67,046	61,658
Investments	70,069	94,095	55,952	35,133	26,889
Money at call and short notice	3,500	-	-	-	-
Loans and advances	322,135	273,439	264,870	238,400	203,431
Fixed asset	12,834	10,606	10,873	6,265	5,610
Other assets	16,222	13,863	12,004	9,665	9,314
Goodwill	1,427	1,427	1,427	1,427	1,351
Non-banking assets	5	66	66	66	63
Total assets	527,913	456,134	414,855	358,005	308,317
Borrowing	47,327	35,943	35,949	31,303	28,807
Convertible subordinate bonds	-	-	-	-	2,850
Money at call and on short notice	-	85	1,274	-	2,700
Deposit and other accounts	364,338	333,616	297,755	259,961	216,930
Other liabilities	39,300	32,732	33,214	25,040	28,600

CONSOLIDATED INFORMATION	2021	2020	2019	2018	2017
Total shareholders' equity	57,187	48,111	40,582	35,250	26,600
Non controlling interest	19,761	5,648	6,081	6,450	1,830
Total liability and shareholders' equity	527,913	456,134	414,855	358,005	308,317
CAPITAL MEASURES					
Risk weighted assets	337,282	297,178	264,598	251,233	225,438
Common equity Tier-1 capital	64,354	41,252	39,733	36,294	23,882
Total admissible Tier-1 capital	64,354	41,252	39,733	36,294	23,882
Total admissible Tier-2 capital	4,525	3,709	3,038	3,157	3,100
Total capital	68,879	44,962	42,771	39,452	26,982
Capital surplus/(Deficit)	26,718	7,814	9,696	9,618	1,620
Common equity Tier-I (CET1) capital ratio	19.08%	13.88%	15.02%	14.45%	10.59%
Total capital to risk-weighted asset ratio (CRAR)	20.42%	15.13%	16.16%	15.70%	11.97%
INCOME STATEMENT- PERFORMANCE AND PROFITABILITY					
Total revenue	31,623	28,554	27,819	26,008	23,701
Interest income	24,225	27,080	32,623	27,478	21,734
Interest expense	7,913	13,725	14,698	11,660	8,201
Investment income	7,142	8,182	3,057	2,791	2,915
Commission exchange & brokerage	7,993	6,846	6,599	7,227	6,882
Non-interest income	8,168	7,017	6,837	7,399	7,253
Total operating expenses	21,515	20,345	18,859	16,614	14,279
Total income	39,536	42,279	42,517	37,668	31,902
Total expenditure	29,428	34,070	33,557	28,275	22,480
Operating profit	10,107	8,209	8,960	9,393	9,422
Profit before tax	6,910	6,336	7,501	8,643	8,284
Net profit after tax	4,653	4,041	4,583	5,670	5,498
Earnings per share (BDT)	3.93	3.17	3.73	4.50	4.86
Cost-to-income ratio	68%	71%	68%	64%	60%

Horizontal Analysis (Standalone)

Statement of Financial Position

BDT in million

PROPERTY AND ASSETS	2021		2020		2019		2018		2017	
	Amount	Δ %	Amount	Δ %	Amount	Δ %	Amount	Δ %	Amount	Δ %
Cash	22,677	18%	19,243	-16%	22,830	2%	22,375	22%	18,284	16%
Balance with other banks and financial institutions	19,881	38%	14,359	-9%	15,799	6%	14,879	-23%	19,396	26%
Money at call on short notice	3,500	100%	-	-	-	-	-	-	-	-
Investments	51,591	-25%	68,896	50%	45,944	78%	25,765	3%	24,966	11%
Loans and advances	321,212	18%	273,063	3%	264,091	11%	238,008	18%	202,559	17%
Fixed assets including premises, furniture and fixtures	7,455	9%	6,829	-17%	8,189	90%	4,301	1%	4,275	37%
Other assets	22,764	57%	14,526	16%	12,485	25%	10,023	4%	9,642	-47%
Non-banking assets	5	-93%	66	0%	66	0%	66	5%	63	2%
Total property and assets	449,084	13%	396,982	7%	369,404	17%	315,417	13%	279,187	12%
LIABILITIES AND CAPITAL										
Liabilities										
Borrowings from other banks, financial institutions & agents	24,135	103%	11,913	-48%	22,902	0%	22,958	-1%	23,211	23%
Borrowings from Bangladesh Bank	23,176	-1%	23,370	87%	12,488	50%	8,345	49%	5,596	-17%
Convertible Subordinate Bonds	-	-	-	-	-	0%	-	-100%	2,850	-3%
Money at call on short notice	-	-100%	85	-93%	1,274	0%	-	-100%	2,700	107%
Deposits and other accounts	314,599	9%	289,054	8%	268,309	15%	233,509	19%	196,224	16%
Other liabilities	32,756	26%	26,083	2%	25,512	35%	18,966	-16%	22,615	-21%
Total Liabilities	394,665	13%	350,505	6%	330,485	16%	283,779	12%	253,196	11%
Capital and shareholders' equity										
Total shareholders' equity	54,419	17%	46,477	19%	38,919	23%	31,638	22%	25,991	21%
Total liabilities and shareholders' equity	449,084	13%	396,982	7%	369,404	17%	315,417	13%	279,187	12%

Horizontal Analysis (Standalone)

Profit & Loss Account

BDT in million

PROPERTY AND ASSETS	2021		2020		2019		2018		2017	
	Amount	Δ %	Amount	Δ %	Amount	Δ %	Amount	Δ %	Amount	Δ %
Interest income	21,586	-13%	24,709	-17%	29,692	18%	25,112	23%	20,498	15%
Interest paid on deposits and borrowing etc.	7,589	-44%	13,502	-8%	14,654	27%	11,574	39%	8,351	19%
Net interest income	13,997	25%	11,207	-25%	15,038	11%	13,538	11%	12,148	12%
Investment income	5,781	-10%	6,457	110%	3,072	4%	2,961	-17%	3,581	43%
Commission, exchange and brokerage	3,440	34%	2,560	-19%	3,151	22%	2,573	-11%	2,876	13%
Other operating income	146	31%	112	-12%	128	38%	93	-12%	105	-15%
Total operating income	23,364	15%	20,336	-5%	21,388	12%	19,165	2%	18,710	17%
Salaries and allowances	6,627	6%	6,228	12%	5,579	19%	4,681	8%	4,347	31%
Rent, taxes, insurance, electricity etc.	474	-4%	492	-30%	701	-50%	1,409	7%	1,312	14%
Legal expenses	33	2%	33	5%	31	-44%	55	32%	42	-31%
Postage, stamps, telecommunication etc.	223	9%	205	-11%	230	-15%	272	9%	250	3%
Stationery, printing, advertisement etc.	222	0.4%	221	-18%	269	-8%	292	-4%	304	50%
Chief Executive's salary and fees	18	-2%	19	0%	19	34%	14	5%	13	0%
Directors' fees	2	53%	2	50%	1	-18%	1	-4%	1	2%
Auditors' fees	2	0%	2	0%	2	12%	2	12%	1	20%
Depreciation and repair of the bank's assets	2,191	5%	2,081	2%	2,050	77%	1,156	37%	844	-7%
Other expenses	2,628	7%	2,452	-4%	2,557	4%	2,460	-3%	2,546	23%
Total operating expenses	12,420	6%	11,734	3%	11,440	11%	10,343	7%	9,660	21%
Profit before provisions	10,944	27%	8,602	-14%	9,948	13%	8,822	-3%	9,050	13%
Provision for loans/Investments:										
Loans and advances	3,518	17%	2,999	59%	1,882	28%	1,467	-28%	2,032	-11%
Recovery from Write-Off	(708)	12%	(634)	-19%	(786)	0%	(783)	-25%	(1,039)	-15%
Diminution in value of investments	(74)	-87%	(563)	-205%	534	359%	116	-261%	(72)	-75%
Off balance sheet items	252	299%	63	-133%	(192)	419%	(37)	-128%	131	110%
Other provisions	66	4064%	2	-58%	4	-129%	(13)	-113%	100	860%
Total provision	3,054	64%	1,867	29%	1,442	92%	750	-35%	1,152	33%
Profit/(loss) before taxes	7,890	17%	6,735	-21%	8,505	5%	8,072	2%	7,897	10%
Provision for taxation:										
Current tax expense	3,467	37%	2,537	-32%	3,719	47%	2,523	-21%	3,196	22%
Deferred tax expense / (income)	(1,125)	228%	(343)	-60%	(859)	-41606%	2	-100%	(549)	-1041%
Total provision for taxation	2,343	7%	2,194	-23%	2,860	13%	2,525	-5%	2,647	-2%
Net profit after taxation	5,547	22%	4,541	-20%	5,646	2%	5,547	6%	5,250	18%

Vertical Analysis (Standalone)

Statement of Financial Position

BDT in million

PROPERTY AND ASSETS	2021		2020		2019		2018		2017	
	Amount	Composition in %	Amount	Composition in %	Amount	Composition in %	Amount	Composition in %	Amount	Composition in %
PROPERTY AND ASSETS										
Cash	22,677	5%	19,243	5%	22,830	6%	22,375	7%	18,284	7%
Balance with other banks and financial institutions	19,881	4%	14,359	4%	15,799	4%	14,879	5%	19,396	7%
Money at call on short notice	3,500	1%	-	0%	-	0%	-	0%	-	0%
Investments	51,591	11%	68,896	17%	45,944	12%	25,765	8%	24,966	9%
Loans and advances	321,212	72%	273,063	69%	264,091	71%	238,008	75%	202,559	73%
Fixed assets including premises, furniture and fixtures	7,455	2%	6,829	2%	8,189	2%	4,301	1%	4,275	2%
Other assets	22,764	5%	14,526	4%	12,485	3%	10,023	3%	9,642	3%
Non-banking assets	5	0.001%	66	0.02%	66	0.02%	66	0.02%	63	0.02%
Total property and assets	449,084	100%	396,982	100%	369,404	100%	315,417	100%	279,187	100%
LIABILITIES AND CAPITAL										
Liabilities										
Borrowings from other banks, financial institutions & agents	24,135	5%	11,913	3%	22,902	6%	22,958	7%	23,211	8%
Borrowings from Bangladesh Bank	23,176	5%	23,370	6%	12,488	3%	8,345	3%	5,596	2%
Convertible Subordinate Bonds	-	0%	-	0%	-	0%	-	0%	2,850	1%
Money at call on short notice	-	0%	85	0.02%	1,274	0.3%	-	0%	2,700	1%
Deposits and other accounts	314,599	70%	289,054	73%	268,309	73%	233,509	74%	196,224	70%
Other liabilities	32,756	7%	26,083	7%	25,512	7%	18,966	6%	22,615	8%
Total Liabilities	394,665	88%	350,505	88%	330,485	89%	283,779	90%	253,196	91%
Capital and shareholders' equity										
Total shareholders' equity	54,419	12%	46,477	12%	38,919	11%	31,638	10%	25,991	9%
Total liabilities and shareholders' equity	449,084	100%	396,982	100%	369,404	100%	315,417	100%	279,187	100%

Vertical Analysis (Standalone)

Profit & Loss Account

BDT in million

PROPERTY AND ASSETS	2021		2020		2019		2018		2017	
	Amount	Composition in %	Amount	Composition in %	Amount	Composition in %	Amount	Composition in %	Amount	Composition in %
Interest income	21,586	70%	24,709	73%	29,692	82%	25,112	82%	20,498	76%
Interest paid on deposits and borrowing etc.	7,589	25%	13,502	40%	14,654	41%	11,574	38%	8,351	31%
Net interest income	13,997	45%	11,207	33%	15,038	42%	13,538	44%	12,148	45%
Investment income	5,781	19%	6,457	19%	3,072	9%	2,961	10%	3,581	13%
Commission, exchange and brokerage	3,440	11%	2,560	8%	3,151	9%	2,573	8%	2,876	11%
Other operating income	146	0.5%	112	0.3%	128	0.4%	93	0.3%	105	0.4%
Total operating income	23,364	75%	20,336	60%	21,388	59%	19,165	62%	18,710	69%
Salaries and allowances	6,627	21%	6,228	18%	5,579	15%	4,681	15%	4,347	16%
Rent, taxes, insurance, electricity etc.	474	2%	492	1%	701	2%	1,409	5%	1,312	5%
Legal expenses	33	0.1%	33	0.1%	31	0.1%	55	0.2%	42	0.2%
Postage, stamps, telecommunication etc.	223	1%	205	1%	230	1%	272	1%	250	1%
Stationery, printing, advertisement etc.	222	1%	221	1%	269	1%	292	1%	304	1%
Chief Executive's salary and fees	18	0.1%	19	0.1%	19	0.1%	14	0.05%	13	0.05%
Directors' fees	2	0.008%	2	0.005%	1	0.003%	1	0.004%	1	0.01%
Auditors' fees	2	0.01%	2	0.01%	2	0.01%	2	0.01%	1	0.01%
Depreciation and repair of the bank's assets	2,191	7%	2,081	6%	2,050	6%	1,156	4%	844	3%
Other expenses	2,628	8%	2,452	7%	2,557	7%	2,460	8%	2,546	9%
Total operating expenses	12,420	40%	11,734	35%	11,440	32%	10,343	34%	9,660	36%
Profit before provisions	10,944	35%	8,602	25%	9,948	28%	8,822	29%	9,050	33%
Provision for loans/Investments:										
Loans and advances	3,518	11%	2,999	9%	1,882	5%	1,467	5%	2,032	8%
Recovery from Write-Off	(708)	-2%	(634)	-2%	(786)	-2%	(783)	-3%	(1,039)	-4%
Diminution in value of investments	(74)	-0.2%	(563)	-2%	534	1%	116	0.4%	(72)	-0.3%
Off balance sheet items	252	0.8%	63	0.2%	(192)	-1%	(37)	-0.1%	131	0.5%
Other provisions	66	0.213%	2	0.005%	4	0.01%	(13)	-0.04%	100	0.4%
Total provision	3,054	10%	1,867	6%	1,442	4%	750	2%	1,152	4%
Profit/(loss) before taxes	7,890	25%	6,735	20%	8,505	24%	8,072	26%	7,897	29%
Provision for taxation:										
Current tax expense	3,467	11%	2,537	7%	3,719	10%	2,523	8%	3,196	12%
Deferred tax expense / (income)	(1,125)	-4%	(343)	-1%	(859)	-2%	2	0.01%	(549)	-2%
Total provision for taxation	2,343	8%	2,194	6%	2,860	8%	2,525	8%	2,647	10%
Net profit after taxation	5,547	18%	4,541	13%	5,646	16%	5,547	18%	5,250	19%

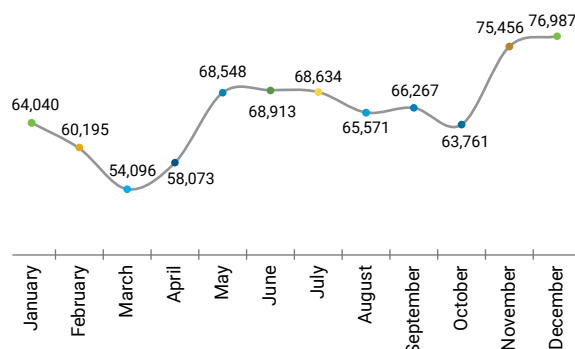
Stock Performance

Appreciable market capitalisation growth

BRAC Bank's scrip performed well in 2021, despite a challenging capital market environment characterised by pandemic-induced volatility. The bank's share price achieved an impressive 25% growth from year-start to year-end, thus turning in a 31% growth in market capitalisation as on end December 2021 vs. end December 2020 on the Dhaka Stock Exchange. Noticeably, the bank's stock performed well as the capital market started to recover towards the end of the year, aided by BSEC's conducive control measures that improved governance and market efficiency.

MCAP

(BDT in mn)



Market price information – 2021

Month	Dhaka Stock Exchange Ltd. (DSE)			Chittagong Stock Exchange Ltd. (CSE)			Average volume (DSE & CSE)	Market capitalisation (DSE) [BDT mn] (at close of month)
	Month high (BDT)	Month low (BDT)	Average volume (nos)	Month high (BDT)	Month low (BDT)	Average volume (nos)		
Jan-21	52.00	44.00	1,423,584	51.70	44.00	44,715	1,468,299	64,040
Feb-21	50.00	42.90	703,392	49.90	43.30	7,386	710,778	60,195
Mar-21	45.90	38.90	926,475	45.50	39.20	1,772,674	2,699,149	54,096
Apr-21	44.00	37.10	943,517	44.50	36.00	1,462,957	2,406,474	58,073
May-21	52.80	41.80	2,451,708	52.50	42.60	43,166	2,494,874	68,548
Jun-21	52.10	47.00	758,986	51.90	45.50	79,606	838,592	68,913
Jul-21	53.10	49.00	836,896	52.80	47.50	27,287	864,182	68,634
Aug-21	50.40	46.50	1,533,364	51.00	47.10	32,266	1,565,630	65,571
Sep-21	51.30	46.90	1,521,054	51.00	45.00	33,997	1,555,051	66,267
Oct-21	48.40	44.20	662,810	51.50	42.40	21,840	684,651	63,761
Nov-21	61.50	43.20	3,914,562	61.00	43.30	120,970	4,035,532	75,456
Dec-21	57.10	52.30	1,413,283	56.70	51.00	40,598	1,453,881	76,987

Stock details

Particulars	DSE	CSE
Stock symbol	BRACBANK	BRACBANK
Company/scrip code	11138	22029
Listing year	2007	2007
Market category	A	A
Electronic share	Yes	Yes
Market lot (nos)	1	1
Face value (BDT)	10	10
Total number of securities	1,392,172,399	

Value-added Statement

BRAC Bank's value-added comprises the value created by the bank through its financing and operational activities, including its core lending business, treasury and investment, foreign exchange and other activities, and subsequent value dispersal amongst various stakeholder segments.

Remarkably, despite 2021 being a pandemic year, the bank was able to expand its value-added YoY by 11% to BDT 16,267 mn in 2021.

Value-added statement (BDT in mn)

Value-added	2021		2020	
	Amount	%	Amount	%
Net interest income	13,997		11,207	
Investment income	5,781		6,457	
Commission, exchange and brokerage	3,440		2,560	
Other operating income	146		112	
Operating expenses, excluding staff costs and depreciation	(4,042)		(3,804)	
Provisions made during the year	(3,054)		(1,867)	
Total value-added	16,267	100%	14,665	100%

Distribution of value-added (BDT in mn)

Value-added	2021		2020	
	Amount	%	Amount	%
To employees				
as salary and allowance	6,645	41%	6,247	43%
To providers of capital				
dividend to shareholders (cash and stock)	2,088	13%	1,989	14%
To government				
as corporate tax	2,343	14%	2,194	15%
For expansion and growth				
as retained income	3,459	21%	2,552	17%
as depreciation	1,732	11%	1,682	11%
Total value distribution	16,267	100%	14,665	100%

Economic Value-added

At BRAC Bank, economic value-added (EVA), or economic profit, is an important performance indicator. It reflects the surplus generated by the bank over the cost of the total invested equity. It is thus the post-tax return on the capital employed (adjusted for the tax shield for debt), less the cost of capital employed.

In 2021, BRAC Bank reported a positive EVA of BDT 6,026 mn, up substantially from BDT 3,965 mn in the previous year. This was made possible through a higher NOPAT growth (34%) and relatively slower rise in cost of capital (5%). This attests to the bank's strong business model and operating practices.

Economic value-added (BDT in mn)

Particulars	2021	2020
Net operating profit	10,944	8,602
Provision for taxes	(2,343)	(2,194)
Net operating profit after tax (NOPAT)	8,601	6,407
Capital employed	62,211	52,435
Cost of equity (%)*	4.14%	4.66%
Capital charge/Cost of capital	2,575	2,442
Economic value-added (EVA)	6,026	3,965
EVA/Average shareholders' equity (%)	11.95%	9.29%
Dividend paid during the year	2,088**	1,989
Capital employed as at December 31		
Average shareholders' equity***	50,448	42,698
Average accumulated provision for loans and advances	11,763	9,738
Total capital employed	62,211	52,435

*Cost of equity reflects shareholders' expected rate of return during the year and it has been arrived at from the dividend paid during the year divided by the average shareholders' equity

** Proposed

***Average shareholders' equity has been derived from average of current year and previous year

Market Value-added

Market value-added (MVA) is a reflection of a company's performance evaluated by the stock market through its equity share price. Thus, MVA is an external endorsement of the performance of an entity. It comprises the difference between the market value of an entity and the capital contributed by investors.

BRAC Bank reported a positive market value-added of BDT 63,065 mn in 2021, against BDT 45,478 mn in 2020, representing robust performance commendation by the stock market, achieved even amid the challenges of the pandemic.

Market value-added (BDT in mn)

Particulars	2021	2020
Market value of shares outstanding	76,987	58,736
Book value of shares outstanding	13,922	13,259
Market value-added	63,065	45,478

Capital Adequacy

As per RBCA guideline, all scheduled banks are required to calculate capital-to-risk weighted asset ratio (CRAR). The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy", issued by Bangladesh Bank vide BRPD Circular no. 18 dated December 21, 2014, and subsequent circulars of Bangladesh Bank.

BDT in mn

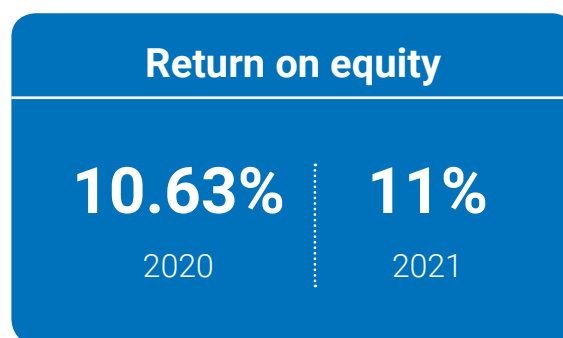
Particulars	2021	
	CONSO	SOLO
Tier I: Core Capital		
Paid-up capital	13,922	13,922
Share premium	3,854	3,854
Statutory reserve	10,068	10,068
Retained earnings	26,403	16,330
Dividend equalisation fund	355	355
Non-controlling interest	19,761	-
Regulatory adjustments		
Goodwill and all other intangible assets	(4,958)	(957)
Deferred tax assets (DTA)	(5,050)	(3,965)
Total admissible Tier-I Capital	64,354	39,607
Tier II: Supplementary Capital		
General provision	4,525	4,525
Total admissible Tier-II Capital	4,525	4,525
Total eligible regulatory Capital	68,879	44,132
Total risk weighted assets	337,282	307,360
Capital adequacy ratio	20.42%	14.36%

DuPont Analysis

DuPont analysis is an index that reveals how much profit a company has earned in comparison with the total amount of shareholders' equity on the balance sheet.

BRAC Bank's Dupont analysis reflects that the bank posted a net profit after tax of BDT 5,547 mn (2020: 4,541 mn), delivering a return on assets of 1.31%

(2020: 1.19%) and return on equity of 11% (2020: 10.63%). The bank's net profit margin increased by 22% during the year on the back of increase in operating income and a moderate decline in operating expenses. Alongside, return on equity increased mainly because of growth in PAT in 2021 by BDT 1,006 mn, compared to a net decline of BDT 1,105 mn in the previous year.



DuPont	Description	2021	2020	2019	2018	2017
Net Interest Income	% of Avg Assets	3.31%	2.92%	4.39%	4.55%	4.60%
Non Interest Income	% of Avg Assets	0.85%	0.70%	0.96%	0.90%	1.13%
Operating income	% of Avg Assets	5.52%	5.31%	6.25%	6.45%	7.09%
Operating expenses	% of Avg Assets	2.94%	3.06%	3.34%	3.48%	3.66%
Cost/Income	% of Operating Income	53.16%	57.70%	53.49%	53.97%	51.63%
Profit before provisions	% of Avg Assets	2.59%	2.24%	2.91%	2.97%	3.43%
Provisions	% of Avg Assets	0.72%	0.49%	0.42%	0.25%	0.44%
Profit before tax	% of Avg Assets	1.86%	1.76%	2.48%	2.72%	2.99%
Effective Tax rate	% of PBT	29.69%	32.58%	33.62%	31.28%	33.52%
NCI	% of Avg Assets	4.67%	1.47%	1.78%	2.17%	0.69%
Net Profit After Tax	PAT	5,547	4,541	5,646	5,547	5,250
RoA	Return on Avg. Assets	1.31%	1.18%	1.65%	1.87%	1.99%
Assets/Equity	Avg. Assets/Avg. Equity	8.39	8.97	9.71	10.32	11.13
RoE	Return on Avg. Equity	11.00%	10.63%	16.00%	19.25%	22.14%

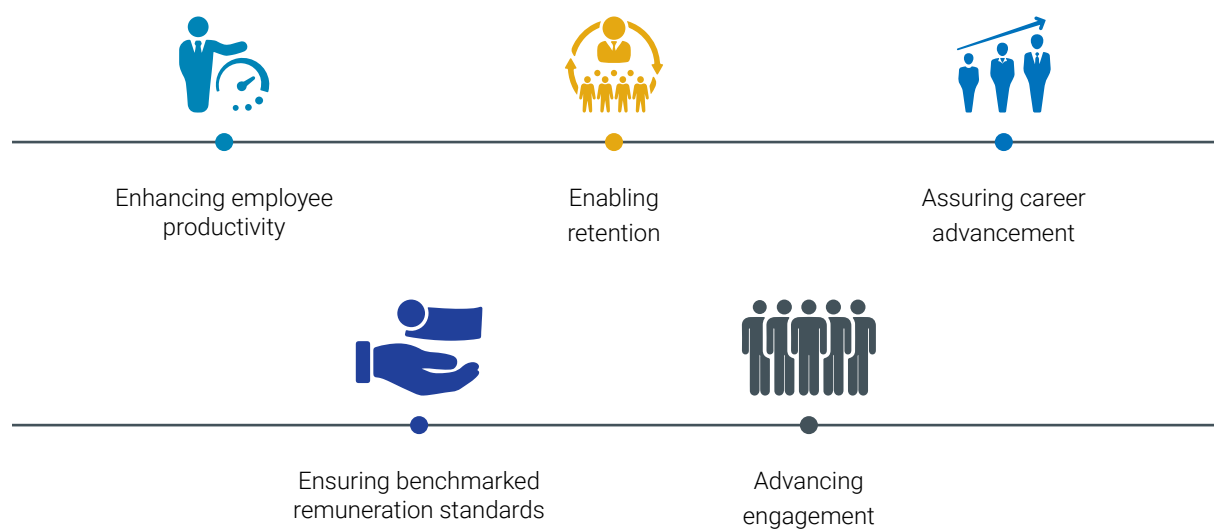
Human Resource Accounting

Overview

Human resource accounting, or HRA, is an approach to quantify the potential of human resources in monetary terms. It is thus the process that identifies and measures key information and data around human resources. The insights derived from such information enables the leadership to ensure informed decision-making.

At BRAC Bank, HRA helps assign, budget and report expenses invested in co-workers and, in return, evaluating their contribution to organisational growth, efficiency and profitability.

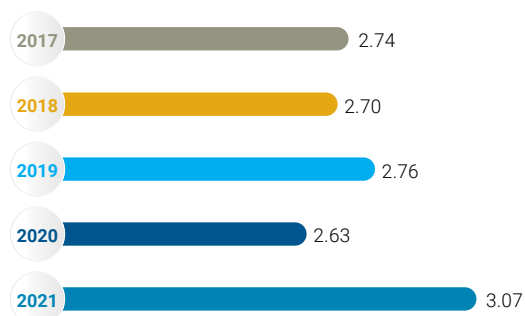
Key thrusts that accelerate BRAC Bank's HRA



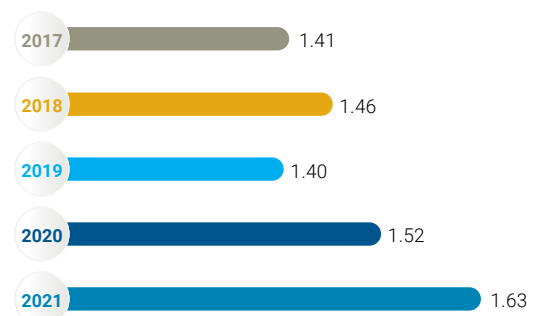
BDT in million

Particulars	2021	2020	2019	2018	2017
Operating income per employee	3.07	2.63	2.76	2.70	2.74
Operating cost per employee	1.63	1.52	1.40	1.46	1.41
Operating profit per employee	1.44	1.11	1.22	1.25	1.32
PBT per employee	1.04	0.87	1.04	1.14	1.16

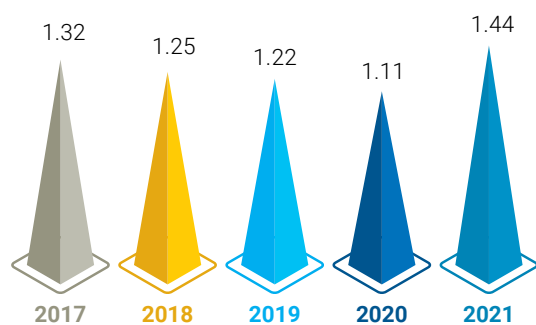
Operating income per employee



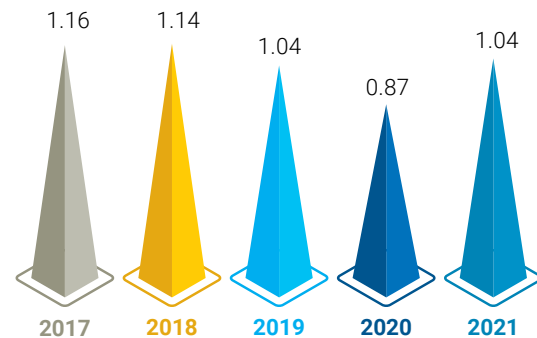
Operating cost per employee



Operating profit per employee



PBT per employee



Category	No. of employees	%
Senior management	695	9%
Mid-level management	2,889	38%
Entry-level	4,035	53%
Total	7,619	100%

Category	No. of employees	%
Males	6,653	87%
Females	966	13%
Total	7,619	100%

Given the future performance ambitions of the bank and its desire to be the best bank of Bangladesh, we will continue to embrace the key drivers that accelerate our human resource transformation with a view to align both, the goals of the bank and the objectives of its employees.

Contribution to the Nation

BRAC Bank has prioritised contribution to Bangladesh government's development vision that envisages the country to graduate to a middle-income nation within this decade and a developed nation by 2041. The bank contributes to the socio-economic fabric in myriad ways through both its direct as well as indirect impact.

Key stats, 2021



Key priorities of BRAC Bank



Supporting the state purse

BRAC Bank has contributed significantly to the Government's efforts in revenue mobilisation. The bank upholds its nationalistic obligations by disbursing tax and VAT on income. The bank also deducts income tax, VAT and excise duty at source from customers and suppliers for depositing to the exchequer. During 2021, the bank contributed Tk. 6,658 mn to the national exchequer.



NBR honours BRAC Bank as one of the top taxpayers of the country



NBR awards Tax Card to BRAC Bank, felicitating it as one of the highest tax-paying banks of the country

BRAC Bank's national exchequer contribution over the past five years:

Year	Direct tax		Indirect tax		Total
	Withholding tax	Corporate tax	VAT	Excise duty	
2017	1,543	2,261	824	442	5,070
2018	1,776	3,337	745	575	6,433
2019	2,346	2,707	778	590	6,420
2020	2,585	3,565	704	720	7,574
2021	2,317	2,558	929	853	6,658

Supporting jobs creation

During 2021, we onboarded 612 employees, bringing the total headcount to 7,619. The bank expended BDT 6,645 mn as salaries and allowances and BDT 9 mn in training in 2021. Further, we continued to prioritise lending to SMEs, thereby helping accelerate both direct and indirect jobs creation. The bank also emerged as the first in the sector to recruit members of the transgender community.

The bank also supports the livelihood of people who are indirectly dependent on it, including suppliers, vendors, contractors and other business partners.

Supporting citizenship activities

Our CSR approach is directed towards building the foundations of society. Thus, some of our activities comprise:

- Livelihood assistance to lower income households in view of Covid-19
- Scholarships to students of Dhaka University

- BRAC Bank-Prothom Alo Trust Adamya Medhabi scholarships
- BRAC Limb and Brace Center for artificial limb transplant
- Financial Support to Thalassemia Samity for free treatment to the underprivileged
- Road safety awareness initiative with Tareq Masud Memorial Trust
- Tree plantation/civic beautification initiatives

Supporting recovery of SMEs

As an SME-focused bank, BRAC Bank ensures easy access to finance to small-time entrepreneurs. In view of the pandemic, we amplified our efforts to provide much-needed funds to this target segment. Thus, the bank played a major role in delivering the first phase of Covid-19 CMSME Stimulus Package by fulfilling incremental target of Tk. 1,500 cr stimulus disbursement in the first phase (April 2020-June 2021), the highest in the industry. In the second phase (July 2021-June 2022), the bank has already disbursed Tk. 893 cr (against the target of Tk. 1,400 cr).



Recognition for outstanding role in first phase of Covid-19 CMSME Stimulus Package by Bangladesh Bank

Supporting women entrepreneurship and empowerment

BRAC Bank has long been facilitating women empowerment and spearheading financial inclusion through its comprehensive women banking proposition 'TARA', the first women-focused suite of banking services in Bangladesh. With easy financing facilities, 'TARA' has fulfilled entrepreneurial dreams of 5,000+ businesswomen with over BDT 417 cr SME loan portfolio, the lion's share of which are collateral-free.

TARA was conferred the acclamation at 2021 FT/IFC Transformational Business Awards, deemed globally as "The Oscars of Sustainability" for its pioneering efforts in women empowerment and financial inclusion. Further, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and United Nations Capital Development Fund (UNCDF), with partners such as FMO, Visa and the Government of Canada recently announced BRAC Bank as a winner of the Women Enterprise Recovery



Best Bank for Women Entrepreneurs Award from SME Finance Forum

Fund, being among the 10 recipients of the fund in the Asia-Pacific. With this fund, we aim to bridge the digital and financial divide that women MSMEs face in building their businesses.







Supporting mobile financial services through bKash

BRAC Bank has championed financial inclusion through bKash, a ubiquitous and award-winning mobile financial services (MFS) company that has altered the payments landscape of the country.

The journey of a decade of bKash started with essential services like 'send money', 'cash out', and 'cash in', which is now enriched with new services, such as mobile recharge, payments, bank-to-bKash money transfers, disbursement of banks' digital micro-loans, remittance, payments of utility bills and monthly savings schemes of financial organisations. bKash's significant efforts over a decade have contributed to the economic growth of the country, facilitating largescale financial inclusion.

PESTEL Framework

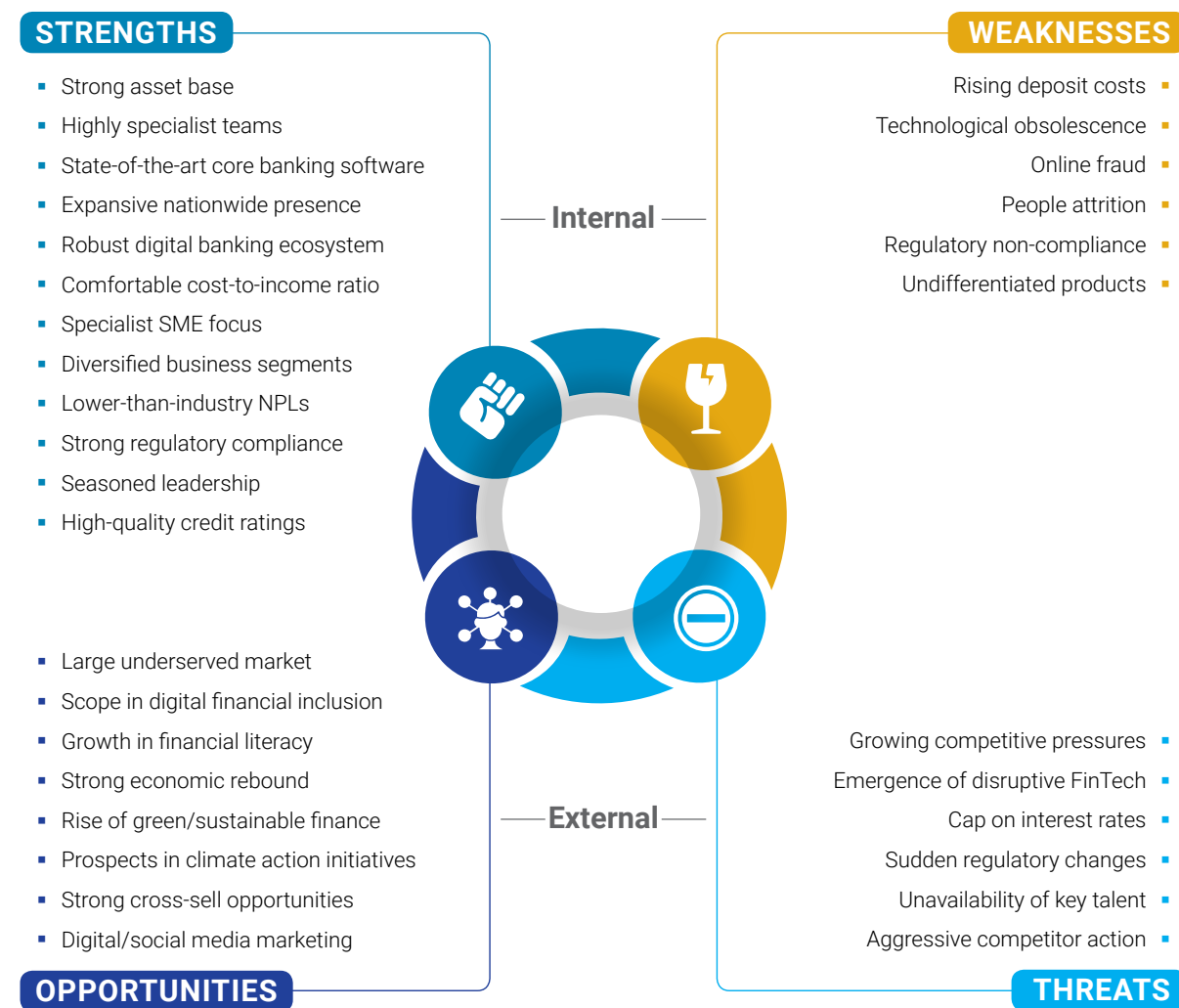
PESTEL analysis enables BRAC Bank to identify key facets across some of the major domains that affect its business and operations- both internal and external- that enable it to not only understand its intrinsic strengths, but also its position within the competitive field.

 POLITICAL	 ECONOMICAL	 SOCIAL		 TECHNOLOGICAL	 ENVIRONMENTAL	 LEGAL
Proactive govt. monetary policy, including tax policy	Strong economic recovery post-pandemic	Steady rise in per capita income		Dependency on technological innovation	Growing focus on green banking and green workplace	Highly regulated business environment
Stable political environment	Sustained positive growth rate achieved in GDP	Changing technology reshaping customer behaviour		Govt. initiatives in Digital Bangladesh, transforming the banking sector	Contribution towards meeting the Sustainable Development Goals (SDGs)	Stringent laws regarding customer privacy and data protection
Public sector investment in mega projects	Interest rate cap on both deposits and loans, making repricing critical	Increased awareness around health and safety		Rising customer sophistication	Greater need for institutional responsibility in society	Licenses and permits, including for product launch
Reliable regulatory climate	High non-performing loans in the industry	Advancement in key social indicators, such as literacy		Growing cybersecurity incidents and threats	Growing threats of climate-change events	Labour laws
Strong Covid relief support through stimulus funds	Volatility in currency exchange rates	Accelerated digital adoption triggered by the pandemic		Growing presence of FinTech companies with digital-first products	Regulations around sustainable finance	Protection of intellectual property
	Rising energy prices and supply chain disruptions impelling inflationary pressures	Rising urbanisation and industrialisation		Evolving regulations on digital banking	National commitments to climate action	Defalcation instances, such as money laundering, terrorist financing, forgery, etc.
		Public consciousness around ethics and integrity			Increased occurrence of natural disasters	
Degree of impact						
High	High	Moderate		High	High	High
BRAC Bank's strategies to address the PESTEL forces						
Zero Tolerance to regulatory misalignments	Strong business analysis and monitoring system	Aligning banking with changing societal transformation		Digitalisation focus to create a sound digital ecosystem	Sustainable core lending business, with a focus of embedding ESG principles	100% compliance culture with zero deviations

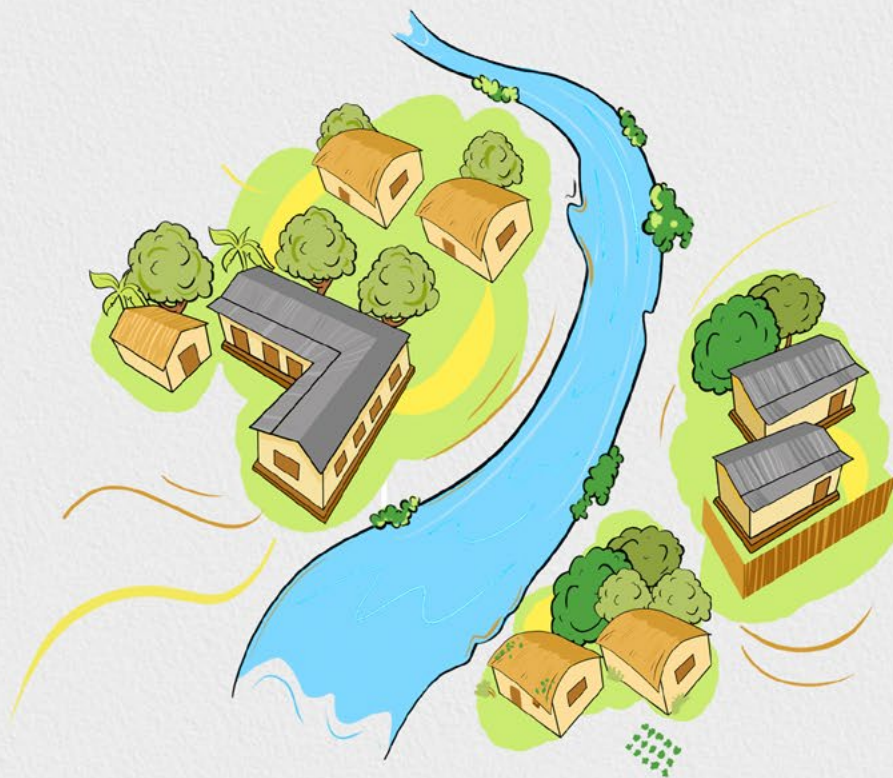
SWOT Analysis

A long legacy of doing good for Bangladesh and its people has enabled BRAC Bank to win public trust, enabling it to emerge as a preferred bank of the nation. The bank has identified a few key strengths, weakness, opportunities and threats, collectively comprising its internal and external factors, as the

bank endeavours to amplify its strengths, address its weakness, capitalise on opportunities and stave-off threats. The bank also utilises its SWOT framework as a management tool to continually map its position in the industry and thwart competitive pressures.



DIVISIONAL OVERVIEW



A portrait of Syed Abdul Momen, a man with a beard and glasses, wearing a dark blue suit and a yellow and blue striped tie. He is smiling slightly and looking towards the camera.

Syed Abdul Momen
DMD & Head of SME Banking

SME Banking

Exclusive tailored solutions for holistic inclusive finance!

Key stats, 2021

365,135

Total SME
customers

13,571

Loans disbursed
(BDT cr)

1,576

Loan growth
(BDT cr)

2,263

SME Relationship
Officers

Financial enablement across the vibrant SME landscape

With the vision to take institutional banking to the 'unbanked' small and medium enterprises (SMEs), who were hitherto considered "un-creditworthy", BRAC Bank pioneered the space and demonstrated that with the right support SMEs could be a valuable and viable area of focus. Taking inspiration from the parent organisation, BRAC, the world's largest

NGO, BRAC Bank introduced small-ticket loans to bring grassroots entrepreneurs under the umbrella of formal banking. Today, the bank's exceptional SME Banking services and products provide access to formal finance to the cottage, micro and small enterprises that were previously left out from the traditional commercial banking system.

With women comprising about half of the population and with rise of women entrepreneurs, BRAC

Bank's Women's Banking Solutions, TARA, aims to play a significant role in not only fostering the entrepreneurial spirit amongst women, but also bringing them into mainstream finance. Today, TARA already has 5,126 women SME business customers and more than 200,000 deposit customers.

SME Business at a glance

To cater to each segment via a granular focus and address needs on a holistic basis, the SME Banking division is sub-segmented into several wings that include:

- Small Businesses
- Emerging Corporate
- Agriculture Financing
- MFI Financing
- Supply Chain Financing
- E-Commerce and ICT Industry Financing
- Business Transformation and Product
- Business Support

Small Business Division

The Small Business Department is focused on cottage and micro industries. Small enterprises are the most critical drivers of the country's rural and semi-urban communities, contributing to economic growth and employment creation at relatively low investment.

Through its 456 unit offices spread across the country, the department has been catering to the business needs of small manufacturing, trading and services businesses.

The team not only caters to the financial needs of its customers, but also ensures their sustainable growth by offering business improvement insights as well as outstanding customer experience across the entire relationship cycle.

Emerging Corporate Division

The Emerging Corporate segment caters to fast-growing, medium-sized businesses in the manufacturing, trading and services industries having local and international linkages. These businesses have successfully scaled up to mid-segment and demonstrate the potential to emerge as much larger entities in the future. Businesses under this segment have created a positive economic impact by generating employment and strengthening backward-forward linkages. Customers in this segment require

tailored loan products and composite facilities that are suitable to meet the specific needs of their business.

Since its inception in 2013, the department has successfully grown its business, catering to the financial needs of these businesses with commitment and responsibility, thus resulting in an overall positive impact on the national economy.

MFI and Agri

MFI

BRAC Bank commenced its financing activities to Micro Finance Institutions (MFI) in 2011 and has continuously supported them in achieving their goals. Even amid the pandemic where other banks lifted their focus off MFI financing, BRAC Bank embraced a more holistic view and stood out by supporting the sector with adequate liquidity. The bank has partnered with 24 MFIs for agriculture and rural credit disbursement. MFI disbursements stood at BDT 17,361 mn and BDT 14,755 mn, respectively, in the year 2020 and 2021.

Agri

As of December 2021, BRAC Bank's agri loan outstanding to end borrowers through own network and MFI linkage stood at BDT 1,838 mn and BDT 1,870 mn, respectively. The bank disbursed a sum total of BDT 1,878 mn through direct financing during the year. Furthermore, as many as 86,702 female beneficiaries were financed with agricultural credit through MFI linkage.

Agri-related projects

BRAC Bank, in partnership with ACDI/VOCA, launched COVID Emergency Fund project (funded by USAID) from 2020-21 for farmers of FTF zone in 21 districts of the western part of Bangladesh, out of which 80% were female beneficiaries. This not only facilitated marginal farmers, but also the broader agri industry. BRAC Bank was successful in completing the project within the 6-month tenure.

In 2021, BRAC Bank engaged in a multi-stakeholder collaboration to offer cattle well-being services. The bank, in partnership with Phoenix Insurance and Adorsho Pranisheba, launched the 3-year project named "Khamari" to boost livestock rearing and welfare amongst marginalised farmers through the Pranisheba app- a digital cattle monitoring platform.



The bank also onboarded farmers under BRAC Dairy Project in areas like Satkhira, Benapole, Pabna and Sirajgonj, which will route all BDFP payments to farmers via bank accounts, alongside offering cattle insurance and cattle wellbeing facilities as well.

BRAC Bank also partnered with Swisscontact (a leading organisation in the implementation of international development projects) and Green Delta Insurance (largest general insurance company of Bangladesh) to create a campaign under “Good Farming” across the country under the “Bancassurance” project. Multiple awareness sessions were initiated under the presence of Union Livestock Officer (ULO) to facilitate the marginal cattle farmers of the country.

Supply Chain Finance

BRAC Bank’s Supply Chain Finance is a structured program through which the bank offers short-term working capital facilities to major supply chain stakeholders, i.e. buyers and suppliers. Hence, supply chain finance is a need-based proposition designed to cater to the requirements of consumer-facing industries with large supply chains, including those in agriculture, automotive parts, consumer durables, electronics, engineering, FMCG, health care, metal and metal products, and pharmaceuticals, among others. This form of finance not only helps Bangladeshi business houses penetrate deeper into the market, but also creates a value proposition for MNCs and LLCs to establish a stronger footprint.

BRAC Bank’s products under supply chain finance:

1. Supplier Finance

- Pre-shipment facility: Work order finance, under which the bank provides loans to suppliers to fulfill confirmed orders from large buyers.
- Post-shipment facility: Invoice discounting, factoring and reverse factoring, under which the bank provides loans to suppliers of

reputed buyers based on buyer-approved invoices.

2. Dealer/Distributor Finance

The bank provides loans to distributors/dealers of reputed firms for procurement of finished goods from these firms.

Target group

- Suppliers and distributors of existing corporate clients of Large Corporate Department
- Local Corporate Department
- Emerging Business Department

e-Commerce and ICT Industry Finance

BRAC Bank has renewed its focus on financing the e-commerce and ICT industry, aligned with the Government’s prioritised vision of a Digital Bangladesh. With digital adoption accelerated by the pandemic, the ICT industry has flourished throughout the period. Hence, with a view to capitalise on the prevalent opportunities, the SME Banking Division launched customised products in association with BASIS, BCS and BACCO, which are significant ICT industry associations. To have a focused approach towards Bangladesh’s e-Commerce and ICT industry, the bank also established an e-Commerce and ICT Financing Department within the SME Division.

Special concentration

TARA SME Finance

Women are a significant part of the national economy and to cater to this segment to encourage women entrepreneurship, BRAC Bank’s SME division has been providing finance to TARA SME customers at a concessionary interest rate of only 4%. An organisation is considered women-owned when women hold the majority, i.e. minimum 51%, of its shareholding. BRAC Bank encourages these women investors and initiators with preferred rates and provides strategic support, like training, incubation and support linkages from partners to boost their growth prospects.

The bank’s TARA SME Financing wing has been working with conviction to fund these women-owned businesses that also have women personally involved in the business, thus breaking the glass ceiling and charting a path of their own. As of 31 December 2021, the cumulative portfolio of TARA SME Finance stood at BDT 523 cr, with 5,126 customers. PAR and

NPL stood at 2.76% and 2.23%, respectively.

Key divisional highlights

Partnership with Green Delta Insurance Company, supported by Swisscontact

In its continuous endeavour to provide financial support to farmers across the country, BRAC Bank partnered with Green Delta Insurance Company (GDICL) to offer financial solutions to livestock farmers. This initiative is supported by Swisscontact and the Embassy of Switzerland in Bangladesh.



Under the agreement, BRAC Bank will provide financing solutions to livestock farmers and Green Delta Insurance will provide livestock insurance coverage to borrowers in the event of death or permanent disability of the insured cattle. The Embassy of Switzerland has also stepped in by providing technical assistance to livestock sector farmers. Swisscontact and Surokha also became partners to provide coordination and necessary care services in the project.

Agreement with VeeFin Solutions for loan origination system

BRAC Bank signed a software license agreement with VeeFin Solutions Private Limited (India) to implement loan origination system (LOS). This collaboration will help the bank to develop a module to automate its SME and retail lending operations and significantly reduce the processing time for faster loan disbursements. With BRAC Bank having an extensive reach and large customer base in SME and Retail segments, the system will greatly benefit the bank's customers across the country.

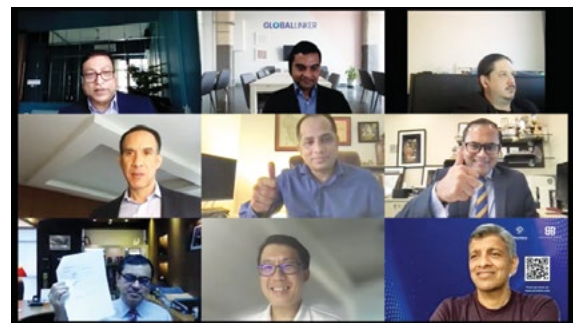
Mr. Md. Sabbir Hossain, Deputy Managing Director & Chief Operating Officer (COO), BRAC Bank, and Mr. Raja Debnath, Director, VeeFin Solutions Private Limited (India-headquartered), signed the agreement at the bank's Head Office in Dhaka on November 28, 2021. Mr. Syed Abdul Momen, Deputy Managing Director & Head of SME Banking, and Mr. Mahiul

Islam, Head of Retail Banking, BRAC Bank, were also present at the occasion.



GlobalLinker and BRAC Bank extend SME networking to Bangladesh

BRAC Bank and GlobalLinker, a leading business networking and enablement platform for SMEs (headquartered in India), signed a MoU to launch a digital platform to support business growth of SMEs in Bangladesh. The platform will be co-branded with BRAC Bank and will support the digitisation needs of SMEs in Bangladesh by making them easily discoverable using a patented digital business card, while also making them e-commerce ready.



BRAC Bank and Sheba Platform forge partnership for digital commerce facilitation for SMEs

BRAC Bank and Sheba Platform signed an agreement and marked the official kickoff of "SME Bondhu" – a SME Banking initiative that aims to facilitate MSME's inclusion in the ever-growing digital commerce. Under the agreement, Sheba Platform will offer its revolutionary sManager solution, where SMEs can conduct their business online and avail inclusive services. BRAC Bank's SME customers will get a 5% discount on subscription, while Women Banking TARA customers will be able to use it for free.

Agreement with Runner Trading

BRAC Bank entered into an agreement with Runner Trading, an affiliate of Runner Group, to facilitate the financing of its customers. As such, BRAC Bank will offer loan and deposit facilities to existing and

potential customers of Runner Trading. This company on the other hand will offer a 5% discount to BRAC Bank customers for purchasing their machinery.



Financing agreement with GPH Ispat

BRAC Bank signed a distributor financing agreement with a leading steel manufacturer, GPH Ispat. Under the agreement, the countrywide distributors of GPH Ispat will get collateral-free loans from BRAC Bank for enabling smooth business operations. The agreement will be beneficial for dealers and distributors of GPH Ispat as they are assured of steady and assured funding support from BRAC Bank for meeting their working capital needs.



BRAC Bank wins Fintech Innovation Award for digital lending

BRAC Bank's project 'Baki' - Financing Retailers of FMCG Partners – clinched the Fintech Innovation of the Year 2021 award under Digital Lending category. Baki provides simple, convenient and effective digital lending solutions to small retailers of FMCG players. The inaugural Fintech Award, organised by Bangladesh Brand Forum, recognised organisations and initiatives that have been driving change to modernise fintech in the constantly evolving digital era, celebrating those bringing forth dynamic change through revolutionary financial technology.



BRAC Bank won the 'Best Bank For Women Entrepreneurs' award

BRAC Bank was recognised by the International Finance Corporation (IFC) and the SME Finance Forum for Innovations in Small Business Lending under the umbrella of its comprehensive women banking initiative, "TARA". The Bank has long been promoting women entrepreneurship through TARA, its unique women banking and empowerment platform. With easy financing facilities, 'TARA' realises entrepreneurial aspirations of thousands of women at the grassroots around the country.

Md. Mahiul Islam
Head of Retail Banking

Retail Banking

**Ensuring continuous product innovation
for customer acquisition and retention**



Retail lending

BRAC Bank's Retail lending arm witnessed significant growth in retail loan disbursement and portfolio growth in 2021, with the Covid-19 pandemic gradually on the wane and the economy coming back on track. Our major products include Home loan, Personal loan, Auto loan and Secured loan.

RETAIL LOAN PORTFOLIO

42% growth

Portfolio: BDT 66,350 mn

PERSONAL LOAN PORTFOLIO

92% growth

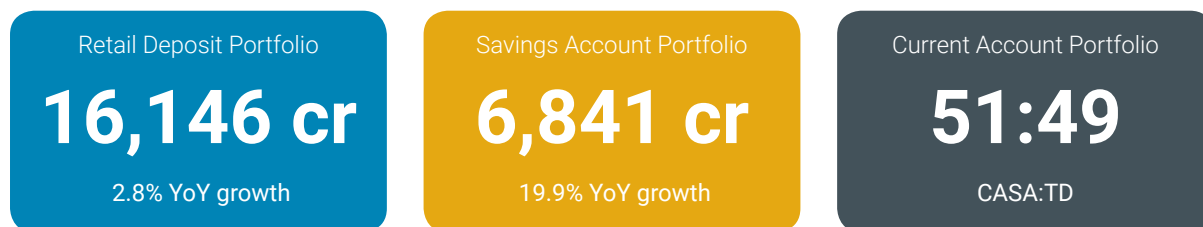
Portfolio: BDT 37,544 mn

In 2021, alongside our focus on maintaining sustainable credit quality, we also placed emphasis on improving customer experience (onboarding and reducing the loan turnaround time, etc.), developing products particularly suited for teachers and affordable housing customers, etc.

OUR INITIATIVES	IMPACT
NEW PRODUCTS <ul style="list-style-type: none"> Launched two new products <ul style="list-style-type: none"> Dishari personal loan for teachers Affordable housing loan for lower middle income groups 	<ul style="list-style-type: none"> Greater access to finance for teachers across Bangladesh, thus ensuring financial inclusion amongst this important cohort Increased access to formal and affordable housing finance for middle and lower income households, thus also expanding financial inclusion
ALTERNATIVE CHANNEL FOR SERVICE <ul style="list-style-type: none"> Migration of personal and secured loans closure service to call center 	<ul style="list-style-type: none"> Activation of alternative channels for customers ensured lower branch visits Also aligned to the govt. mandate of restricting public movement and gatherings due to the pandemic
RE-ENGINEERED PROCESS FOR SERVICES <ul style="list-style-type: none"> Reduced retail loan service turnaround time with re-engineered process Established new service tracker system, "At Your Service" 	<ul style="list-style-type: none"> Retail loan service turnaround time reduced significantly to just about 2.4 days
PARTNERSHIPS <ul style="list-style-type: none"> MoU signed with several real estate developers- Ratul Properties, Ranks Properties, Equity Properties and Anwar Landmark MoU signed with auto dealership- Haval Attractive interest rate offered to select developers and auto dealers 	<ul style="list-style-type: none"> Catalysing own home and car ownership Strategic tie-ups have enabled customers to avail loans at attractive rate of interest
CAMPAIGNS <ul style="list-style-type: none"> Launched multiple campaigns to deepen customer engagement and increase business quantum 	<ul style="list-style-type: none"> Expanded business with existing customer base Built 10,000+ new customer relationships

Retail deposit products and NFB

Retail Division is a major source of the bank's deposit mobilisation efforts which enables BRAC Bank to expand its lending operations. In 2021, the bank achieved tremendous response from customers, achieving significant growth in its deposit balance.



Key developments, 2021

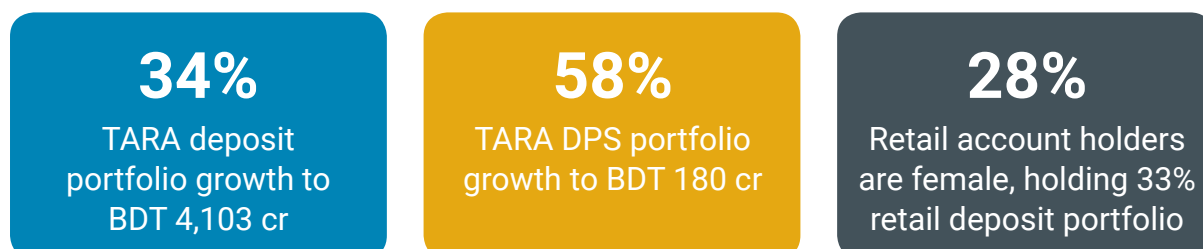
- Launched e-KYC, a fully-digitalised instant bank account opening channel
- Introduced Freelancer Matrix Account to enable freelancers to seamlessly receive remittance
- Established Mukti Account for those who hold reservation on interest from their accounts
- Achieved growth in senior citizen account holders to 8,368 accounts
- Opened 1,888 student files under 'Agami'



Launch of 'Freelancer Matrix Account' with BFDS

TARA Women Banking Segment

Launched in May 2017, BRAC Bank's TARA Women Banking represents a holistic women banking program for customers of consumer and SME portfolios.



Key developments, 2021

- Launched two new agent banking products to cater to a wider female customer base
- Launched Mastercard TARA World, the first-ever super premium world credit card designed exclusively for women
- Launched “Uddokta 101”, the country’s first-ever accelerator programme in the banking sector for entrepreneurs jointly with the University of Dhaka

Awards and recognitions:



Best Bank for Women Entrepreneurs “Platinum” award by Global SME Finance Forum



Special Commendation at #FTIFC Transformational Business Awards 2021



Mastercard Excellence Award 2021 for “Excellence in launching new category (women)”

Credit cards

856 cr
Outstanding
portfolio (BDT)

67%
Card issuance growth

40%
Transactions growth

Key developments, 2021

- Launched Mastercard TARA World credit card, the first ever signature-equivalent credit card for women
- Introduced the first-ever youth-centric credit card in Bangladesh, “BRAC Bank Millennial Mastercard Titanium Credit Card”
- Awarded Mastercard Excellence Award 2021 in “Excellence in Launching New Category (Youth)” and “Excellence in Launching New Category (Women)”

Employee Banking

BRAC Bank’s Employee Banking wing facilitates more than just salary disbursements, to now represent a value-added lifestyle proposition that reinforces customer experience by catering to their holistic banking needs and requirements.

34% growth
in deposit balance to
BDT 4,881 mn

335% growth
in loan disbursement to
BDT 3,740 mn

Major developments of 2021:

The year was majorly about recovering from the loss of opportunity caused by the pandemic. Thus, the business has achieved significant growth during the year due to the bank's ability to adapt to the pandemic and formulate policies and measures accordingly.

- Establishment of EB Foreign Mission Desk representing a dedicated queue in North Gulshan Branch to extend dedicated services to expats and other senior embassy officials
- Launch of Expat Salary Accounts comprising customised salary accounts to cater to the specific requirements of expats
- Strategic onboarding through signing Employee Banking agreement with 80+ companies/institutions

Remittance and Probashi Banking

BRAC Bank's Probashi Banking arm is responsible for bringing foreign currency to the bank through partnerships with international banks and exchange houses.

410 mn USD
Remittance Volume

1.3 mn
No. of Remittance
Transactions

16.46 bn BDT
Account Credit from
Remittance

Major developments of 2021

- Forged relationships with 10 new exchange houses/banks
- Completed system integration with Ripple, a blockchain-based global payment network
- Partnered with Payoneer, a USA-based international payment operator
- Onboarded 100k new customers across digital remittance channels
- BRAC Bank's project "Cashless Remittance" won the Honorable Mention as "The Fintech Innovation of the Year"

Merchant Acquiring Business

BRAC Bank's Merchant Acquiring business is engaged in enhancing customer convenience to make retail POS, e-commerce and QR code-based payments across a large merchant universe. The unit is thus responsible for onboarding merchants on the retail banking platform.

1,055
New merchants
onboarded

30%
Growth in POS
acquiring business

83%
Growth in e-commerce
acquiring business

Major developments, 2021

- Launched Quick Response (QR code) acquiring platform to accept Visa and Mastercard transactions
- Obtained PCIDSS certificate by SISA for acquiring platform
- Bestowed with the "Excellence in MasterCard POS Acquiring Business" award for the third consecutive time in 2020-21 from Mastercard
- Tied-up with 1,288 strategic partners and activated major branding activities with The Westin Dhaka, Sheraton Dhaka, Amari Dhaka, InterContinental Dhaka, Doreen Hotel & Resort, Six Seasons, Gloria Jean's Coffee, Coffee World, etc.

Payment and Partnership Business

Payment and Partnership Business is the strategy formulation wing and the driving force for digital initiatives for retail banking.



Realising the future of banking

The department is responsible for managing the retail banking part of Astha mobile banking app.

Fostering convenience through easy online bill payments

Another major role of the department is to acquire merchants to accept online payments from BRAC Bank account owners. In this case, the team primarily focuses on utility service providers and other merchants to whom payments are made on a recurring basis.



Money transfers across platforms

The wing has relationships with MFS/PSP wallet partners for facilitating account-to-wallet or wallet-to-account money transfers for customers.



Premium Banking

9,500+

Premium banking
clients

44,000 mn+

Deposit balance

2,900+

Net CASA growth (BDT
mn)

Major developments, 2021

Some of the key developments of the year include:

- Deputed dedicated relationship managers
- Ensured exclusive customer access to Premium Banking lounges and ensured prioritised service at branches
- Provided special rates, waiver on fees and discounts on select products and services
- Promulgated the “F1 Service” proposition to also cover door-to-door service, especially during the lockdown

Way forward, 2022

Retail banking division has several exciting projects and initiatives for 2022. Some of them are as follows:

- Enable customers to open term deposits and DPS from their home through Astha app
- Launch Multi-Currency debit card through which customers can conduct local & int'l transactions
- Increase product lines to cater to women from lower income households
- Implement QR-based digital transactions credit card and debit card acceptance across a wide merchant universe
- Launch virtual credit card to enable customers to make quick and easy payments through their smart-phones via secured technology
- Ensure maximum digitalized salary account opening for customers through e-KYC
- Focus on digital marketing and online product tutorials for remittance banking customers
- Launch Diners Club acquiring platform in POS, e-commerce and QR channel
- Expand premium banking proposition beyond the metropolitan cities of Dhaka and Chittagong



Tareq Refat Ullah Khan
DMD & Head of Corporate Banking

Corporate Banking

Our journey towards becoming the most preferred partner in corporate banking

BRAC Bank established its Corporate Banking Division in 2009 and over a period of 12 years, the wing has grown into a large business driver with a vibrant set of customers and a dynamic team. While the award-winning and highly competitive Corporate Banking segment of BRAC Bank has grown multifold over the intervening period since its inception, there exists significant opportunity to be mined and explored, especially with the return of business and customer confidence as well as the strong recovery of Bangladesh's economy.

Key stats, 2021

16%

Growth in loans and advances

13%

Growth in deposits

52%

Growth in trade business

27

New credit relationships established

1,196

New deposit accounts opened

279

New CORPNet accounts established

Areas of differentiation

- Amongst the market leaders with strong expertise in trade and financing solutions
- Leading transaction banking solution provider catering the need of local, public & MNCs
- Strong capabilities in offshore financing with global connectivity
- Wide distribution network with capabilities to serve all customer requirements
- Ability to offer competitive pricing and customized solutions to customers
- Industry leading capital market services

Key competency drivers

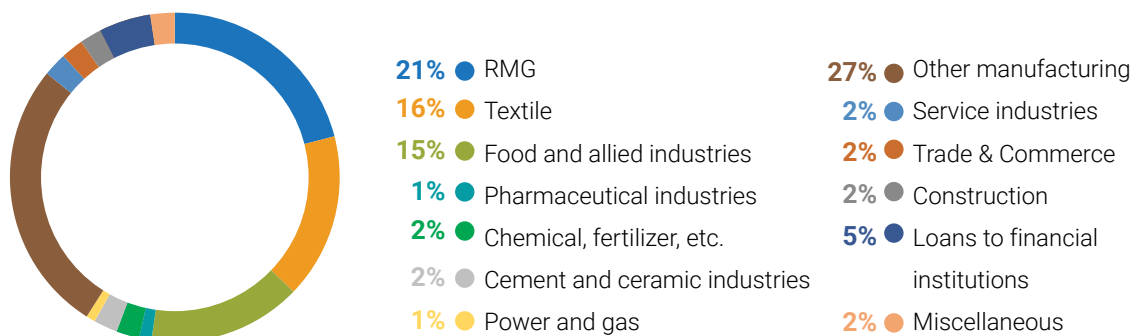


2021 in the spotlight

During the year, the Corporate Banking Division made rapid strides, achieving strong all-round progress.

- Significant loans and advances growth was achieved through booking accounts of industry leaders in RMG, textiles, power, pharmaceuticals and ceramics sector.
- In a major highlight of the year, BRAC Bank, for the first time ever, entered into lending relationships with public sector companies, thus broadening its addressable customer base.
- In the deposit segment, key focus was accorded on reducing cost of deposits through focus on increasing transaction banking accounts.
- Record number of new customers were on-boarded onto the bank's digital platform, CORPNet, to provide with a Digital Payment & Collection Solution, helped increasing velocity of digital transactions during the year.
- Became the first private commercial bank to establish direct API connectivity with VAT online project of National Board of Revenue (NBR) for straight-through payments by CORPNet users.
- Unlocked new transaction banking segments by making footprints on foreign embassies, diplomatic missions, international logistics firms, development organizations etc.
- Trade business also achieved buoyant growth during the year, especially fuelled by significant number of export-oriented customers enlisted over the past few years.
- Portfolio quality ensured well below industry average through rigorous monitoring and vigilant approaches.

Sector wise loan exposure



Way forward, 2022

Several structural drivers can add momentum to Bangladesh's economic growth, primary among which is not only a large domestic consumption market, but also a global 'China + 1' strategy in which Bangladesh fits perfectly on account of its investment-friendly climate, cost competitiveness and adherence to global compliance. Furthermore, implementation of annual budgetary plans and execution of large infrastructure projects will give an added fillip to GDP growth.

With a strong growth mindset, the Corporate Banking Division will capitalize on the opportunities and play a key role in this transformation. We will continue to strike a balance between liquidity, profitability and solvency to post positive growth in 2021, emerging stronger than before and going "Full Throttle Ahead".



Wholesale Banking Conference "Full Throttle Ahead"



Md. Shaheen Iqbal, CFA
Head of Treasury & FIs

Treasury & Financial Institutions (FI)

Primer

BRAC Bank's modern treasury management system is one of the most dynamic treasury operations in Bangladesh, engaged in local and foreign currency dealings, fixed income instruments, derivative transactions and FI services. Alongside managing the

bank's funds for meeting regulatory requirements and day-to-day liquidity, the unit acts as a market-maker across all treasury products. The various arms of the Treasury are indicated below:

Desks	Activities of BBL Treasury
Money Market (MM)	<ul style="list-style-type: none">▪ Efficient MM desk, penetrating all levels of the market and managing an optimal mix of funding▪ Facilitates diverse solutions, including call money, repo, reverse repo, term money, etc.▪ Adheres to all regulatory requirements (CRR/SLR) in managing the bank's proprietary portfolio
Investments	<ul style="list-style-type: none">▪ Diversifies the bank's investment avenues and opportunities and generates alternate sources of revenue▪ Manages the bank's overall liquid asset buffers based on interest rate and liquidity forecasts▪ Manages capital market operations through investment in shares, treasury bonds, corporate bonds, preference shares, etc.

Desks	Activities of BBL Treasury
Foreign Exchange	<ul style="list-style-type: none"> Major source of FX liquidity in the interbank market Acts as market-maker through two way quotations Offers pricing facilities to other players through BBL Electra
Corporate Sales and Derivatives	<ul style="list-style-type: none"> Caters to FX needs of corporate accounts across diverse industries Offers corporate counter-parties a range of FX solutions Offers advisory services on prevailing market conditions
ALM	<ul style="list-style-type: none"> Responsible for daily liquidity management Ensures sustenance of all ALM risk ratios Provides ALCO and Head of Treasury with economy and market insights and balance sheet recommendations
Financial Institutions	<ul style="list-style-type: none"> Establishes new business lines to facilitate the FX business and ensures smooth trade finance and remittance service Responsible for funding the bank's fast-growing Offshore Banking Unit (OBU) Manages 391 global correspondent relationships in 50 countries and 27 overseas Nostro accounts in 11 major currencies, along with 110 Nostro accounts with domestic banks

The year 2021

Pressing ahead despite the Covid-19-related challenges, BRAC Bank's Treasury capitalised on the positive liquidity conditions of the market, while ensuring lower cost of funds and optimal funding mix. The team harnessed 'Electra', the only FX trading platform in the market, thus adding many more clients and more currency pairs in the price streaming to help banks meet their FX requirements. The Treasury team made the most out of the market volatility by capitalising on opportunities in government securities, trading, FX liquidity, FX sales, etc.

A year of awards

BRAC Bank bagged the prestigious "The 2021 STP Quality Recognition" in four categories, awarded by JPMorgan Chase, an American multinational investment bank. The award was bestowed in recognition of the bank's operational excellence in the Straight-Through-Processing (STP) rate for fund transfers. BRAC Bank is the only local bank honored in four different categories in 2021, enabling it to earn the coveted award in two categories for four consecutive years.



"The 2021 STP Quality Recognition" in four categories, awarded by JPMorgan Chase

Knowledge-sharing session on market insights

BRAC Bank emerged as amongst the first banks in Bangladesh to address the financial markets' shift from interbank-offered rates to alternate risk-free rates. Team Treasury arranged a well-attended session on "Transition from LIBOR", inviting treasury

officials from other banks. As articulated in the session, it is expected that the transition away from LIBOR could be a complex challenge and, in this context, our treasury specialists discussed the Secured Overnight Financing Rate (SOFR) and other alternative risk-free rates, their variants, calculation methodologies, etc.



Dealing room training session

Way forward, 2022

Treasury will focus on evolving with the volatile and competitive market forces to continue to harness untapped market opportunities. The team expects to place greater emphasis on expanding the bank's market share and balance sheet size at an accelerated pace, yet ensuring that all relevant risk ratios remain at optimum levels.

Our Distribution Network

Fostering a robust pan-Bangladesh customer footprint through embracing the phygital (physical-digital) approach

Primer

BRAC Bank's Distribution Network is the primary interface of the bank with its customers, not only ensuring the availability of the bank's products and solutions in a convenient and cost-effective manner, but in also facilitating customer awareness about the bank amongst prospective customers. Branch Governance acts as a bridge between the bank and its branches, while ensuring the efficient transmission

of information and related updates. Distribution Network thus fosters a vibrant "phygital" (physical-digital) channel that directly enables the bank in new customer/business acquisition, thus contributing to portfolio enhancement, while also ensuring sustainable long-term relationships with existing customers.

Our key priorities



Transactional to relationship banking
(Financial advisory)



Staff up-skilling



Center for digital conversion (Astha, i-Banking, e-KYC, etc.)



Re-modelling branch infrastructure (Sub Branches and Agent Banking Outlets)

Overview

BRAC Bank's Distribution Network is spread across eight regions comprising a total of 187 branches located pan-Bangladesh.

For efficient control and superintendence, each region is supervised by a Regional Head, who ensures the fulfilment of the major mandates of customer service, new account mining, compliance, etc., and reports to the Head of Branch. Furthermore, Branch Governance ensures combined assurance to compliance and regulatory norms and facilitates service standardisation.

Initiatives amid the pandemic

In 2021, a number of initiatives were taken, including:

- Ensuring high levels of operational resilience and flexibility

- Providing comprehensive safety measures for our staff and customers
- Adopting video-conferencing wherever in-person meetings were not possible

Major 2021 accomplishments

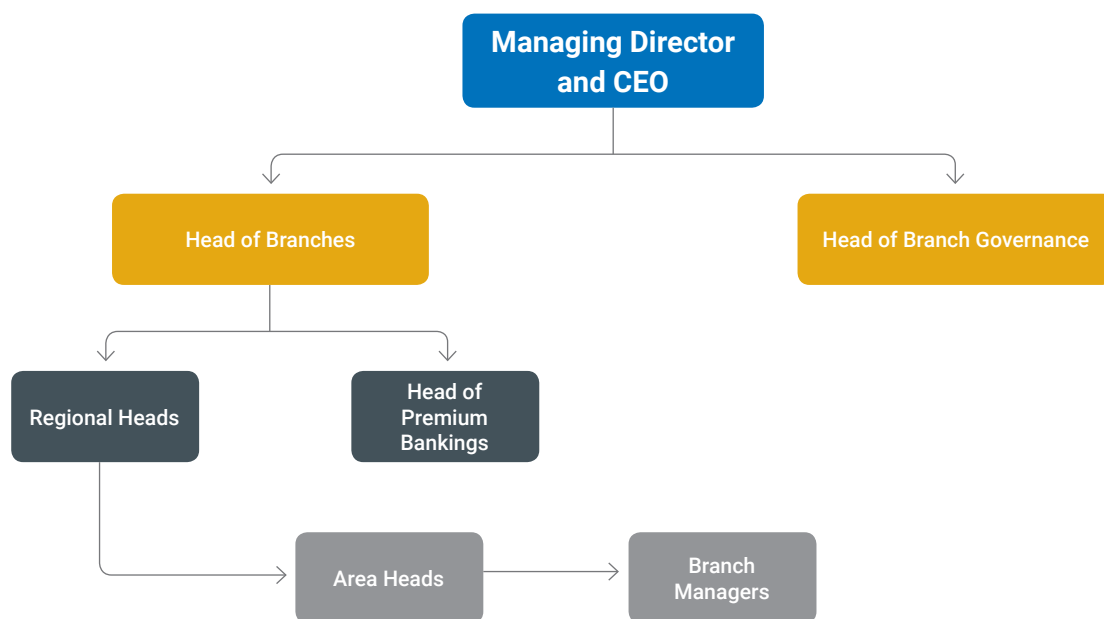
- The Distribution Network achieved rapid progress during the year in the face of a challenging operating context that was characterised by heightening competition and the aftershocks of the Covid-19 pandemic. Some of the major developments of the year include:
 - Optimised client access and convenience through existing distribution channels while also advancing the use of the bank's digital channels
 - Increased portfolio size through new account acquisition via different distribution channels

- Focused on the retail side of the business and prioritised sectoral lending
- Digitalised several banking services to maximise operational efficiency
- Embraced several digital initiatives, including enhancing the capacity of Alternate Banking Channels (ATM, CDM, Internet Banking and bKash) to enable easy cash withdrawal/ deposit or payments

Way forward, 2022

- Fast-track service automation to meet the needs of a growing customer base, while improving overall process efficiencies, ensuring lean operational practices and simplifying customer access to our products and services.
- Divert customers to alternate banking channels to ensure quicker and more seamless access with the same levels of service, while optimising branch footfalls to dispense prioritized banking services.
- Place greater focus on the advisory role, adopting the shift from transactional to relationship banking.
- Leverage sub-branch banking model to enable deeper and wider market penetration.

Distribution Network organogram

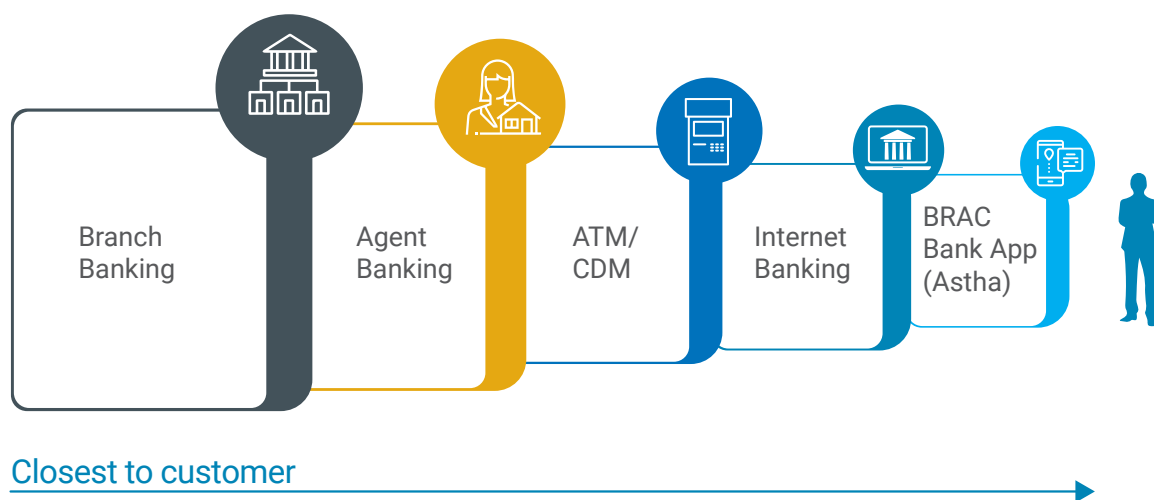


Alternate Banking Channels

Making banking accessible to all corners of Bangladesh in the true spirit of financial inclusion

At BRAC Bank, our Alternate Banking Channels (ADC) stands on four legs, comprising Agent Banking, Alternate Delivery Channel, Call Center and Internet Banking. These provide a composite, enriching and fulfilling banking experience to our customers.

BRAC Bank's customer access perimeter



Agent Banking

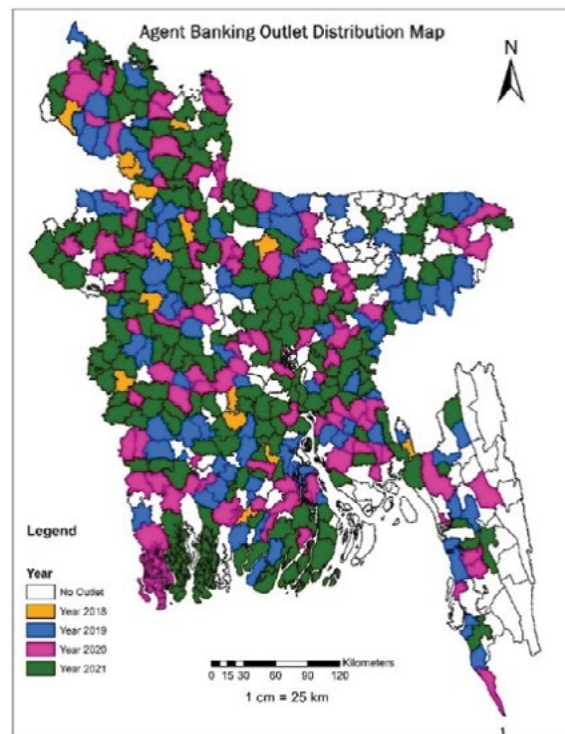


Overview

BRAC Bank's Agent Banking channel, with outlets spread across Bangladesh, serves to promote authentic financial inclusion, expand the deposit-holder base, complement SME, Retail and Corporate businesses, and expand the retail customer base.

The Agent Banking division has also emerged as a pioneer in delivering banking services through app-based solutions. Facilitated by the app, people from all corners of the country are able to avail such services as:

- Open accounts
- Make cash deposits/withdrawals
- Maintain savings
- Transfer funds
- Receive foreign remittance
- Pay utility bills and insurance premium
- Disburse and repay loans
- Receive government allowances (subsidies)
- Request for debit card, cheque book, etc.



In 2021, Agent Banking achieved successful performance across all its operating fronts, as reflected in the table below:

	2018	2019	2020	2021
Agent Banking outlets	50	301	481	705
Total no. of accounts	290	13,084	65,470	142,016
Total deposits (BDT Crore)	2	31	351	765
Total no. of transactions	11,469	32,893	827,204	1,862,655
Total transaction volumes (BDT Crore)	43	1,656	6,575	14,808
No. of remittance payments	-	5,155	25,697	88,975
Remittance volumes (BDT Crore)	-	19	347	590
No. of distributor bill collections	-	2,840	16,230	55,246
Distributor bill collection volumes (BDT Crore)	-	38	219	655
No. of loan disbursements	-	1,540	14,505	40,823
Loan disbursement volumes (BDT Crore)	-	77	866	2,442
No. loan repayment collection	10,331	230,168	336,847	780,011
Loan repayment volumes (BDT Crore)	37	972	1,573	3,448

Key initiatives implemented, 2021

BRAC Bank's Agent Banking unit introduced several initiatives through the channel for ensuring good governance, compliance, partnerships and overall growth in the rural micro-economy.



Uthan Boithok: Agent Banking conducted more than 50 “Uthan Boithok” to enhance financial literacy among rural people, especially female customers.



Customer awareness programs: Agent Banking conducted customer awareness programs with the help of branches and agents to build trust towards Agent Banking among rural people and create awareness about their financial security.

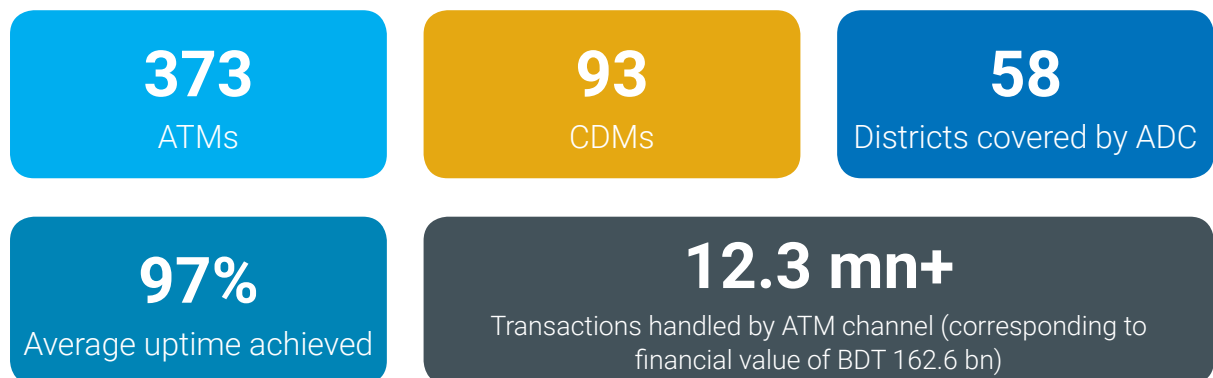


AML training for Agent Banking staff: To ensure proper conduct, control and compliance, Agent Banking arranged regular AML/CFT training sessions at both head office and field-level through field-based team trained through TOT (Training of Trainers) program.



Agent Award and Agent Conference: To encourage our agents and agent staff members, the country's first-ever Agent Award Program was conducted by BRAC Bank. Regional Agent Conferences were also held to connect with the agents and local customers for improved engagement and customer services.

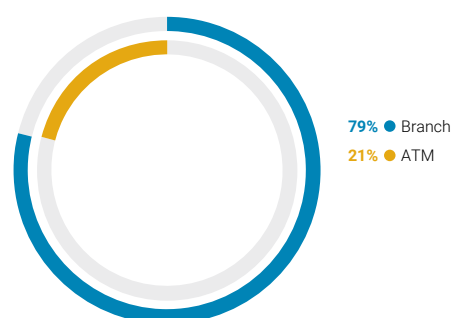
Alternate Delivery Channel (ADC)



Performance overview

BRAC Bank operates 373 ATMs and 93 CDMs under Alternative Delivery Channel (ADC), covering as many as 58 districts of Bangladesh. Further, 7 ATM Service Centers are dedicated to managing ATM/CDM services through timely loading of cash in ATMs and collecting deposits from CDMs, thereby ensuring the delivery of seamless services to customers. Notably, through ADC, BRAC Bank has successfully diverted as much as 79% of cash transactions off its branches.

Cash Transactions



Call Center

2.9 mn

Customer calls handled
(2020: 2.3 mn)

0.67 mn

Customer requests handled

75k

Survey calls made to newly on-boarded SME loan customers to evaluate their service experience

Performance overview

Call center operations can facilitate banks not only in terms of resolving customer grievances, but also in promoting other products and services. Despite the presence of online self-service channels, the majority of our bank's clients prefer human-assisted support. Hence, our call center is a useful and popular channel for enabling personalised interactions between the bank and its customers, providing round-the-clock services. Striving to further enhance customer experience, the unit brought several major inclusions in its service portfolio in 2021.

- Introduced sales via call center service, thus contributing to the bank's revenue growth. Total sales volume achieved comprised 760 mn personal loans and credit card balance build program
- Made call center as a unified contact point for credit card and personal loan closure, which not only reduced branch footfall, but also ensured robust customer convenience
- Introduced churn-back or retention program for credit card and personal loan closure items, and closed the year with a retention of 21%
- Launched Virtual Relationship Management program with the aim of nurturing potential customers for cross-service sales
- Provided tracking/ticket number to customers for each logged service request/complaint. Customers also received notification regarding the closure of the same
- Earned PIC-DSS compliant certification

Internet Banking



'Best Internet Banking Service Provider'



'Best Use of Mobile Technology'



Prestigious awards bestowed on BRAC Bank Astha at South Asian Business Excellence Award, 2021

Overview

Focused on remaining ahead of the digital banking wave, BRAC Bank has pioneered internet banking in Bangladesh's banking sector. The bank's state-of-the-art online banking service, offering anytime-anywhere banking experience, enables its customers to:

- Manage their accounts and cards
- Transfer funds to accounts or mobile wallets
- Pay bills, such as card bills, utility bills, mobile bills, insurance premium, etc.

Key initiatives implemented, 2021

BRAC Bank has always strived to deliver the ultimate branchless banking experience through its online

banking channel. In 2021, customer engagement with our online banking service increased with the launch of our smart banking solution, "BRAC Bank Astha", in April 2021.

Through BRAC Bank Astha mobile app, we rolled out the most extensive features of online banking in a brand new mobile application. This enhanced customer experience, making banking smoother and easier, also facilitating the digitisation of:

1. PIN generation and change for all types of cards
2. Electronic statement generation
3. Transaction receipt generation

209,358

Total BRAC Bank Astha customers

133%

YoY growth in online banking transaction volumes

66%

YoY growth in online banking transaction count

99%

BRAC Bank Astha Up-time

144 bn

Total transaction volume facilitated by BRAC Bank Astha in 2021

Way forward, 2022

Determined with the goal of becoming more accessible, we intend to offer online-based deposit account opening facility to our clients to elevate their experience with alternate banking channels (and also reduce branch footfall). We also aim to contribute to overall revenue generation by implementing new features, such as scan-to-pay and card activation and blocking facility, along with enhancing the range of utility payment options via the BRAC Bank Astha app that will also facilitate convenient and hassle-free transaction services for customers.

Credit Risk Management

As one of the largest black-swan events in recent decades, the sheer scale of the Covid-19 pandemic meant that the regulatory environment was thrown into an unpredictable storm. In Bangladesh alone, a total of 332 new regulatory instruments impacting financial institutions were published in 2021. Thus, the year continued to remain one where there was increased demand on governance and risk management. Furthermore, a deteriorating credit environment triggered by the pandemic enforced greater vigilance on credit risk management.

Managing credit risk at BRAC Bank

SME and Wholesale lending are managed both on an individual as well as portfolio level. In contrast, retail lending, given the granularity of individual exposures, is managed largely on a portfolio-level basis. However, for all the business clusters there exists robust front-end and back-end systems to ensure all-round and continuous credit quality superintendence to minimise any loss from default.

These practices are testified in the fact that the bank was able to ensure robust asset quality even in a challenging environment, with NPLs standing at 3.90% in 2021, vs. 2.93% 2020. This has been further aided by portfolio diversification: Retail 21%, SME 47% and Corporate 33% and stringent adherence to prudential norms.

Mitigating pandemic-related impacts

Amid the pandemic, BRAC bank fully adopted Bangladesh Bank's guidelines and granted forbearance, such as moratorium to loan repayment and loans backed by government refinance schemes. The bank also heightened its risk assessment standards by proactively reviewing risk thresholds keeping the pandemic impacts in mind. Further, potential stress impact assessments on credit profile, accompanied with assumptions and judgmental overlays, were also conducted from time to time.

Comparative analysis of asset quality

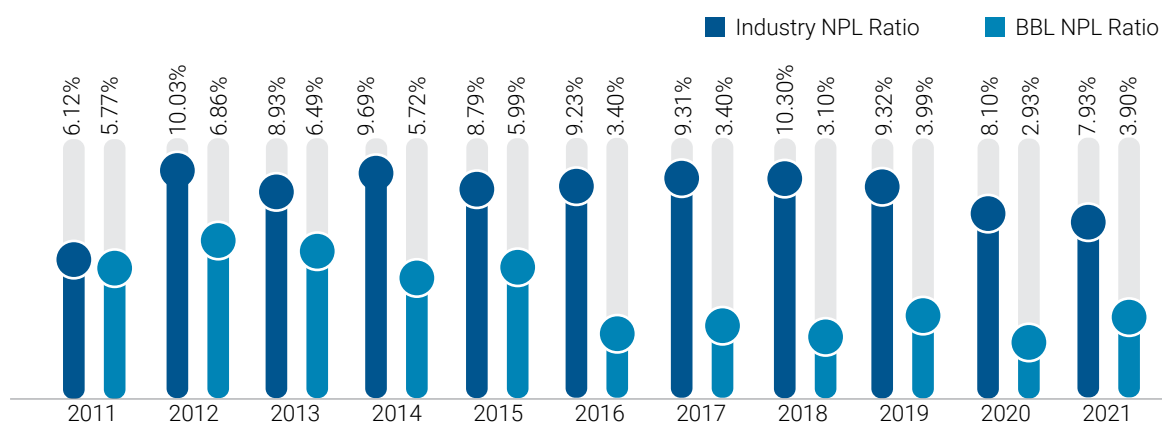
The robustness of our credit risk management practice is reflected in our asset quality vis-à-vis that of the national banking sector, as indicated below.



Despite dismal asset quality scenario in the country's banking sector, BRAC Bank reported a completely divergent performance and has maintained a healthy asset portfolio over a considerable period of time.

The bank maintained an NPL of 3.90% in 2021, which is significantly lower than industry NPL average of 8.12% as on September 2021.

NPL Movement: BBL vs Banking Industry



BRAC Bank has adopted a prudent, yet conservative NPL provisioning policy. Notably, the bank's provision for NPLs is higher than the minimum regulatory requirements and adheres to all regulatory and prudential norms for standard assets.

Embracing digitisation in credit risk superintendence

Driven by the fast-paced technological changes, digitisation is increasingly becoming a major differentiator in customer retention and service delivery. While digital lending is quick and convenient for customers, there are attendant associated risks, to mitigate which the bank has put into place a robust framework of appropriate checks and balances.

Process digitisation has also imparted a certain level of operational efficiency in terms of striking the balance between undertaking all appropriate credit checks and yet ensuring a quick loan TAT. Thus, towards this extent, personal loan files are now being assessed based on a scorecard. By implementing the scorecard, the bank has emerged successful in eliminating one of the stages in the credit card issuance process. In addition, scan-based file processing supported by Document Management System (DMS) is also being adopted, which will improve the bank's data management practices and easy archival/referencing.

Way forward, 2022

- Proactive management of NPLs by way of identification and progressive exit from the concerned accounts with a simultaneous on-boarding of top industry players with strong credit rating/track record
- Focus on portfolio diversification to minimise concentration risks by way of sustaining exposure to the SME business, which is characterized by a large and geographically-dispersed client base
- Continually emphasise on NPL control and reduction by way of arresting new NPL flows and reducing prevailing NPLs through rigorous recovery focus

Anti-money Laundering

Committed to defend national interests against unlawful activity

BRAC Bank's robust AML/CFT divisions

As one of the largest financial institution of the country with a diversified and multifaceted business footprint across Bangladesh, BRAC Bank is committed to the prevention of money laundering (ML) and terrorist financing (TF). Towards this end, the bank's Anti-Money Laundering Division has cultivated a robust compliance culture within the organisation and has demonstrated its rigorous commitment to assess and manage risks pertaining to ML and TF. The bank's commitment to ensuring the promulgation of effective practices to combat money laundering and terrorist financing is set from the top and communicated right through all its businesses and support functions, thus ensuring the highest levels of systemic vigilance.

BRAC Bank's AML/CFT compliance program includes senior management's commitment and role to prevent money laundering, terrorist financing and proliferation financing (PF) and adherence to internal policies, processes and controls aligned with the relevant risk exposures. Compliance structure includes establishment of a Central Compliance Committee (CCC), Anti-Money Laundering Division (AML/D), appointment of Chief Anti-Money Laundering Compliance Officer (CAMLCO) and Deputy CAMLCO and Branch Anti-Money Laundering Compliance Officer (BAMLCO).

Furthermore, enveloping this first line of defense is the second line comprised by the bank's independent audit function - internal and external, to assess effectiveness of AML/CFT controls. Furthermore, awareness-building program includes trainings; workshops and seminars for employees, members of the Board and, above all, customers on AML/CFT issues.

In accordance with the directive of BFIU circular 26 dated 16 June 2020, the bank established a Central

Compliance Committee under the oversight of Chief Anti-Money Laundering Compliance Officer (CAMLCO). The committee's purpose is to ensure appropriate governance and implementation of the necessary control framework towards preclusion of money laundering and terrorist financing risk. It embraces appropriate action to implement the goals of the bank towards AML/CFT compliance, as per rules and regulation, along with ensuring sufficient oversight. Considering the significance of the AML/CFT compliance program, the bank's MD & CEO, as a member of the apex leadership, is a permanent member of the committee chairing committee meetings.

In addition, AML/CFT compliance by branches, head office divisions/departments remain a key focus in fulfilling regulatory expectations against ML/TF/PF in all forms and manifestations. Further, policies and procedures and assurance and governance of control measures are in practice to ensure appropriate and complete KYC-CDD, periodic review of customers, and compliance with directives of the Money Laundering Prevention Act. Furthermore, requisite reforms originating from evolving regulatory directives and outcomes from enterprise-wide risk assessments contributes to the revision of relevant policies, processes and controls.

In summary, BRAC Bank has achieved substantial progress over the years to strengthen its AML compliance program and address legacy AML/CFT risks across all products, business lines and geographies in a composite and effective manner. Accordingly, the bank has adopted a number of initiatives in line with the core risk management guideline under the supervision of the Board and senior management. While the bank's comprehensive AML/CFT risk assessment, monitoring and assurance framework encompasses all the required aspects of a risk-based approach, these are clearly articulated and subject to independent review as well.

Legal & Recovery

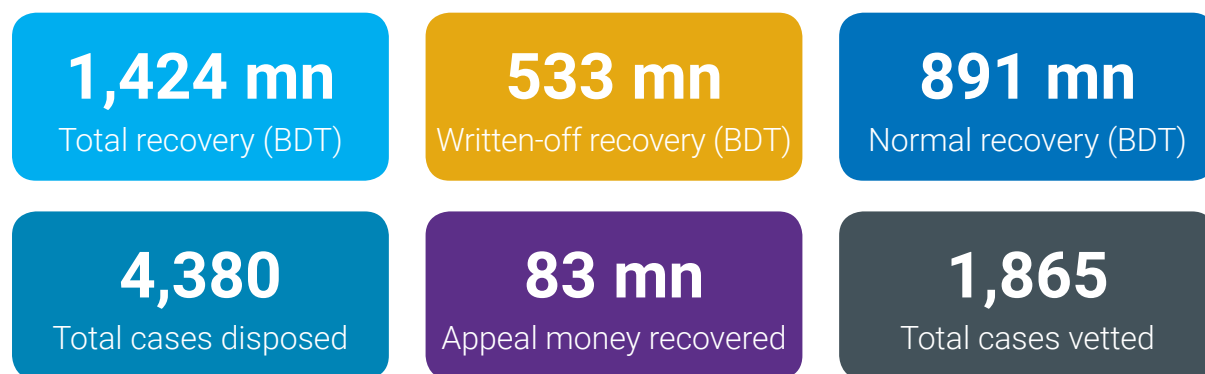
Recovery facilitation through jurisprudence

Legal and compliance specialisation

BRAC Bank's Legal & Recovery Division aims to ensure regulatory compliance with all laws and regulations related to the bank's business. The division is also responsible for effective case management for recovery maximisation against default accounts. With a team of legal specialists,

the division provides business support and Regional Operation Center (ROC) operations, thereby facilitating the bank's business growth through mortgage assistance and recovery, in compliance with all regulatory and legal statutes. Ensuring the right mortgage and reclamation process reduces the recovery period and hence contributes to the bank's profitability.

Key stats, 2021



Major developments, 2021

With curtailed banking and court operations on account of pandemic-related disruptions, the division focused on operational consolidation, optimising its legal, recovery and business support functions through alternative approaches, while continuing to focus on yielding the best legal outcomes. The extensive use of remote technology facilitated this endeavour, in addition to helping in cost optimisation as well. Thus, adapting to new challenges and new ways of working, engaging in continuous people upskilling, and ensuring high levels of risk-readiness in an uncertain environment comprised the major realms of our operations during the year. Hence, the Legal & Recovery division emerged successful

in reducing the case cycle time – from initiation to closure, for Retail, SME and ECB businesses.

Key digitisation initiatives adopted

In line with keeping with the times, the Legal & Recovery Division launched a Litigation Management Software (LMS), comprising a robust and integrated case management system, the first-ever state-of-the-art case management system in the banking industry of Bangladesh. With this software in place, managing operational procedures of the large number of cases being heard in the various courts of Bangladesh has become faster and less paper-intensive, while also enabling lower human intervention.

Building our case for digitalisation

- Robust case management system/backbone
- Easy access to information
- Improved workplace efficiency
- Reduced human efforts and involvement
- Generation of cutting-edge MIS (forecasting, trend analysis, etc.)
- System-generated operational procedures
- Archival of various documents for future reference
- Early alert system
- Prevention of duplication and redundancy

Internal Control and Compliance



Overview

Internal Control and Compliance function of BRAC Bank plays an enabling role for the bank to achieve its objectives by advocating a systematic, methodical and consistent approach to evaluate and improve the effectiveness of risk governance.

ICCD has been entrusted with the responsibility of determining whether the bank's risk management, control and governance processes, as owned by the management, is adequate and functioning in a manner to ensure:

- Adequacy and effectiveness of risk management systems
- Need-based interaction with various governance groups
- Significant financial, managerial and operational information dissemination in an accurate, reliable and timely manner
- Employees' actions with regards to compliance with policies, standards, procedures, laws and regulations
- Use of acquired resources economically, efficiently and adequately
- Achievement of programs, plans and objectives
- Fostering the quality and continuous improvement in the bank's control process
- Appropriate management of legislative and regulatory issues impacting the bank

At BRAC Bank, the key objective of internal control and compliance is to ensure sustainable improvement in performance through appropriate and adequate use of governance infrastructure and resources.

Establishing robust internal controls and ensuring an effective control framework has been prioritised through the bank instituting internal control over financial reporting, along with the establishment of robust monitoring mechanisms to ensure operational effectiveness of the highest order.

Through its internal control systems, the bank identifies deficiencies associated with its processes and initiates commensurate measures for rectification.

The principal objectives of internal control include:

- Operational objectives: Attainment of the bank's mission and vision as per its code of business conduct
- Reporting objectives: Timely, accurate and comprehensive reporting – both financial and non-financial and internal and external
- Compliance objectives: Conducting activities and initiating appropriate actions to ensure regulatory compliance

The central aim of the bank's internal control system is to ensure overall control and minimisation of risk, while also providing reasonable assurance on the durability of the framework. The controls have been framed to:

- Develop a “risk-aware” culture across the bank
- Establish an efficient and effective operating model
- Ensure reliability of internal and external information, including accounting and financial information
- Safeguard the bank’s operations and assets, and comply with laws, regulatory requirements and internal policies

Key functions that have been established for assuring the integrity and adequacy of internal controls are:

- Ensure effectiveness of the bank’s daily operations through various committees established by the Board
- Ensure that the bank’s operations are in accordance with corporate objectives, strategic priorities and annual budget, as well as long-term objectives
- Ensure that the bank’s internal audit department checks for compliance with policies and procedures
- Ensure effectiveness of internal control systems through rotational procedures and underline non-compliance or procedural lapses

Audits are conducted across various departments/units, SME Service Centers and all branches, in alignment with the annual audit plan, as approved by the Board’s Audit Committee. The frequency of branch audit is determined by the level of risk assessed independently and objectively. Findings of the internal audit are submitted to the Audit Committee for review during their meetings.

The Audit Committee reviews internal control issues identified by the internal audit department, Bangladesh Bank, external auditors and the management, and appraises the adequacy and effectiveness of the risk management and internal controls system. The committee also reviews internal audit functions, with particular emphasis on the scope and quality of the internal audit. The minutes of the Audit Committee meetings are tabled at the meetings of the Board on a periodic basis.

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

In assessing internal control systems, identified officers of the bank continued to review and update all procedures and controls connected with disclosure of financial statements. The Internal Audit Department continued to test the effectiveness of these procedures and controls on an ongoing basis.

The bank’s ICCD comprises four departments:

- Internal Audit
- Compliance
- Monitoring
- Concurrent Audit

Internal audit

Internal audit is an independent assurance provider established to improve the bank’s overall effectiveness of internal control and compliance. BRAC Bank’s Internal Audit Department comprises a well-represented mix of professional accountants, technology specialist and experienced techno-commercial personnel. The bank’s Audit Department is committed to meet the standards of best professional practices. The team applies risk-based internal audit methodologies in performing internal audit assignments.

BRAC Bank has a strong internal audit team comprising four units that conduct audit activities:

1. Head office audit
2. Distribution audit, which conducts audit on all branches, including:
 - a. AD
 - b. LAD
 - c. Corp. Branches
 - d. SME Krishi Branches
 - e. SME Service Centres
 - f. SME Unit Offices
 - g. Agent Banking
3. Information systems and vigilance audit
4. Data analytics

BRAC Bank has also introduced a risk-based audit system and its audit team conducts comprehensive, on-spot and even surprise audits across various branches, SME Service Centres, SME/Krishi Branches and SME Unit Offices. It also conducts audit across information technology, information security, cyber security, data privacy and protection and centralised functional units at the head office and even regional functional units.

In 2021, Internal Audit department launched its fourth unit- "Data Analytics". This unit provides data analytical inputs to other audit units.

Internal audit helps the bank to accomplish its objectives by bringing forward a methodical and disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes.

Compliance

BRAC Bank has established a robust compliance culture by encouraging employees to comply with all policies, procedures and regulations.

With a view to foster a deep culture of compliance, the bank has a well-equipped Compliance Department under the ICCD, committed to ensuring compliance with guidelines/observations/recommendations of regulatory and internal audit & investigations. In line with regulatory guidelines, the Compliance Department has three wings:

- Regulatory Compliance Unit (RCU)
- Internal Compliance Unit (ICU)
- Investigation Unit (IU)

RCU supports the Bangladesh Bank team in their inspection at branches/head office and ensures submission of compliance response to on a timely basis, while also:

- Monitoring compliance of branches, divisions, departments and other offices
- Conducting compliance testing/reviews on regulations
- Verifying internal control systems of the bank's operational activities, as per central bank and other regulatory guidelines

ICU owns the responsibility of implementing the observations of the internal and concurrent auditors and also recommendations made by the IU. Subsequently, it forwards the compliance status to the Monitoring Department for further physical verification.

IU conducts investigations and submits reports as per management requirements, and also analyses fraud cases to ascertain responsible parties and recommend appropriate action(s). The Compliance Department also meets the reporting obligations to the management, the Board Audit Committee and regulators.

Monitoring

BRAC Bank has a fully-equipped monitoring department under ICCD that monitors internal control systems and operational activities of the bank on an ongoing basis.

In case of any lapses/irregularities, the unit initiates appropriate remedial measures within the respective business/operational areas. On determination of any significant operational lapses, it reports the issue to the senior management through the Head of ICC for swift resolution.

Monitoring Department has four wings/dedicated team, including:

- SME Monitoring
- Distribution Network Monitoring(Branches & Agent Outlets)
- Regulatory Monitoring
- Support Management

Some of the major tools at the disposal of this department include:

- Spot checks/surprise visits to SME Unit Offices, Agent Banking outlets and branches to analyse if the respective functions have complied with policies and guidelines
- Conduct borrower and guarantor visits to identify any irregularities or policy contraventions
- Branch/Departmental Control Function Checklist (DCFCL)
- Loan Documentation Checklist (LDCL)
- Internal Reporting of ICC
- Quarterly Operations Report (QOR)
- Submit self-assessment of the anti-fraud internal controls report and the bank's health report to Bangladesh Bank

Concurrent audit

As per Bangladesh Bank directives, expressed in its Guidelines on Internal Control and Compliance in Banks, a Concurrent Audit Department was established to align with the said guidelines. This team scrutinises whether the bank follows guidelines of internal and regulatory bodies. It also conducts spot/surprise audits of continuing operational activities across various branches, SME Service Centers, SME Krishi Branches, ATM Service Centers, SME Unit Offices, ROC, CRM and Centralised Functional Units at the Head Office.

Fraud and forgery

Defalcation has become an important issue in recent years. Frauds and forgery inflict a major impact on Bangladesh's economy and reputation, while also encumbering economic progress.

As a financial institution of repute, BRAC Bank has remained focused in controlling defalcation by establishing and maintaining proper control systems to protect the bank's and stakeholders' interests. Further, to identify the root cause of fraud, the bank has formed an Investigation

Unit under the Compliance Department of ICCD. This wing deals with all fraud and forgery incidents through performing comprehensive independent investigations. Preventive measures are recommended to the business/functional unit to take precautionary action relating to process improvements, recovery of misappropriated amount, adjustment of the operational loss and for violation of process/policy/guidelines. Investigation reports are placed to the Board Audit Committee for their guidance. All fraud and forgery incidents identified in 2021 were also duly reported to Bangladesh Bank, as per regulations.

Human Capital Report

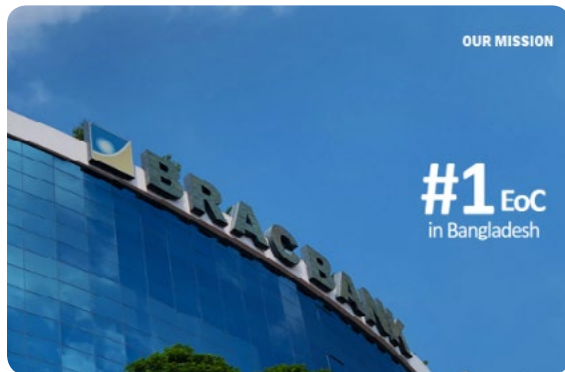
Becoming a thriving hub for talent

A foundation of trust

In a period of tumultuous change triggered by the Covid-19 pandemic, our strength was our ability to trust our people to do the right thing. Our most important decisions and actions in 2021 involved protecting our people and listening to find out what they needed to stay safe and to support and care for our customers, ensuring the continuity of our business. This was true across our regions struggling with pandemic-related restrictions.

Our trust in our people was re-confirmed during the year as we witnessed their impressive dedication and extraordinary efforts. By striving to create a desirable place to work, where our people feel heard, valued and supported in their safety, wellbeing and personal and professional growth, we seek to reiterate their trust and belief in our Company.

Building a vibrant and versatile people culture



At BRAC Bank, our human capital is represented by the skills, diversity, passion, enthusiasm, ideas, experience and energy of our employees. With a growth mindset and focus on adherence to the bank's

values and code of conduct, they are driven to make a difference for our customers and the society. Thus, our ambition is nothing less than being the best employer in Bangladesh, not just among banks, but also across the entire corporate landscape of the country. Hence, our mission is to be the **numero-uno employment choice in Bangladesh**.

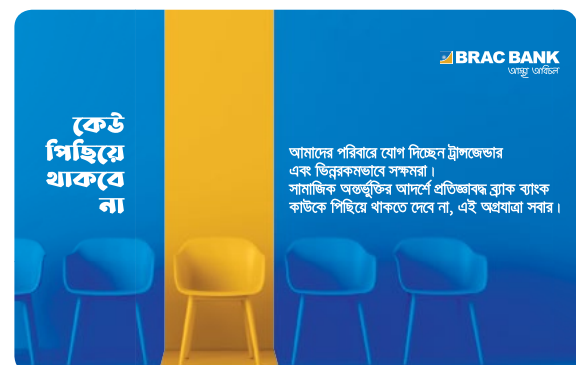
The bank's Human Resource Division (HRD), as a facilitator of people transformation, is committed to the ideals of building the workforce of the future, while enabling the bank to become a thriving hub for talent. It is focused on investing in the development and well-being of people, which contributes to productivity and performance enhancement that helps the bank achieve its targets and objectives.

Employer branding and talent acquisition

We continuously strive to deploy the most effective talent acquisition strategies for attracting the most talented and skilled employees, thus staying true to our spirit of becoming a thriving hub for talent. In 2021, we accomplished rapid progress on this front, redefining standards and setting benchmarks for the rest to follow.

Being an equal opportunity employer

We are one of the first corporates in the country to offer a mainstream job opportunity to the **third gender** and **people with special needs**. This aligns with our philosophy of **'keeping no one behind'** and developing an inclusive workplace culture where everyone with talent and the right positive mindset is welcome.



Building a vibrant campus presence

We launched a series of programmes for graduating students with our **CAREERTalk** initiative that aims to raise awareness amongst students about the bank

Key stats, 2021

7,619

Total
workforce

13%

Women in the
workforce

35

Average age
(in years)

177,437

Total learning
hours

and thus help them better prepare for the job market.

As a **values-based financial institution**, BRAC Bank wants to transmit its values among students and enable them to think beyond just a job to consider building an impactful career.



Creating a focused induction programme for top talent



We launched the **Young Leaders' Programme** for fresh graduates as part of the bank's focus on building its talent pipeline. The year-long program will offer structured learning opportunities and a 360-degree exposure to the bank and its operations.

Selecting best-fit talent through psychometric tools

To ensure the right skill-sets in our future employees, we introduced the Behavioural Competency Framework for interview assessments, moving away from the conventional pre-employment testing methods. Through this method, the proficiency level

of candidates was assessed through psychometric tests instead of knowledge-based tests. This is the first instance of a bank in the country conducting such tests assessing the candidates' performance on a holistic level on facets such as operations, leadership, management, relationship and innovation, thus taking into cognisance both IQ and EQ standards.

External connect initiatives

We launched TENDERTalk, a BRAC Bank HR-initiated series of dialogue for employees to lead change in society. We invite experts and activists on the TENDERTalk platform to share their knowledge and experiences. One of the notable learning sessions for employees was on the need to break stereotypical gender bias for bringing about positive change, both in the workplace and the broader society. Tashnuva Anan Shishir, Bangladesh's first trans-person news broadcaster, was invited as the speaker at the session.



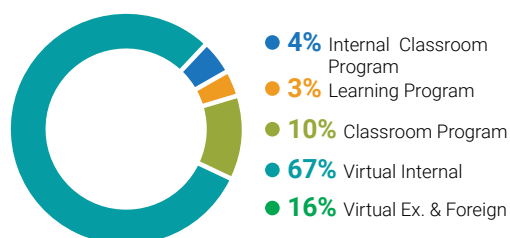
Impact through meaningful learning opportunities

Building employee capacity and fostering a culture of deep learning is a top priority of the HR Division. We are committed to our employees' growth and development to enable them to live up to their full potential.

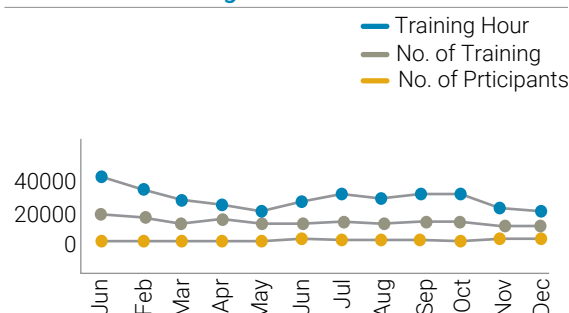
Coverage

Type	Program Count	Participation	Total Hours	Percentage
Internal Classroom Program	21	707	6,533	4%
External Classroom Program	32	192	4,359	3%
Learning Hour Program	11	8,407	18,551	10%
Virtual Internal	288	38,504	118,107	67%
Virtual External & Foreign	100	8,064	29,887	16%
Grand Total	452	55,874	177,437	

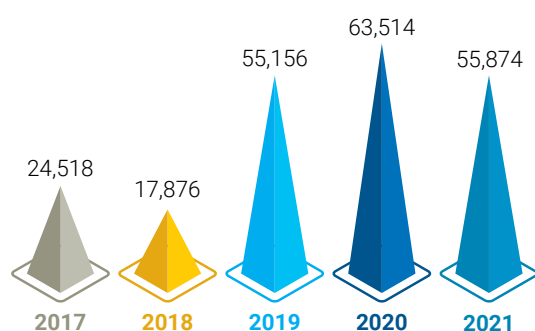
Coverage



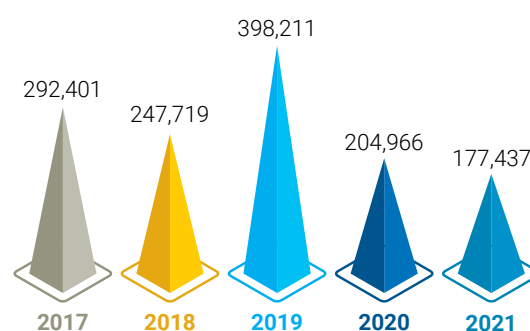
Month-wise Training Flow



Participant Numbers



Training Hours



Key training highlights, 2021

- **Prevention of Money Laundering and Combating Terrorist Financing** was a key program of the year and witnessed participation by as many as 74% of our total staff. The "Learning Hour" of this program saw participation by 94% of our entire staff. This also demonstrates the bank's seriousness in anti-money laundering and combating terrorist financing.
- **Sponsorship agreement was forged with BIBM** for 4 new publications.
- An agreement was signed with a software company for BBL's new eLearning platform.
- Celebrated the achievement of 20 people certified by **CAMS** (Certified Anti-Money Laundering Specialist).
- Honoured 60 internal trainers for their support during the pandemic.
- Honoured **Head of BFIU** through internal programs.
- Arranged **AML-CFT** Conference for BAMLCO for the first time at BRAC Bank with resources from BFIU.



Effective Workplace Communication



Honouring CAMS certified



Honouring our Internal Trainers

Shift from operational to strategic partnership

In our continuous efforts to facilitate business divisions to achieve their deliverables, HRD has deputed dedicated HR resources to cater to the specific people needs of these divisions. Our HR Business Partners will not only work towards strengthening the bank's culture and employee experience, but will also focus on accelerating change to meet business imperatives, thus fostering a healthy competitive spirit.

General Services

The critical nerve centre of BRAC Bank!

About us

GSD provides key backend support to harmonise the bank's operations, engaged in strategic business continuity planning. GSD's focus areas are structured around four sub-divisions:

Year 2021 in context

Harnessing the insights of the first year of the COVID-19 pandemic (2020), GSD was much better prepared to tackle the continuing challenges of the pandemic in 2021, especially the second wave of the virus that enforced the reimposition of nationwide lockdowns. Being a responsible custodian for the back office, GSD provided seamless support across the critical areas of supply chain, upkeep and maintenance, safety and administration and logistics.

Department-wise update

Procurement department

Team Procurement is responsible for all direct and indirect procurement activities of the bank, embracing the principles of transparency, compliance and value. Apart from the routine functions, the department played a critical role in the bank's digital transformation journey.

- **New Procurement Policy** vetted by global giant Deloitte, came into effect during the year, focusing on end-to-end procurement processes and creating harmonised guidelines for effective procurement.
- **Vendor Management System** also came into effect during the year, comprising ERP-powered digitisation of the full payment process, right from invoice upload to payment credit.

- **Bangladesh Bank-mandated Digital Certificate** was introduced for signing and validating all relevant procurement documents, thus ensuring enhanced security.

In 2022, the team intends to achieve holistic end-to-end e-procurement, thus realising goals in innovation across its value chain anchored on developing more effective win-win relationships between the bank and its vendor-partners.

Infrastructure Development & Management (IDM)

IDM is responsible for the critical task of providing engineering and asset maintenance services, including renovation, relocation and establishment of branches, ATMs, CDMs, RCDMs, CRMs etc.

In 2021, IDM played a key role in ensuring employee health, wellness and recreation through establishing a state-of-the-art gymnasium at the head office (Anik Tower). Furthermore, the team also achieved the following:

- Established 10 new ATM booths
- Undertook 17 large renovation projects
- Conducted 10 relocation activities

General Administration (GA)

GA provides nationwide administrative and logistical support to the bank around the country and even overseas. In 2021, with logistical challenges heightening by the pandemic-related challenges, the team adapted to the new normal and delivered uninterrupted support for operational continuity.

General Administration - 2021 at a glance



Mail Management

- 39% Y-O-Y rise in mails handled, with 95%+ accuracy leading to sound customer experience
- Cost control with achievement of 6% Y-O-Y savings



Logistics

- Seamless high-volume vehicle support without incurring additional cost
- Staff bus provisions for all BBL personnel during the peak of the pandemic
- Transportation of 400+ Covid-affected bank staff and their families



Inventory & Store Management

- Reused recycled paper for printing and as envelopes



Telecommunications Management

- Innovated SIM replacement delivery through the operator's service center, leading to reduction in courier costs



Property Management

- Successful closure of rental negotiations

Recycling initiatives

- Recycled and repurposed 123 tons of paper, thus contributing to our mission of a paperless office

Department of Safety & Security (DSS)

DSS strives to defend the bank's resources against any real or perceived threats. It implements various safety and security rules and protocols within the bank's premises to protect the floor against any potential risks/threats.

DSS



MSI & Billing



Front Desk & Parking Management



Employee ID Card



Protocol & Management



Cash In Transit



Guarding Service



Security Equipment Maintenance



Fire Safety

Way forward, 2022



Health Safety

- Omicron-related support
- Ensure deep cleaning across Anik Tower and Sepal Tower offices
- Ensuring social distancing through marking decals and



Fire Safety

- Arrange fire drill for all BBL facilities at least twice in 2022
- Ensure Anik Tower is compliant with Bangladesh National Building Code (BNBC) and Bangladesh Fire Service and Civil Defense (FSCD) by May 2022



Physical Security

- Establish central monitoring station as per Bangladesh Bank guidelines
- Install guard tour/attendance system to monitor the guard presence at ATM/CDM remotely
- Provide secure cash-in-transit (CIT) support to sub-branches



Protocol

- Ensure smooth co-ordination with various government and law enforcement agencies

Operations

Advancing operational sustainability and workflow continuity amid challenges in the external environment

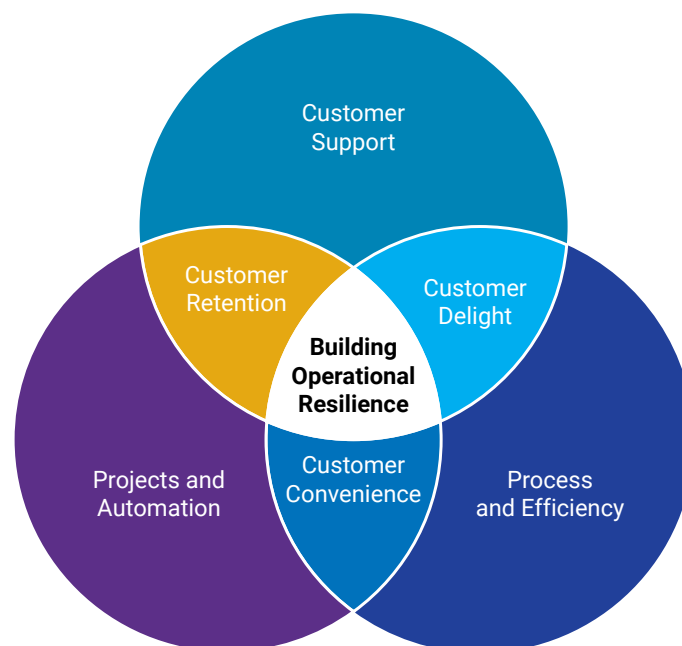
Macro-overview

With the year 2020 helping us understand the impacts of the virus, we were able to shape better responses in 2021 to adapt our operations in a way that ensured operational continuity even against a worsening external environment. Thus, building operational resilience through agility and adaptability has not only prepared us to face the prevalent challenges better, but has also allowed us to ensure future preparedness against any macroeconomic shocks.

Key developments, 2021

The Operations team achieved a number of small and big milestones during the year, remaining focused on its key objective of winning customer trust through satisfaction and service excellence while opening avenues for securing business, ensuring proper MIS and regulatory compliance, and maintaining sustainable business growth.

BRAC Bank's operational resilience ecosystem



Key customer support initiatives



In a major industry first, BRAC Bank's Operations team implemented automated IVR for clearing cheque Positive Pay confirmation during the year. In addition, the Treasury Ops Team was awarded at the Wholesale Banking Conference, "Full Throttle Ahead", for achieving extraordinary performance in 2021!

- Disbursed the highest-ever retail loans in the history of the bank and the industry during the June-September 2021 period
- Restructured retail loans as per Bangladesh Bank Covid-19 guidelines
- Extended support for the full-fledged implementation of retail loans under the Fast Track Channel

- Reported strong performance by the insurance team, including special claims settlement of SAM accounts, collaboration and review of livestock policy with new insurance companies, reduced premium rate for fire insurance, etc.
- Executed full-fledged trade services during the pandemic despite resource challenges and time limitations, achieving 51% overall YoY growth in 2021
- Launched Probashi remittance query module for enabling interactive communication between global remittance partners, which enabled faster resolution of queries (replacing email communication)

Key process and efficiency initiatives



BRAC Bank was recognised by JP Morgan as the best bank in Bangladesh in processing automated payments. The bank won the prestigious “2021 Global Clearing Standard Quality Recognition Award” for outstanding achievement of best-in-class MT202 STP rate of 99.59%.

- Implemented live DPS auto closure upon maturity for 10 branches
- Enabled SME refinancing transaction automation, which resulted in huge man-hour savings
- Implemented EMI collection through EFTN, which resulted in reduced loan turnaround time
- Achieved loan outstanding letter and tax certificate automation that resulted in superior customer experience
- Executed quarterly interest compounding methodology to comply with regulatory requirements

Key projects and automation initiatives



BRAC Bank is one of the few banks that performed the BACH II DR drill to provide uninterrupted EFT and cheque clearing services from disaster recovery sites during unavailability/downtime of usual production sites. Furthermore, the bank was also awarded the prestigious PCI-DSS certification.

- Kicked-off a major data cleansing project to improve customer data quality
- Verified NID of customers whose accounts were opened prior to 2016
- Implemented SWIFT sanction screening for all trade and remittance transactions, while achieving Finacle-SWIFT integration which enhanced operational efficiency as well as reduced anti-money laundering risk
- Successfully executed a major coordination role regarding migration of BDT 1,400 cr SME refinance portfolio and 4 products of corporate refinance from manual process to automated system; this resulted in approx. 35 man-hours of monthly savings
- Accommodated financial accounting into Finacle Treasury module for automation of Bangladesh Bank re-finance

Way forward, 2022

A number of initiatives have been lined up for the current year. Some of the major ones include the following:

- Opening of term deposits through Astha
- Automate processing of top-up loan disbursements and closure of existing loans
- Dispatch of sanction letter to customers through system-generated email
- Introduce commercial remittance solutions for improving levels of efficiency
- Redesigning EFT processing system using the latest technology with live dashboard interactive features

Information Technology

Overview

Guided by our core principles around digital, at BRAC Bank, we aspire to provide more personalised engagements and solutions via digital ecosystems that can be customised, while maintaining resilient and secured backend systems.

Thus, we aim to evolve from a trusted financial services provider towards becoming our customers' lifestyle and business partner, supported by advanced data analytics, agile digital systems and smart platforms.

In response to the shift in customers' needs amidst the pandemic, we expanded our digital offerings, including launching our mobile app, Astha, to empower our customers to support their daily lifestyle and business needs.

Some of our top priorities included:

- Sustaining a secure, stable and scalable tech infrastructure
- Focusing on transformation through digitalisation
- Ensuring the highest levels of safety and security for our customers, employees and all other users

Progress achieved, 2021

In 2021, BRAC Bank achieved Payment Card Industry Data Security Standard (PCI-DSS) certification, a significant compliance benchmark for maintaining high-level of security of customer data.

The bank also launched 'Astha', its flagship mobile app, representing one of the most user-friendly apps in the financial sector in Bangladesh. Using Astha, customers can:

- View their bank accounts and card details
- Transfer funds to other banks using NPSB, BEFTN and RTGS
- Transfer funds to different wallets

- Complete bill payments of merchants, like WASA, DPDC, DESCO etc.
- Raise service requests

Some of the other major developments of the year include:

- Launched "At Your Service", a customer complaint and service request management application to improve customer experience
- Implemented an open banking digital platform, Enterprise Service Bus (ESB), comprising a single digital platform for both internal and external connectivity
- Delivered a new PADSS-certified merchant acquiring and payment gateway platform, with many new features, such as dynamic pricing, contactless POS acquiring, QR acquiring functionality, etc.
- Established International Freelancer Card for freelancers to seamlessly receive their remittance earnings in USD and use the fund through the card
- Launched new customer experience in terms of enabling digital Positive Pay confirmation via Interactive Voice Response (IVR), the first ever in the industry
- Enlisted 8 new exchange houses, thus taking the total to 54 exchange houses in the network
- Introduced a digital loan processing mobile app, 'Obichol' that supports managing the end-to-end loan process- from application, through to underwriting, approval, documentation, interest, inquiry, disbursement and document management
- Enabled credit card re-engineering process automation for facilitating credit card issuance to become more efficient, error-free and in half the time than before

Way forward, 2022

- Improving our digital landscape and expanding our footsteps across the country, especially through our sub-branch network
- Strengthening our core through modernisation of certain legacy systems
- Ensuring personalised customer offerings, hence achieving sound business growth via strong KYC and analytical capabilities

Digital Banking

Setting the pace as the digital bank of choice in Bangladesh

Primer

Powered by the government's vision of a Digital Bangladesh, the country is on the throes of the 4th Industrial Revolution, or 4IR. Focused on securing our future in this exciting new realm, BRAC Bank has already taken the lead in transforming itself as a new-age digital bank of choice in Bangladesh.

Our broad digital offering

- Online loan
- Mobile banking
- Digital money
- Online transaction
- Online support
- Internet banking
- Online security
- Funds transfer
- Online banking
- Banking app

Our digital transformation goals

Digital banking has obtained a strong impetus by the pandemic, an event that fostered a structural shift in digital adoption across the country. BRAC Bank, by virtue of its futuristic mindset, had already made investments in its digital infrastructure and platforms, which hence emerged as pandemic-ready. Today, the bank's Digital Banking team is focused on taking the bank's digital transformation ahead by facilitating execution **excellence, data-driven decision-making**

and **innovation** across its various products and solutions.

Core focus area 1: Execution excellence

To drive execution excellence, the bank has instituted a project management office (PMO) under Digital Banking to explore various projects and initiatives in digital banking and process digitisation. In a multi-departmental collaboration approach, the PMO also facilitates meeting the strategic objectives set by the management, works as the collaboration hub for internal and external teams, and ensures proper implementation of plans in a timely and cost-efficient manner.

Core focus area 2: Accuracy and prediction

The bank's data analytics team comprising analysts and data scientists, supports the bank in taking accurate data-evidenced decisions. This represents an added layer of impact on decisions, complemented by its robust financial reporting standards and governance disclosures. Furthermore, availability of data also enables the bank to view issues from a holistic perspective and hence take decision in the best interest of the organisation and all stakeholders.

Core focus area 3: Innovation

The days of plain-vanilla products and services are passe as customers become more evolved in their needs and preferences. Hence, innovation has taken precedence in banking, striving to generate a customer surplus by bringing new consumer-centric ideas to the table.

Way forward, 2022

The Digital Banking team supports the bank in its digital transformation journey, thus enabling it to remain agile, competitive and future-ready. Amid the pandemic, the bank's digital transformation agenda helped to make customer journeys easy, enabling them to access the convenience of anytime-anywhere banking services.

Transformation is not a one-time activity but a continuous improvement journey. While the years 2020 and 2021 were the most challenging periods with the world grappling with the coronavirus pandemic, the bank was undaunted in the pursuit of its goals, focused on transformation and preparing for the post-pandemic opportunities. Thus, in 2022, the bank is focused on launching new innovative products and solutions in the market that can be accessed by customers in an easy and convenient way. Further, supported by robust data insights, every decision of the bank will be rooted on a 360o data dashboard.

Information Security

Committed towards ensuring safe, secure and sheltered banking operations for all

Overview

BRAC Bank considers cyber-resilience as a fundamental part of its operations and is committed to ensuring the highest-levels of service quality and banking security to all internal and external users. With a view to foster responsible banking operations, the bank has integrated cybersecurity as an integral part of its defense strategy. Furthermore, the bank is

also the first financial organisation of Bangladesh to implement an Enterprise Vulnerability Management System. Thus, cybersecurity remains a prioritised focus area. Furthermore, with a view to ensure high levels of quality and security of IT systems and for ensuring compliance with Bangladesh Bank's regulatory guidelines, BRAC Bank has a fully-functional Information Security Department with trained and certified resources.

BRAC Bank's: Building smart cyber defences



Top-ranked certifications

To establish a managed and risk-aware culture, BRAC Bank has developed a comprehensive ICT security risk management framework. For cyber security and ICT risk mitigation, the bank has in place a detailed ICT security policy, in line with Bangladesh Bank's ICT guidelines, which also aligns with other well-established frameworks and international standards and controls.

BRAC Bank is a Payment Card Industry Data Security Standard (PCI-DSS)-certified organisation – the most rigorous industry-recognised payment-card security standard globally. We are among the few banks in Bangladesh that have complied with the PCI-DSS



Celebration of PCI-DSS compliance certification

requirement set by the regulatory body and made a mandatory requirement by payment partners.

With the initiation of a 24x7 Security Operations Center (SOC), being the first bank in Bangladesh to do so, BRAC Bank has achieved a major shift in strategy - from passive cyber defense to active cybersecurity. SOC comprises a dedicated site where enterprise information systems are continuously monitored, assessed and defended. BRAC Bank has achieved International Certification, ISO 18788:2015, for its Security Operations and Cyber Fusion Center.



BRAC Bank has already adopted global-standard ISO 27001:2013 for Information Security Management. The bank was also the first in Bangladesh to have achieved the ISO 27001:2013 international certification for information security management and has thus fulfilled a key regulatory mandate with a well-defined and focused approach to embracing best practices in information security and processes with a focus on continuous improvement.



Resilience-testing

Through mirroring military war games to ethical hacking, the bank's information security unit regularly conducts application/system security and vulnerability assessments and penetration testing on its infrastructure/networks by internally-certified ethical hackers to protect data assets and enhance security levels. The bank also involves global third parties for appropriate revalidation, thus providing an added shield around its infrastructure and network.

As part of resilience-testing, the bank has onboarded multiple high-quality security solutions to prevent any unwanted/unauthorised malware attacks as well as a zero-day attack based on behaviour base

static to detect and prevent data leakage, thwart any unauthorised use and transmission of sensitive information and reduce insider threats by detecting inappropriate actions that could lead to malware infections or data breaches, etc.

The bank has already implemented automated tools for security-strengthening of web applications and databases. Further, as part of its governance initiatives, the bank has formed ICT Security Steering Committee and ICT Steering Committee. For emergency response handling, the bank has formed CERT and has also developed a comprehensive business continuity planning (BCP) framework.



Cybersecurity awareness session conducted at the regional office

Building a risk-aware culture

Awareness is key to cybersecurity and, towards this extent, the bank regularly conducts information security awareness sessions and cyber security awareness campaigns, while also organising awareness through emails/stickers/booklets/e-books/posters, etc. Considering current threats, the bank regularly communicates with customers through emails and SMS notifications to update them about the latest threats, along with potential implications.



Joint awareness programme with Bangladesh Bank

BRAC Bank has successfully implemented Core Banking System (CBS), ERP solution, e-Commerce Payment Gateway, Universal Banking Application (UBA) and Enterprise Service Bus as middleware solution. It also implemented a global standard Agent Banking solution with robust security and business functionalities. Finacle Treasury solutions were also implemented, thus reinforcing our treasury practice.

Ananta Group – leading the apparel industry



“Our loan repayment obligations during this crucial time was deferred by one year which gave us space to recuperate from the Covid-19 impact. In this regard, BRAC Bank went the extra mile to process the required approvals from their Board and Central Bank in the shortest possible time.”

Sharif Zahir, Managing Director, Ananta Group



Ananta Group is one of the leading apparel solution business house of Bangladesh, and Universal Menswear Limited (UML) is one of

the major concerns of the Group into the business of exporting formal-wear. UML is engaged in banking with BRAC Bank since its inception.

In mid-2020, Covid-19 inflicted a major impact on the company, just like the other companies in the sector. During this unprecedented crisis, BRAC Bank came forward by providing all sorts of solutions required to ensure smooth business operations.

Our loan repayment obligations during this crucial time was deferred by one year which gave us space

to recuperate from the Covid-19 impact. In this regard, BRAC Bank went the extra mile to process the required approvals from their Board and Central Bank in the shortest possible time.

Such solid support gave Ananta Group the courage to expand operations, thus looking beyond the pandemic impact.

This is how BRAC Bank helps large corporate conglomerates expand their business as a reliable partner of progress. The bank helps entrepreneurs pursue their dreams and aspirations in industrialisation, employment generation and national development in an uninhibited way. The bank has also ensured that its customers not just survive the pandemic, but thrive in the aftermath!

CORPORATE GOVERNANCE



Certification on Corporate Governance



Corporate Office:

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Gulshan-1, Dhaka-1212, Bangladesh.
☎ : +88 (02)8836015-7 ☎ : +88 01681126120
✉ : hfc@hfc-bd.com 🌐 : www.hfc-bd.com

Report to the Shareholders of BRAC Bank Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by BRAC Bank Limited (the "Company") for the year ended on December 31, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.

Place: Dhaka;
Dated: March 21, 2022

For Hussain Farhad & Co., Chartered Accountants


A.K.M. Fazlul Haque, FCA
Partner



Chattogram Office:
Yunusco City Center (9th Floor), 807, CDA Avenue, Nasirabad, Chattogram ☎ +88 (031) 2859282 ✉ ctg@hfc-bd.com



Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under condition no. 9.00)

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
1. BOARD OF DIRECTORS				
1.1 Board's Size	The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty).	✓		The Board of BRAC Bank Ltd. (BBL) is composed of 10 Directors as on December 31, 2021
1.2 Independent Directors	(a) At least one fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors.	✓		There are seven Independent Directors on BBL Board as on December 31, 2021, namely: Dr. Ahsan H Mansur, Mr. Kazi Mahmood Sattar, Ms. Farzana Ahmed, Dr. Zahid Hussain, Ms. Fahima Choudhury, Mr. Faruq Mayeenuddin Ahmed, Dr. Mustafa Kamal Mujeri
	(b) For the purpose of this clause "Independent Director" means a director-			
	(i) who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	✓		Independent Directors have declared their compliances
	(ii) who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family member	✓		Do
	(iii) who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		Do
	(iv) who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		Do
	(v) who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		Do

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(vi) who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	✓		Do
	(vii) who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	✓		Do
	(viii) who is not independent director in more than 5 (five) listed companies	✓		Do
	(ix) who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	✓		Do
	(x) who has not been convicted for a criminal offence involving moral turpitude	✓		Do
	(c) The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	✓		Do
	(d) The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	✓		-
	(e) The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994.	✓		-
1.3 Qualification of Independent Directors:	(a) Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	✓		-
	(b) Independent director shall have following qualifications:			
	(i) Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 mn or any listed company or a member of any national or international chamber of commerce or business association; or	✓		-
	(ii) Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 mn or of a listed company; or	✓		-

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(iii) Former official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	✓		-
	(iv) University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		-
	(v) Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		-
	(c) The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	✓		-
	(d) In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission			Not applicable as no special case arose
1.4 Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer	(a) The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	✓		Chairman–Dr. Ahsan H.Mansur MD & CEO–Selim R. F. Hussain
	(b) The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	✓		-
	(c) The Chairperson of the Board shall be elected from among the non-executive directors of the company	✓		-
	(d) The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	✓		-
	(e) In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minute	✓		-
1.5 The Directors' Report to Shareholders	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
	(i) An industry outlook and possible future developments in the industry	✓		The Directors' Report complied with the guideline
	(ii) The segment-wise or product-wise performance	✓		Do
	(iii) Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	✓		Do

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(iv) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	✓		Do
	(v) A discussion on continuity of any extraordinary activities and their implications (gain or loss)	✓		Do
	(vi) A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	✓		The Directors' Report complied with the guideline
	(vii) A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			Not Applicable
	(viii) An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.	✓		Do
	(ix) An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements			Not applicable as no significant variance occurred between Quarterly Financial performance and annual financial statements
	(x) A statement of remuneration paid to the directors including independent directors	✓		The Directors' Report complied with the guideline
	(xi) A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		Do
	(xii) A statement that proper books of account of the issuer company have been maintained	✓		Do
	(xiii) A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		Do
	(xiv) A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	✓		Do
	(xv) A statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		Do
	(xvi) A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	✓		Do
	(xvii) A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	✓		Do

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(xviii) An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	✓		Do
	(xix) A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		Do
	(xx) An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year			Not Applicable
	(xxi) Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	✓		-
	(xxii) The total number of Board meetings held during the year and attendance by each director	✓		The Directors' Report complied with guidelines
	(xxiii) A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
	(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	✓		The directors' report complied with guidelines
	(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	✓		Do
	(c) Executives	✓		Do
	(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	✓		Do
	(xxiv) In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
	(a) a brief resume of the directors	✓		The Directors' Report complied with the guideline
	(b) nature of his or her expertise in specific functional areas	✓		Do
	(c) names of companies in which the person also holds the directorship and themembership of committees of the Board	✓		Do
	(xxv) A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
	(a) accounting policies and estimation for preparation of financial statements	✓		The Directors' Report complied with the guideline
	(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	✓		Do
	(c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		Do

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		Do
	(e) briefly explain the financial and economic scenario of the country and the globe	✓		Do
	(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	✓		Do
	(g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		Do
	(xxvi) Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	✓		-
	(xxvii) The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	✓		-
1.6 Meetings of the Board of Directors	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	✓		-
1.7 Code of Conduct for the Chairperson, other Board members and Chief Executive Officer	(a) The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company			Not applicable as formation of NRC for BBL is under review by the Bangladesh Bank vide#BRPD(R-1) 717/2018-9490, dated December 18, 2018
	(b) The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency			Not applicable.
2.00 Governance of Board of Directors of Subsidiary Company				
	(a) Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company			Not applicable as Bangladesh Bank has waved the mentioned provision as per the Gazette no.OM/OBI/BA:NI: SHA-1/1(4)/2008/177, dated August 27, 2008
	(b) At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	✓		In practice

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(c) The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	✓		Do
	(d) The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	✓		Do
	(e) The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	✓		Do
3.00 Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)				
3.1 Appointment	(a) The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	✓		In practice
	(b) The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	✓		Do
	(c) The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	✓		Do
	(d) The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		Do
	(e) The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		Do
3.2 Requirement to attend Board of Directors' Meetings	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		-
3.3 Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	(a) The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
	(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		Stated in the certificate of due diligence by CEO & CFO
	(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		Do

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(b) The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		Do
	(c) The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		Do
4.00 Board of Directors' Committee				
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
	(i) Audit Committee;	✓		-
	(ii) Nomination and Remuneration Committee			Not applicable as formation of NRC for BBL is under review by the Bangladesh Bank vide#BRPD(R-1) 717/2018-9490, dated December 18, 2018
5.00 Audit Committee				
5.1 Responsibility to the Board of Directors.	(a) The company shall have an Audit Committee as a subcommittee of the Board	✓		Do
	(b) The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		Do
	(c) The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		Do
5.2 Constitution of the Audit Committee	(a) The Audit Committee shall be composed of at least 3 (three) members	✓		Do
	(b) The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	✓		Do
	(c) All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	✓		Do
	(d) When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			Not Applicable

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(e) The company secretary shall act as the secretary of the Committee;	✓		-
	(f) The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	✓		-
5.3 Chairperson of the Audit Committee	(a) The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	✓		Ms. Farzana Ahmed
	(b) In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		107 th meeting Chariman was absent, the meeting was presided over by Ms. Fahima Choudhury
	(c) Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		-
5.4 Meeting of the Audit Committee	(a) The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		Do
	(b) The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		Do
5.5 Role of Audit Committee	The Audit Committee shall:			
	(a) Oversee the financial reporting process;	✓		Do
	(b) monitor choice of accounting policies and principles	✓		Do
	(c) monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	✓		Do
	(d) oversee hiring and performance of external auditors	✓		Do
	(e) hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		Do
	(f) review along with the management, the annual financial statements before submission to the Board for approval	✓		Do

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(g) review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		Do
	(h) review the adequacy of internal audit function;	✓		Do
	(i) review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		Do
	(j) review statement of all related party transactions submitted by the management	✓		Do
	(k) review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		Do
	(l) oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	✓		Do
	(m) oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			Not applicable as the last IPO was issued in 2006. RPO and Right share were not issued by the bank.
5.6 Reporting of the Audit Committee	(a) Reporting to the Board of Directors			
	(i) The Audit Committee shall report on its activities to the Board.	✓		
	(ii) The Audit Committee shall immediately report to the Board on the following findings, if any:			
	(a) report on conflicts of interests;			Not applicable as there have been no such occurrence as per provided documents
	(b) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			Do
	(c) suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations			Do
	(d) any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			Do

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(b) Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			Not applicable
5.7 Reporting to the Shareholders and General Investors	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			Not applicable
6.00 Nomination and Remuneration Committee (NRC)				
6.1 Responsibility to the Board of Directors	(a) The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			Not applicable as formation of NRC for BBL is under review by the Bangladesh Bank vide#BRPD(R-1) 717/2018--9490, dated December 18, 2018
	(b) The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			Do
	(c) The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)			Do
6.2 Constitution of the NRC	(a) The Committee shall comprise of at least three members including an independent director			Do
	(b) All members of the Committee shall be non-executive directors			Do
	(c) Members of the Committee shall be nominated and appointed by the Board			Do
	(d) The Board shall have authority to remove and appoint any member of the Committee			Do
	(e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			Do
	(f) The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			Do

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(g) The company secretary shall act as the secretary of the Committee			Do
	(h) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director			Do
	(i) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company			Do
6.3 Chairperson of the NRC	(a) The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director			Do
	(b) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes			Do
	(c) The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM			Do
6.4 Meeting of the NRC	(a) The NRC shall conduct at least one meeting in a financial year			Do
	(b) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			Do
	(c) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)			Do
	(d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			Do
6.5 Role of the NRC	(a) NRC shall be independent and responsible or accountable to the Board and to the shareholders.			Do
	(b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
	(i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
	(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			Not applicable as formation of NRC for BBL is under review by the Bangladesh Bank vide#BRPD(R-1) 717/2018-9490, dated December 18, 2018

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks			Do
	(c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals			Do
	(ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality			Do
	(iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board			Do
	(iv) formulating the criteria for evaluation of performance of independent directors and the Board			Do
	(v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria			Do
	(vi) developing, recommending and reviewing annually the company's human resources and training policies			Do
	(c) The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report			Do
7.00 External or Statutory Auditors				
	(1) The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely			
	(i) appraisal or valuation services or fairness opinions	✓		-
	(ii)financial information systems design and implementation;	✓		-
	(iii)book-keeping or other services related to the accounting records or financialstatements	✓		-
	(iv)broker-dealer services;	✓		-
	(v) actuarial services;	✓		-
	(vi)internal audit services or special audit services	✓		-
	(vii) any service that the Audit Committee determines	✓		-
	(viii) audit or certification services on compliance of corporate governance as required under condition No. 9(1)	✓		-
	(ix) any other service that creates conflict of interest	✓		-
	(2) No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		-

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
	(3) Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		-
8. Maintaining a website by the Company				
	(1) The company shall have an official website linked with the website of the stock exchange	✓		-
	(2) The company shall keep the website functional from the date of listing	✓		-
	(3) The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	✓		-
9. Reporting and Compliance of Corporate Governance				
	(1) The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		-
	(2) The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	✓		-
	(3) The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		-

Corporate Governance Report

Governance overview: Setting the tone from the top

Dear shareholders,

Welcome to the Corporate Governance Report 2021 of BRAC Bank.

At the bank, good governance permeates the entire organisation. Our philosophy is succinct and simple. We believe that shareholders and stakeholders can only draw meaningful value from a business whose behavioural standards and everyday actions translate into honesty, integrity, transparency, accountability and respect. This is a time-tested legacy that has served the bank well since its existence.

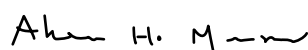
As a business that has a major economic and social impact, it is important that we remain sincere to our values to not only ensure responsible lending practices, but also to root ourselves in consistent delivery in both behaviour and action. We therefore embrace governance as a way of daily life rather than just a set of rules.

BRAC Bank's Board is at the apex of the bank's good governance practices. As part of the Board's responsibilities, its role is regulated in a formal charter, which defines its authority and power. While retaining overall accountability, the Board has delegated authority to the MD and Chief Executive Officer to run the day-to-day affairs of the bank. The MD and Chief Executive Officer is supported by the Executive Management Committee. The Board has also created sub-committees to enable it to discharge its duties and responsibilities sufficiently and to fulfil its decision-making process effectively.

The Board plays a critical role in the bank's strategy planning process and establishing governance benchmarks to measure the organisation's strategic objectives. In this realm, a more holistic approach of the bank is evaluated, rather than just a set of financial parameters. This approach comprises the people-planet-profit philosophy of the bank and is at the heart of our governance practices. Within the Board, Executive Directors implement strategies and operational decisions, while non-Executive Directors provide an independent perspective and complement the skills and experience of Executive Directors. They objectively assess strategy, budgets, performance, resources, transformation, diversity, employment equity and standards of conduct. This not only helps enrich Board discussions but is also a key facet of our governance framework.

With the goals of transparent, fair, speedy and resolute decision-making and appropriate and timely information disclosure, BRAC Bank will maintain a structure and framework for sound corporate governance at all times and work continually toward its advancement and enhancement. This will go a long way in consistent value creation for our shareholders.

Sincerely,



Dr. Ahsan H. Mansur
Chairman

Our top governance priorities



Practicing pragmatic governance

BRAC Bank firmly believes in good corporate governance. The bank considers that good governance is a necessary approach that transcends the legal and regulatory requirements, comprising a system of rules, processes and practices that guide corporate behaviour. It is the foundation for financial integrity, sustainable performance, talent retention and investor confidence. It is indeed our license to operate.

The bank is firmly rooted in its values to ensure optimum management of compliance risk and ensure that implicit governance is practiced throughout the organisation. This includes the need to constantly strive for new avenues in ensuring that alignment consists of going beyond mere regulatory compliance. The bank has therefore kept corporate governance at the forefront of its activities by actively and systematically promoting ethics training, practicing and demonstrating our values in action and by recognising employees who are determined to live the bank's values in the most coherent and cohesive manner.

As a member of the Global Alliance for Banking on Values (GABV), BRAC Bank is committed to transforming finance through values-based, inclusive and impact-driven credit practices. The bank is energised by putting finance at the service of people and the planet. Supporting these objectives of serving the real economy are the bank's robust governance foundation and framework. This makes governance truly critical at BRAC Bank, even as it strives to uphold good governance in day-to-day activities as well as long-term decision-making.

Furthermore, as guardians of shareholder and stakeholder trust, BRAC Bank's Board's sub-committees have been embedded in place to assist the Board's responsibilities with corporate governance principles. This helps set the tone on governance right from the top, cascading down to all employees of the bank across all divisions and hierarchies.

On the regulatory front, BRAC Bank is in compliance with the requirements stipulated by the relevant provisions of Bangladesh Securities and Exchange Commission's (BSEC's) Corporate Governance Code, 2018, and relevant guidelines of Bangladesh Bank (BB). We remain committed to securing the highest standards of governance, both in the Boardroom and throughout the bank and the extended Group, including subsidiaries, which are critical to business

integrity and towards maintaining investors' and stakeholders' trust and confidence in the bank. We have used the core governance principles of the BSEC as the framework within which we explain our governance practices in this report.

Our Board remains committed to presenting a clear assessment of the bank's position and prospects through the information provided in this report and through our financial statements and other narrative and financial reports.

Aligning to our core governance principles

During 2021, the Board especially placed attention on performance being achieved within the bank's framework of values, which became critical in a challenging operating environment characterised by the strong effects of the Covid-19 pandemic, as well as heightening competitive intensity. Furthermore, the Board also conducted extensive credit impact assessments as a means to ensure that the bank fulfill its fiduciary responsibility to not just customers but the broader society as well.

In addition to receiving regular reports from the management through the Managing Director & CEO on progress achieved on our strategy, the Board approved the bank's business continuity plans to align it with the prevalent business scenario as well as operational requirements. This ensured that while we played our role as a public-facing institution dispensing an essential service, we also adhered to all rules, regulations and governance standards expected out of us.

Promoting engaged governance

At BRAC Bank, we are committed to fostering an effective governance framework through our policies and procedures in support of the bank's core values that underpin our ability to set the overall strategic direction of the bank.

The Board is primarily responsible for the bank's strategic and annual plans for business performance, superintending proper conduct of the business, talent and succession planning, risk control, shareholders' communication, internal controls, management information systems (MIS) and relevant statutory matters. The management is accountable for the execution of expressed policies and attainment of the bank's strategic objectives. The functions of the Board and the management are clearly defined and segregated to ensure the effectiveness of the bank's business and its day-to-day operations. The Board approves the corporate governance procedures and

practices adopted by the bank to inject best practices within the organisation, including where specific authorities of the Board are delegated to the relevant Board Committees as well as to the MD & CEO.

During the year 2021, we also ensured that our efforts in anti-corruption and anti-money laundering remain

robust, while promoting daily operational integrity amongst our employees. Moreover, a corruption-free pledge has served to uphold the organisation's ethical behavioural standards to further bolster governance and risk control measures across the bank and also its subsidiaries.

Focused governance in a recovery environment

Overview

BRAC Bank's Board is the apex authority and a bridge linking shareholders and stakeholders with the bank's management. The Board strives to meet the evolving expectations of all stakeholders associated with the bank and demonstrates skill, diligence and empathy in discharging its responsibilities and duties and in exercising the powers vested to them. In addition to business and financial aspects, the Board also deals with challenges and issues relating to governance, corporate social responsibility (CSR) and corporate ethics and ensures that the organisation and its operations are, at all times, in alignment with government rules, regulations and guidelines.

As a listed Company, BRAC Bank embraces Bangladesh Bank's and Bangladesh Securities and Exchange Commission's Corporate Governance Code, which requires the bank to disclose its governance initiatives and practices in the Annual Report. Furthermore, as per the Corporate Governance Code of BSEC, the status of compliance is certified by a practicing professional Accountant/Chartered Secretary. The Compliance Certificate with Corporate Governance Code, as certified by professional accountants, is enclosed on page no xx of this report.

Embedding governance agility

BRAC Bank operates in a highly regulated and

dynamic industry and Board effectiveness is demonstrated by the fact that it has rapidly adapted to the pandemic, investing more time in matters of significance such as risks, moratoriums and stressed assets to assure the longer-term viability of the bank. In this respect, the Board's committees have also assisted it in fulfilling and discharging its responsibilities.

Benchmarking with the best

At BRAC Bank, our emphasis has been to ensure the application of governance principles for sustainability, to bring about necessary reforms and an impetus to balance near-term priorities with long-term growth objectives. Further, governance standards are pursued in a manner consistent with the applicable local laws, regulations, and codes. The organisation also aligns with the recommendations of the international best practices issued by the Basel Committee on Banking Supervision, the Bank Companies (Amendment) Act, 2013, Bangladesh Securities and Exchange Commission and Bangladesh Enterprise Institute that has approved a comprehensive set of corporate governance procedures and practices. The bank also operates within the legal framework of the Bank Companies (Amendment) Act, 2013, Corporate Governance guidelines of Bangladesh Securities and Exchange Commission, and the Companies Act, 1994.

Content framework of this report

- Board of Directors
- Independent Directors
- Qualification of Independent Directors
- Duality of Chairperson of the Board of Directors and Managing Director & CEO
- Directors' Report to shareholders
- Meetings of the Board of Directors
- Code of Conduct for the Chairman
- Code of Conduct for the Board of Directors

- Code of Conduct for the Managing Director & CEO
- Governance of Board of Directors of Subsidiary Company
- Managing Director & CEO, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)
- Attendance of CFO, Head of ICC and CS in Board Meeting
- Requirement to attend Board of Directors meeting
- Declaration of Managing Director & CEO and Chief Financial Officer (CFO)
- Stakeholders whose expectation we meet
- Appointment of Directors (Board of Directors, Chairman and Managing Director & CEO)
- Sponsors & Directors jointly shareholding as per BSEC guideline
- Shareholding composition of BRAC Bank
- Rotation and retirement of Directors
- Non-Executive Directors
- Chairman's independence
- Independent Directors' independence
- Independence of non-Executive Directors
- The key roles and responsibilities of the Chairman
- The key roles and responsibilities of the Board
- The key roles and responsibilities of the Managing Director & CEO
- The key roles and responsibilities of the Company Secretary
- Appraisal of the Board performance
- Evaluation of the Managing Director & CEO
- Policy knowhow of Board of Directors
- Training on Corporate Governance
- Objective of Corporate Governance training
- Knowledge and expertise of Director relating to finance and accounting
- Related party transactions
- Audit Committee
- Risk Management Committee
- Executive committee
- Nomination and remuneration committee (NRC)
- Appointment of External auditor
- Appointment of professional for the Certification on Corporate Governance
- Corporate Governance compliance report with best practices
- Vision, mission and strategy approved by the Board
- Business objectives and strategic management
- Philosophy on code of corporate governance
- Ethics & Compliance
- Facilities accorded to the Chairman, Directors and the Managing Director & CEO
- Key policies regarding to remuneration of Directors and employees
- Human capital
- Communication to shareholders/stakeholders for participation in the Annual General Meeting
- Redress of investor complaints
- Environmental and social obligations under CSR
- Sustainable financing
- Whistle blower policy
- Credit rating
- Governance of the Sub Committee
- Governance of the Subsidiaries Companies
- Adequate Representation of Non-Executive Directors in Board
- Succession Plan of the Board
- Service not provided by External Auditors
- Compliance with Secretarial Standard issued by ICSB
- Tara Forum for women
- Enterprise Risk Governance Forum (ERGF)
- Dividend Distribution Policy
- Dividend Distribution Compliance report

Board of Directors

Size of the Board

The Board of Directors of BRAC Bank consists of 10 members, excluding the Managing Director & CEO.

The Managing Director is an Executive Director (ex-

officio) and the others are Non-Executive Directors.

Among the Directors, 3 are nominated Directors

Nominated by BRAC, and the other 7 are Independent Directors.

Present Board membership is given below:

Name of the Director	Position	Remarks
Dr. Ahsan H. Mansur	Chairman and Independent Director	
Mr. Asif Saleh	Nominated Director	Nominated by BRAC
Ms. Fahima Choudhury	Independent Director	
Ms. Farzana Ahmed	Independent Director	
Dr. Zahid Hussain	Independent Director	
Mr. Meheriar M Hasan	Nominated Director	Nominated by BRAC
Mr. Shameran Bahar Abed	Nominated Director	Nominated by BRAC
Dr. Mustafa Kamal Mujeri	Independent Director	
Mr. Faruq Mayeenuddin Ahmed	Independent Director	
Mr. Salek Ahmed Abul Masrur	Independent Director	

The Board of Directors meets at least two times a month, on the second and fourth Tuesday.

Notes:

- Ms. Nihad Kabir resigned from the Board at the 22nd AGM in May, 2021
- Dr. Mustafa Kamal Mujeri was appointed as Independent Director on December, 2021
- Mr. Faruq Mayeenuddin Ahmed was appointed as Independent Director on December, 2021
- Mr. Kazi Mahmood Sattar Retired from the Board of Directors on December, 2021
- Mr. Salek Ahmed Abul Masrur appointed as an Independent Director to the Board of BRAC Bank Limited in March 2022.

Bank's policy on appointment of Directors

The bank abides by the laws, rules and regulations of regulatory bodies to appoint Directors as well as disclose their appointments as also when they demit office. The bank appoints Directors pursuant to the laws of the Bank Companies Act, 1991; The Companies Act, 1994; and Bangladesh Securities and Exchange Commission Act, Rules and Regulations. We have also duly presented the profile of the Directors and their engagement in other organisations in the Annual Report and on the bank's website and also intimate the development/s to regulatory bodies. We also disclose this information in the Annual General Meeting.

Independent Directors

BRAC Bank complies with the Corporate Governance Code, 2018 of Bangladesh Securities and Exchange Commission (BSEC) and the Bank Companies Act, 1991, including the BRPD Circular No. 11, dated 27 October, 2013, for appointment of Independent Directors. As per BSEC Corporate Governance Code,

2018 at least one-fifth of the total number of Directors on the Company's Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating the number of Independent Director(s). Out of the 10 Directors on the Board, there are 7 Independent Directors, thus meeting the regulatory requirement.

Independent Directors on the Board and disclosure/affirmation of the Board

As per the Notification No-11 dated 27 October, 2013, Independent Directors declare their independency in the form of "Fit and Test". Pursuant to the Notification of Bangladesh Securities and Exchange Commission, an Independent Director on the bank's Board meets the requisite to be an Independent Director.

Qualification of Independent Director

Dr. Ahsan H. Mansur

Dr. Mansur started his career as a Lecturer in the Department of Economics, Dhaka University, in 1976.

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

Ms. Fahima Choudhury

Ms. Fahima Choudhury completed her BSc (Hons.) Management and MSc Management from the London School of Economics, and Political Science from the United Kingdom. Ms. Choudhury is the Managing Director of the country's leading advertising company, Ogilvy & Mather Communications Pvt. Ltd.

Ms. Farzana Ahmed

Ms. Farzana Ahmed has over 35 years of experience as a Chartered Accountant in the public and private sectors in the United Kingdom, Australia and the Philippines. Ms. Ahmed worked at the Asian Development Bank (ADB) in the Philippines for over 20 years from where she took voluntary early retirement in October 2019. She also worked at the ADB as Senior Portfolio Management Specialist, South East Asia Regional Department, which she joined in 2008 following a 7-year posting in ADB's Indonesia Office. At the Resident Office, she was the Senior Financial Management Specialist from where she was seconded as Advisor to the Australian Government to help coordinate Australia's support to the reconstruction of Aceh, post the 2004 tsunami.

Dr. Zahid Hussain

Dr. Zahid Hussain served as a consultant in World Bank's Dhaka office from July 01, 2019 to June 30, 2020. He also served as a Lead Economist in the same office from May 01, 1995 to June 30, 2019. Dr. Hussain was also engaged as a Lecturer in Boston University, the University of Massachusetts Boston, and Framingham State College, Framingham, Massachusetts, in the US during 1987-1992. He obtained his PhD in Economics from Boston University in 1992. Further, he completed his MA in Political Economy from Boston University in 1987. He earned his MBA from the Institute of Business Administration, Dhaka University, in 1979.

Dr. Mustafa Kamal Mujeri

Dr. Mustafa Kamal Mujeri serves as the Executive Director of the Institute for Inclusive Finance and Development (InM). Earlier, he also served as the Director General of the Bangladesh Institute of Development Studies (BIDS) and the Chief Economist of Bangladesh Bank. Dr. Mujeri was also engaged with UNDP in Cambodia; IDRC in Bangladesh; CIRDAP; visiting faculty at the Department of Economics, University of Queensland, Brisbane; National Expert in the Bangladesh Planning Commission; and Associate Professor of Economics at the University of Rajshahi. Dr. Mujeri obtained his PhD in Economics from McMaster University in Canada in 1978 and MA in Economics from McMaster University in 1974 after completing an MA in Economics from the University of Rajshahi in 1972.

Mr. Faruq Mayeenuddin Ahmed

Mr. Faruq Mayeenuddin Ahmed led Trust Bank Limited as its Managing Director and CEO from February 2018 to February 2021. Before taking up the position, he served as the Additional Managing Director of the bank. Before joining Trust Bank, Mr. Ahmed served as the Additional Managing Director of The City Bank Limited, and held the position of Chief Risk Officer and CAMLCO at that bank. He also served Mercantile Bank and AB Bank Limited as Deputy Managing Director. He is the founder Chairman of the Association of Anti Money Laundering Compliance Officers of Banks in Bangladesh and a life member of the Bangladesh Economic Association.

Mr. Ahmed obtained MSS in Economics from the University of Dhaka.

Mr. Salek Ahmed Abul Masrur

Mr. Salek Ahmed Abul Masrur was appointed as an Independent Director to the Board of BRAC Bank Limited in March 2022. Presently, he is the Chief Executive Officer of The Consolidated Tea & Lands Co. (Bangladesh) Limited (known as Finlay Tea). Mr. Masrur is a seasoned Banker with 35 years of Banking Experience in Bangladesh and International market in senior positions.

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

Note: details of profile of the Independent Directors are presented on page 58.

Duality of Chairperson of the Board of Directors and Managing Director & CEO

The position of the Chairman of the Board and the Managing Director & CEO are filled by two different individuals. This has been in practice since inception of BRAC Bank. The Board has clearly defined the respective roles and responsibilities of the Chairman and the Managing Director & CEO. In fact, this represents one of the key responsibilities of the bank's Board.

In the absence of the Chairman of the Board, the remaining members of the Board elect one amongst themselves from the Non-Executive Directors as Chairman for that particular Board meeting. The reason of absence of the regular Chairman is duly recorded in the minutes, according to Section 4 of BSEC's notification on Corporate Governance Code.

The Directors' Report to Shareholders

The Directors' Report to Shareholders of BRAC Bank is presented on page 126 of this Annual Report.

Meetings of the Board of Directors

Board meetings and attendance (as on December 31, 2021)

Name of the Director	Designation	Presence of the Director in the meeting during their tenure			Remuneration per meeting (BDT)
		No. of meetings	Present	Absent	
Dr. Ahsan H. Mansur	Chairman	28	27	01	8,000
Ms. Nihad Kabir**	Nominated Director	11	09	02	8,000
Mr. Asif Saleh	Nominated Director	28	16	12	8,000
Ms. Fahima Choudhury	Independent Director	28	28	-	8,000
Ms. Farzana Ahmed	Independent Director	28	21	07	8,000
Dr. Zahid Hussain	Independent Director	28	27	01	8,000
Mr. Meheriar M. Hasan	Nominated Director	28	15	13	8,000
Mr. Shameran Bahar Abed	Nominated Director	28	21	07	8,000
Dr. Mustafa Kamal Mujeri	Independent Director	02	02	-	8,000
Mr. Faruq Mayeenuddin Ahmed	Independent Director	02	02	-	8,000
Mr. Salek Ahmed Abul Masrur*	Independent Director	-	-	-	-

* Ms. Nihad Kabir resigned from the Board in May, 2021

* Mr. Kazi Mahmood Sattar retired from the Board in December, 2021

* Mr. Salek Ahmed Abul Masrur appointed as an Independent Director to the Board of BRAC Bank Limited in March 2022.

Code of Conduct for the Chairman, Board members and Managing Director & CEO

The Corporate Governance Code of Bangladesh Securities and Exchange Commission requires, as part of Corporate Governance of the listed entities to lay down a Code of Conduct for Chairman, Board Members and Managing Director & CEO on the Board of an entity.

Code of Conduct for the Chairman

- As the Chairman of the Board or Chairman of any committee formed by the Board or personally possessing the jurisdiction to apply policy-making or executive authority, he/she shall not participate in or interfere in the administrative or operational and routine affairs of the bank.

- The Chairman may conduct onsite inspections of any bank branch or financing activities under the purview of the oversight responsibilities of the Board. He may call for any information relating to the bank's operations or ask for investigation into any such affairs. He may submit such information or investigation report to the meeting of the Board or the executive committee and, if deemed necessary, with the approval of the Board, he shall effect the necessary action thereon, in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the Board, along with the statement of the CEO.

- The Chairman may be offered an office room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business interests of the bank, subject to the approval of the Board.

Code of Conduct for the Board of Directors

The Board of Directors follows a Code of Conduct which was adopted to provide guidance to Directors to carry out their duties in an honest, responsible and transparent manner and within the scope of their authority, as set forth in the laws of the country as well as in the Memorandum and Articles of Association of the Company.

The Code of Conduct states:

- The Members shall act honestly, in good faith and in the best interests of the shareholders and the Company.
- The members shall not make improper use of information acquired as a Director.
- The members shall not take improper advantage of the position as a Director.
- The members will be obligated to be independent in judgment and actions and take all reasonable steps to be satisfied as to the soundness of decision taken by the Board.
- Members shall make every effort to attend all Board and Committee meetings during their tenure. They will not make themselves unavailable without good reasons or confirming their leave of absence.
- Board members having interest of any nature in the agenda of the meeting shall declare beforehand the nature of their interest and withdraw from the room unless they have a dispensation to speak.
- Training opportunities/orientation/workshops will be arranged for members (especially for the newly inducted members) to make them acquainted with the international best practices, their fiduciary obligations, the bank's Code of Conduct, etc.
- Every Director will assure annually via signing a confirmation that they have gone through, have complied with and will continue to comply with the set of codes approved by the Board of Directors.

Code of Conduct for the Managing Director & CEO

- The Managing Director & CEO shall remain accountable for the achievement of financial and other business targets approved by the Board in respect of business plans, efficient implementation thereof and prudent administrative and financial management.
- The Managing Director & CEO shall ensure full compliance with the regulatory bodies, pursuant to the Bank Company Act, 1991; the Companies Act, 1994; and Corporate Governance guidelines and other respective rules and regulations.
- The Managing Director & CEO shall recruit and promote all of the bank's staff, except those two tiers below him, shall rest on the Managing Director & CEO.
- The Managing Director & CEO shall act in such cases in accordance with the approved service rules on the basis of the human resource policy and sanctioned strength of employees, as approved by the Board.
- The authority relating to the recruitment, promotion, transfer and disciplinary action against staff, except two tiers below the Managing Director & CEO, rest on him and are in compliance with the bank's policy.

Governance of Board of Directors of Subsidiary Company

BRAC Bank follows governance principles of the Board of Directors of Subsidiary Company as per BSEC Corporate Governance Code Sec-2 dated 3 June 2018, evident in the following:

- At least one Independent Director of BRAC Bank is a Director on the Board of the subsidiary company.
- The minutes of the Board meeting of the subsidiary company are placed for review in the following Board meeting of BRAC Bank.
- The Board reviews the affairs of the subsidiary company.
- The Audit Committee of BRAC Bank reviews the financial statements, in particular the investments made by the subsidiary company.

Managing Director & CEO, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)

Appointment

- The Board appoints the Managing Director & CEO, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.
- The positions of the Managing Director & CEO, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance are filled by different individuals.
- The Managing Director, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance do not hold any executive position in any other company.

Attendance of CFO, Head of ICC and CS in Board Meeting

The CFO, Head of ICC and Company Secretary always attend Board meetings, except such part of a meeting of the Board that involves consideration of an agenda item relating to their personal interests/matters.

Declaration of Managing Director & CEO and Chief Financial Officer (CFO)

- The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that these statements do not contain any materially untrue statement or omit any material fact/s or contain statements that might be misleading;
- The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that these statements together present a true and fair view of the bank's affairs and are in compliance with existing accounting standards and applicable laws;
- The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the bank during the year which are fraudulent, illegal or in violation of the bank's code of conduct.

The Certification of the Managing Director & CEO and CFO is disclosed in the Annual Report on page 276.

Stakeholders whose expectations we meet

In light of the growing interest among stakeholders, including shareholders and potential investors, we have given due importance in this report to cover governance issues that are of interest to all parties. This is to assure the report's reliability as a reference for the assessment of the bank's corporate governance practices and to ensure the effectiveness of our administrative processes and transparency of procedures at all levels across the bank.

Appointment of Directors (Chairman, Board of Directors and Managing Director & CEO)

BRAC Bank complies with the regulations stipulated by Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and the Companies Act, 1994, for the appointment of Directors. As per regulations, all Directors, except Nominated or Independent or Alternate Directors, are required to maintain at least 2% shareholding in the bank, individually. As there is no Sponsor/Shareholder Director/s on the bank's Board, hence there is no requirement for Directors to hold 2% shares of the bank.

Pursuant to the Companies Act, 1994, 1/3rd of the Directors retire and, if eligible, are placed for reappointment at the Annual General Meeting for approval of shareholders. As per the Bank Company Act, 1991 (amended in 2013), Directors are appointed with prior approval of Bangladesh Bank, considering a term of three years, which can be extended by three terms, except for Independent Directors, subject to approval of Bangladesh Bank as well as by shareholders in the Annual General Meeting. As per the Corporate Governance guidelines issued by BSEC dated June 03, 2018, Independent Director/s shall not be subject to the retirement by rotation criteria of Director/s.

An Independent Director, pursuant to Bangladesh Bank's guidelines, is appointed with the prior approval of Bangladesh Securities and Exchange Commission and Bangladesh Bank. Subsequently, it is placed in the following Annual General Meeting for approval of shareholders. The tenure of office of an Independent Director shall be for a period of 3 years, which may be extended for 1 tenure only.

The Managing Director & CEO is also appointed with the prior approval of Bangladesh Bank, duly meeting the "Fit and Test" criteria.

Sponsors & Directors joint shareholding as per BSEC guideline

In accordance with the notification of Bangladesh Securities and Exchange Commission (BSEC) no. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May, 2019, all Sponsors and Directors, other than Independent Directors of a company listed with any

stock exchange, shall at all time jointly hold minimum 30% shares of the paid-up capital of the company.

We confirm that all Sponsors and Directors, other than Independent Directors of BRAC Bank, jointly hold more than 30% (present holding 46.24%) shares of the paid-up capital of the Company, thus meeting the BSEC requirement.

Pattern of shareholding

- i) Ownership of the Company's securities by the members of the Board of Directors.

As per notification No. SEC/CMRRCD/2006-158/134 Admin 44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969, the shareholding pattern of BRAC Bank is given below:

Particulars	Shareholder name	No. of shares held on 31.12.2021	Percentage of shares held (%)
Sponsors & Directors	BRAC	642,696,863	46.165
	Late Sir Fazle Hasan Abed KCMG	13,667	0.001
	Late A. S. Mahmud	11,431	0.001
	Late Faruq A. Choudhury	11,431	0.001
	Dr. Saleh Uddin Ahmed	9,392	0.001
	Dr. Ahsan H. Mansur (Chairman & Independent Director)	Nil	Nil
	Mr. Asif Saleh (Nominated by BRAC)	31,000	0.002
	Ms. Fahima Choudhury (Independent Director)	Nil	Nil
	Ms. Farzana Ahmed (Independent Director)	Nil	Nil
	Dr. Zahid Hussain (Independent Director)	Nil	Nil
	Mr. Meheriar M. Hasan (Nominated by BRAC)	Nil	Nil
	Mr. Shameran Bahar Abed (Nominated by BRAC)	997,500	0.071
	Dr. Mustafa Kamal Mujeri (Independent Director)	Nil	Nil
	Mr. Faruq Mayeenuddin Ahmed (Independent Director)	Nil	Nil
	Total no. of shares of Sponsors & Directors	643,771,284	46.242

- ii) Shares held by the Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Control and Compliance and their spouses and minor children:

Particulars	Shareholder name	No. of shares held on 31.12.2021	Percentage of shares held (%)
Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouses and minor children	Mr. Selim R. F. Hussain, Managing Director & CEO	428,360	0.0308
	Mr. M Masud Rana FCA, DMD & Chief Financial Officer	Nil	Nil
	Mr. M. Sarwar Ahmed, Head of Internal Control and Compliance	6,789	0.0005
	Mr. M Mahbubur Rahman FCS Acting Company Secretary	Nil	Nil
	Spouse of Mr. Selim R. F. Hussain, Managing Director & CEO, Ms. Rumesa Hussain	260,910	0.0187
	Spouse of Mr. M Masud Rana FCA, DMD & Chief Financial Officer, Ms. Sharmin Rana	8,610	0.0006
	Total	704,669	0.0506

iii) Shares held by top-five salaried executives in the regular services of the bank:

SL No.	Name	Designation	Shareholding as on 31.12.2021
1.	Mr. Md. Sabbir Hossain	Deputy Managing Director and COO	Nil
2	Mr. Chowdhury Moinul Islam	Deputy Managing Director and Chief Anti Money Laundering Compliance Officer	Nil
3	Mr. Syed Abdul Momen	Deputy Managing Director and Head of SME Banking	Nil
4.	Mr. Tareq Refat Ullah Khan	Deputy Managing Director and Head of Corporate Banking	Nil
5.	Mr. Md. Mahiul Islam	Head of Retail Banking	Nil

iv) List of shareholders holding 10% and above shares in the paid-up capital of the bank:

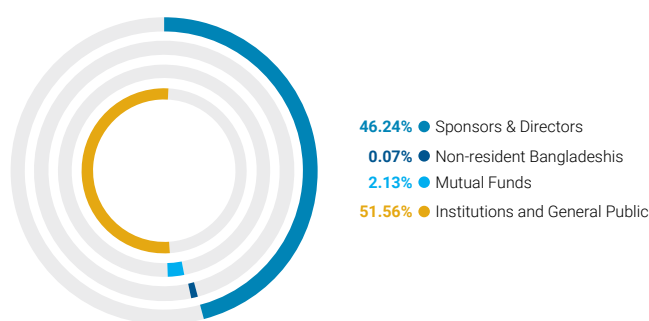
SL No.	BO	Name	Status (Sponsor/ Promoter/ Director)	No. of shares held as on 31.12.2021	% of total no. of paid-up shares
1.	1201820000147618	BRAC	Sponsor	642,696,863	46.165

Classification of shareholding

Range of holding of shares	Number of shareholders (31 December 2021)	Number of shares held (31 December 2021)	Percentage of holding of shares (31 December 2021)
Less than 500	6,295	1,072,571	0.08%
500 to 5,000	7,701	14,839,752	1.07%
5,001 to 10,000	1,510	10,609,614	0.76%
10,001 to 20,000	656	9,357,563	0.67%
20,001 to 30,000	253	6,225,854	0.45%
30,001 to 40,000	108	3,762,092	0.27%
40,001 to 50,000	61	2,788,898	0.20%
50,001 to 100,000	151	10,744,882	0.77%
100,001 to 1,000,000	201	65,969,685	4.74%
Over 1,000,000	90	1,266,801,488	90.99%
Total	17,026	1,392,172,399	100%

Shareholding structure

Category	No. of Shareholder(31 December 2021)	No. of Shares (31 December 2021)	(Percentage of holding of shares (31 December 2021))
Sponsors & Directors	8	643,771,284	46.24%
Non-Resident Bangladeshis	157	978,349	0.07%
Mutual Funds	47	29,686,702	2.13%
Institutions and General Public	16814	717,736,064	51.56%
Total	17026	1,392,172,399	100%



Rotation and retirement of Directors

Pursuant to the Articles of Association, Companies Act, 1994 and the Bank Company Act, 1991 (amended 2018) **Mr. Asif Saleh, Nominated Director, Nominated by BRAC** will retire from the Board of BRAC Bank at the 23rd Annual General Meeting. Subsequently, he is eligible for re-election for re-appointment to the Board.

A brief resume of the above Director, in compliance of Notification **No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012** of Bangladesh Securities and Exchange Commission (BSEC) is given in the Directors' profile in the Annual Report on page 58.

Non-Executive Directors

The Managing Director & CEO, Mr. Selim R. F. Hussain, is the ex-officio Director and all other Directors are non-Executive Directors.

Chairman's independence

According to the Corporate Governance guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), the position of the Chairman of the Board and the Managing Director & CEO shall be filled by different individuals. BRAC Bank has ensured this compliance. Dr. Ahsan H. Mansur, Independent Director, is the Chairman of the Board of Directors of BRAC Bank and Mr. Selim R. F. Hussain is the Managing Director & CEO.

Independent Directors' independence

According to Bangladesh Securities and Exchange Commission and Bangladesh Bank's rules and regulations, Independent Directors will not be an Executive of the Company in the immediate preceding two financial years who do not have any material relationship and do not hold any shares of the Company. The Independent Director will not have

any significant relationship, whether pecuniary or otherwise, with the bank, its top management and the Board. The bank complies with this requirement and has appointed Independent Directors who do not have any family or other relationship with the Board and its Executive Management. However, approval of Bangladesh Securities and Exchange Commission and approval of Bangladesh Bank are required for the appointment on Independent Director/s. BRAC Bank ensures compliance with Bangladesh Bank's guidelines and Bangladesh Securities and Exchange Commission's requirements relating to the appointment of Independent Directors.

Independence of non-Executive Directors

As part of our good governance practices at BRAC Bank, the non-Executive Directors enjoy full freedom in discharging their responsibilities. They are also sincere to attend Board meetings, Executive Committee Meetings, Audit Committee meetings and Risk Management Committee meetings. They also actively participate in discussions on the agenda.

The key roles and responsibilities of the Chairman

- Provides leadership and governance of the Board so as to create the conditions for overall Board's and individual Director's effectiveness, and ensures that all key and appropriate issues are discussed by the Board in a timely manner;
- Promotes effective relationships and open communication, and creates an environment that allows constructive debates and challenges, both inside and outside the Boardroom, between non-Executive Directors and the management;
- Ensures that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategies and policies, and that Board decisions taken are in

the Group's best interests and fairly reflect the Board's consensus;

- Ensures that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management;
- Sets, in consultation with the Chief Executive and Company Secretary, the Board meeting schedule and agenda to take full account of the important issues facing the Group and the concerns of all Directors, and ensures that adequate time is available for thorough discussion of critical and strategic issues;
- Ensures that the Board is properly briefed on issues arising at Board meetings and receives, in a timely manner, adequate information which must be accurate, clear, complete and reliable, to fulfill its duties, such as reports on the Group's performance, the issues, challenges and opportunities facing the Group, and matters reserved for it to make decision;
- Arranges informal meetings of Directors at least annually, including meetings of the non-Executive Directors at which the Chief Executive is not present, and ensures that sufficient time and consideration is given to complex, contentious or sensitive issues;
- Ensures that there is effective communication with shareholders, and that each Director develops and maintains an understanding of the stakeholders' views; and
- Establishes good corporate governance practices and procedures and promotes the highest standards of integrity, probity and corporate governance throughout the Group and particularly at Board-level.

The key roles and responsibilities of the Board

The main roles and responsibilities of the Board, as articulated in the BRPD Circular No. 11 dated 27 October, 2013, include the following:

- Lay down a code of conduct for all Board members and senior management
- Review and set up annual performance targets of the bank for achieving targets

- Monitoring the effectiveness of the bank's governance practices and reviewing changes as needed and identifying opportunities where corporate governance standards could be further improved
- Determining the bank's corporate social responsibility status and taking steps for its improvement
- Ensure stronger internal controls
- Grant approval of policies and operational manuals to establish an effective risk management framework in core banking areas and internal control
- Appoint Managing Director (CEO) and fixing his benefits
- Purchase or acquisition of property for the bank
- Provide welfare benefits to employees
- Determining the Corporate Social Responsibility status and taking steps.
- Analyze reasons for success or failure of the bank's annual budget achievement
- Periodic review of the bank's operational budget achievements
- Undertake risk management initiatives
- Review of sufficiency and requirement for internal control efforts of the bank
- Reviewing the bank's human resource (HR) policy

The key roles and responsibilities of the Managing Director & CEO

Mr. Selim R. F. Hussain is the Managing Director & CEO of BRAC Bank Limited. The Managing Director & CEO is responsible for the implementation of Board policies and the overall management of the bank. He discharge his duties under the delegation of financial, business and administrative authority given to him by the Board.

The core responsibilities and authorities of the Managing Director are as follows:

- Undertakes the financial, business and administrative authorities when vested on him by the board and remains accountable for achievement financial and other business targets by means of business plan, efficient implementation and prudent administrative and financial management.

- Ensures compliance of the Bank Company Act, 1991 (amended up to 2018) and other relevant laws and regulations in performing routine functions of the bank; and remains accountable to report to Bangladesh Bank if any violation occurs.
- At the time of presenting any memorandum by the management in the Board Meeting or Board Committee Meeting, the CEO points out if there is any deviation from the Bank Company Act, 1991 (amended up to 2018) and other relevant laws and regulations.
- Recruitment and promotion of all staff of the bank except those in the two tiers below him rest on the CEO. He acts in such cases in accordance with the approved service rules of the Bank.
- The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, rests on him that he applies in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the Board, he nominates officers for training etc.
- To lead the bank as per Board of Directors' instructions
- To lead the Senior Management to achieve the organisational goal
- To achieve profit and others target set by Board of Directors
- To maintain relation with Board of Directors, Senior Management of the Bank, all regulatory bodies, investors, all employees as well as all stakeholders of the bank
- To ensure compliance in the bank set by all regulatory bodies and Board of the Directors of the bank
- To ensure Corporate Governance throughout the organizations as per national and international standard
- To ensure sustainable growth of the bank
- The MD or CEO shall certify to the Board that they have reviewed financial statements for the year and that to the best of his knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;
- Shall be powered to take any punitive measures and transfer to operate the Bank effectively to all the employees except two tiers below of her/him
- Time to time reporting to the BOD's, EC, BAC & RMC
- Shall inform to the Bangladesh Bank in case of any irregularities regarding violation of any rules and regulation of the act without prior approval of the BOD's. In that situation he /she will inform the BOD's after reporting to regulators
- Shall be clearly details disclosed his asset, liabilities, financial, commercial, industrial and investment related information along with family involvement. [BRPD Circular-02, Jan 21, 2021]

The key roles and responsibilities of the Company Secretary

The roles, responsibilities and duties of the Company Secretary of BRAC Bank are prepared in pursuant to Circular No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 of Bangladesh Securities & Exchange Commission.

The Company Secretary ensures that all regulatory procedures for the appointment of Directors have been followed. He provides detailed support and guidance to the Directors, both individually as well as collectively, for taking decisions and raises matters wherever needed to call for the attention of the Board of Directors. He also assists the Board of Directors and the management of the bank in ensuring excellence in governance. He communicates with shareholders, as appropriate, and ensures that due regard is given to their interests. He also assists to form the sub-committee of the Board of Directors, as directed by the Regulatory Bodies Act, as a mediator to the Board of Directors to resolve disputes rose to the Board, according to the laws, rules and regulations.

The Company Secretary is also mandated with providing comprehensive corporate secretarial services to the Board, Directors and committees and also ensures that compliance is followed as per the respective laws, rules and regulations. He also ensures that the decisions taken by the Board of Directors are transmitted to the concerned department/s for taking the next course of action. He also updates the Board of Directors or the management about the direction, circulars, notifications, etc., which are issued by regulatory bodies and follows up on respective steps taken as well.

Appraisal of the Board's performance

The Board of Directors is accountable to the shareholders of the bank. Once every year, the bank holds an Annual General Meeting (AGM). The shareholders attend the Annual General Meeting and they critique and express their analysis about the performance of the bank.

BRAC Bank takes constructive suggestions from the Annual General Meeting and tries to implement it for qualitative improvement of the bank. The performance of the bank is also measured on the basis of other indicators, including financial aspects like business performance, asset growth, net profit expansion, NPL control, etc.

Evaluation of the Managing Director & CEO

The Board of Directors of BRAC Bank evaluate the performance of Managing Director & CEO on an annual basis. The Board also set the roles and responsibilities of the Managing Director & CEO of the bank. There are some key Performance Indicators (KPI) to appraise the performance which are: meet the annual budgetary targets of the bank, which was approved by the Board, maximize shareholder value measured through desired ROA, ROE, EPS, ensure proper risk management as per the expectations of the Board, ensure sustainable growth in loans and advances, low-cost deposits, CASA mix, diversify revenue streams of the bank, ensure improvement in NPL ratio, achieve recovery of written-off loans and improve all reviews conducted by BB, including scores in CAMELS rating.

Policy knowhow of Board of Directors

BRAC Bank makes available all relative laws before the Board of Directors for their instant information, along with any single notification, so that they can discharge their responsibilities effectively. Alongside this, most of the Directors of the bank are on the Board for many years now. Some Directors are also involved in country's policy-making. They have acquired enough knowledge and acumen to lead the bank well on the path of sustainable growth and progress.

Training on corporate governance

At BRAC Bank, our corporate governance standards represent the foundations on which we have built transparent relationships among the institution's management, Board, shareholders and other

stakeholders. In line with this, BRAC Bank organizes training on corporate governance round the year for the staff. BRAC Bank offers special emphasis on training in corporate governance.

Objectives of corporate governance training

- i. To establish good governance, ensuring the best practices of corporate governance to understand how they improve consistency in business direction and strategies
- ii. Mitigating risks and providing the maximum opportunities for developing individual skills, tools and frameworks in line with action plans and to address challenges as well as overcome these with prudence
- iii. To help Board members develop the right strategies for change management and create advanced plans for seamless change in order to identify internal and external opportunities and challenges, manage change or implement new approaches
- iv. To drive a positive culture such as developing the Board's skills and leadership style

Knowledge and expertise of Directors relating to finance and accounting

The Directors have rich knowledge and unparalleled expertise in the fields of accounting and finance. Most of the other Directors are successful entrepreneurs and professionals. They are well-conversant in business, economics and administration. The details of them are presented in their profile on page 58.

Related party transactions

During the year 2021, the bank concluded business deals with the related organisations in which the Directors had an interest. It was determined on the basis of common Directorship and the bank's subsidiaries. We have presented the necessary details on page 496 in the financial statements.

Board of Director's committees

The Board has constituted the following 3 sub-committees, which are

- (i) Audit Committee
- (ii) Risk Management Committee
- (iii) Executive Committee



i. Audit Committee

Responsibility to the Board of Directors

BRAC Bank has an Audit Committee as a sub-committee of the Board. The Audit Committee assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee is also responsible to the Board; the duties of the Audit Committee are clearly set forth in writing. Head of Internal Audit takes sit in the Board Audit Committee. All members of the Audit Committee are suitably qualified and all the members have expert knowledge of finance and accounting including banking activities. The Audit Committee meets at least 6 times a year. The Audit Committee is run with the specific guidelines issued by the Regulatory bodies including internal best policy.

Constitution of the Audit Committee

The Audit Committee was formed with 3 members, in compliance with the relevant provisions contained in BRPD Circular No. 11 dated 27 October, 2013

of Bangladesh Bank and Corporate Governance guidelines issued by Bangladesh Securities and Exchange Commission. The Board appointed members of the Audit Committee who are non-executive Directors of the Bank excepting Chairperson of the Board and have two Independent Directors in the Committee. All members of the Audit Committee are financially literate. A detailed report of the Audit Committee is included in this Annual Report.

Chairman of the Audit Committee

Ms. Farzana Ahmed, Independent Director of BRAC Bank, is the Chairman of the Audit Committee. She was appointed pursuant to the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission. She is not involved in the day-to-day operations of the bank. She is an experienced individual and is qualified to be the Chairman of the Audit Committee.

Ms. Farzana has over 35 years of professional experience as a chartered accountant in the public and private sectors in the United Kingdom, Australia and the Philippines. She has also worked at the Asian Development Bank (ADB), Philippines, for over 20 years.

Meetings of the Audit Committee

Sl. No.	Name of the Directors	Designation	Presence of the Directors in the meeting during their tenure			Remuneration per meeting
			No. of meetings	Present	Absent	
1	Ms. Farzana Ahmed	Chairman	08	07	01	8,000
2	Ms. Fahima Choudhury	Member	08	08	-	8,000
3	Dr. Zahid Hussain	Member	08	08	-	8,000

Meeting of the Board Audit Committee

A total 08 Board Audit Committee meetings were held during the year 2021, against minimum 04 meetings as per regulatory requirement. Meeting dates are as follows:

Sl. No.	Meeting	Date of meeting
1	104 th Audit Committee Meeting	28-Feb-2021
2	105 th Audit Committee Meeting	12-Apr-2021
3	106 th Audit Committee Meeting	11-May-2021
4	107 th Audit Committee Meeting	24-May-2021
5	108 th Audit Committee Meeting	29-Jul-2021
6	109 th Audit Committee Meeting	16-Sep-2021
7	110 th Audit Committee Meeting	25-Oct-2021
8	111 th Audit Committee Meeting	7-Dec-2021

Role of the Audit Committee

According to the Corporate Governance Code, the Audit Committee of BRAC Bank fulfills the following role:

- Oversee the financial reporting process
- Monitor choice of accounting policies and principles
- Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report
- Oversee hiring and performance of external auditors
- Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption
- Review along with the management, the audited financial statements before submission to the Board for approval
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval
- Review the adequacy of internal audit function
- Review the Management's Discussion and Analysis before disclosing in the Annual Report
- Review statement of all related party transaction submitted by management
- Review Management Letters or Letter of Internal Control weakness issued by statutory auditors
- Oversee the determination of audit fees based on scope and magnitude/level of expertise deployed and time required for effective audit and evaluate the performance of external auditors and oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilised as per the purposes stated in relevant offer document or prospectus approved by the commission

The detailed role of the committee of the bank is presented in this report on page 271.

Reporting to the Board of Directors

- The Audit Committee reports its activities to the Board
- The Audit Committee immediately reports to the Board on the following findings, if any:

- Conflicts of interests
- Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements
- Suspected infringement of laws, regulatory compliances, including securities related laws, rules and regulations
- Any other matter which the Audit Committee deems necessary is disclosed to the Board immediately

Reporting to the authorities

As per guidelines of Bangladesh Securities and Exchange Commission, the Audit Committee of BRAC Bank is obliged to report any findings that has material impact, to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 months from the date of first reporting to the Board, whichever is earlier.

Reporting to shareholders and general investors

Report on the activities carried out by the Audit Committee, including report made to the Board during the year, signed by the Chairperson of the Audit Committee, has been disclosed in this report on page 271.

Suitable qualification of members

All the members of the Audit Committee are qualified and have years of experience in banking and financial institutions. They have high level of expertise in their respective areas.

Conflict of interest

As per good governance practices, BRAC Bank follows the Code of Ethics for all employees to avoid conflict with those of the bank. Employees are always advised to take particular care when they are responsible for dealing with customers, business associates and agents on behalf of the bank.

Access to Audit Committee of Internal Control and Compliance Division

In the meeting of Audit Committee, the Head of Audit/Chief Auditor has direct access and can raise his concerns. The Head of Internal Control and Compliance, with consultation with management, can also raise any issues to Audit Committee.

Recommendation to appoint External Auditors

The Audit Committee reviews the audit plans and methodology to appoint External Auditors, pursuant to Bangladesh Bank guidelines and corporate

guidelines of Bangladesh Securities and Exchange Commission. The Audit Committee scrutinizes the applications of the Auditors and recommends appointment/reappointment of Auditors for the following year in the Annual General Meeting.

Major plans/policies formulated and reviewed by Audit Committee in 2021:

Sl.	Name of the Policy
1	Annual Internal Audit Plan & ICC Budget for the year 2021
2	Annual Concurrent Audit Plan-2021
3	Manual of Audit Procedure -2021
4	ICC (ICC, Audit, Compliance, Monitoring) policies 2021
5	Internal Audit Charter 2021
6	Concurrent Audit Policy-2021
7	General Ledger Policy
8	Accounting Policy for Measurement of land after initial recognition from revaluation model to cost model
9	Accounting policy for fixed assets and investment in capital market in the consolidated financial statements in compliance with IFRS 10 as recommended by external auditors
10	Dividend Distribution Policy
11	Annual internal Audit Plan for the year 2022
12	ICC Budget for the year 2022
13	Staff training plan for audit department, ICCD for the year 2022
14	Annual Concurrent Audit Plan for the year 2022

ii. Risk Management Committee

Pursuant to Bangladesh Bank's BRPD Circular No. 11 dated 27 October, 2013, a Risk Management Committee was constituted by the Board of Directors. There are three members in the Risk Management Committee. The Board formed Risk Management Committee to play an effective role in mitigating impending risks arising out from strategies and policies. The Risk Management Committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified after identifying and assessing several risks factors. A report of the Risk Management Committee is included in this Annual Report.

Constitution of the Board's Risk Management Committee

The Board's Risk Management Committee was formed with 3 members in compliance with the relevant provisions

Qualification of members

Each member is capable of making valuable and effective contributions in the functioning of the Committee. They have adequate understanding

of the detailed responsibilities of the Committee membership as well as the bank's business, operations and its risks.

Roles and responsibilities of the Risk Management Committee

i) Risk identification & control policy

The Committee monitors Risk management policies & methods and amend it if necessary. The Committee reviews the risk management process to ensure effective prevention and control measures.

ii) Construction of organisational structure

The Committee ensures an adequate organizational structure for managing risk within the bank. The Committee supervises formation of separate management level committees and monitors their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.

iii) Analysis and approval of Risk Management policy

The Committee reviews the Risk Management policies & guidelines of the bank annually and

amends if necessary and sends it to the Board of Directors for their approval. Besides, they review the lending limit at once annually.

iv) Storage of data & reporting system

The Committee ensures proper use of record keeping & reporting system developed by the bank management. The Committee minutes its proposal, suggestions and summary in a specific format and informs the Board of Directors.

v) Monitoring the implementation of overall Risk Management Policy

The Committee monitors proper implementation of overall risk management policies. They monitor whether proper steps have been taken to mitigate

all risks including lending risk, market risk, and management risk.

Internal Control and Risk Management

Internal Control

The Board of Directors of BRAC Bank ensures an adequate organisational structure for mitigating risk/s within the bank. The Risk Management Committee also reviews the risk process to ensure effective prevention and control measures.

Review of Internal Control System

A report on the internal control system supervised by the Risk Management Committee is presented on page 328 of this Annual Report.

Attendance of Members of the Risk Management Committee

Sl. No.	Name of the Directors	Designation	Presence of the Directors in the meeting during their tenure			Remuneration per meeting (BDT)
			No. of meetings	Present	Absent	
1	Ms. Fahima Choudhury	Chairman	04	04	-	8,000
2	Ms. Farzana Ahmed	Member	04	03	01	8,000
3	Dr. Zahid Hussain	Member	04	04	-	8,000

Meeting of the Board Risk Management Committee

A total of 04 Board Risk Management Committee (BRMC) meetings were held during the year 2021, against the minimum 04 meetings required as per regulations. Meeting dates are as follows:

Sl. No.	Meeting	Date of Meeting
1	34 th Risk Management Committee Meeting	28-Feb-2021
2	35 th Risk Management Committee Meeting	24-May-2021
3	36 th Risk Management Committee Meeting	23-Sep-2021
4	37 th Risk Management Committee Meeting	8-Dec-2021

Major plan/ policies formulated and reviewed by Risk Management Committee in 2021:

Sl.	Name of the Policy
1	ALM Policy & CFP
2	Credit Risk Management Policy
3	Risk Management Policy
4	Fraud Risk Management Policy
5	Forex Risk Management Policy
6	Investment Policy
7	Policy for Financing MFIs
8	BBL ICT Security Policy & ICT Risk Appetite Statement
9	Compliant Management Policy
10	Collateral Valuation Policy

A report of the Risk Management Committee is included in this Annual Report.

iii) Executive Committee

Pursuant to Bangladesh Bank's BRPD Circular No. 11 dated 27 October, 2013, an Executive Committee was constituted by the Board of Directors. The Board nominated Mr. Kazi Mahmood Sattar, Mr. Shameran Bahar Abed and Mr. Faruq Mayeenuddin Ahmed as members of the Executive Committee at the 310th Board meeting held on December 14, 2021.

Attendance of Members of Executive Committee

Sl. No.	Name of the Directors	Designation	Presence of the Directors in the meeting during their tenure			Remuneration per meeting (BDT)
			No. of meetings	Present	Absent	
1	Mr. Faruq Mayeenuddin Ahmed	Chairman	01	01	-	8000
2	Mr. Shameran Bahar Abed	Member	21	19	02	8,000
3	Mr. Kazi Mahmood Sattar*	Ex-Chairman	21	21	-	8,000
4	Ms. Nihad Kabir*	Member	08	08	-	8,000

NB:

* Ms. Nihad Kabir resigned from the Executive Committee on May, 2021

* Mr. Kazi Mahmood Sattar resigned from the Executive Committee on Dec, 2021

Chairman of the EC Committee

Mr. Faruq Mayeenuddin Ahmed was elected as the Chairman of the Executive Committee post the retirement of Mr. Kazi Mahmood Sattar. He possesses over 36 years of illustrious experience in different reputed local private commercial banks in different positions. He led Trust Bank Limited as the Managing Director and CEO from February 2018 to February 2021. Before taking up the position, he served as the Additional Managing Director of the bank. Before joining Trust Bank, Mr. Ahmed served as the Additional Managing Director of The City Bank Limited and held the positions as Chief Risk Officer and CAMLCO. He also served Mercantile Bank and AB Bank as Deputy Managing Director.

Nomination and Remuneration Committee (NRC)

As per Corporate Governance Guidelines, the Company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board. However, as per BRPD Circular 11 of Bangladesh Bank dated October 27, 2013, the Board cannot form any other permanent or temporary subcommittee except the Executive Committee, Audit Committee and Risk Management Committee. Therefore we are waiting for a decision from Bangladesh Bank and Bangladesh Securities and Exchange Commission upon the directive.

Appointment of External Auditors

The existing auditor, M/s Hoda Vasi Chowdhury & Co, Chartered Accountants has completed their first year audit session for the year 2021. However, as per Bangladesh Bank and BSEC guidelines, they are eligible for re-appointment for the year 2022 and hence they have expressed their willingness to work with the Bank. The Board of Directors has

recommended M/s Hoda Vasi Chowdhury & Co, Chartered Accountants to appoint as auditors of the bank for the year 2022. The appointment of auditor will be confirmed at 23rd AGM.

Reporting and Compliance of Corporate Governance

Appointment of professional for the Certification on Corporate Governance

The existing professional auditor, M/s Hussain Farhad & Co, has expressed willingness to work as auditor on compliance status on Corporate Governance Code, and the Board of Directors has also recommended M/s Hussain Farhad & Co as compliance auditor for the year 2022. As per Bangladesh Securities & Exchange Commission notification on Corporate Governance Code for appointment of professional for the certification on corporate governance for the year 2022 will be confirmed at the 23rd AGM.

Corporate Governance compliance report with best practices

The status of compliance with Corporate Governance guidelines of Bangladesh Securities and Exchange Commission has been given hereafter. M/s Hussain Farhad & Co., Chartered Accountants, duly certified the bank's Compliance Status, which is presented on page 231.

Vision, mission and strategy approved by the Board

Vision and mission of BRAC Bank

The vision and mission statements and the strategy of BRAC Bank were duly approved by the Board of Directors. It is presented in this Annual Report on page 44.

Business objectives and strategic management

The Board of Directors of BRAC Bank determines the business objectives and goals and, to this end, chalk out strategies and work plans on an annual basis. The Board specifically engages in formulating strategies consistent with the predetermined objectives and goals and in issues relating to structural changes and reformation for the enhancement of institutional efficiency and other relevant policy matters.

Philosophy on code of corporate governance

BRAC Bank believes in adopting and adhering to the best standards of corporate governance for the benefit of all its stakeholders. The bank's corporate governance standards are based on the following principles:

- Appropriate composition, size of the Board and commitment to adequately discharge its responsibilities and duties
- Transparency and independence in the functioning of the Board
- Independent verification and integrity assurance of financial reporting
- Adequate risk management and internal control
- Protection of shareholders' rights and placing priority on investor relations

- Timely and accurate disclosure on all matters concerning operations and performance of the bank

The bank's philosophy on corporate governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealing with shareholders, employees, regulators and other relevant stakeholders. By doing so, the bank demonstrates its understanding and respects its fiduciary roles and responsibilities to shareholders.

Ethics and compliance

BRAC Bank has a Code of Conduct for the Board and ethical guidelines for the bank's employees which are an integral part of the Service Rules and Regulations for the employees of the bank. Our employees comply with the code of conduct and requirements of ethical principles.

The Board has always been deeply committed to establishing the highest levels of ethics and compliance among all employees of the bank. It has always encouraged the management to ensure that everyone maintains high ethical standards within the bank. The Board guides the management on policies that should be adopted and followed by everyone in the bank.

Facilities accorded to the Chairman, Directors and the Managing Director & CEO

In accordance with the guidelines of Bangladesh Bank, the following facilities can only be given to the Directors:

Chairman	The Chairman has an office. He has no private secretary or office assistant from the side of the bank. However, bank provides him a mobile phone and a car at his full- time disposal.
Directors	Fees and other facilities for attending each meeting of the Board or any Committee as per guidelines of Bangladesh Bank and Bangladesh Securities and Exchange Commission.
Managing Director	Only those benefits as agreed upon in his contractual appointment and approved by Bangladesh Bank.

Key policies regarding to remuneration of Directors and employees

The Board reviews from time-to-time, the remuneration of employees based on the bank's performance and the general inflation in the economy. All employees including the senior management are paid a competitive remuneration package.

Human capital

The report on human capital is presented in detail on page 215 of this Annual Report.

Communication to shareholders/ stakeholders for participation in Annual General Meeting

BRAC Bank serves the notice along with the Annual Report to shareholders at least 21 days before of Annual General Meeting. As per Bangladesh Bank guidelines and notifications of Bangladesh Securities and Exchange Commission quarterly accounts or information are notified to the shareholders and updated on the website. The bank's Share Department also provides services to shareholders round the year. The bank also ensures that all

stakeholders are informed of the bank's activities on a routine basis.

Redress of investor complaints

The bank has established a robust grievance redress mechanism through which investors can lodge their grievances/complaints. Details are included on page 278.

Environmental and social obligations under CSR

The establishment of BRAC Bank's CSR strategy is a crucial component that reflects the bank's aspiration for the sustainable development of the society and creating meaningful value for stakeholders. This means having policies and procedures in place that integrate social, environmental, ethical, human rights or consumer concerns into the business operations and the core strategy, all in close collaboration with stakeholders. BRAC Bank considers all its business initiatives under the overarching ambit of the 3P philosophy (People, Planet and Profit).

BRAC Bank continues to expand its renewable energy portfolio through the installation of solar capacity at its newly-established SME offices, as part of its commitment to environmental sustenance. The bank has completed the installation of solar panels on SME Unit Offices since 2013. The bank is committed to bring all its SME Unit Offices under solar energy.

As part of its CSR activities, BRAC Bank-Prothom Alo Trust Adamya Medhabi Scholarship was introduced in 2010 to assist meritorious student of underprivileged families to fulfill their pursuit of higher education. Today, a large number of financially-challenged students, especially those from the rural parts of the country, do not have to face dropout. BRAC Bank has provided scholarships to meritorious students of Business Studies Faculty of Dhaka University. The bank, as part of its corporate social responsibility platform, provides scholarship to more than 40 students at the university. University of Dhaka is the oldest and highest learning seat of the country. Besides this, the bank considers the following compliances before lending to customers:

Sustainable financing

BRAC Bank has incorporated the ethos of socially-responsible banking through which it has been mainstreaming sustainable development and aligning it with the core business strategies of the bank. In fact, sustainability is integrated into the way we do business, into the contribution we make to local

economies and into serving the communities we live in. The Board monitors all social and ecological factors with the aim of protecting the environment and conserving natural resources.

Whistle-blower policy

There is no regulation or guidelines in the financial services industry about encouraging and protecting whistle blowers. However, BRAC Bank always embraces excellence in governance and encourages employees to raise a flag in the event of coming across any sort of wrongdoing. This includes the senior managers and certification regime, which is aimed at improving individual accountability within the financial services industry

Credit rating

As per Bangladesh Bank guidelines and notifications of Bangladesh Securities and Exchange Commission, BRAC Bank conducts its credit rating each year with due disclosure. Credit rating of BRAC Bank is available on page 281 in this Annual Report.

Governance of sub-committees

BRAC Bank has fully complied with provisions of BRPD circular no. 11, 2013 issued by Bangladesh Bank and CG Code 2018 issued by Bangladesh Securities and Exchange Commission regarding formation of Sub Committee, its meeting and minutes, which is appended below.

- Members of the committee are nominated by the board of directors from themselves
- Appropriate number of representative of Independent directors in the Sub committee
- Chairman of the subcommittee is the Independent Director
- All Members are appointed for a 03 (three)-year term of office
- Company secretary of the bank is the secretary of the sub committee
- All decisions/observations of the committee should be noted in minutes
- All minutes of the subcommittee meetings are presented in the next board meeting.

Governance of Subsidiaries Companies

BRAC Bank has followed the provisions regarding subsidiary companies which determine in CG Code as follows.

- At least one Independent Director of BRAC Bank is a Director on the Board of the subsidiary Company.
- The minutes of the Board meetings of the subsidiary companies are being placed for review in the following Board meeting of BRAC Bank
- The Board of Directors of BRAC Bank reviews the affairs of the subsidiary companies and it has been duly stated in minutes of the respective Board meeting
- The Audit Committee of BRAC Bank reviews the Financial Statements, in particular the investments made by its' subsidiary companies.

Independent Director's representation in four subsidiaries companies of BRAC Bank

Sl.	Name and Designation	bKash Limited	BRAC EPL Investments Ltd.	BRAC EPL Stock Brokerage Ltd.	BRAC Saajan Exchange Ltd.
1	Ms. Fahima Choudhury Independent Director	Director	Chairman	Chairman	---
2	Dr. Zahid Hussain Independent Director	---	Director	Director	Director

**Mr. Kazi Mahmood Sattar Resigned from the Board of BRAC Bank Ltd in December 2021

** Dr. Zahid Hussain joined BRAC Saajan Exchange Ltd in January 2022

Roles and responsibilities of the Independent Directors

To ensure corporate governance in the Bank, Independent Directors have key stake to take any decision of the board. Major roles and responsibilities of the Independent Directors is appended below.

- Independent Directors of the Bank have full intendance to take any decision and comments in the Board meeting
- Independent Directors have right to inform the regulatory bodies directly in case of any irregularities which may imposed by other Board members
- Independent Directors have right to take any decision which protect general shareholders and stakeholders right

Governance on Appointment of the Managing Director & CEO

- Managing Director & CEO is appointed by the Board subject to approval of Bangladesh Bank
- Managing Director & CEO is an Ex-Officio
- The position is contractual
- The age of Managing Director & CEO is below 65 years
- The Managing Director & CEO is a separate person from Chairman/BOD's/CFO/CS/HoICC
- The Managing Director & CEO is the chief of Management except the Board

Adequate Representation of Non-Executive Directors in Board

The Board of BRAC Bank is formed by 9 Directors, excluding Managing Director & CEO. All Board members are non-Executive Directors. Only the Managing Director & CEO is the ex-officio Director.

Succession plan of the Board

The Board's succession plan is a strategic framework that outlines the process that boards and committees must follow when replacing board members, board leadership, subcommittee leadership and Senior Management. These plans can help fill an existing vacancy or plan ahead for a future vacancy in one of these position.

The board of BRAC Bank always strives to onboard experienced business leaders, corporate leaders and other professionals. In 2021, BRAC Bank onboarded one of the country's most experienced and renowned economist, Dr. Mustafa Kamal Mujeri and one of the country's reputed corporate leader, Mr. Faruq Mayeenuddin Ahmed. Their details are given in the Director's profile on page 58.

Service not provided by External Auditors

In compliance with the CG Code, 2018 issued by BSEC, Provision 7, we declare that M/s Hoda Vasi Chowdhury & Co, Chartered Accountants, was not engaged in any of the following services during 2021 while conducting statutory Audit.

- Internal Audit Services or Special Audit Services
- Compliance Audit Services on Corporate Governance Code issued by BSEC
- Valuation / appraisal Services or any Fairness opinion
- Actuarial Services
- Broker-dealer services
- Financial Analysis or Other Financial Services
- Accounting Record keeping services related to Financial Statements
- Any services recommended by Audit Committees
- Any professional services
- Any kind of services which may create conflict of interest

Compliance with Secretarial Standard issued by ICSB

The Institute of Chartered Secretaries of Bangladesh (ICSB), the statutory body of Government to promote Corporate Governance in the Country, has set and issued four (4) Secretarial Standard, Secretarial Standard of Board of Directors (BSS-1), Secretarial Standard on General Meeting (BSS-2), Secretarial Standard on Minutes (BSS-3), Secretarial Standard on Dividend (BSS-4), with the objective of formulating Bangladesh Secretarial Standard.

Bangladesh Securities and Exchange Commission adopted those standard to promote standard Corporate Governance all around the country. BRAC Bank also follows those standard in all aspects of the Bank Governance set by ICSB.

TARA Forum for women

Women's banking platform, 'TARA'

BRAC Bank is proud to be the first in Bangladesh's banking industry to offer a comprehensive

women's banking proposition, TARA. This aims to provide an array of financial services to women of all backgrounds, both demographically and professionally. TARA aims to provide not only financial but also non-financial services to all women across Bangladesh. TARA offers deposit, lending and credit card products specially tailored to the specific needs of women. In addition, TARA also provides training facilities and workshops with a focus on professional and business development and networking opportunities. BRAC Bank offers TARA clients a dedicated helpline and special discounts with its numerous retail partners.

Enterprise Risk Governance Forum (ERGF)

ERGF is a platform under which the bank's staff can get access to solutions of problems related to operations as well as for risks and hazards. This forum comprises all the heads involved in risk, control, compliance, governance and security. All queries are met by the senior management. Effectively, this forum acts as the single-point contact for expeditious risk response. They meet as and when required

1. Act as single contact point for immediate risk response for the BBL staff
2. Urgent solution of risk and hazards by the senior management
3. Every query is dealt with utmost priority by the senior management related to the risk, control, safety and security

Dividend Distribution Policy

The Board of BRAC Bank has approved a dividend distribution policy at its 303rd Board meeting held on September 20, 2021 in line with the directive no. BSEC/CMRRCD/2021-386/03 dated January 14, 2021 of the Bangladesh Securities and Exchange Commission (BSEC). The dividend distribution policy of BRAC Bank is available on the bank's website.

Dividend Distribution Compliance report as on June 23, 2021.

Dividend Distribution Compliance Report of BRAC Bank Limited		
Under Clause (6) of the Directive No. BSEC/CMRRCD/2021-386/03, dated: 14/01/2021		
1	Name of the Issuer Company	BRAC Bank Limited
2	Particulars of Issuer DP	DP: 208, Stock Symbol: BRACBANK, ISIN: BD0138BRACB9
3	Type of Dividend (Annual/Interim) (Put tick mark (a) on the recommended option)	a) Annual b) Interim
4	Whether audited or not for Interim Dividend (Put tick mark (a) on the recommended option)	a) Audited b) Unaudited
5	Date of Recommendation of Dividend by the Board of Directors /Trustee: Enclose copy of PSI	291 st Board meeting held on April 12, 2021
6	Whether dividend recommended other than directors or sponsors or any other classes (Put tick mark (a) on the recommended option)	a) Yes b) No
7	Record date for entitlement	May 04, 2021
8	Rate of dividend recommended by the Board of Directors/ Trustee	a) Cash Dividend: 10% b) Stock Dividend : 5%
9	Dividend Recommended - Type (Put tick mark (a) on the recommended option)	a) Cash b) Stock
10	Securities/ Mutual Fund traded under which categories (Put tick mark (a) on the recommended option)	a) A b) Bc) Gd) N(e) Z
11	Date of transfer to a separate bank account (Pls. mention bank details) or provisional credit of shares/units by CDBL	April 21, 2021
12	Date of Approval of Dividend at AGM	May 27, 2021
13	Rate of Dividend Approved at AGM-details at Annexure, (if any changes)	a) Cash Dividend: 10% b) Stock Dividend: 5%
14	Date of commencement of disbursement of Cash and Stock Dividend	a) Cash Dividend : June 16, 2021 b) Stock Dividend: June 06, 2021
15	Mode of disbursement of Cash Dividend (Put tick mark (a) on the recommended option)	a) BEFTN b) Bank Transfer c) MFS d) Dividend Warrant e) Any other mode
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank statements and Corporate Action Processing Report (DP-70/RT-32)]	a) Cash Dividend : June 16, 2021 b) Stock Dividend: June 06, 2021
17	Paid-up-capital of the issuer before corporate action/entitlement	Tk. 13,258,784,760/-
18	Number of securities /shares outstanding- before corporate action/entitlement	=1,325,878,476=
19	Total cash in taka or stock (no. of shares) dividend as per corporate declaration	Cash Dividend (Tk.1,325,878,476/-) + Fractional Dividend (Tk.307,900) = Total Tk.1,326,186,376/- Stock Dividend (no. of shares): =66,293,923=

20	Distribution/Disbursement details of Cash & Stock Dividend	Cash	Stock (no.)	Annexures
	A. Mode of Dividend Payment/credit for the concerned year:			
	a) Through BEFTN or directly credited to respective BO	573,040,125.80	66,293,923	A & B
	b) Through Bank Transfer other than entitled BO-Margin loan	N/A	N/A	
	c) Through Bank Transfer	565,576,275.14	N/A	A & B
	d) Through Mobile Financial Service (MFS)	Nil	Nil	Nil
	e) Through any other mode as approved by Bangladesh Bank	Nil	Nil	Nil
	f) Through transfer to Suspense Account for dematerialized shares (BO wise detailed with reason should be maintained and subtitled)		111	
	g) Through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities		3,050	
21	Total Dividend paid/credited for the concerned year	1,138,616,400.94	66,290,762	A & B
22	Total unpaid/undistributed dividend /accrued during the period (20-21)	5,810,333.71	3,161	A & B
23	Total unpaid/undistributed dividend /accrued as on 1 st day of Accounting year (as per audited accounts)	63,198,659.10	356,488	C & D
24	Transfer to Suspense Account for Demat Shares or any other reasons during the concerned year.	Nil	Nil	
	A. Mode of Dividend receipts/payment/credit for the previous years:			
	a) Through BEFTN or directly credited to respective BO	122,835.56	Nil	E
	b) Through Bank Transfer	444,085.76	Nil	E
	c) Through Mobile Financial Service (MFS)	Nil	Nil	
	d) Through any other mode as approved by Bangladesh Bank	Nil	Nil	
	e) Through transfer to/from Suspense Account for Demat shares or any other reasons	Nil	Nil	
	f) Through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities/shares/units	Nil	Nil	
	g) Transfer of cash or stocks to the fund as prescribed or directly by Commission after 3 years or forfeit of share to Suspense Account for non-dematerialized securities	Nil	Nil	
25	Total Dividend paid/credited for previous years:	566,921.32	Nil	E
26	Total unpaid/undistributed Dividend for previous years (23-25) Taka/No.	62,631,737.78	356,488	F
27	Grand Total of unpaid/undistributed Dividend (22+26)	250,240,224.97	359,649	
28	Aging of grand total of unpaid/undistributed Dividend for previous years:			
	More than 3 years; balance	57,221,273.40	207,613	C & D
	More than 4 years; balance	55,615,946.10	162,478	C & D
	More than 5 years & above; balance	50,802,972.90	162,478	C & D
	Total unpaid/undistributed Dividend for previous years	63,198,659.10	356,488	C & D
	(Supporting bank statements and balances of securities with the Depository)			
Issuer shall maintain BO wise detailed information for all transfers/credit to suspended accounts with reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.				

Maintaining a website by the Company

BRAC Bank has an official website www.bracbank.com with linkage to the stock exchanges.

Report of the Board Audit Committee

Responsibilities of the Board Audit Committee:

- Engaging in meticulous reviews
- Monitoring and evaluation of organisational performance against regulatory requirements
- Establishing policies, processes and procedures
- Formulating policies for controlling and mitigating risk
- Ensuring full compliance with laws and regulations

3 Members in the Board Audit Committee

8 Board Audit Committee meetings held in 2021

Overview

The Audit Committee of BRAC Bank is the apex authority for facilitating effective governance and because of its position, it offers the most effective oversight on performance, independence and objectivity of the auditor and the quality of the audit.

The Audit Committee's major agenda is to safeguard stakeholders' interests. This is met through regular oversight functions which include reviewing financial reporting processes, systems of internal control, audit processes, management/mitigation of financial risks and monitoring compliance with the country's laws and regulations.

Statement of purpose

BRAC Bank's Audit Committee is a prime sub-committee of the Board of Directors. Its purpose is to ensure:

- (i) Integrity of the bank's financial statements and internal control systems, including implementation and effectiveness of internal control over financial reporting
- (ii) Performance of the internal audit services function

- (iii) Independent audit (annual) of the bank's financial statements, engagement with independent auditors, and evaluation of independent auditors' qualifications, independence and performance
- (iv) Compliance by the bank with all legal and regulatory requirements
- (v) Implementation and effectiveness of the bank's disclosure controls and procedures
- (vi) Evaluation of enterprise risks
- (vii) Fulfillment and discharge of other stated responsibilities

Composition of the Audit Committee

The Audit Committee comprises 3 members of the Board of Directors, including three Independent Directors, in accordance with the notification on Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC), on 3 June 2018 (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80) and Bangladesh Bank BRPD Circular No. 11, dated 27 October 2013.

The Board Audit Committee of BRAC Bank was constituted as on 31st December, 2021 and the membership includes:

Ms. Farzana Ahmed	Chairperson
Ms. Fahima Choudhury	Member
Dr. Zahid Hussain	Member

Ms. Farzana Ahmed, Ms. Fahima Choudhury and Dr. Zahid Hussain are Independent Directors on the Board of BRAC Bank.

Company Secretary of the bank is also the Secretary of the Board Audit Committee. The bank's Head of Audit reports to the Chairperson of the Board Audit Committee. Head of ICC reports on his activities and findings to the bank's senior management. However, Head of Audit, although being an administrative part of ICC, reports directly and is accountable to the Board Audit Committee.

Participation of non-members

Head of Audit, Head of ICC and representatives of the management (Managing Director and Deputy Managing Directors) also attend meetings on invitation.

Access to the Committee

On any matter within the Committee's scope, Head of Audit has direct access to the Audit Committee.

Roles and responsibilities of the Board Audit Committee

The primary activities of the Audit Committee serve as a guide, even as it may carry out additional functions and adopt additional policies and procedures, as may be appropriate. In addition to any other responsibilities which may be assigned from time-to-time by the Board, the Audit Committee is responsible for the following matters:

Internal control

- Evaluate whether the management is establishing an appropriate compliance culture across the organisation and in ensuring that all employees have clear understanding of their roles and responsibilities
- Review the management's actions in compliance with the bank's guidelines, applications and management information system (MIS)

- Consider whether the internal control strategies recommended by internal and external auditors have been prudently and comprehensively implemented by the management
- Consider reports relating to fraud, forgery and deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority, and place it before the Board after reviewing whether necessary corrective and curative measures have been taken by the management
- Review the status of compliance on policies and procedures to identify, measure, monitor and control risk with governance and supervisory oversight from the Board
- Review management letters/letter of internal control weaknesses issued by statutory auditors

Financial reporting

- The Audit Committee assesses whether the financial statements reflect complete and accurate information, and also determine whether the statements are prepared in accordance with prevalent rules and regulations, and also as per the financial reporting standards of Bangladesh Bank
- Review the financial statements with the management and external auditors before finalisation
- Review the quarterly and half-yearly financial statements with the management before submission to the Board for approval
- Review statements of significant related party transactions (RPTs) submitted by the management
- Review the Management's Discussion and Analysis Report before disclosing it in the Annual Report
- Disclose when money is raised through initial public offer (IPO)/repeat public offer (RPO)/rights issue to the Audit Committee about the deployment of funds, segregated by major categories (capital expenditure, sales and marketing expenses, working capital, etc.) on a quarterly basis, as part of the quarterly declaration of financial results. Further, on an annual basis, the bank shall prepare a statement of funds utilised for purposes other than those stated in the offer documents/prospectus.

Internal audit

- Monitor/evaluate whether internal audit functions are truly independent
- Review the activities and the organisational structure of the internal audit and ensure that no unjustified restrictions or limitations hinder the internal audit process
- Review and assess the annual internal audit plan
- Review the efficiency and effectiveness of the internal audit function
- Review and ensure that appropriate recommendations made by internal auditors to eliminate irregularities, if any, are duly acted upon by the concerned personnel in managing the affairs of the bank
- Meet the Head of ICC and Head of Internal Audit at least once a year, without the management being present, to discuss any issues arising from internal audits. Both units shall be given the right of direct access to the Chairman of the Audit Committee

External audit

- Make recommendations to the Board to be put to shareholders for approval at the AGM, in relation to appointments, re-appointments and disengaging with the bank's external auditors
- Place recommendations to the Board in fulfilling their responsibilities to shareholders at the AGM, appointments, re-appointments and disengagement with external auditors. The Committee shall oversee the selection process of the new auditors and shall investigate any issue that might have led the auditors to resign
- Oversee the relationship with the external auditors, including:
 - Recommendation of their remuneration, i.e. fees for audit or non-audit services
 - Assessing annually their independence and objectivity, taking into account relevant professional and regulatory requirements
 - Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the bank (other than in the ordinary course of business)

- Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit is complete at the reporting stage. The committee shall meet the external auditor at least once a year, without the management being present, to discuss any issues arising from the audit
- Review the findings and recommendations made by external auditors for elimination of irregularities, if any, detected and duly acted upon by the management
- Compliance with existing laws and regulations
- Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC and other bodies) and internal regulations approved by the Board have been duly complied with

Other responsibilities:

- Submit a comprehensive compliance report to the Board on a quarterly basis on regularisation of omission, fraud and forgeries and other irregularities detected by internal and external auditors and inspectors of regulatory authorities
- External and internal auditors may submit their related assessment report, if the committee solicits
- Perform other oversight functions, as desired by the Board of Directors, and evaluate the committee's own performance on a regular basis

Audit Committee meetings

The Board Audit Committee of BRAC Bank sits once every quarter. However, an emergency Board Audit Committee meeting can be called, if required.

A total of 8 (eight) Audit Committee meetings were held during the year 2021. In addition to regular matters, such as reviewing existing risks and mitigation measures, evaluating the management's adherence to compliance, monitoring the internal audit function and financial statements, ensuring on-time submission of returns, assessing the findings and recommendations of external and Bangladesh Bank auditors, etc., the following issues were given special emphasis.

Meeting date	Attendance	Focus points
28/02/2021	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	<ol style="list-style-type: none"> 1. Status of the Employee Disciplinary Action Committee and Summary of Reports on Fraud, Forgery & Irregularities. 2. Internal Audit Performance 2020. 3. Annual Internal Audit Plan and ICC Budget for the year 2021 and Status of Branch Risk Grading. 4. Annual Concurrent Audit Plan for the year 2021. 5. Proposal for transfer of BDT 1,779.57 mn to income account and BDT 150.10 mn to interest suspense account for the year 2020. 6. Summary of BB Surprise Inspection Reports on Currency Management.
12/04/2021	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	<ol style="list-style-type: none"> 1. Review and recommendation of the annual audited financial statements for the year ended December 31, 2020 of BRAC Bank Limited. 2. Review and recommendation for appointment of external auditors for the year 2021 and their remuneration.
11/05/2021	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	<ol style="list-style-type: none"> 1. Review and recommendation of un-audited first quarter (Q1) financial statements ended on March 31, 2021 of BRAC Bank Limited. 2. KPMG Management Report 2020 of BRAC Bank Limited.
24/05/2021	Ms. Fahima Choudhury Dr. Zahid Hussain	<ol style="list-style-type: none"> 1. Summary of investigation reports on fraud, forgery and irregularities. 2. Review and approval of General Ledger Control policy. 3. Summary of Internal Audit Observations for the year 2020. 4. Overall Effectiveness of Internal Control System of BRAC Bank Limited for the year 2020. 5. New joiners at ICCD.
29/07/2021	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	<ol style="list-style-type: none"> 1. Review and recommendation of un-audited half-yearly (H1) financial statements ended June 30, 2021 of BRAC Bank Limited.
16/09/2021	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	<ol style="list-style-type: none"> 1. Summary of Reports on Fraud, Forgery and Irregularities. 2. Summary of Internal Audit Observations for the year 2021. 3. Concurrent Audit Policy 2021. 4. Approval memo for voluntary changes in accounting policy for measurement of land after initial recognition from revaluation model to cost model. 5. Uniform accounting policy for fixed assets and investment in capital market in the consolidated financial statements in compliance with IFRS 10 as recommended by external auditor. 6. Review Dividend Distribution Policy of BRAC Bank Limited. 7. Introduction of New Unit, namely 'Data Analytics' in the Internal Audit Department of ICCD.

Meeting date	Attendance	Focus points
25/10/2021	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	1. Review and recommendation of un-audited third quarter (Q3) financial statements ended September 30, 2021 of BRAC Bank Limited.
07/12/2021	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	<ol style="list-style-type: none"> Summary of Reports on Fraud, Forgery and Irregularities. Annual Internal Audit Plan for the year 2022. ICC Budget for the year 2022. Staff training plan of Audit Department, ICCD, for the year 2022. Annual Concurrent Audit Plan for the Year 2022. Follow up of decision of 109th BAC. Review of Manual of Audit Procedures 2021; ICC, Audit, Compliance and Monitoring Policies 2021 and Internal Audit Charter 2021. Summary of Bangladesh Bank's surprise inspection report on currency management.

Certificate of Due Diligence by CEO and CFO

Declaration on the financial statements for the year ended 31 December 2021

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we hereby declare that:

- The financial statements of BRAC Bank Limited for the year ended 31 December, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, and any departure therefrom has been adequately disclosed;
- The estimates and judgments related to the financial statements were made on a prudent and reasonable basis in order for the financial statements to reveal a true and fair view;
- The form and substance of transactions and the bank's state of affairs have been reasonably and fairly presented in its financial statements;
- To ensure the above, the bank has taken proper and adequate care in installing a robust system of internal control and maintenance of accounting records;
- Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the bank were consistently followed; and
- The management's use of the going concern basis of accounting in preparing the financial statements is appropriate, and there exists no material uncertainty related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern.

In this regard, we also certify that:

- We have reviewed the financial statements for the year ended 31 December, 2021, and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - These statements collectively present a true and fair view of the bank's affairs and are in compliance with existing accounting standards and applicable laws.
- There are, to the best of our knowledge and belief, no transactions entered into by the bank during the year which are fraudulent, illegal or in violation of the code of conduct of the bank's Board of Directors or its members.

Sincerely,



Selim R. F. Hussain
Managing Director & CEO



M. Masud Rana, FCA
Deputy Managing Director & CFO

Communication and Engagement with our Shareholders and Stakeholders

Fostering a multi-stakeholder approach

The Share Department of BRAC Bank works diligently to assist shareholders and stakeholders, providing them with a variety of timely and thoughtful services. The department provided uninterrupted services even amid the Covid-19 pandemic, thus competently discharging its share-related responsibilities, including allotment of bonus shares, share register, transfer process of shares, monitoring share movements through CDBL, share re-materialisation/

de-materialisation, distribution of cash dividends and fractional dividends, conducting AGMs, etc.

Further, as part of its broader liaison responsibilities, the department also engages in correspondence with regulatory and governmental bodies from time-to-time on matters related to shareholders. Any stakeholder of the bank may contact the Share Department during office hours with regards to any information or query.



Information disclosure on the corporate website

BRAC Bank endeavours to disclose all material information on its website on a timely and accurate basis to keep shareholders and stakeholders current about the bank's activities and other material corporate matters, such as annual reports and quarterly, half-year reports and announcements/notices; business development and operational updates; corporate governance practices; and other information that is relevant to our stakeholders.

Information through newspapers

According to Stock Exchanges Listing Regulations, 2015, and Financial Reporting and Disclosure, 2018, news about the AGM should be published in one in Bangla and one English newspaper, as well as on one daily online news site. For 2021, we have complied with these rules.

Policy on ensuring shareholder participation at the AGM

AGM is a key forum to engage with shareholders and the bank has a proud history of organising well-attended AGMs where shareholders take the opportunity to exercise their right of an active and constructive role.

To ensure effective and efficient shareholder participation at the AGM, BRAC Bank publishes a notice of AGM in leading newspapers with the necessary details within a reasonable timeframe prior to the AGM. The AGM is hosted via a digital platform (due to the pandemic) and at a convenient time, thus making it accessible to all shareholders.

The Annual Report is circulated as per the provisions of Stock Exchanges Listing Regulations, 2015, and Financial Reporting and Disclosure, 2018, so that shareholders can get sufficient time to go through the report and provide their valuable comments, suggestions and inputs during the AGM.

Proceedings of the 22nd AGM have been presented in the 'Glimpses of the AGM' section of this Annual Report.

Redress of Investor Complaints

Upholding shareholder rights

At BRAC Bank, we believe that consistent and clear communication relating to financial and strategic information enhances shareholders' expectations and builds trust. By understanding and aligning with shareholders' suppositions, and positioning our value proposition accordingly, we remain best placed to manage their interests and expectations.

Towards fostering trust-based relationships, BRAC Bank has developed a comprehensive customer charter, underpinned by its emphasis on fair treatment and perpetuating their fundamental rights. As a robust shareholder support service, the bank maintains a dedicated grievance redress cell to ensure that investor complaints are addressed promptly and to their satisfaction. The Company Secretary is entrusted with the responsibility of monitoring the status of pending complaints and take necessary action/s for expediting the process of resolution.

Rights of shareholders and equitable treatment

BRAC Bank encourages shareholder participation at its annual general meeting (AGM).

Towards this objective, the bank provides shareholders with information on the date, time and venue, along with all agenda items and supporting

data with regards to issues/items to be discussed, prior to the meeting. Notice of Annual General Meeting and other documents are dispatched to shareholders at least 21 days prior to the meeting. The Notice is also published on the bank's website for ease of shareholder access, prior to dispatch of its soft copy and other documents through email and SMS.

In 2021, in view of the pandemic and movement control orders, we conducted our 22nd AGM via digital platform. Extensive preparations and effective coordination enabled us to seamlessly conduct our e-AGM that witnessed strong shareholder participation and engagement.

Invitation to the AGM contains shareholder information and guidelines relevant to the meeting, including the voting procedure. In case shareholders cannot personally attend the meeting for any reason, they may appoint a proxy through filling out the Proxy Form provided along with the other documents, or can even download the same from the bank's website, to appoint any person as proxy to attend and vote on their behalf at the AGM.

The bank's website URL from where shareholders and other interested stakeholders can download financial information, corporate profile and other meeting information is: www.bracbank.com

Inquires may be e-mailed to: enquiry@bracbank.com

Any queries relating to shareholding, for example transfer of shares, change in name/address and dividend payment, etc., should be sent to the following address:

Share office:

BRAC Bank Limited,
Anik Tower, ground floor,
220/B, Tejgaon Gulshan Link Road,
Tejgaon I/A, Dhaka-1208.

Phone:

09677555124, 09677555125

E-mail:

shareddept@bracbank.com

Investor complaints redress mechanism

BRAC Bank has established a robust grievance redress mechanism through which investors can lodge their grievances/complaints:



Through a designated e-mail ID:
enquiry@ bracbank.com



Through a letter dispatched to
our designated address



Through an investor complaints
register maintained at our office,
in which details of every written
complaint is recorded

A designated official is assigned the responsibility of monitoring investor grievance registered via e-mail on a daily basis.

As an effective shareholder/investor outreach initiative, the bank continues to engage in regular communication with shareholders through the issue of performance updates and other messages comprising material matters as soon as they transpire.

Board Meetings and Attendance

As on December 31, 2021

Sl. no.	Name of the Directors	Designation	Presence of the Directors in the meeting during their tenure			Remuneration (BDT)
			No. of meetings	Present	Absent	
1	Dr. Ahsan H. Mansur	Chairman	28	27	01	8,000
2	Ms. Nihad Kabir*	Nominated Director	11	09	02	8,000
3	Mr. Asif Saleh	Nominated Director	28	16	12	8,000
4	Ms. Fahima Choudhury	Independent Director	28	28	-	8,000
6	Ms. Farzana Ahmed	Independent Director	28	21	07	8,000
6	Dr. Zahid Hussain	Independent Director	28	27	01	8,000
7	Mr. Meheriar M Hasan	Nominated Director	28	15	13	8,000
8	Mr. Shameran Bahar Abed	Nominated Director	28	21	07	8,000
9	Dr. Mustafa Kamal Mujeri	Independent Director	02	02	-	8,000
10	Mr. Faruq Mayeenuddin Ahmed	Independent Director	02	02	-	8,000
12	Mr. Salek Ahmed Abul Masrur*	Independent Director	-	-	-	-

* Ms. Nihad Kabir resigned from the Board in May, 2021

* Mr. Kazi Mahmood Sattar Resigned from the Board of BRAC Bank Ltd in December 2021

* Mr. Salek Ahmed Abul Masrur appointed as an Independent Director to the Board of BRAC Bank Limited in March 2022.

Disclosure on Credit Rating

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 bank was rated by Credit

Rating Agency of Bangladesh Limited (CRAB), Emerging Credit Rating Limited (ECRL), Credit Rating Information and Services Limited (CRISL), S&P Global Rating and Moody's Investors Service, based on the audited financial statements for the year ended 31 December 2020.

Rating by domestic credit rating agencies	
Rating basis	Audited financial statements as of December 31, 2020
Validity	30-Jun-22
Outlook	Stable*

Rating agency	Long-term	Short-term
Credit Rating Agency of Bangladesh Ltd. (CRAB)	AA1	ST-1
Credit Rating Information Services Ltd. (CRISL)	AA+	ST-1
Emerging Credit Rating Ltd. (ECRL)	AA+	ST-1

* Stable indicates that a rating is likely to remain unchanged.

Rating by domestic credit rating agencies	
Rating basis	Audited financial statements as of December 31, 2020
Outlook	Stable

Rating agency	Rating of Bangladesh	Rating of BRAC Bank
Moody's Investors Service	Ba3	Ba3
S&P Global	B-	B+

We are pleased that all the major credit rating agencies have reaffirmed their long- and short-term credit ratings of the bank. These are indicative of robust management quality, sustainable and well-diversified operations, strong liquidity positions, robust internal funds generation capacity, access

to diverse fund sources, and prudent financial management strategies, that collectively ensure that the bank enjoys a favourable ratings outlook. Credit rating of the bank, based on its financial statements for the year ended December 31, 2021, is under process and will be published in due course of time.



BRAC BANK REMAINS THE BEST IN CREDIT RATING FOR 5 YEARS IN A ROW

Your present and future are secured with BRAC Bank

Local Rating:



(AA₁/ST-1)



(AA+/ST-1)



(AA+/ST-1)

Global Rating:



(B+)



(Ba3)

Statement of the Board Audit Committee

Statement on Audit Committee's oversight role in maintaining integrated internal controls

The Board Audit Committee (BAC) of BRAC Bank receives reasonable assurance from its independent Internal Audit Department that the strategic objectives set by the Board, including operational efficiency, disclosure, integrity of financial/non-financial information and compliance with applicable laws and regulations are consistently maintained.

Embedding the culture of compliance and control awareness in the organisation and driving awareness around roles and responsibilities among all levels of co-workers comprise a key thrust area that enables BAC to achieve its strategic objectives.

Within this purview, BAC's oversight role comprises a consultative process in helping overcome systemic shortcomings and initiating appropriate disciplinary proceedings in case of compliance failures.

During the year 2021, BAC conducted 8 meetings to review summary reports on:

- Internal audits
- Investigations
- Surprise/spot inspections
- Regulatory inspections
- Statutory audits

Through a detailed review of these reports, the committee bolstered control compliance, enforced stronger process supervision and articulated fresh directives to address process violations. Through ongoing stakeholder liaison, BAC set forth instructive guidelines to address primary issues, while identifying inconsistencies with a focus on course-correction.

Statement on Audit Committee's role in ensuring compliance with applicable laws and regulations

As regulatory compliance is a direct function of awareness and effective interpretation & communication of regulatory requirements, BAC

evaluates awareness levels on compliance through review of internal audit reports, while recommending changes or transfers, or training of human resources. Moreover, as per the suggested regulatory guidelines, BAC reviews internal policies prior to their adoption or update to ensure full accord. BAC is also regularly briefed by Internal Control & Compliance Division (ICCD) on regulatory updates.

Statement on Audit Committee's supervisory role in facilitation of statutory audit

Financial reporting integrity is a fundamental part of our culture, ensuring operational sustainability, while reinforcing our case as a viable business. In this remit, BAC places emphasis on independent reviews and responsible statutory audit services. As part of this focus, BAC, during 2021, conducted the following activities:

- Reviewed performance of external auditor
- Reviewed the management letter from statutory auditor and management responses provided against them
- Recommended appointment/re-appointment of statutory auditor(s)

Statement on Audit Committee's activities to ensure integrity in financial reporting and associated disclosures

Aligned with its supervisory role of ensuring integrity in financial reporting and disclosure, BAC adopts applicable financial reporting standards and ensures consistency in application. In doing so, BAC carried out the following tasks during 2021:

- Reviewed the quarterly, half-yearly and annual financial statements, and determined their accuracy and consistency with financial reporting standards recommended by regulatory authorities

- Reviewed issues with potential impact on the integrity of financial/non-financial reporting and disclosures
- Discussed summary reports on internal audits, investigations, surprise/spot inspections, regulatory inspections and statutory audits. These enabled early identification of any fraud or irregularities in operations
- Reviewed financial statements with statutory auditor and regulatory inspection teams in tripartite meetings prior to finalisation
- Reviewed statement on significant related-party transactions, as forwarded by the management
- Monitored operations in line with pre-determined budgets through internal audit reports and reviewed deficiencies, while placing constructive recommendations for regaining appropriate controls

Beyond these responsibilities, BAC also reviewed reports on fraud and forgery.

It also reviewed ICC Policy, Audit Policy, Audit Charter, Audit Manual, Compliance Policy, Monitoring Policy and Concurrent Audit Policy updates prepared by

ICCD. These policy documents were recommended for Board approval and were subsequently approved by the Board. BAC also advised action in critical investigations, process/policy reviews, evaluation of operations, etc., as per its judgment.

Covid was a major challenge in 2021 and ICCD managed this challenge effectively. As a responsible measure, it also ensured 100% double-dose vaccination for all members of staff of ICCD.

In 2021, ICCD focused on continuous professional development. Various technical and professional trainings were arranged for ICC officials. As many as 8 new professionals were recruited during 2021 to further strengthen the resource pool.

Through these activities, BAC fulfilled its role and responsibilities, as mandated by the regulator, during the year 2021.

On behalf of the Audit Committee,



Farzana Ahmed

Chairman, Board Audit Committee

SUSTAINABILITY



Pro-people, Pro-planet, Pro-prosperity

Message from the leadership

Twenty years ago, Sir Fazle Hasan Abed KCMG, our founder Chairman, ventured into courageously establishing BRAC Bank for serving the unbanked small businesses dotting the country. He believed in the power of the small enterprise to transform the destiny of the nation.

In this eventful journey of financial inclusion and empowerment, BRAC Bank has fulfilled the entrepreneurial dreams of hundreds of thousands of grassroots businesspeople. Making access to institutional credit easy for customers is the legacy of Sir Abed and we are committed to upholding it. This is truly at the heart of our sustainability focus as an organisation committed to banking as a force for good.

Serving people and society and helping them succeed, thus ensuring common prosperity, is what best defines BRAC Bank's strategy. Today, having emerged as a large enterprise with considerable impact, the bank has well-structured policies and procedures in place that integrate social, environmental, ethical, human rights and consumer expectations into its business operations and its core strategy, with such a multi-stakeholder approach ensuring holistic sustainability.

Bangladesh Bank's Sustainable Finance Taxonomy & CSR Guideline comprise the guiding principles that have contributed to our sustainability roadmap, as we take into cognisance our philosophy of being pro-people, pro-planet and pro-prosperity. This also aligns with the beliefs of the Global Alliance for Banking on Values (GABV), of which the bank is a proud member.

BRAC Bank prioritises long-term programs- both direct and indirect- that have sustainable and enduring impact on people and the environment. We desire to create an impression on the real economy of Bangladesh and this is especially true in the post-pandemic recovery environment. Thus, for BRAC Bank, its social impact is as important as its business impact, which clearly reflects the core values embodied by the bank.

At BRAC Bank, people work with the larger mission of making a difference in the lives of our customers. Yes, profit is important, but it is not the only pursuit. Creating a broad-based socio-economic impact is the real reason of our existence. Thus, our people remain highly motivated to contribute to the bank's social initiatives, such as contribution of a day's salary to charitable causes, participating in fundraiser marathons, distribution of warm clothes during the winters, blood donations and so on and so forth.

While these are some of the unique ways in which we foster a deep socio-economic impact, we also strive to fulfill the sustainable development goals (SDGs) and the 2041 vision of the government that envisages a developed nation, as enshrined in the 2021-2041 Perspective Plan (PP2041).

Thank you for being a part of our journey.



Selim R. F. Hussain
Managing Director & CEO

Sustainability and BRAC Bank: Year 2021 in Perspective

Introduction

Sustainability has turned into a mainstream consideration in the financial sector over the last decade.

At BRAC Bank, spearheaded by the bank's "3P" vision (People, Planet and Prosperity), the bank is a pioneer adopting Bangladesh Bank's groundbreaking guidelines on Green Banking way back in September 2013. Since then, we have established ourselves as one of the market leaders in promoting green and sustainable financing across the banking industry.

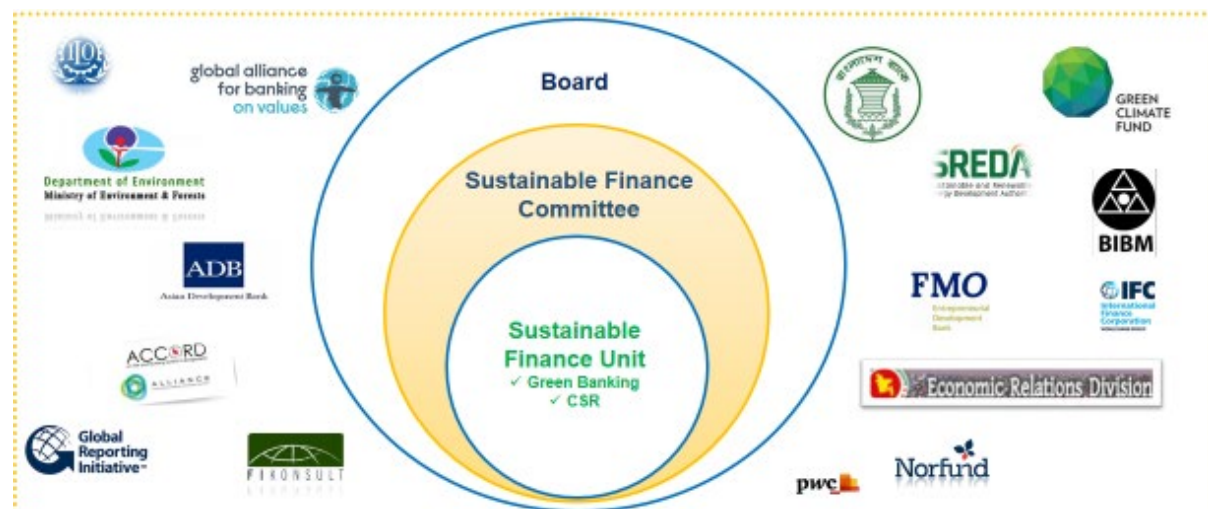
To BRAC Bank, sustainable banking means banking beyond just profits. It is about banking for profitability while keeping the economic, social and environmental considerations at the front and centre of what we do. Today, sustainable banking is one of the core pillars of bank's values-based strategy.

Governance structure

Adhering to the terms of reference laid out by Bangladesh Bank's prudential guideline SFD Circular No. 02: Formation and Formulation of Terms of Reference of Sustainable Finance Division in Banks and Financial Institutions dated December 12, 2016, Sustainable Finance Unit, under the Risk Management Division, works as the nerve centre of all sustainability initiatives of the bank.

The Sustainable Finance Committee comprises the senior management of the bank who serve as the apex authority, supervising all of the bank's sustainability activities under the guidance of the Board. The bank's sustainability activities are channelled across sustainable banking and corporate social responsibility, both working towards the same vision of making a difference by promoting values-based banking for a sustainable future.

Board approved E&S Safeguard Policy:



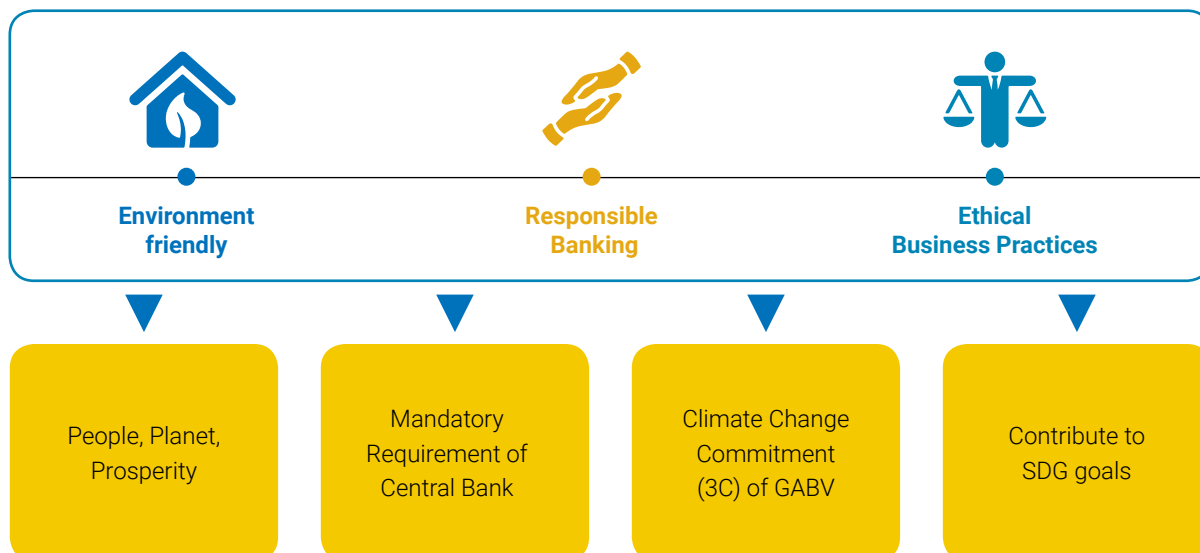
Our approach to sustainability

Since the inception of the bank back in July 2001, BRAC Bank has rooted the concept of promoting sustainable business, which is a key agenda and, today, we have established ourselves as a responsible bank committed to common prosperity.

The recent recognition from Sustainable Finance Department, Bangladesh Bank, suggests that we are on the right path and with this endorsement, we pledge to contribute to the country's Sustainable Development Goals and its climate change targets.

Driven by its “3Ps” philosophy, BRAC Bank has focused its ongoing initiatives and future strategy with a firm commitment to contribute to the national SDG targets. As a proud member of UNGC (United Nations Global Compact) and the GABV

(Global Alliance for Banking on Values), BRAC Bank prioritises financial mobilization towards sustainable development, while excelling in values-based banking to ensure environmental conservation and social protection, while promoting green economic growth.



The underlying objective of our “3P” framework is that it expresses our approach to sustainability and encourages us to embed the elements of holistic and inclusive growth in all that we do, thus achieving progress on a daily basis. Further, as part of our

process of determining our priorities, we are working to establish a strategy that will guide the next steps of our sustainability journey with clear roadmaps, targets and key performance indicators.

Qualities that define who we are



Doing business the right way

At BRAC Bank, our ethics, values and code of conduct are aligned to globally-recognised anti-corruption and anti-fraud principles and benchmark corporate governance practices. These support us in our quest of doing business purposefully and in the right way and also helps us to build stakeholder trust. Particularly, our employee training and engagement programmes place rigorous emphasis on assessing

how they interact and engage with our clients and customers.

A humanistic financial services provider

By putting people at the front and center of all that we do and by acting consistently in accordance with our values and ethics, we will continue to build a sustainable future for generations to come. Our key pillars in this endeavor comprise:



Enabling our communities with a blueprint for the future

- Developing sustainability-focused products and services
- Supporting the transition to a low carbon economy
- Ensuring systemic risk mitigation and control
- ESG integration into our credit decision-making process
- Engaging our people in sustainability
- Adopting ethical and upright conduct at all times



Fostering responsible transition

- Empowering communities via a holistic focus
- Financial inclusion
- Ensuring climate resilience
- Nurturing transparency and trust
- Assuring diversity, equality and inclusion



Ensuring that our own foundations are strong

- Governance and compliance
- Customer data privacy
- Responsible supply chain management
- Saving precious natural resources, like water, paper, etc.
- Minimising the environmental impact of our operations

Nurturing shared value

Corporate responsibility and citizenship comprise an integral part of BRAC Bank's core values and culture. Thus, we have prioritised long-term initiatives that unleash a sustainable and enduring impact.

Further, guided by Bangladesh Bank, we have adopted effective steps to foster green banking in Bangladesh through issuing guidelines and also through espousing the essence of environmental and social risk management (ESRM). Moreover, as part of our commitment to the environment, we refrain from

financing projects that are considered harmful to the environment in particular and the society in general, including tobacco cultivation or manufacture, textiles and garments production facilities without waste management infrastructure and ship-breaking, etc. On the other hand, given our extensive experience, we also consult our clients on equipment/plant modernisation to ensure lower pollution and greater environmental preservation.

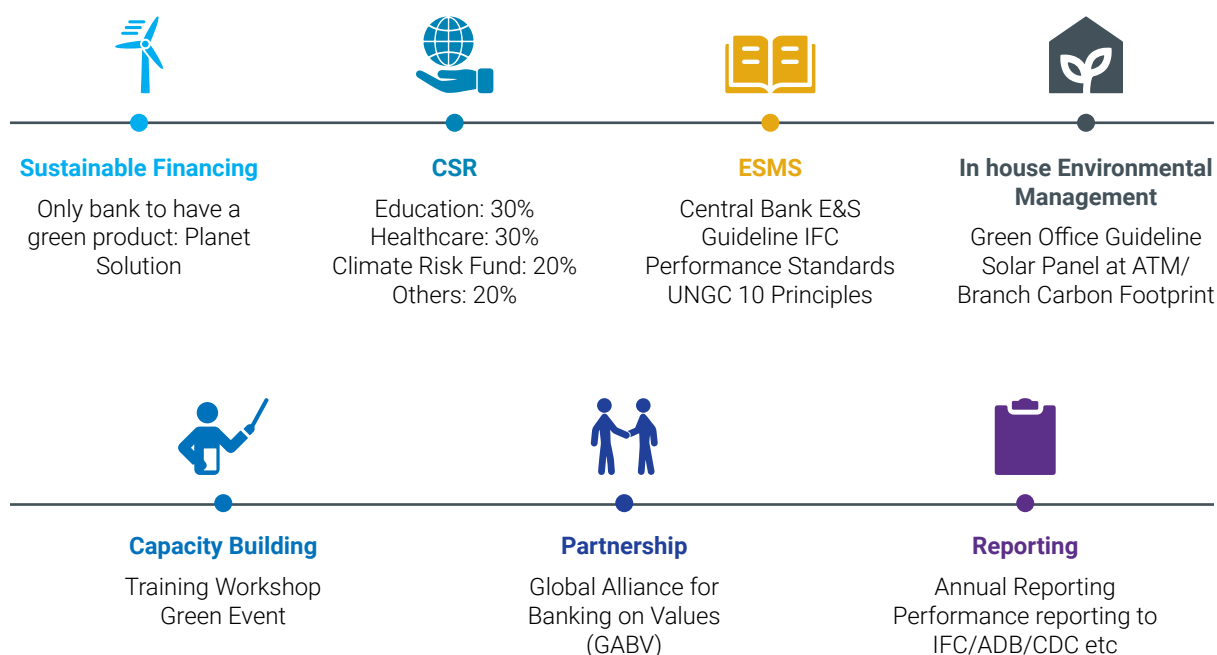
At the bank, with our purpose of reducing our own carbon footprint, we also actively promote paperless and digital banking through digital communications and other alternative banking channels. We also discourage the use of plastic within our premises and encourage the use of renewable energy and sustainable electrification.

Activities under our sustainability agenda

Recognising that the true potential of the financial sector is to play a catalytic role in job creation, environmental conservation, social protection, women empowerment, and technology innovation, BRAC Bank puts emphasis on nurturing a harmonised sustainable banking ecosystem that ensures clarity of purpose, stimulates inclusive financing and promotes practical solutions for sustainable development.

Thus, BRAC Bank's varied activities under sustainable banking ranges from Environmental & Social Management System, promotion of green finance, organisational capacity development to multi-dimensional stakeholder management, creating a solid pathway towards a greener future.

Key information about the bank



Major achievements, 2021: Sustainable Banking



One of the top-10 Sustainable Banks of the country, as declared by Bangladesh Bank



Highest Graded ESG performer bank of the country, as recognised by S&P Credit Rating Agency

Contributing to the SDGs through Sustainable Banking

For the Second year in a row, BRAC Bank was declared as one of the top contributors of Sustainable Taxonomy, as per the new SFD Circular No. 05: Sustainable Finance Policy for Banks and Financial Institutions dated December 30, 2020 by Bangladesh Bank.

To ensure sustainable recovery from the pandemic with commitment towards 2030 national agenda for sustainable development, BRAC Bank has extended 360-degree value propositions under its unique Sustainable Finance product umbrella, "Planet Solution", for CSMEs and large corporate customers, helping those adopting eco-responsible initiatives to explore more green alternatives.

SDG mapping with Sustainable Finance portfolio of BRAC Bank			
Disbursement segment	Disbursement (BDT mn)	Client segment	SDG mapping
Green finance and other sustainable linked finance	46,493.82	Leadership in Energy and Environmental Design (LEED) certified green Industry	<ul style="list-style-type: none"> 9, 11, 13 Indirectly 8
		Energy & resource efficiency	<ul style="list-style-type: none"> 7, 13 Partially 9
		Waste management (ETP/WTP)	<ul style="list-style-type: none"> 6, 13 Partially 11
		Renewable energy	<ul style="list-style-type: none"> 7, 13
Sustainable agriculture	3,710.19	<ul style="list-style-type: none"> Crops Irrigation equipment Agro-equipment Live-stock and poultry farming Fisheries Grain Storage and marketing Poverty alleviation 	<ul style="list-style-type: none"> 1, 2, 5, 13
Sustainable CSME	5,941.52	<ul style="list-style-type: none"> Herbal cosmetic manufacturing industries 100% local ingredients-based milk processing industry Handicrafts, handloom and alike Agro feed manufacturing industry Jute made products manufacturing industry Unani/Ayurvedic/Homeopathic manufacturing industries Rice processing industry Agro equipment manufacturing industry Production of bio pesticide, production of organic fertilizer Bran wood projects Horticulture processing industry 	<ul style="list-style-type: none"> 5, 8, 9, 11, 12
Socially responsible finance (SRF)	18,120.19	<ul style="list-style-type: none"> Financing/investment through MFI (MRA Regulated)/NGO (Govt. Approved) Linkage Model for capacity building, employment generation including self-employment Financing in trading of green and agro products using ICT/online/e-business platform (as recognised by Bangladesh Bank) 	<ul style="list-style-type: none"> 6, 7, 9, 13, 15

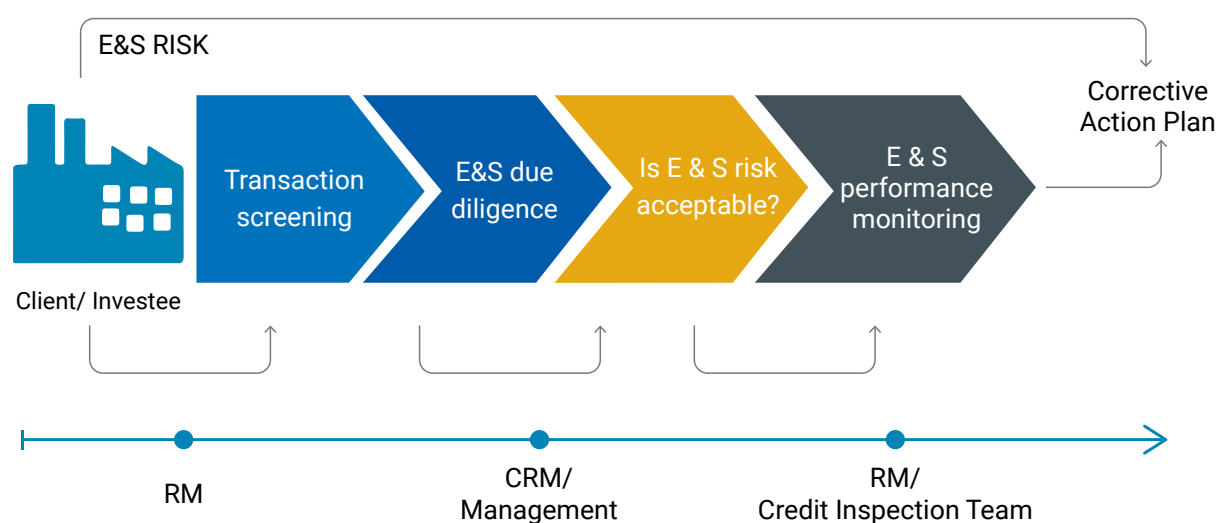
Alignment with the UNGC principles

UN Global Compact principles	BRAC Bank's alignment
8: Elimination of forced / compulsory labour	* Respect for human rights at all times
6: Elimination of discrimination with respect to employment	* Fair and meritocratic workplace environment * Conscious promotion of inclusion and diversity
3: Upholding freedom of association	* Time-tested belief that education can bring forth life transformation * Initiatives in education, especially among the underprivileged communities * Prioritised emphasis on education of the girl child
6: Elimination of discrimination with respect to employment	* Promotion of workplace inclusion and taking a no leniency stance on any infringements * Exclusive women-centric activities and gender sensitisation initiatives * Internal TARA (Women) forum/platform for enabling open discussions
8: Initiatives to promote greater environmental responsibility	* Dedicated sustainable finance desk at selective branches
9: Adherence to environmentally-friendly practices	* Measuring carbon footprint
8: Initiatives to promote greater environmental responsibility	* Responding to climate change via sustainable finance for renewable energy projects
9: Fostering environment-friendly practices	* Dedicated sustainable finance desk at selective branches * Focusing on promoting digital banking
3: Upholding freedom of association	* Open, transparent and meritocratic work culture
10: Working against corruption	* Stringent code of conduct, anti-bribery policies * Increasing workplace flexibility, especially driven by the pandemic
7: Support to prevent environmental degradation	* e-communication against paper-based correspondence
9: Promotion of greater environmental responsibility	* Digital banking that helps minimise use of paper * Concerted efforts in reduction of plastic use * Awareness creation around judicious electricity, paper and water use
7: Support to prevent environmental degradation	* Prioritised lending to businesses associated with clean and green energy
8: Greater environmental responsibility	* Credit preference to businesses establishing environmental protection assets
3: Upholding freedom of association	* Cooperative partnerships-driven approach to social responsibility programmes to ensure higher and more sustainable impact * Strength of partnerships yields sustainable and sustained social value

Alignment with the GABV principles

GABV Principles	BRAC Bank's alignment
Principle 1: Social and environmental impact and sustainability are at the heart of the business model	*BRAC Bank does not finance projects that are detrimental to the public/environment, such tobacco, ship-breaking, tannery, etc.
Principle 2: Grounded in communities, serving the real economy and enabling new business models to meet the needs of both	<p>*The bank maintains long-term relationships with its customers providing repeat loans to majority of its client base.</p> <p>*The bank prefers financing manufacturing rather than trading, capital market, derivative market as it focuses on the real economy to create jobs and making a lasting impact on people and society.</p>
Principle 3: Long-term relationships with clients and a direct understanding of their economic activities and the risks involved	*The bank's Relationship Managers maintain close contact with customers and visit their premises regularly as a means of engagement.
Principle 4: Long-term, self-sustaining, and resilient to outside disruptions	<p>*The bank maintains a diverse asset and liability portfolio in SME, Corporate and Retail segments to minimise concentration risks.</p> <p>*The bank updates its business continuity plan and revisits its risk management framework to subdue the impact of any extraneous disruptions.</p>
Principle 5: Transparent and inclusive governance	*Good governance, transparency, ethics and compliance are cornerstones of the bank's business model.
Principle 6: All of these principles embedded in the culture of the financial institution	*GABV principles are embedded in the value system of the bank.

Environmental & Social Obligations

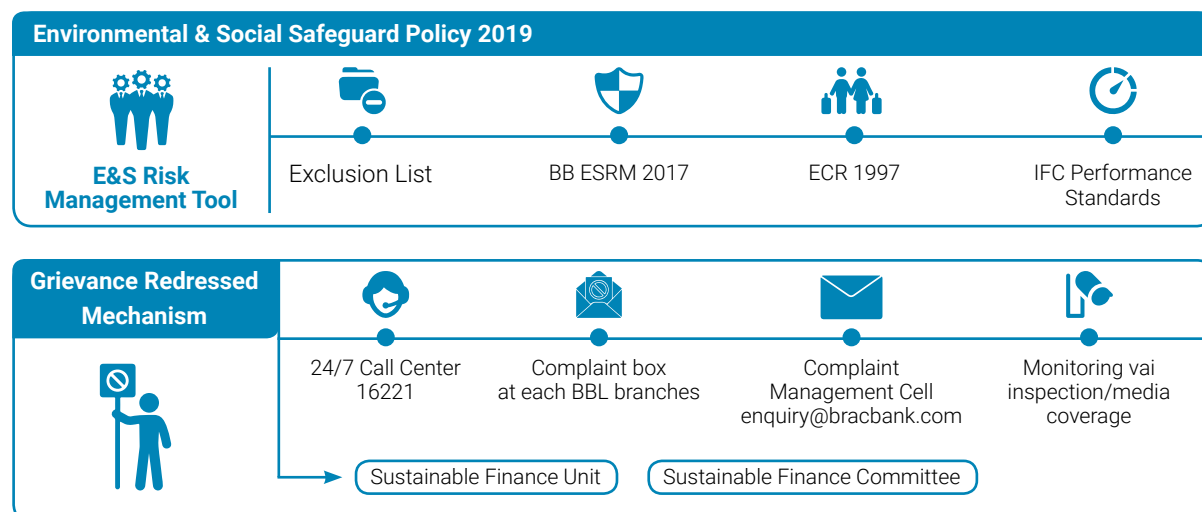


As a responsible bank to planet Earth and its sustainability, BRAC Bank is aware of its financial footprint and exposure in E&S related risks and their probable impact on the concerned ecosystem.

To maintain 100% alignment to environmental and social obligations, the bank has its own Environmental & Social Safeguard Policy as a comprehensive E&S guiding principle meeting regulatory requirements and voluntary commitments in adopting environmental and social best practices. These policy-guidelines are established by the Board and designed to meet the organisational requirements regarding Environmental & Social Management System (ESMS) that provides proper

organisational structure and in-house capacity to identify E&S risks associated with our clients and monitor risk mitigation plans in accordance with their respective risk grading.

Further, with a view to promote transparency, the bank has also established an Environmental & Social Grievance Redressed Mechanism through which any individual, group or community aggrieved by environmental or social incidents caused by BAU activities can file a complaint to the senior management of the bank for resolution. Sustainable Finance Unit (SFU) is responsible to ensure the overall implementation of ESMS within the bank as per the E&S Safeguard Policy.



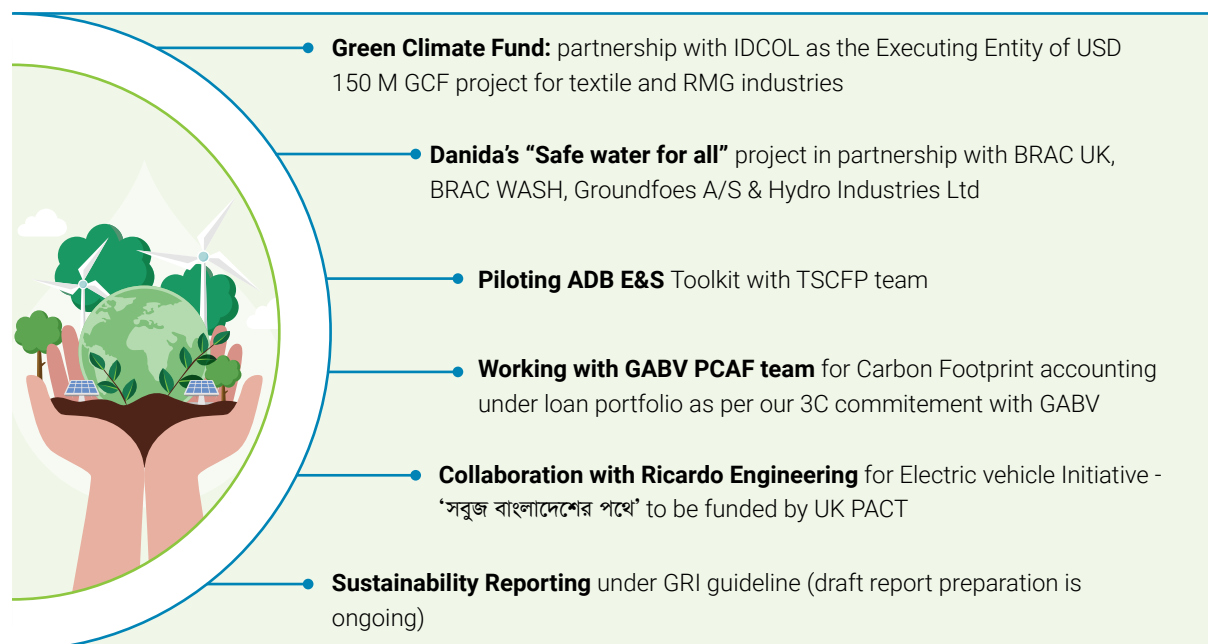
Environment-related Initiatives

BRAC Bank already has a substantial portfolio under green socially responsible lending and we aim to double our portfolio size over the next 5 years.

We believe sustainability sectors (as recognised by Bangladesh Bank's Sustainable Finance Policy") will undergo a paradigm shift as the nation re-emerges from the pandemic.

BRAC Bank's ongoing initiatives have sizable opportunity to contribute to the national SDG targets by supporting economic growth via low cost credit schemes and business innovation through sustainable investment.

As a bank, we will also constantly explore bankable projects related to climate adaptation/disaster management and work for people, planet and common prosperity.



Tree plantation initiative on the occasion of the birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman

As one of the leading sustainable banks of the country, BRAC Bank signed PFI agreement with Bangladesh Bank to become a participating bank of the newly-introduced Technology Development and Up-gradation Refinance Scheme, a Tk 1,000 crore green fund introduced in January 2021 to promote the technological development of export-oriented industries.

Under this agreement, BRAC Bank, as a PFI, will support 13 highest priority and 19 special development-oriented industries with giving access to this green refinance fund, complying with the Export Policy 2018-21.

Khondkar Morshed Millat, general manager of the Sustainable Finance Department of Bangladesh Bank, and Selim R F Hussain, Managing Director and Chief Executive Officer of BRAC Bank signed the agreement on behalf of their respective



organizations at the Bangladesh Bank Head Office in the capital recently.

Ahmed Jamal, deputy governor of Bangladesh Bank was present as the chief guest at the signing ceremony while Md. Shahidul Islam, Executive Director of Bangladesh Bank was a special guest at the event.

In house green initiative



3C Commitment of BRAC Bank:

The Sustainable Finance Unit of BRAC Bank is working with the PCAF (Partnership for Carbon Accounting Financials), an industry-led partnership to facilitate transparency and accountability of the

financial industry to the Paris Agreement to build the methodology to calculate the carbon footprint of BRAC Bank's entire loan portfolio with a view to attain the 3C commitment within the stipulated time.



SUSTAINABLE DEVELOPMENT GOALS

আমরা আছি প্রতিটি ধাপে
জীবনের মান উন্নয়নে



- Financing in the real economy | • Capacity development/employment generation through development partners
- Financial inclusion through branches, agent bankers and bKash



- Agriculture financing to ensure food security | • Country's first-ever livestock insurance scheme for cattle farmers
- Sustainable agriculture financing



- Healthy workplace for co-workers | • 60% of the total CSR budget in healthcare
- Telemedicine for cardholders | • Digital healthcare campaign and contributing to the society to fight Covid-19 outbreak
- Quality healthcare financing for all



- 'AGAMI' - student file solutions for higher studies
- 30% of the total CSR budget in education for the underprivileged



- Efficiency in water use with IFC-led Partnership for Cleaner Textile (PaCT)
- Investment in the WASH (Water, Sanitary and Hygiene) sector | • Financing in Effluent Treatment Plants to conserve surface water



- Accelerating economic growth by providing real-economy SME Finance
- Triple bottom line approach to foster inclusive financing and economic growth



- Diversity and social inclusion of the other gender and the differently-abled
- Governance structure to ensure equal opportunity for the co-workers and customers



- Financing environmentally sound LEED-certified green industries
- Adopting sustainable procurement practices in the organization
- Financing industries with 3R (reduce-reuse-recycle) interventions



- Financing in fisheries for conservation and sustainable use of resources
- Protecting marine and coastal ecosystems by supporting related industries
- Adaptation of IFC Performance Standards to mitigate the impact on natural resources



- Financing on products that promote sustainable forest management, conserve biodiversity, ecosystem, and halt land degradation
- Green workplace



- Anti-bribery, anti-corruption, and whistleblower policy | • Complying with local laws, global standards, and regulatory directives
- Speak-up policy and a zero-tolerance approach to corruption



- Global partnership for sustainable development:
- Global Alliance for Banking on Values | • UN Global Compact | • Financial Alliance for Women
 - Partnering with donor agencies on inclusive banking model

সম্মানার্থে সীমানা ছাড়িয়ে ২০ বছর ব্র্যাক ব্যাংক আজ্ঞা অবিচল

Corporate Social Responsibility (CSR)

Our CSR strategy and key focus areas



At BRAC Bank, our role in ensuring financial stability is key to realising our potential of nurturing a robust developmental impact that is anti-poverty, anti-deprivation and anti-socio-environmental degradation. This position of strength sets a strong platform for the bank to address some of the major challenges

we face in a developing country like Bangladesh. Yet, we are proud to have contributed to Bangladesh, transforming some of its key social metrics on the global ranking table, thus positioning the country well in its aspiration of a developed country by 2041.



Key CSR activities

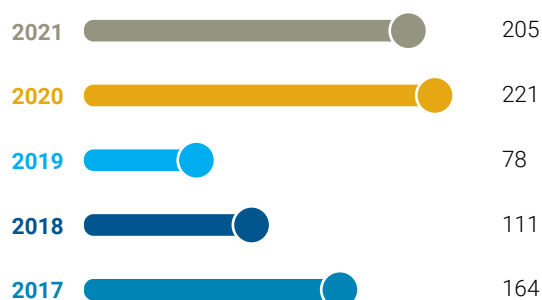
BRAC Bank is committed to achieving accelerated economic growth in Bangladesh, especially after the coronavirus pandemic has upended lives and livelihoods. We believe banking remains key to stimulate economic activity, job creation and small business empowerment, while also helping raise

the standards of living amongst marginalised communities. Indeed, the bank has played a pivotal role in serving the developmental agenda of the country, more so in the post-Covid era.

Our core CSR impact areas comprise healthcare, education and climate change.

CSR expenditure over 5 years

(BDT mn)



CSR expenditure as % of PAT



CSR composition in 2021

Into the second year in 2021, the pandemic showed no signs of abating, with intermittent lockdowns spread over the year. The pandemic continued to prolong the misery of people and affect livelihoods. This unprecedented situation necessitated allocation of funds

towards healthcare, livelihood and food support. Naturally the major chunk of CSR budget was exhausted in these works.

Our CSR expenditure in 2020 was thus aligned with this directive and allocated in the following areas:



As part of SGD#17: Partnerships for the Goals, with a view to maximise our CSR impact, we have forged partnerships with a number of other institutions. Our CSR partners comprise the following:

- Prime Minister's Relief and Welfare Fund
- University of Dhaka
- Prothom Alo Trust
- BRAC University
- BRAC Limb & Brace Centre
- Tareq Masud Memorial Trust
- Mehmankhana
- Bangladesh Thalassemia Foundation
- Bangladesh Economic Zones Authority
- Rangpur City Corporation
- Sidrah Foundation

Combating the prolonged pandemic

BRAC Bank operated empathetically during the Covid-19 pandemic.

Considering the protraction of the pandemic, the bank continued to focus on initiatives in the realm of healthcare and societal contributions to mitigate the sufferings of people.

It made a contribution of BDT 5 crore to the Prime Minister's Relief and Welfare Fund to help tide over the adverse effects of the pandemic.

In April 2021, Bangladesh Bank, asked all the scheduled banks to allocate a special CSR fund equivalent to one per cent of the banks' 2020 profits. Accordingly, the bank allocated BDT 4.54 crore to support the affected families, which was utilised to provide emergency food support to 30,267 families across the country.

Following this, the bank's employees again donated BDT 1.65 crore from their salary to BRAC's "COVID-19: Emergency food assistance" fund that provided food assistance to 11,000 daily-wage earners and poor households across the country.

Responding to the call of nation

The bank's biggest ever emergency food support initiative covering 30,000 families



In its hour of need, BRAC Bank rolled out the biggest ever emergency food support program, covering more than 30,000 families. The bank allocated additional 1% of its NPAT amounting to BDT 4.54 crore to run the emergency food support programme. Each family received BDT 1,500, which will enable them to buy essential food and other emergency necessities for two weeks.

BRAC, the world's largest NGO, executed the programme across the country as per the guidelines of Bangladesh Bank. Fifty per cent of the total fund was spent in Khulna and Rajshahi Division and the rest 50 per cent in other Divisions with focus on most exposed districts, including Khulna, Satkhira, Bogura, Magura, Dinajpur, Natore,

Joypurhat, Bagerhat, Chuadanga, and Chattogram. Families with elderly members, pregnant and lactating mothers, persons with disabilities, families dependent on women's earning, ultra-poor households got priority.

Selim R. F. Hussain, Managing Director and CEO of BRAC Bank said, "As BRAC Bank believes in 'leaving no one behind', we are firmly committed to standing by the people of our country in any challenging time."

The bank's employees also contributed BDT 3.38 crore in 2020 and 2021 from their salary as emergency food support to BRAC's 'Dakche Amar Desh' initiative.

A free-meal initiative that demonstrates the power of humanity



Liza Asma Akhter (center)

Theatre worker, Liza Asma Akhter, along with her friends launched Mehmankhana to stand beside the marginalized people. Seeing some children groaning in hunger in New Market area struck her hard and led her to start the free meal initiative.

Free-meal initiative of Mehmankhana is a rich example of serving humanity. Rickshaw-pullers, day labourers, street vendors and children, destitute and the low income people received free meals at Lalmatia, thus not having to go hungry.

Started on a small scale, Mehmankhana now feeds 2,000 people daily and send 400 food packets to different homes in the area to relatively better-off families who lost their source of income due to the pandemic and felt embarrassed to queue up for food.

Theatre worker, Liza Asma Akhter, along with her friends launched Mehmankhana to stand beside the marginalized people. Seeing some children groaning in hunger in New Market area struck her hard and led her to start the free meal initiative.

As a responsible corporate institution, BRAC Bank came forward to support the initiative with long term financial assistance. "BRAC Bank is committed to leaving no one behind. The ideology behind Mehmankhana is quite aligned with our values", the bank's Managing Director and CEO, Selim R. F. Hussain said.

Shuva & Roni: The journey of two meritorious students from a village to BUET



Roni Molla (left) and Shuva Rani (right)

Like Shuva Rani and Roni Molla, more than 800 students have realised their higher education dreams availing BRAC Bank and Prothom Alo Trust Adama Medhabi Scholarship.

Shuva Rani:

The landlord cut off electricity supply at their tiny tin shed room as their mother, Protima Rani Das, a day labourer, could not pay the rent on time. Thus, Shuva Rani could not study at night, the only time she got to read as she also had to work with her mother in the pickle factory during the day. Darkness engulfed her life. Then she thought of utilising the beam of light coming from the next room to study.

Her father died before she was born. Driven out of their home, her mother left their home at Mukimpur village and came to Brahmanbaria. Her mother got remarried to get support to raise her child. But she was treated badly. She had to tolerate the sufferings for the sake of her daughter as that was their only place to live. Sometimes, Shuva had to work at the factory making pickle and chocolate with her mother. Sometimes she gave tuitions to earn money.

The night before Shuva's physics examinations in SSC, her stepfather drove her mother and herself

out of their home in the middle of the night after an altercation. They took shelter at a neighbor's house. In spite of the nightmare, Shuva courageously went to the examination hall in the morning and scored an astounding 98 out of 100 in physics that helped her obtain the highest GPA 5.

After this brilliant result, her study was about to come to an end as her stepfather again drove them out of home. The Principal of Niaz Mohammad High School, Mr. Shahidul Islam, came to their rescue, helping her to get a scholarship offered by BRAC Bank and Prothom Alo Trust. Associate Professor Hamza Mahmud assisted her in getting enrolled in Brahmanbaria Government College

Her life took a different turn as she got the chance to study and pursue her dreams in the country's top engineering institution – BUET. She stood 722nd in the entrance exam, placing her in Civil Engineering. Her lifetime dream of studying in BUET became a reality!

Roni Molla:

Like Shuva Rani, Roni Molla of Natore went through similar hardship in life.

His father, a vegetable seller, could hardly make ends meet for his five-member family, let alone the educational expenses of his three sons. However, his parents vowed that if required they would sell their homestead for the sake of educating their children.

This determination created a huge impact on Roni and inspired him to overcome difficulties and continue with his studies.

Their parents often had to borrow money to bear the educational expenses of their children.

In 2018, Roni earned GPA 5 in SSC, much to the delight of his parents. However, their joy was short lived when they realised that nobody would lend money for his college admission fees as they could not manage to pay back the previous loan. As a tiny ray of light shined in this dark hour, they learnt about the scholarship of Bank-Prothom Alo Trust for meritorious students.

The selectors quickly on-boarded Roni, seeing his results and merit. Thus, Roni got admitted to Nawab Sirajuddawla College. During his college years, he met a senior who was studying in BUET. He inspired Roni to target BUET for his higher studies. Roni's

perseverance and determination took him to his dream university, BUET, as he got chance to study Urban and Regional Planning.

Like Shuva Rani and Roni Molla, more than 800 students have realised their higher education dreams availing BRAC Bank and Prothom Alo Trust Adama Medhabi Scholarship.

BRAC Bank and Prothom Alo Trust, a concern of leading Bangla newspaper Prothom Alo, launched the 'Adama Medhabi Scholarship Programme' in 2010 to help meritorious students from financially-challenged families to realise their higher education dreams. It is a comprehensive stipend programme covering expenses of tuition fees, book purchases and admission fees.

A number of students have already established their position in the society, becoming doctors, engineers, civil servants, teachers and others are studying in reputed universities, including BUET, Dhaka University, Jahangirnagar University, Chattogram University, Rajshahi Medical College, textile, engineering universities and other medical colleges.

BRAC Bank takes great pride at being able to help meritorious students realise their full potential.



Ishita can now walk and go to school



Ishita

Ishita was eagerly waiting to go back to school. She couldn't wait anymore to join her classmates. She was especially keen on joining the after-class play with her friends in the school playground. A tumour in her left leg had kept her away from school for months.

As her rickshaw-puller father could not afford timely treatment, at one point her leg had to be amputated to save her life. Sorrow and despair overwhelmed Ishita once who was a jolly 12 year old. She could hardly move in her tiny house, let alone go to school miles away. Her childhood joy was about to crumble. 'How could my father arrange BDT 70,000 for an artificial leg who couldn't even manage to make ends meet?' Ishita thought with tears in her eyes.

Ishita's father Iman Sheikh said: "Misery of my daughter is now over. I am so happy to see her walking."

Then on March 17, 2021 her emotional appeal broke in the national media - 'I just want to go back to school'. An innocent 12-year old girl's plea woke up national conscience.

In no time, BRAC Bank came forward to Ishita's help. A prosthetic leg was implanted on April 5, 2021 under the supervision of BRAC Limb and Brace Centre. Ishita can now move freely and go to school on her own much to the delight of her family and classmates.

Her father Iman Sheikh said: "Misery of my daughter is now over. I am so happy to see her walking."

From wheelchair to cricket field: Invincible Morshed can now run, bowl and bat



Morshed Alam

A smiling Morshed said: "I can walk and play. My parents are also very happy. Many friends come to see me. I am now dreaming big after getting this leg. It was hard for me to play cricket, now I can play quite effortlessly."

Cricket lives in his heart from childhood. He aspires to be a cricketer and always dreams of playing in red and green. His solid determination led him to become a member of the national wheelchair cricket team, in spite of difficulties. His cricketing talent has impressed many. Morshed Alam's inner calling urges him to push his limit and achieve more.

His father, Altaf Hossain of Boalkhali Upazila in Chattogram, was unable to bear the cost of an artificial leg for his son. However, dramatic changes came to Morshed's life out of the blue. He can now

run, bowl and bat effortlessly. How?

Learning about Morshed, BRAC Bank came forward to help the lad pursue his dreams. A prosthetic leg was implanted in June 2021 under the supervision of BRAC Limb and Brace Centre. Morshed now aims to take his cricketing career to newer heights.

A smiling Morshed said: "I can walk and play. My parents are also very happy. Many friends come to see me. I am now dreaming big after getting this leg. It was hard for me to play cricket, now I can play quite effortlessly."

BRAC Bank provides annual financial assistance to the 'Poor Fund' of BRAC Limb and Brace Center and bears the cost of the prosthesis of many people like Ishita and Morshed.

BRAC Bank's goal, in achieving the Sustainable Development Goals, is to ensure that no one is left behind. And therefore, it is working for a society in partnership with different organisations. BRAC Bank is proud to be a part of the journey of courage and determination of Ishita and Morshed and others like them.

Shifting gear

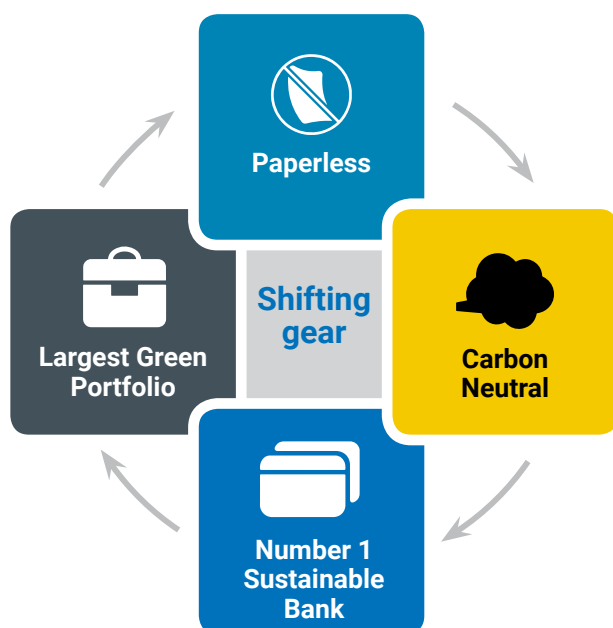
According to the European Commission, sustainable finance is the process of taking due account of environmental, social and governance (ESG) considerations in investment decisions, leading to increased longer-term sustainable economic activities and outcomes.

At BRAC Bank, sustainable banking is the key to protect our natural environment and planet health, while driving innovation and values-based profitable

banking as the driving force of the real economy.

As an enterprise, we aim to become carbon neutral by 2023 in line with our Climate Change Commitment with GABV and we have already started mitigating our own carbon footprint through digital transformation and sustainable financing.

In the coming years, we will be bold in working towards the new horizons of sustainability in our pathway to become the number #1 sustainable bank of the country.



- Blended financial model for BBL clients collaborating all the available low cost funding windows from BB, Green Climate Fund and other funding windows
- Partnership with donor agencies operating in the development sector of Bangladesh to extend BBL's footprint from climate mitigation to climate adaptation
- Extend multilateral collaboration with World Bank/UNDP/IFC/FMO etc. for green financing and sustainability
- Build a common CSR platform for climate risk fund
- Inclusion of SDG framework and UNGC principles to the existing policy and strategy documents
- In-house green governance to reduce direct carbon contribution of the Bank

Way forward, 2022

BRAC Bank is committed to Bangladesh's future. Thus, it is leaving no stone unturned with a view to contribute to the sustainable development of the nations through its ideas and initiatives. This dovetails with our legendary Founder's legacy of working for common prosperity and leaving no one behind.

Operations of CSR activities

As per Bangladesh Bank guidelines, BRAC Bank designs and implements its CSR projects under the supervision of the Sustainable Finance Committee and the Sustainable Finance Unit. These forums help the bank to plan and execute CSR activities in a structured manner, maintaining transparency

and regulatory compliance. Information about the bank's CSR programmes are published on the bank's corporate website and are accessible to the general public.

Anyone can send a CSR proposal to BRAC Bank through email: communication@bracbank.com

Report on the Going Concern Assessment

Going concern concept

Going concern is a concept that explains that an entity will be operating normally over the foreseeable future (which, in case of BRAC Bank, has been taken as 12-months from the date of approval of the financial statements).

Accounting standards require the management to assess whether the bank is able to operate over the estimative period. The Management has assessed the bank's viability to continue as a going concern, taking into account its current financial position, business prospects and major risks. As part of this assessment, key factors considered include:

- Long-term business and strategic plans
- Future projections of profitability
- Risk pro-file and risk management practices, including the processes by which risks are identified and mitigated
- Results of internal and regulatory stress tests
- Liquidity and funding profile
- Wider political, economic and regulatory environment, including an uncertain geopolitical outlook

After making due enquiries, the Board is convinced that the bank has adequate resources to continue its activities over the foreseeable future, including meeting its growth objectives, and has sufficient

capital buffers to enable it to meet its regulatory requirements, as set out by the Prudential Regulation Authority.

BRAC Bank's management has reached the conclusion that the financial statements for the year ended 2021 have been prepared on a going concern basis and considered the following major indicators:

a) Financial Indicators

Commitment to meeting our obligations

BRAC Bank has a demonstrated track-record in meeting its lender/depositor obligations, always respecting its credit commitments to lenders. Further, we have always maintained credible practices in our loans and other covenants and have never defaulted on these. These factors have contributed to us achieving a credit rating higher than the industry. Details about our credit rating can be found on page 281.

Consistent dividend pay-outs

BRAC Bank enjoys a proven track record of delivering consistent dividend pay-outs over the years. Aligned with this legacy, we have declared a total dividend of 15% (7.5% cash and 7.5% stock) for the year 2021, which also portrays the bank's positive forward outlook. Dividend declaration trend over the last 5 years is highlighted in below:

	2021	2020	2019	2018	2017
Dividend	15%*	15%	15%	15%	25%

* Proposed

Stable financial performance

In 2021, we continued to deliver financial results maintaining consistency similar to the past, which is evident in our financial statements (page 372 to 498) and financial highlights (page 149). This was the primary basis of conclusion of our going concern status.

Cash flow forecasting

Cash flow forecasting is a critical procedure that we use to assess the going concern approach. It indicates whether the bank would have any cash flow challenge over the next 12 months. Positive operating cash flows indicate that the bank does not have any cash flow challenges, which is evident in our financial statements (page 394).

Capital adequacy sustainment

As per Bangladesh Bank guidelines regarding Basel-III implementation, banks are required to maintain a capital-to-risk weighted ratio (CRAR) of 12.5% (including capital conservation buffer) of total risk weighted assets (RWA).

During the year 2021, BRAC Bank, both on standalone and consolidated basis, maintained CRAR well above the minimum requirement of 12.5%. Details are given in note no. 17.8 of the financial statements on page 453.

b) Operational Indicators

Healthy and diversified business portfolio

At BRAC Bank, we have achieved consistent growth in our credit portfolio, while also remaining focused

	2021	2020	2019	2018	2017
Average length of service (in years)	7	6	4	4	4

The above table portrays a healthy workplace environment at the bank with high employees satisfaction. Details of our human capital can be explored from page 91 & 215 onwards in this report.

Optimisation in perks

BRAC Bank did not seek to make any deep or sudden withdrawals in health benefits, pension plans, or other perks during the Covid-19 period. These indicate organisational solidity and indicate sufficient cash surplus to meet short-term obligations when they fall due, thus securing the bank's going concern position over the foreseeable future.

c) Other indicators

Robust governance standards and ethical conduct

"Governance is beneficial to all our stakeholders as it enables sustainable long-term value creation."

Our Board continues to demonstrate a deep commitment to strong and effective oversight and governance. It remains instructive in facilitating the strengthening of the bank's governance

on maintaining portfolio diversity and strength, represented by our three core business segments – SME, Retail and Corporate. Our overall growth and portfolio mix can be found in the Directors' Report on page 126.

Our people resources and culture

In 2020, the bank recruited highly talented employees and provided 177,437 person-hours of training during the year. Average length of service of an employee at BRAC Bank was 7 years in 2021 (6 years in 2020). Average length of past service over the 5-year trend as per actuarial valuation report of Z. Halim and Associates is provided in the below table:

structures, with the experience of the Board and the Management Committee helping maintain the highest standards of corporate oversight and control safeguards to protect the interests of all our stakeholders at all times. This helps the bank fulfil its functions as a responsible corporate citizen. More details are provided in the Corporate Governance Report from page 245.

Risk governance

At BRAC Bank, our Board is eventually responsible for effective risk management and expects every employee to adhere to our high standards to enable the bank to eventually achieve its vision of being the best bank in Bangladesh. Details of our risk management practices can be found from page 311 onwards in this report.

Our technological investments

Digital technology has been pivotal in driving financial inclusion across Bangladesh. It has emerged as the most vital tool for banks and financial institutions, as it helps to bring banking to the doorstep or fingertip of customers, thereby enabling unparalleled levels of efficiency and also a deep competitive advantage.

BRAC Bank has improved its operational and digital platforms via consistent technological investments. The bank continues to accelerate its automation journey, with specific focus on digital customer

onboarding. Some of the bank's key automation initiatives are unique in the industry, like instant receipt of inward SWIFT copy, document arrival notice, all trade advice, etc. This focus on ensuring a pervasive digital culture positions us well for the future.

No legal proceedings

Currently, the bank has no legal proceedings against it, which includes any pending liabilities and penalties related to the violation of environmental or other laws. This also helps build on its status as a going concern.

No top management defections issues

Senior management defections generally speak adversely of an organisation; it's seldom good news. At BRAC Bank, this is far from the case, as no top

management defections have existed, pointing to a healthy corporate workroom and culture environment.

Changes in government policy

BRAC Bank's management anticipates no significant changes in legislation or government policy, which may materially or adversely impact the overall industry in general and the bank in particular.

Forward outlook

As the BRAC Bank focuses on leading the transformation, it's pioneering positioning, together with its next-gen systems and processes along with a deep and wide product portfolio, makes us confident that the bank will remain as an essential public institution and a national asset in 2022 and beyond.

RISK MANAGEMENT



From the Desk of Chief Risk Officer

Ahmed Rashid Joy
Head of CRM and Acting CRO



At BRAC Bank, despite continuous uncertainties in our operating environment brought on by the “shock event” of the Covid-19 pandemic, we demonstrated continued organisational resilience and ability to manage emerging risks consistently across the business, in line with our well-defined risk perimeter. The bank’s principal risks are outlined along with actions taken to manage them, ensuring our reinforced ability to achieve our strategic goals.

Dear shareholders,

Through this review in Annual Report, 2021, I am pleased to provide an update on BRAC Bank’s risk governance and control.

Risk governance overview

The year 2021 was a challenging one due to ongoing pandemic. The recovery has continued to be uneven. However, the potential impact of new variants has also contributed to further uncertainty around the globe. Yet, at the time of drafting this

report, the pandemic had significantly abated and many scientists opined that it had likely reached the endemic stage. This portends good news for the global and Bangladesh’s economy. However, the ongoing geopolitical situation has stoked inflationary pressures and commodity inflation, coupled with tightening fiscal measures, which means an uneven recovery.

At BRAC Bank, our risk management approach is at the heart of our business and is core to us achieving sustainable growth and performance. We continue to demonstrate resilience, as evidenced

by our strong capital and liquidity metrics. While credit risk remained elevated on account of the pandemic, changes in the pandemic-induced internal and external operating environment, including non-financial risks, such as fraud, information and cybersecurity risks, remain heightened. As a measure anchored on prudence and caution, we continued

to enhance our operational resilience and defenses against these risks, especially as we adapted to more agile ways of working.

In 2021, we identified key risk drivers/events and took sufficient action with a view to mitigate these. A dashboard view is presented below:

Risk group	Key risk drivers	Major actions taken
 ECONOMIC Related major risks: - Credit risk - Financial risk	<ul style="list-style-type: none"> Recessionary pressure has subsided, while economic recovery and growth is expected Mass Covid-19 vaccination has accelerated globally, and most major countries have reached herd immunity, allowing economic activity to resume Inflation risk remains elevated due to rising commodity prices, triggered by the geopolitical conflict and monetary expansion. 	<ul style="list-style-type: none"> Proactively monitoring the broader economic landscape and realigning the bank's portfolio and business strategy accordingly Continuously build data analytics/ dashboard view to align with our journey towards data-driven decision-making Deliver actionable risk intelligence by providing tailored plans to identify new revenue pools, manage asset quality and identify emerging risks in the operating environment
 IT/TECHNOLOGICAL Related major risks: - Cybersecurity risk - Non-financial risk	<ul style="list-style-type: none"> Accelerating process digitisation, innovation and new tech adoption to expand our competitive lead Heightened regulatory expectations to ensure system availability and security 	<ul style="list-style-type: none"> Launched mobile banking app, "Astha", taking into account a holistic view of attending risks and their mitigation Used tech to ensure productivity and efficiency enhancement Continuously evolved strategies to bolster resilience against cyberthreats Ensured enhancement of IT infrastructure/security to intensify customer data protection
 SUSTAINABILITY Related major risks: - Credit risk - Market risk - ESG risk	<ul style="list-style-type: none"> Increased expectations of stakeholders and regulators with regards to sustainable practices Heightened focus on ESG and responsible stewardship in investment decision-making 	<ul style="list-style-type: none"> Sound credit ratings from local and international agencies Focus on credit ratings of loan clients, paired with stringent pre-credit analysis Increased capacity-building initiatives for employees, including for the bank's credit underwriting team

Building on our defences in 2021

Digitalisation and technological advancement remained a key priority of 2021, where we adopted a number of strategies, such as automation in lending module, process re-engineering and IT security advancement. Digital banking is here to stay and we are committed to advancing our position in this realm, bolstering our digital banking ecosystem to ensure a safe digital ecosystem. We continue to ensure that our Risk Management Framework evolves accordingly to keep pace with new business developments and asset classes.

Despite the challenges of the pandemic, our solid foundation has helped us to deliver satisfactory performance with a resilient risk profile and improved asset quality. The year demonstrates our commitment to robust and sustainable growth, with continued improvements across several metrics reflecting our concerted risk management efforts amidst the pandemic. Today, we remain vigilant to the continued impacts of Covid-19 and an uneven recovery across markets.

At BRAC Bank, we view strategic risk management as transversal, cutting across various divisions, projects and practices throughout the organisation. As a result, we have developed a customised operating model that includes necessary governance procedures and tools required to maintain effective risk observance and control.

We keep a close watch on external developments, such as competition, regulation and market conditions, as well as changes within our own operations, to test whether our strategy has to be revised and appropriate mitigating factors, remediation plans and controls are in place. The strategic risk function comprises critical areas from the first and second lines of defence to assure that potential countermeasures are activated at short notice. This was best exemplified during the peak of the pandemic, when remote working was actuated and we assured full risk control despite distributed working.

Moreover, under stressed assumptions, we identified, assessed, monitored and managed risks that could influence our performance, liquidity or capital requirements, especially regulatory capital.

Amid the regrettable hardships of the pandemic, if there was a silver lining it is that it has enabled us to bolster and build on previously identified threats, such as cybersecurity, macroeconomic and geopolitical

PRINCIPAL RISKS AND MITIGATIONS

1 CREDIT



- Robust credit policy and processes
- Risk control framework
- Risk-based model
- Robust monitoring



2 MARKET



- Risk limits
- Robust model
- VAR and stress tests
- Strict compliance and monitoring



3 IT & CYBER



- Technology upgradation with control features
- Redundancy and business continuity planning
- Strict compliance and monitoring



4 OPERATIONAL



- Policy and procedures in place for people, processes, systems and other external issues
- Compliance and monitoring



5 CLIMATE



- Dedicated climate risk program
- Preference to green projects
- Robust monitoring and compliance

threats, and how we might safeguard the bank's interests in high-risk circumstances. Further, we also embraced a more holistic approach to climate change-related risks outside of the regulatory framework, in the belief that the pandemic will encourage policymakers and civil society to focus more intensely on climate action and environmental governance.

At the bank, our Board sets the overall responsibility for risk management, and the senior management oversees the transformation of the strategies into operational policies, procedures and actions for effective risk control. The senior management is well-cognisant of the bank's activities that could expose it to various risks and has thus ensured a strong risk profile with ongoing open lines of reporting to the Board Risk Management Committee.

Risk management diagnosis

As part of our focus on strengthening the bank-wide risk management framework in the context of Covid-19 challenges and adoption of relevant sectoral best practices, we engaged a renowned Development Financial Institution (DFI) in 2021.

The DFI conducted a comprehensive diagnosis of our risk management policies, systems and practices. The analysis covered dimensions, such as risk governance, credit risk, market risk, liquidity risk, interest rate risk and operational risk.

Based on the diagnosis, the DFI provided recommendations that will support the design and implementation of our future risk management initiatives. The diagnosis also helped discover many embedded strengths of our risk management practices in line with good risk governance practices, such as structure and mandate of risk management committees, meeting regulatory requirements, 1st line structure around operational risks and ALM, loss recognition and provisioning, credit scoring methodologies, credit risk identification measures, and so on.

In order to attain benchmark levels of risk management standards as per the recommendations of the DFI, we have started exploring and adopting modern technologies and techniques, including loan origination system, collection system, credit scoring, alternate credit scoring, early warning system, expected credit loss methodology, business intelligence tools, advanced data analytics, etc.

Keeping a lookout for emerging risks

As part of our continuous risk identification process, we have identified a number of ongoing and emerging risk areas, which may exert an impact on our business.



Uncertainties from Covid resurgence

Continued economic uncertainty resulting from the pandemic could adversely impact our revenue assumptions, notably volume growth. Our operations have been resilient throughout the pandemic. We continue our integrated efforts to monitor the evolving macroeconomic situation closely and takes steps on an "as and when required" basis.



Geo-political and macroeconomic risks

Heightened tension across the geopolitical landscape defined by the Russian invasion of Ukraine could also have cascading implications for the broader economy. We continue to monitor extraneous developments and seek to manage the associated impacts on our customers and business.



Risk from technological advancement

Rapid adoption of new technology and automation may have impacts on our business and customers. We closely monitor and assess the potential for consequent defalcation instances and the resulting impact on payment transparency and architecture.



Data governance risk

We protect our customers and the organisation by making focused investments in capabilities that enable us to superintend data risk. Data security risk has become pronounced amid Covid-19 and in the wake of heightened geopolitical tensions. Thus, controls from the cyber and cloud domains are leveraged for data management risks, where deemed appropriate.

On an overall basis, at BRAC Bank, we foster a risk-aware culture premised on sound risk management techniques, thus reaffirming public trust in our institution, while also moving closer to our aim of becoming Bangladesh's best bank. Going forward, we will ensure that the bank's risk management framework continues to remain highly defensible to evolving external and internal developments, thereby expanding our institutional capabilities to

create dependable long-term value for all.

Thank you for your continued faith in us. We really value it.

Sincerely,

Ahmed Rashid Joy

Risk Management Framework

'Three Lines of Defence' strategy segregates tasks for effective risk management

The management of risk is a critical factor in the execution of BRAC Bank's strategy. The material risks and uncertainties that the bank faces throughout its business and portfolios are a critical focus area of the management. Thus, considering the seriousness of the function, the bank has developed its 3 lines of defence risk governance model that helps it to

comprehensively address risks on an ongoing basis.

Our Executive Risk Management Committee (ERMC) lays out a clear line of defence approach that allows the bank to prevent risk from occurring, while also assuring adequate mitigation or management of current risk. In a way, it articulates our risk appetite and risk limits.

Our 3 lines of defence model is indicated below:



First line of defence

Employees engaged in the revenue-generating and client-facing areas of the bank and the extended Group (including subsidiaries) and all associated support functions, including finance, treasury and human resources. The first line is responsible for identifying and managing the risks they generate, establishing a control framework and escalating risk events to risk and compliance, including the Risk Management Committee (RMC).



Second line of defence

This is comprised of the risk and compliance functions. The role of the second line is to establish the limits, rules and constraints under which first line activities shall be performed, consistent with the risk appetite of the Group, and to monitor the performance of the first line against these limits and constraints. Limits for a number of first line activities related to operational risk are set by the first line and overseen by the Chief Risk Officer. These remain subject to supervision by the second line.



Third line of defence

Internal audit, which are responsible for providing independent assurance over the effectiveness of governance, risk management and control over current, systemic and evolving risks. The Legal function provides support to all areas of the bank and is not formally part of any of the three lines. However, it is subject to second line oversight.

As a result of our three lines of defence model, we are able to not only prioritise risk management, but also establish and nurture a 'risk-aware' culture across the bank, which helps to ensure the bank's long-term sustainability.

The net outcome is that we are able to ensure steady growth while staying within the framework of our risk appetite, which is yet another foundational factor of

our responsible growth philosophy.

Risk management statement

To be a risk-mitigated bank and enable a risk-aware culture at all times for maximising client and shareholder assets on the one hand, while seizing relevant opportunities on the other, we strike the right balance between capital preservation and optimisation (risk/reward).

6 facets of our risk management statement

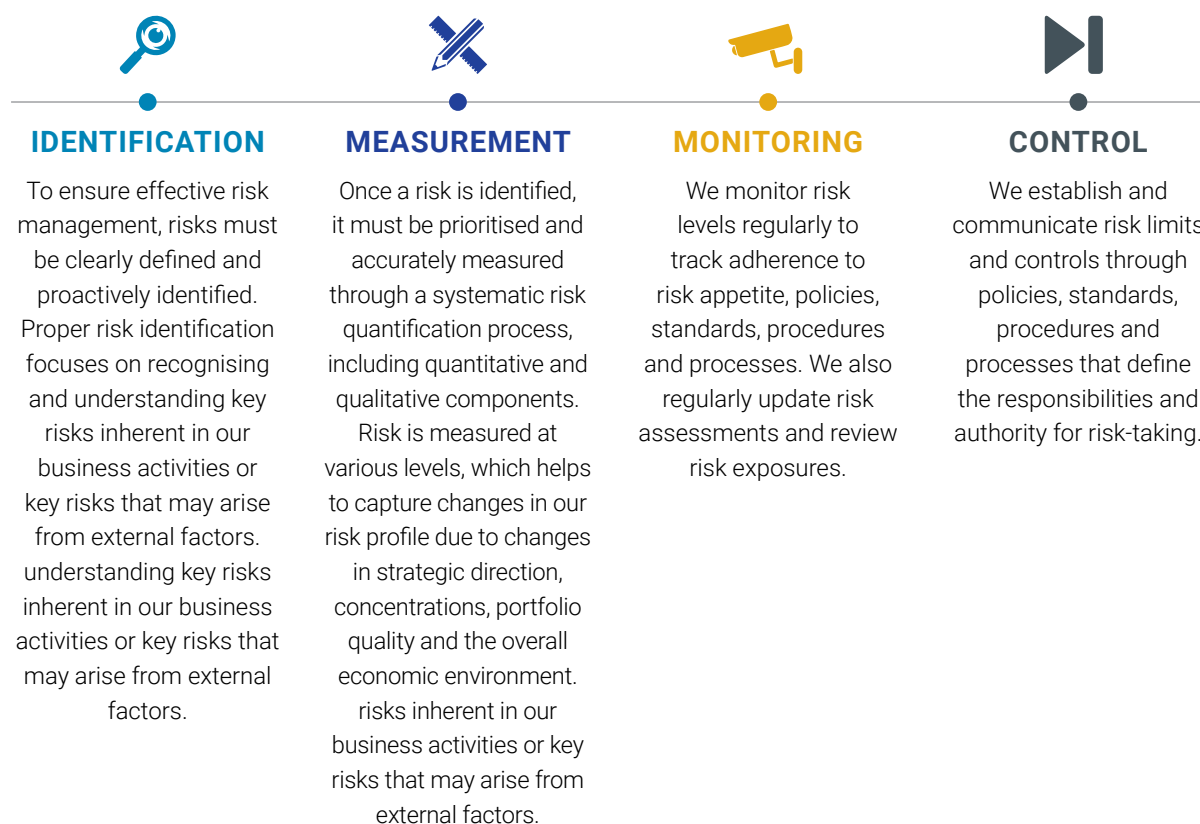


Risk management policy

The bank's risk management policy requires that strong risk management processes are integrated in key strategic, capital and financial planning processes and in the day-to-day business processes across the bank, with the goal of ensuring risks are appropriately

considered, evaluated and responded to in a timely manner.

Our risk superintendence process is enshrined in our risk management philosophy, which refers to risk identification, measuring, monitoring and control, as part of our daily activities.

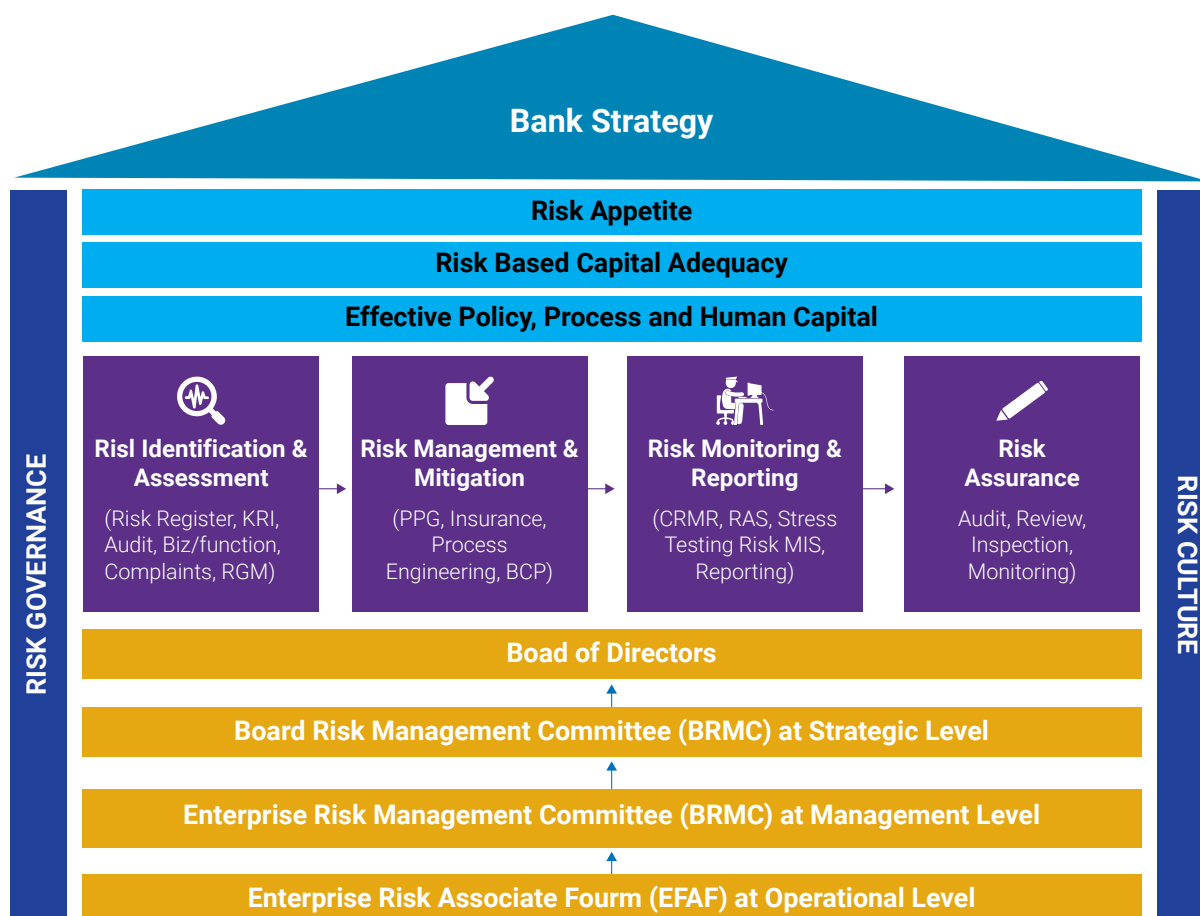


The edicts of BRAC Bank's broader risk management policy



Risk management framework

BRAC Bank's risk management framework (as demonstrated in the figure below) articulates a holistic agenda for ensuring an effective and inclusive risk control throughout the organisation at all times.



Risk assessment, escalation and mitigation process

Our co-workers make every effort to identify risks within their own domains and resolve these in coordination with their supervisors.

However, if the risk remains unresolved, it is escalated to Enterprise Risk Associates Forum (ERAF) for resolution. Subsequently, issues that require the top management's guidance are placed at the Executive Risk Management Committee (ERMC).

ERAF convened bi-monthly and ERMC convene every month to identify, address and mitigate risk.

For expeditious risk mitigation, a high-level committee comprising senior management, the Enterprise Risk Governance Forum (ERGF) has been instituted. Eventually, for Board's oversight and guidance, critical risk elements are highlighted in the Board Risk Management Committee (BRMC). This framework ensures holistic risk identification, management and mitigation process.

Risk Governance



Policy and governance framework

A Board-approved policy is in effect for each core risk pools- credit, AML, ALM, FX, ICT and ICC. Due to the evolving nature of risk and major external developments, like the Covid-19 pandemic, the bank amends or updates policies from time to time.

Board oversight

BRAC Bank's Board is responsible for establishing the bank's overall strategy and other significant policies relating to individual risk elements. A Board Risk Management Committee (BRMC) is responsible for the bank's overall risk management functions.

Board of Directors' Responsibilities	Board Risk Management Committee's (BRMC) responsibilities
<p>Our Board offers solid leadership in managing risk. Some of the key measures undertaken by it include:</p> <ul style="list-style-type: none"> Assigning sufficient authority and responsibility to risk management among concerned officials Ensuring uninterrupted information flow to RMD for effective risk control Monitoring the bank's performance vs. overall risk profile through reviewing various reports 	<ul style="list-style-type: none"> Ensuring an adequate framework for managing risk within the bank Developing and implementing appropriate strategies for risk assessment and its control Formulating and reviewing (at least annually) risk management policies and strategies for effective risk management Monitoring implementation of risk management policies and processes to ensure effective prevention and control Supervising the activities of the ERMC Ensuring compliance with Bangladesh Bank's guidelines on core risk management

Board of Directors' Responsibilities	Board Risk Management Committee's (BRMC) responsibilities
<ul style="list-style-type: none"> Articulating the risk appetite, risk tolerance limits, etc., in line with strategic plans Ensuring capital adequacy and provisions to absorb losses resulting from any risk Ensuring that internal audit reviews the credit operations, foreign exchange operations and securities portfolio management functions, etc., to assess the effectiveness of the internal control system Monitoring the function of the BRMC 	<ul style="list-style-type: none"> Ensuring review of risk appetite and limits and recommending these to the Board for approval Approving record-keeping and reporting systems and ensuring their proper use Analysing existing and potential risk issues, taking decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow-ups for sufficient implementation Submitting proposals, suggestions and summary of BRMC meetings to the Board at least on a quarterly basis Complying with instructions issued from time to time by the regulatory body Ensuring appropriate awareness of proper risk management amongst junior managers and staff Ensuring sufficient and efficient staff resources for the RMD Establishing standards of ethics and integrity and enforcing these standards Assessing the overall effectiveness of the risk management functions on an annual basis

Engagement of the bank's Management in risk governance

The bank's senior management owns the responsibility for the implementation of risk policies and procedures, in line with the Board-specified strategic direction and risk appetite. There is clear line of sight for escalation of any identified risk.

Executive Risk Management Committee (ERMC)	Enterprise Risk Governance Forum (ERGF)	Enterprise Risk Associate Forum
<p>The bank's senior management is involved in resolving organisation-wide risk issues through ERMC. This Committee is headed by the Chief Risk Officer (CRO). ERMC oversees all matters relating to risk management, especially in recommending policies and guidelines for effective risk management to the Board. The functions of ERMC include:</p> <ul style="list-style-type: none"> Identifying, measuring and managing existing and potential risks Convening a meeting at least once a month based on the findings of risk reports and taking decisions for mitigation 	<p>ERGF is a platform for the bank's staff to obtain solutions to issues related to operations, risks and hazards. This forum comprises all the heads involved in risk, control, compliance, governance and security. All queries are responded to by the senior management. This forum effectively acts as the single-point contact for swift and prompt risk response and resolution. They meet as and when required.</p>	<p>Enterprise Risk Associate Forum (ERAF) consists of risk managers/associates from business and support functions that ensure proactive risk identification, assessment, reporting and monitoring. ERAF is chaired by the Head of Risk Management and meet as and when required, but also at least bi-monthly. The forum specifically addresses the following:</p> <ul style="list-style-type: none"> Promote risk-aware culture and work closely with the Risk Management Division (RMD) to ensure initiatives are in place for risk-controlled outcomes Work as an active risk manager of respective unit by identifying departmental risks and performing necessary analysis

Executive Risk Management Committee (ERMC)	Enterprise Risk Governance Forum (ERGF)	Enterprise Risk Associate Forum
<ul style="list-style-type: none"> ▪ Submitting proposals, suggestions and summary of ERMC meetings to the MD & CEO and BRMC ▪ Implementing the decisions of BRMC and Board regarding risk issues ▪ Assessing requirements of adequate capital in line with risk exposures ▪ Determining risk appetite limits aligned with strategic planning ▪ Contributing to the development/updating of risk policies ▪ Following up on reviews and reports from Bangladesh Bank and informing BRMC on issues affecting the bank's operations ▪ Organising Annual Risk Conference 		<ul style="list-style-type: none"> ▪ Escalate respective risks to the Risk Management Division on a monthly basis for discussions and suggest mitigation in monthly ERAF meetings ▪ Finalise enterprise-level risk issues to ERMC meeting for management's evaluation and resolutions ▪ Implement ERMC resolutions and monitor risk mitigation process within the given deadline and update status to ERMC ▪ Assist Risk Management Division for developing and implementing business continuity plan (BCP) ▪ Perform necessary activities and support the RMD to implement risk management policies

Committees and forums responsible for risk management

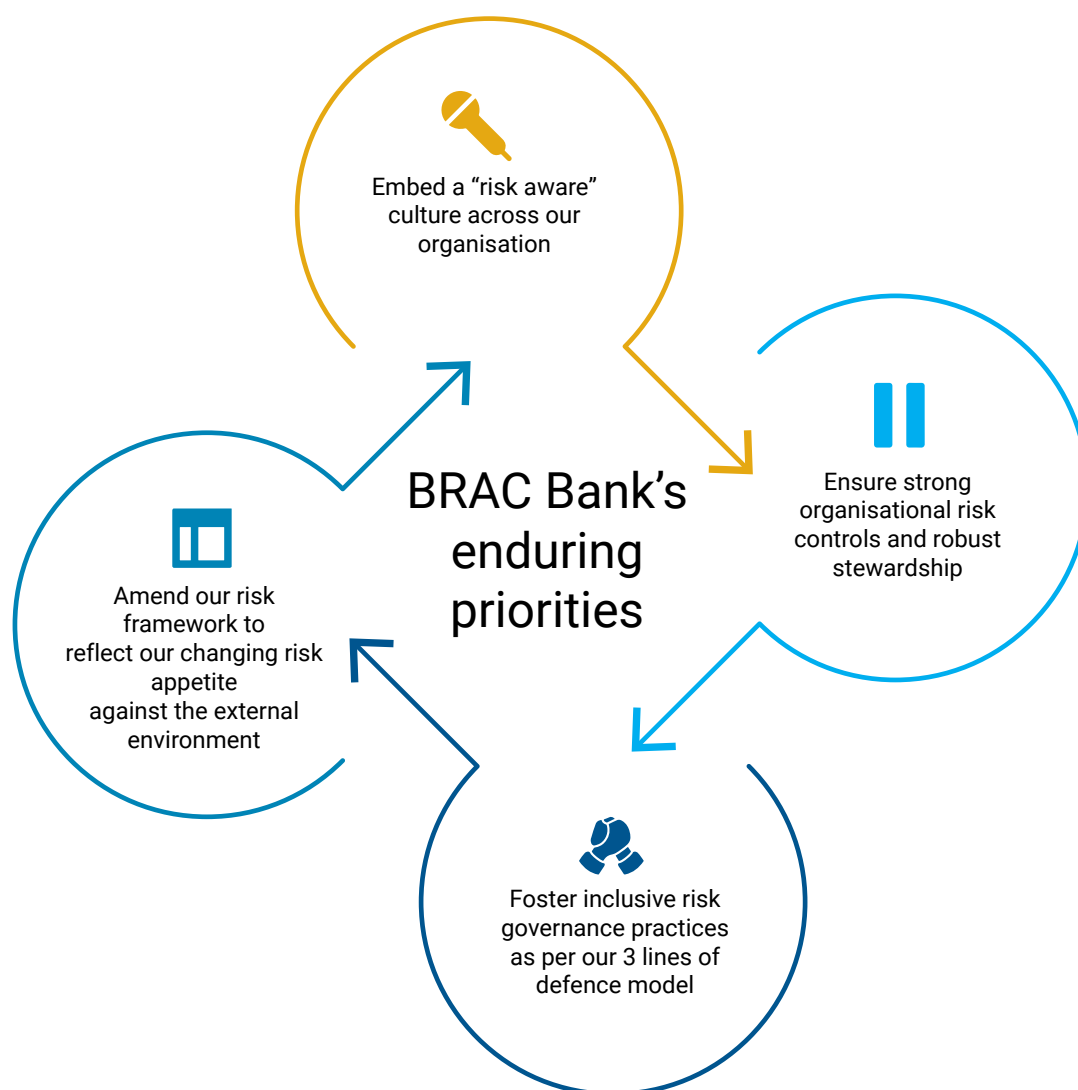
Even though BRAC Bank has a unique culture that seeks risk resolution in a manner where every organisational layer is involved, it has also structured entities to govern and oversee the risk management function. Keeping in mind the inherent nature of risk, BRAC Bank has several committees comprising its key personnel with direct involvement of the management as well as the Board that oversees the material risks facing the bank.

Committee in-charge	Roles and responsibilities	Represented by
Board Risk Management Committee (BRMC)	<ul style="list-style-type: none"> ▪ Oversees the bank's risk governance structure ▪ Responsible for the bank's timely risk management and risk assessment ▪ Sets up the bank's risk tolerance limits and appetite ▪ Supervises the bank's capital, liquidity and funding strategies 	Members from the Board of Directors
Executive Risk Management Committee (ERMC)	<ul style="list-style-type: none"> ▪ Sets out general principles for managing, measuring and monitoring risks ▪ Designs the enterprise risk management framework and reviews it periodically ▪ Regularly reviews the bank's risk profile to ensure effectiveness of the internal control system ▪ Develops risk response processes, including contingency and business continuity policies/plans 	Members from the Management Committee

Committee in-charge	Roles and responsibilities	Represented by
Basel Steering Committee	<ul style="list-style-type: none"> Oversees the implementation of Basel Accords across the bank, according to Bangladesh Bank guidelines Ensures proper assessment and allocation of adequate capital against the bank's own ICAAP outcomes Recommends the action plan and policies for developing bank-specific ICAAP document Conducts dialogue with Bangladesh Bank's SREP team to set up capital charge against various risks which fall under ICAAP 	Members from the Management Committee
Asset Liability Management Committee (ALCO)	<ul style="list-style-type: none"> Assumes liquidity risk to attain the bank's financial goals Monitors interest rate risks so that the bank retains its profitability margins and targets 	Members from the Management Committee
Credit Committee	<ul style="list-style-type: none"> Monitors credit risk and sets up a strategy for credit policy and procedures Reviews the bank's credit risk appetite and exposure Ensures compliance of credit limits, as approved by the Board 	Members from the Management Committee
Enterprise Risk Associate Forum (ERAF)	<ul style="list-style-type: none"> Connects employees from diverse locations to create a unified platform regarding risk awareness and mitigation Scrutinises possible root-cause of risk vis-à-vis existing and potential issues Meets at regular intervals to raise risk issues Chalks out action plans for effective risk mitigation 	Representatives from all the concerned departments
Risk Register (tool to flag risk)	<ul style="list-style-type: none"> Generates awareness about risk management at the individual level Enables individual employees to flag risk issues throughout the bank 	All employees of the bank

Risk Governance and Conduct at BRAC Bank

Banking is a business of trust and at BRAC Bank, we have always believed that our licence to operate is a function of the trust our stakeholders have placed in us. Thus, our ability to manage the risks inherent in our businesses and ensure that our conduct reflects sound ethical business practices and responsible behaviour, underpin that trust.



Measuring our strategic progress against our risk framework: What does success mean to us

- Doing the right business the right way, without exception
- Contributing to a safe and sound financial system
- Ensure full adherence to laws and regulations, with a conservative and austere mind-set
- Protect our reputation at all times
- Supporting national interests in the post-pandemic restoration of economic growth

Our approach to risk

At BRAC Bank, risk framework and control measures aim to strike the appropriate balance between our regulatory requirements, which demonstrate our ability to sustain financial stress and unexpected losses, and our shareholders' return expectations. Through our longstanding legacy, we have been able to balance the interests of all those who are associated with us- either directly or indirectly.

At the bank, our three lines of defence model defines three tiers of our risk perimeter, which are cascaded from our level 1 measures to more precise portfolio limits and enhanced supervision across micro risk clusters. Risk appetite is measured and monitored monthly against the limits set at the group and business unit levels, with robust Board oversight and supervision by the Board-appointed Risk Management Committee, which includes the bank's own Risk Management Division.

BRAC Bank's risk model's resilience and agility was tested in 2021, with the Covid-19 pandemic, among other fundamental sector-specific challenges. Our time-tested business model, supported by our robust risk governance framework and policies, ensured that we were able to not only adapt to and survive in the new restricted environment, but also create a platform to thrive in the pandemic's aftermath.

Some of the key initiatives we continued to adopt across the bank to assure risk-mitigated business operations, include the following:

- Initiated a thorough review of our asset book to identify accounts that could pose credit recovery challenges, and enhanced our engagement and attempts to reclaim outstanding credit from those accounts.
- Complied with government norms on moratorium, while keeping a sharp watch for any signs of asset deterioration
- All business units and corporate functions submitted quarterly conduct and governance dashboards to the Executive Committee, thus providing an accurate gauge of the prevailing business climate and steps taken to mitigate or accept risks

- Ensured effectiveness of recruitment processes
- Monitored transparency and effectiveness of our whistleblowing processes
- Adhered to compliance training requirements
- Monitored employee conduct and adherence to the bank's ethical standards
- Ensured effectiveness of money laundering prevention practices and information/data security processes

In addition to these efforts, we also engaged in managing and mitigating various risk issues throughout the year, facilitated by our dedicated risk platforms, including Risk Register, Key Risk Indicators (KRIs) and Risk Paper and Enterprise Risk Associate Forum (ERAF).

Moreover, key risk clusters were also escalated to the Executive Risk Management Committee (ERMC), which is the management-level committee for the enablement of adequate resolutions. Further, our Board continued to offer valuable guidance through its RMC with a view to enable the bank to deal more effectively with some of the more crucial areas, including asset quality issues, credit recovery, fund mobilisation, etc.

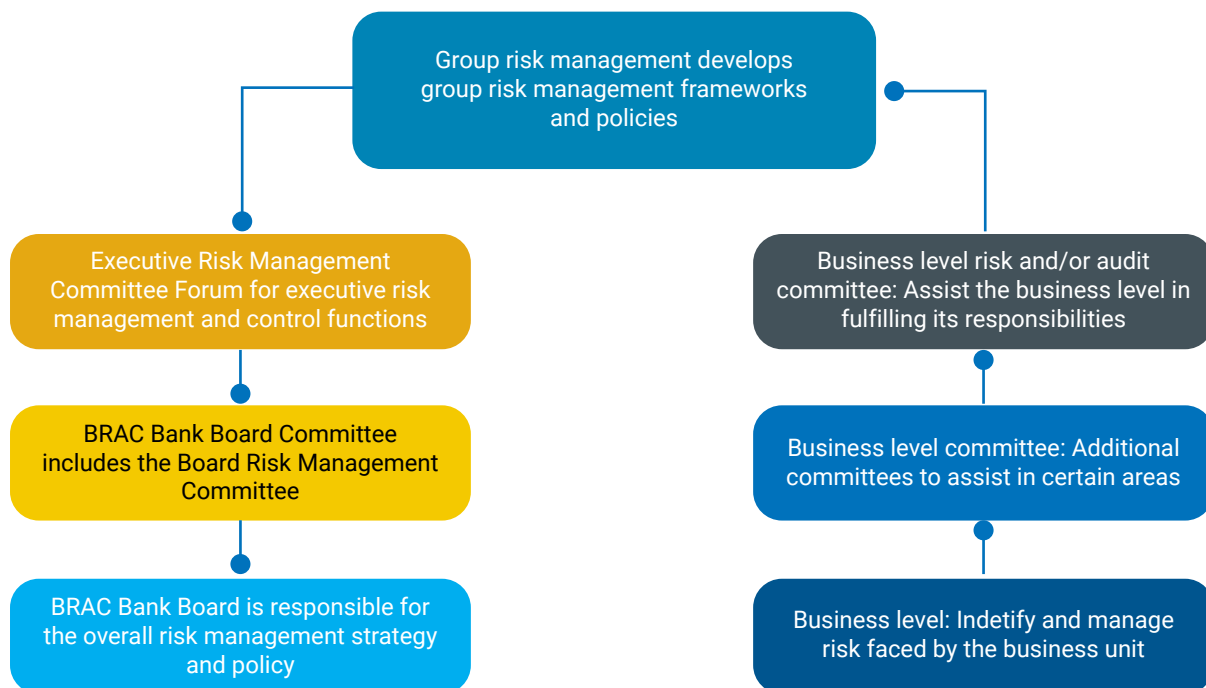
Risk governance

BRAC Bank's CRO (Chief Risk Officer) has an independent line of accountability to the Board through the Board's Risk Management Committee (BRMC).

The titular function of this role is to aid the Board in its implementation, review and approval of the enterprise-wide risk governance framework, which includes risk culture, risk appetite, risk limits and corresponding capital and liquidity needs. This role is supported by the bank's other internal control functions.

Thus, our combined assurance approach brings together all the key players to analyse and update critical risk inputs as well as identify any potential assurance or oversight gaps. Any identified gaps are escalated to the Board's risk committee. Key risks are jointly assessed by various assurance providers, as reflected in the diagram hereunder.

BRAC Bank's inclusive risk governance framework



Key stakeholder concerns

- Treating customers fairly
- Covid-19 related disruptions
- NPLs, recovery and credit provisions
- Protection against cybercrime and fraud
- Demonstrating the highest standards of ethics and integrity
- Compliance with laws and regulations
- Management of credit risk
- Safety and security of client data and assets

Related material issues

- Cybersecurity
- Credit recovery measures
- Stability and dependability of IT systems
- Progress on digital banking
- Reputational and operational risk
- Policy, regulatory and legal risks
- Constructive relationships with regulatory authorities
- Human resource capacity building

Risk disclosures

At the bank, our integrated risk management process is mature and is applied consistently throughout the bank and its subsidiaries.

Based on independent reviews and considered assessments presented to the risk committee, the Board is satisfied that the risk management

processes are adequate for identifying current and emerging risks and ensuring that these risks are managed appropriately.

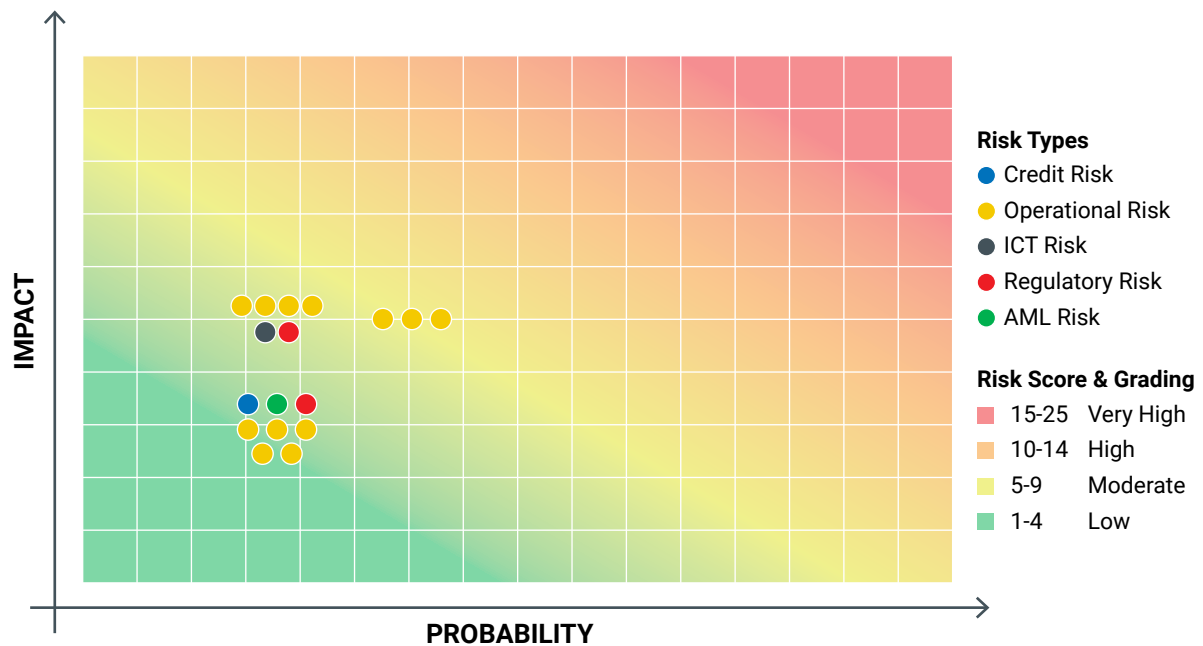
We monitor these risks on an ongoing basis and develop appropriate action plans to frame our response. The table below provides a detailed summary of our top risks:

Risk category	Risk insights	Risk mitigation and monitoring management
CREDIT	Potential for loss due to failure of a counterparty to meet its agreed financial obligations.	<ul style="list-style-type: none"> ▪ Robust policy Product Program Guidelines (PPG) and process ▪ Board Risk Appetite Statement ▪ Robust risk management models/tools ▪ Credit risk mitigation (collateral, credit guarantee scheme and guarantees, among others) ▪ Effective Credit Committee ▪ Strong monitoring systems
MARKET	Potential losses arising from changes in the value of assets and liabilities resulting from changes in market variables, such as interest rates, foreign exchange rates, equity prices, commodity prices and credit spreads, as well as their implied volatilities.	<ul style="list-style-type: none"> ▪ Set limit in the Risk Appetite Statement ▪ Policy formulation and compliance ▪ Analysis of VaR and gap ▪ Stress testing ▪ Monitoring and compliance
OPERATIONAL	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events	<ul style="list-style-type: none"> ▪ Operational policy and work ▪ Internal audit ▪ KRI review/ thematic review/ incident analysis/audit review risk review ▪ DC & DR ▪ Business continuity planning (BCP)
CYBERSECURITY	Business risk associated with the threat posed by a cyber-attack, cyber breach or the failure to protect most vital business of the bank.	<ul style="list-style-type: none"> ▪ Strong IT monitoring and surveillance ▪ Second line of defence: Information Security Team ▪ Tech upgradation and continual investment to ensure ICT security
COMPLIANCE	Risk arising due to violations of laws, rules and regulations.	<ul style="list-style-type: none"> ▪ Zero tolerance with regards to regulatory and compliance risk ▪ Continuous monitoring and management
REPUTATIONAL & SUSTAINABILITY	Potential loss to the bank due to inappropriate actions or activity or lack of governance oversight.	<ul style="list-style-type: none"> ▪ Proper policy, PPG and processes in place ▪ Strict monitoring and follow-up arrangements

Risk heat map

At present operational level BRAC Bank is managing different types of risks with proper mitigation. The robust risk management framework of the Bank and timeworthy risk initiative drive the risk rating at a very

managable level which is backed by risk appetite of the Bank. Currently there are number of ongoing risk which is managed efficiently throughout the year and as per management assesment level the key risk issues may be portraited in the following risk heat map.



Board Risk Management Committee

BRAC Bank's Board Risk Management Committee (RMC) is entrusted with the key responsibility of reviewing and managing the overall risk governance controls, systems and processes of the bank with a view to ensure operational continuity at all times.

RMC composition

RMC's major objective is to reduce, control or mitigate potential risks arising from the implementation of

Board-approved policies, procedures and strategies, while also engaging in scrutiny and supervision of the Risk Management Division (RMD) to ensure appropriateness and integrity of the risk mitigation process and framework.

The bank's RMC comprises 3 members as of 31 December 2021. Their details are given hereunder:

Sl. no.	Name	Status with the bank	Status on the RMC
1.	Ms. Fahima Choudhury	Independent Director	Chairman
2.	Ms. Farzana Ahmed	Independent Director	Member
3.	Dr. Zahid Hussain	Independent Director	Member

The Company Secretary of the bank acts as the Secretary of the Risk Management Committee.

Participation of non-members

Representatives of the risk management team participated in the meetings of the RMC. The Managing Director, DMD & COO, CRO, DMD and CFO attend the meetings of the Committee, together with other concerned members of the Management, as determined or invited by the Committee.

Roles and responsibilities of RMC

The roles and responsibilities of the Board's RMC are aligned with the Risk Management Guidelines for Banks, DOS Circular No. 04, dated 08 October 2018, and other best practices. A few of the key roles and responsibilities are highlighted hereunder:

- Ensure a robust structure for managing risk within the bank. RMC supervises the constitution of separate management-level committees and monitors their activities for ensuring compliance with major risk pools, such as lending risk, foreign exchange transaction risk, internal control and compliance risk, money laundering risk, and information and communication risk, including other risk-related guidelines.

- Articulation and implementation of appropriate strategies for risk assessment and its control. The Committee reviews the risk management process to ensure effective prevention and control measures.
- Formulating and reviewing (at least annually) risk management policies and strategies for ensuring sound risk management, as per the following:
 - o RMC reviews the risk management policy of the bank and amends the same as per requirements, from time to time. Any other policies related to risks, or where a review is required from the risk perspective, is vetted by the Committee (RMC), before obtaining the final approval from the Board.
- Supervising the activities of the Executive Risk Management Committee (ERMC).
- Ensuring compliance with Bangladesh Bank's instructions with regards to implementation of core risk management.
- Ensuring articulation and review of risk appetite and limits, and recommending these to the Board for their subsequent review and approval.
- Analysing comprehensively existing and probable risk issues in the meeting, taking appropriate decisions for sufficient risk mitigation, incorporating the same in the meeting minutes

and engaging in follow-up of decisions for ensuring appropriate implementation:

- o The Committee monitors the implementation status of the risk management policy and examines whether remedial measures have been taken to minimise risks. The Committee also keeps an eye on the summary of the activities and issues of the risk management forum, which is chaired by the Chief Risk Officer and named as ERM (Enterprise Risk Management Committee).
- o Assessing overall effectiveness of the risk management functions on an annual basis.

Sl. no.	Meeting serial number	Date on which the meeting was held
01.	34 th RMC meeting	28 February 2021
02.	35 th RMC meeting	24 May 2021
03.	36 th RMC meeting	23 September 2021
04.	37 th RMC meeting	08 December 2021

Major areas of discussion held by the RMC in 2021:

Core risk policy review:

To ensure promulgation of sound risk management practices, core risk policies were reviewed by RMC members. Each policy was discussed on different aspects, such as compliance of policy review methodology, major changes and rationale for their changes, addressing regulatory aspects, etc. Respective policy owner and independent reviewer comprising Internal Control & Compliance team and subject matter experts confirmed that the above-mentioned aspects were taken into consideration while formulating the policy. The policies that were reviewed by BRMC members are as follows:

- Asset Liability Management Policy & Contingency Funding Plan
- Credit Risk Management Policy
- Risk Management Policy
- Fraud Risk Management Policy
- FOREX Risk Management Policy
- Investment Policy
- Policy for Financing MFIs
- ICT Security Policy

BRMC meetings during the year

Bangladesh Bank has advised BRMC to hold at least 4 meetings in a year. The Risk Management Committee of BRAC Bank convenes once every two months, but an emergency Risk Management Committee meeting can be called, if required. A total of 4 (four) Risk Management Committee meetings were held during 2021, during which detailed discussions and review sessions were held with the management regarding their findings, observations and recommendations on issues related to the bank's affairs that needed improvement. The meeting dates were as follows:

- Complaint Management Policy
- Collateral Valuation Policy

Trend analysis of residual risk

Residual risk trend of each of the major risks faced by BRAC Bank was presented to the BRMC forum with a timeline covering the last two years. BRMC members discussed the underlying reasons for the changes in the risk status of major risk areas. The major risk areas that were covered included credit risk, liquidity risk, market risk, ICT & cyber security risk, fraud risk, regulatory risk, business continuity management risk, safety & security risk, reputational risk and money laundering risk.

ICT and cybersecurity risk:

The Management acquainted the committee about a cyber-threat and the measures taken by the bank to mitigate this threat. The bank's head of Information Security discussed in detail the bank's cybersecurity control environment. He further discussed ongoing initiatives to strengthen the cybersecurity control environment.

Formulation of ICT risk appetite statement:

ICT risk appetite statement was reviewed by RMC members. They advised to focus on IT resiliency, key

resource/leadership management, IT risk monitoring, adaptability on govt. regulatory changes in ICT environment, etc. All such inputs were considered and the ICT risk appetite statement was formulated accordingly.

Risk management effectiveness report

A review report on the effectiveness of risk management functions were presented to BRMC members. The report contained discussion on following five key areas:

1. Risk Management Framework & Policy
2. Risk Management Process
3. Risk Management Culture
4. Sustainable Finance
5. Risk Reporting

Discussions took place around the ways in which risk management functions were carried out at the bank, including launching risk register portal for capturing key risk events, risk coordination meeting for resolution of risks, and development of a risk-aware culture through organising annual risk conference,

risk awareness workshops, monthly case studies, etc.

Credit risk

Credit risk was discussed across different aspects, such as top borrower concentration, their repayment performance, segment-wise credit portfolio health along with the trend analysis, etc.

Market risk

The Management informed the Committee about the overall market situation and related risks, like FX risk, interest rate risk, compliance status of regulatory/ internal limit position of BRAC Bank, etc.

Liquidity risk

The Management updated the Committee that all liquidity indicators were demonstrating solidity and were within the perimeter of all regulatory and internal limits.

AML risk

The Management updated the Committee on anti-money laundering and CFT risk and subsequent measures taken to mitigate these risks.

Reporting on Basel

Embedding resilience for long-term sustainability

3,842 cr

Minimum capital required along with capital conservation buffer under Pillar 1 (BDT)

4,413 cr

Regulatory capital maintained by BRAC Bank (BDT)

14.36%

Actual CRAR of BBL, 2021
(Requirement=12.50%)

12.89%

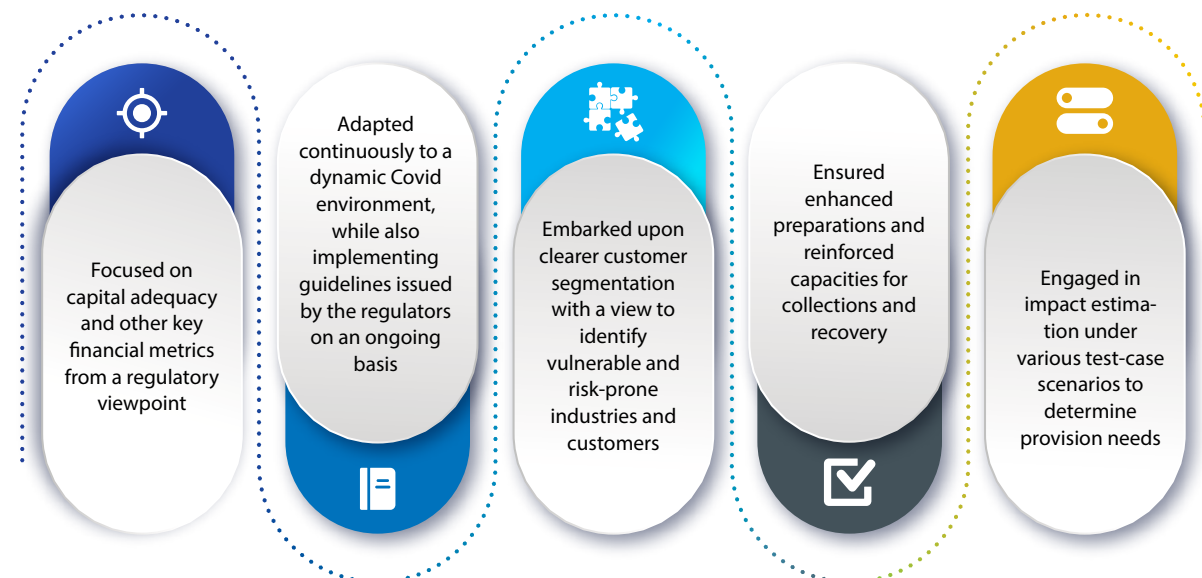
Actual CET-1 plus CCB of BBL, 2021
(Requirement=7.00%)

Advancing our risk-aware culture

BRAC Bank's Risk Management and Compliance function accelerates the bank's agenda in fostering a robust, safe, secure and sustainable banking enterprise that supports common prosperity among people and businesses. As a key focus area of implementing robust risk identification and control, the Risk Management and Compliance

function delivered simple, innovative and effective risk processes that empower our teams to make superior decisions faster, thus creating sustainable value for our stakeholders, including our customers and shareholders. As part of our focus on risk superintendence to counter adversities of the Covid-19 pandemic, we embraced the following initiatives as part of advancing a risk-aware culture:

Risk Culture of BRAC Bank



Our Board has also established a stronger focus on ethics and conduct, which deals with all policies, programmes and guidelines that inculcate and sustain a strong culture of responsible banking,

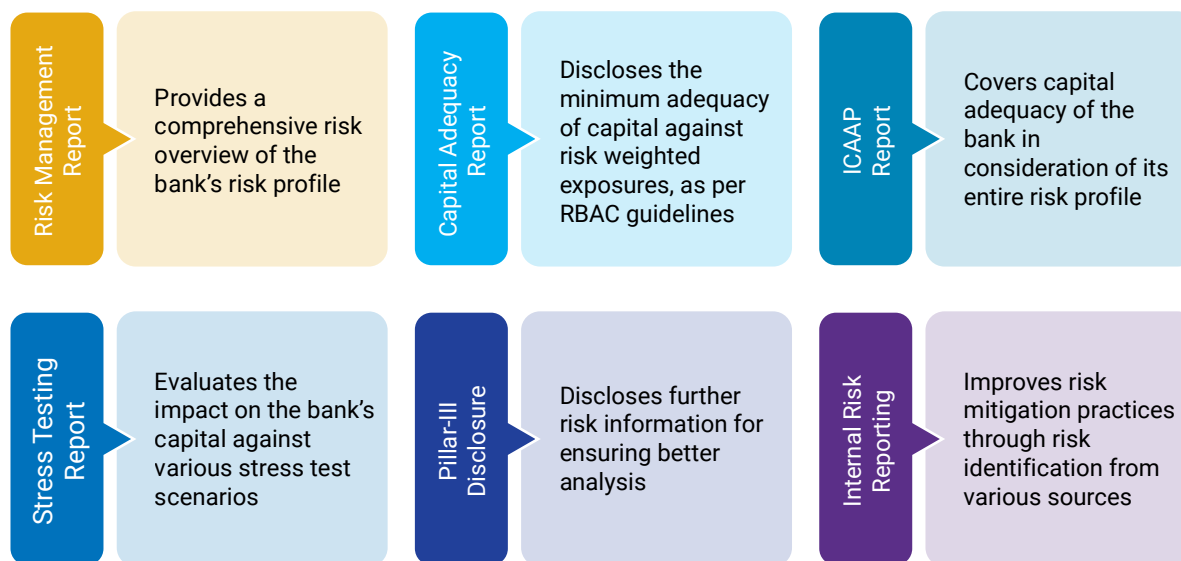
fair dealing and anti-defalcation. Our sound risk management practices are evident in the following key metrics.

Our risk reporting practice comprises comprehensive alignment with regulatory disclosures, while also fulfilling our internal requirements pursuant to the guidelines based on:

- Risk-Based Capital Adequacy (RBCA) for Basel-III
- Risk management guidelines as issued by our regulators

- Other relevant guidelines of the central bank

Further, we conduct Internal Capital Adequacy Assessment Process (ICAAP) at least annually to evaluate if we are able to maintain sound capital levels after conducting severe stress scenarios. Thus, implementing the Basel framework is an integral part of our efforts to bolster our risk management systems and processes.



Adopting the Basel-III international regulatory framework

The Basel-III accord was developed as a set of financial reforms by the Basel Committee on Banking Supervision, with the aim of further reinforcing regulation, supervision and governance within the banking sector, building on the previous accords of

Basel-I and II.

As a leading bank of Bangladesh and South Asia with a positive approach to improving compliance through espousal of international regulations, BRAC Bank has adopted Bangladesh Bank's guidelines on Basel-III since the accord came into effect in 2015. This is reflected in the following table:

	2015	2016	2017	2018	2019 onward
Minimum Common Equity Tier-1 (CET-1) Capital Ratio	4.50%				
Capital Conservation Buffer	-	0.625%	1.25%	1.875%	2.50%
Minimum CET-1 Plus Capital Conservation Buffer	4.50%	5.125%	5.75%	6.375%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00%	10.625%	11.25%	11.875%	12.50%

Minimum capital requirements under Pillar-I of Basel-III

The key characteristics of the Basel-III accord comprises the following:

- Raised the minimum capital requirements for banks from 2% in Basel-II to 4.5% of common equity, as a percentage of the bank's risk-weighted assets
- There is also an additional 2.5% buffer capital requirement that brings the total minimum requirement to 7%

- As of 2015, the Tier-1 capital requirement increased from 4% in Basel-II to 6% in Basel-III
- The 6% includes 4.5% of Common Equity Tier-1 and an extra 1.5% of additional Tier-1 capital

At BRAC Bank, we assessed the minimum capital requirements by evaluating our asset portfolio considered to be most risk-prone. These considerations comprised the following:



As per the phase-in transition guidelines of Basel-III, by the end of 2020, banks were required to maintain a minimum capital of 12.50% (including a capital buffer of 2.50%) against their total risk-weighted assets. In this context, BRAC Bank was successful in maintaining its capital levels above the minimum requirements of Basel-III from the year 2020 onward, thus reflecting robust adherence.

The Risk-Weighted Asset (RWA) detail is as below:

Risk-Weighted Assets (RWA)	31-Dec-21		31-Dec-20	
	BDT in crore	%	BDT in crore	%
Credit Risk	25,823	84%	22,397	81%
On- Balance sheet	24,181	79%	20,893	76%
Off- Balance sheet	1,642	5%	1,503	5%
Market Risk	1,613	5%	2,130	8%
Operational Risk	3,300	11%	3,091	11%
Total Risk Weighted Assets	30,736	100%	27,617	100%

In 2021, the bank was required to maintain minimum capital of BDT 3,074 crore and a capital conservation buffer of BDT 768 crore under Pillar I, whereby it maintained BDT 4,413 crore for the mentioned period.

ICAAP report under Pillar-II of Basel-III

Under Pillar-II of the Basel III accord, a bank must have an Internal Capital Adequacy Assessment

Process (ICAAP) in place comprising internal procedures and systems that ensure that the bank possesses adequate capital resources to cover all of its material risks. It thus encompasses the determination of economic capital as opposed to regulatory capital. Economic capital is the capital required to cover all risks that are estimated using the internal risk models of the bank.

At BRAC Bank, ICAAP is an integral part of the bank's processes and is embedded within the core of the organisation. The senior leadership, management team and our Board are supportive and fully engaged in the process. Notably, Bangladesh Bank's Supervisory Review Evaluation Process (SREP) ensures a regular dialogue with our Supervisory Review Process (SRP) team. This is then followed by a disclosure of results or evaluations of the bank's ICAAP.

BRAC Bank's SRP consists of the following:



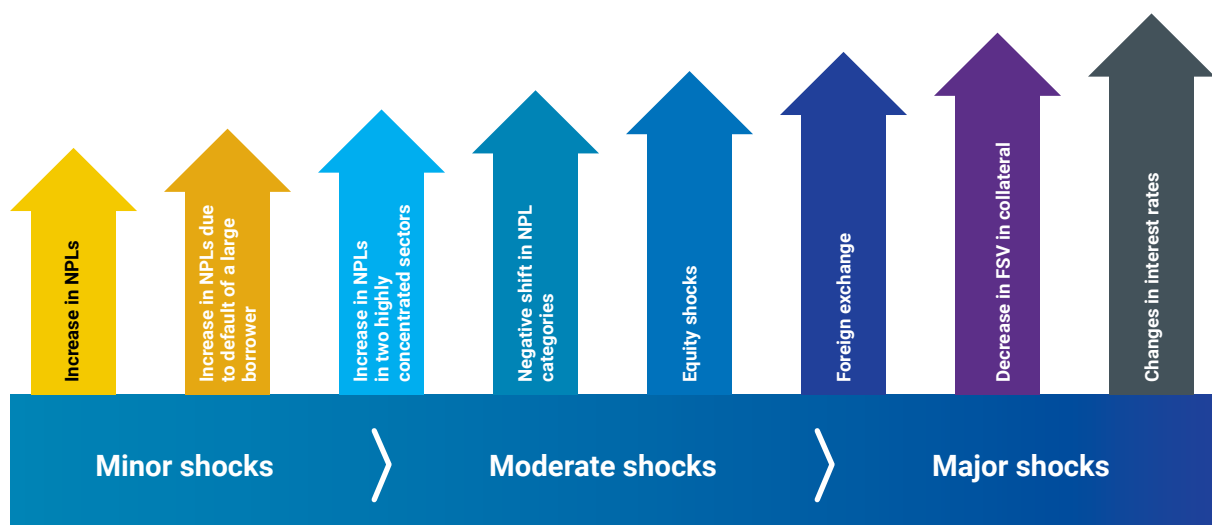
Market disclosure: Pillar-III of Basel-III

The revised Pillar-III disclosures on regulatory measures defined in Pillar-I of the Basel framework require banks to adopt specified approaches for measuring credit, market and operational risks, and their associated risk-weighted assets (RWA) and capital requirements. A key goal of the modernised Pillar-3 disclosures is to improve the comparability and consistency of disclosures.

Stress test

BRAC Bank engages in stress-testing to determine the sensitivity and stability of its capital base. This is conducted to assure market participants/stakeholders that the bank has sufficient capital to overcome any unfavourable or exigent situations.

The sensitivity of the bank's capital base is assessed in the following info-diagram:



The following methodologies are applied on a consistent basis to evaluate the impact of the above factors in the context of our SRP:

- Simple sensitivity tests: To determine short-term sensitivity to a single risk constituent
- Scenario analyses: To evaluate risk parameters (with low but positive probability) that change along with a pre-defined scenario, and the assessment of the impact of these parameters

Sensitivity	Assessment	Outcome	Result												
Negative shift in NPL categories	5%, 10% and 15% downward shifts in NPL categories in minor, moderate and major levels of shock, respectively	The bank's CRAR remains well above minimum regulatory requirement, even upon absorbing all three levels of shock, thus ensuring robust stability	<div><h3>Negative Shift in NPLs Categories</h3><table><thead><tr><th>Category</th><th>December, 2021</th><th>December, 2020</th></tr></thead><tbody><tr><td>Minor</td><td>14.12</td><td>14.42</td></tr><tr><td>Moderate</td><td>12.11</td><td>13.12</td></tr><tr><td>Major</td><td>11.93</td><td>13.00</td></tr></tbody></table></div>	Category	December, 2021	December, 2020	Minor	14.12	14.42	Moderate	12.11	13.12	Major	11.93	13.00
Category	December, 2021	December, 2020													
Minor	14.12	14.42													
Moderate	12.11	13.12													
Major	11.93	13.00													
Increase in NPLs	Indicates a bank's risk profile when NPLs increase significantly, anchored on the assumption that 3%, 9% and 15% of the performing loans will be downgraded to the bad/loss category with 100% provisioning requirement in minor, moderate and major levels of shock, respectively.	BRAC Bank's CRAR is impacted negatively after the assumed shock scenario. However, to overcome this issue, we place emphasis on asset quality improvement measures.	<div><h3>Increase in NPLs</h3><table><thead><tr><th>Category</th><th>December, 2021</th><th>December, 2020</th></tr></thead><tbody><tr><td>Minor</td><td>12.32</td><td>12.78</td></tr><tr><td>Moderate</td><td>7.84</td><td>8.68</td></tr><tr><td>Major</td><td>2.54</td><td>3.71</td></tr></tbody></table></div>	Category	December, 2021	December, 2020	Minor	12.32	12.78	Moderate	7.84	8.68	Major	2.54	3.71
Category	December, 2021	December, 2020													
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Moderate	7.84	8.68													
Major	2.54	3.71													
Equity shock	Demonstrates a bank's risk profile when market value of investment in shares/equity investment witnesses a considerable decline. It is determined according to the scenario when market value/price fall by 10%, 20% and 40% in minor, moderate, and major levels of shock, respectively.	BRAC Bank's CRAR remained above regulatory requirements, even after the application of all three levels of shock.	<div><h3>Equity Shock</h3><table><thead><tr><th>Category</th><th>December, 2021</th><th>December, 2020</th></tr></thead><tbody><tr><td>Minor</td><td>14.17</td><td>14.22</td></tr><tr><td>Moderate</td><td>14.44</td><td>13.53</td></tr><tr><td>Major</td><td>13.96</td><td>13.78</td></tr></tbody></table></div>	Category	December, 2021	December, 2020	Minor	14.17	14.22	Moderate	14.44	13.53	Major	13.96	13.78
Category	December, 2021	December, 2020													
Minor	14.17	14.22													
Moderate	14.44	13.53													
Major	13.96	13.78													
Interest rate shock	This metric demonstrates a bank's capital adequacy status when interest rates change sharply. It is premised on the assumption that interest rates will change by 1%, 2% and 3% in minor, moderate and major levels of shock, respectively.	BRAC Bank's CRAR remained strong, as compared to the minimum regulatory requirements, even after taking into account all three levels of shock.	<div><h3>Interest Rate Shock</h3><table><thead><tr><th>Category</th><th>December, 2021</th><th>December, 2020</th></tr></thead><tbody><tr><td>Minor</td><td>13.98</td><td>13.67</td></tr><tr><td>Moderate</td><td>13.58</td><td>12.68</td></tr><tr><td>Major</td><td>13.18</td><td>11.69</td></tr></tbody></table></div>	Category	December, 2021	December, 2020	Minor	13.98	13.67	Moderate	13.58	12.68	Major	13.18	11.69
Category	December, 2021	December, 2020													
Minor	13.98	13.67													
Moderate	13.58	12.68													
Major	13.18	11.69													

Sensitivity	Assessment	Outcome	Result
Foreign exchange shocks	Demonstrates the status of a bank when there is a considerable change in exchange rates. It is anchored on the assumption that exchange rates will change by 5%, 10% and 15% in minor, moderate and major levels of shock, respectively.	BRAC Bank's CRAR remains well above the regulatory requirement, even after considering all three levels of shock.	<div><div>Foreign exchange shock</div><div><div><div>Minor</div><div>Moderate</div><div>Major</div></div><div><div><div><div>14.27</div><div>14.30</div><div>14.34</div></div><div><div>December,2021</div></div></div><div><div><div><div>14.52</div><div>14.56</div><div>14.61</div></div><div><div>December,2020</div></div></div></div></div></div></div>

Risk management report

BRAC Bank is at the forefront of the government's post-pandemic economic revitalisation agenda. Though the major uncertainty related to the pandemic has faded, we will continue to maintain robust market surveillance for early identification of any exigent shocks.

Rightly so, as part of Bangladesh Bank's supervisory efforts in risk control across the banking industry, a risk management paper (CRMR and MRMR) was circulated, which has emerged as a strategic

approach to risk mitigation. BRAC Bank submits a comprehensive RMP (CRMR and MRMR) to Bangladesh Bank on a quarterly and bi-annual basis.

Internal risk reporting

BRAC Bank has created a dedicated resource base entrusted with risk management and control responsibilities, thus striving to ensure sufficient risk identification, escalation and mitigation tools and strategies. Moreover, the bank also monitors operational risks likely to occur across the organisation's diverse business operations.

Risk management tools and techniques



Notably, various existing risk factors and formations are structured to provide a "dashboard" view to assist in the comprehensive and continuous evaluation. This dashboard also enables our senior management to have a ready view of the risks faced by the bank, thus fostering an alert and risk-aware culture at all times.

Internal risk reporting coverage

Transaction-based testing (TBT)

- Development of terms of reference (ToR)
- Conducting transaction-based testing as per ToR

Exception transaction monitoring (ETM)

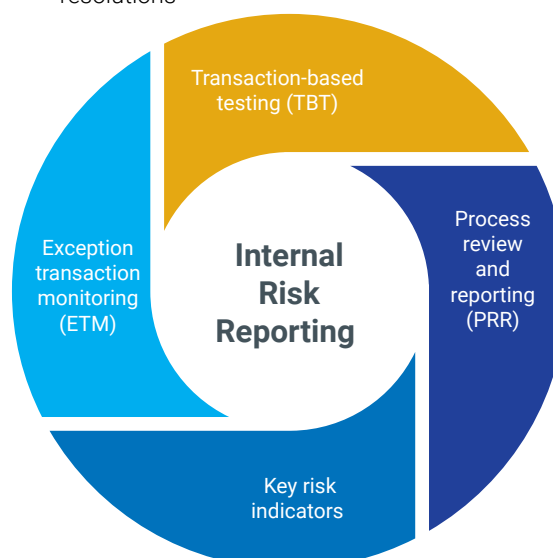
- Identification of exceptional/abnormal transactions
- Coordination with relevant stakeholders to verify authenticity and legitimacy

Key risk indicators

- Recognition of risk trends and the way they could impact the business
- Risk archival for future referencing

Process review and reporting (PRR)

- Ongoing dialogue with stakeholders to encourage a risk-aware culture
- Identify gaps and initiate commensurate resolutions



Disclosure on Risk-Based Capital under Basel III

For the Year Ended December 31, 2021



Anik Tower, 220/B, Tejgaon-Gulshan Link Road
Tejgaon, Dhaka 1208.

Disclosure on Risk-Based Capital under Basel III

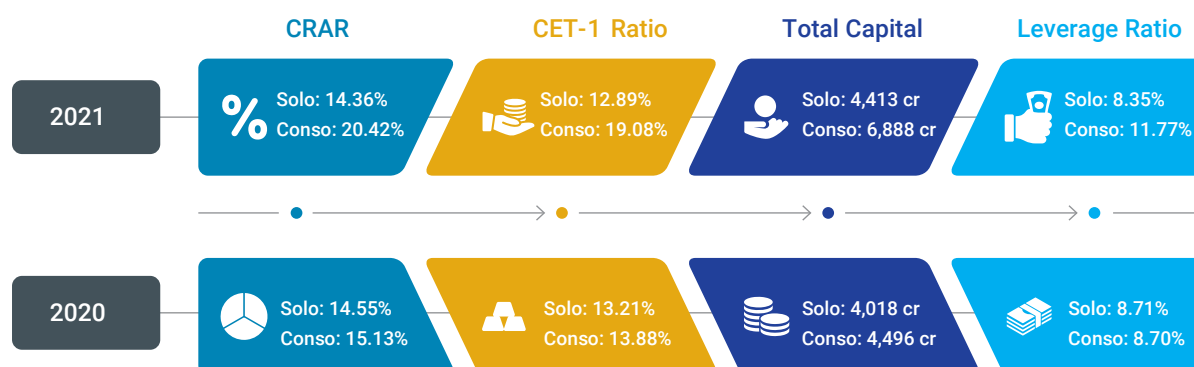
For the Year Ended December 31, 2021

Background

Basel III is an internationally agreed regulatory framework on capital adequacy developed by the Basel Committee on Banking Supervision (BCBS) in response to the financial crisis of 2007-09. Pillar III Market Discipline under Basel III: Revised Capital Adequacy Framework was introduced to complement the Pillar I: Minimum Capital Requirements and Pillar II: Supervisory Review Process; and to establish a more transparent and disciplined financial market so that stakeholders can assess the position of a bank.

BRAC Bank has adopted the Basel III framework as part of its capital management strategy, in line with Bangladesh Bank guidelines on Risk-Based Capital Adequacy (RBCA). Bangladesh Bank has specified the standard of Pillar III disclosure through the RBCA guideline (December 2010), which was subsequently revised in December 2014 with effect from January 2015. This disclosure framework has been developed in accordance with the RBCA guideline, which contains the key pieces of information on assets, risk exposures, risk assessment processes and capital adequacy to meet the risks.

Key matrices



Basel III at a glance

Basel III reforms were introduced to improve the banking sector's ability to absorb shocks arising from financial and economic stress, thus reducing the risk of spillover.

Basel III mainly addresses the following areas:

- Raise the quality and level of capital to ensure banks are better able to absorb losses on both a going concern and a gone concern basis
- Increase the risk coverage of the capital framework
- Introduce leverage ratio to serve as a backstop to risk-based capital measure

- Raise the standards for the Supervisory Review Process (Pillar 2) and Public Disclosures (Pillar 3)

While the implementation of Basel regulations in Bangladesh's banking sector began in 1996, the phase-in arrangement for Basel III implementation was completed in 2019.

Consistency and validation

The quantitative disclosures are based on consolidated audited financial statements of BRAC Bank and its subsidiaries for the year ended on December 31, 2021, and prepared according to the relevant international accounting and financial reporting standards and related circulars/instructions issued by Bangladesh

Bank from time to time.

The assets, liabilities, revenues and expenses of subsidiaries are combined with those of the parent (BBL), eliminating inter-company transactions. Assets of the subsidiaries were risk-weighted, and equities of subsidiaries were crossed out with the investment of BBL while consolidating. Therefore, the information presented in the "Quantitative Disclosures" section can

easily be validated with corresponding information presented in the consolidated audited financial statements 2021 of the bank and its subsidiaries, along with separate audited financial statements of the bank available on its website (www.bracbank.com). The report is prepared once a year and is available on the website.

1.Scope of application

Qualitative Disclosures

a) The name of the top corporate entity in the group to which this guideline applies



The framework applies to BRAC Bank Limited (BBL) on 'Consolidated Basis', as there were four subsidiaries of the bank and one associate as on the reporting date, i.e. December 31 2021. However, 'Solo Basis' information has been presented alongside those of 'Consolidated Basis' to facilitate comparison.

b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group: (i) that are fully consolidated, (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted

BRAC Bank Limited:

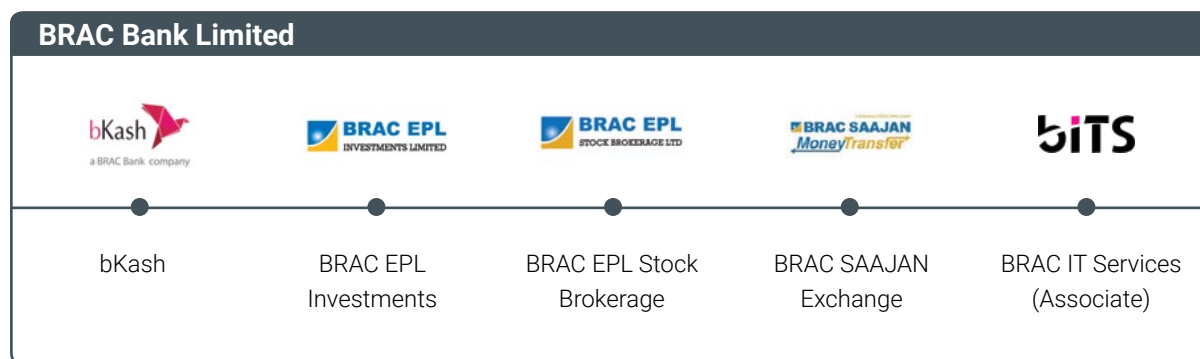
BRAC Bank is a third-generation private commercial bank (PCBs) that commenced its banking operations

on July 4, 2001, under the Banking Companies Act, 1991. The bank went public through its maiden issue of shares in 2006, after which its shares were listed on the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in 2007. At present, the bank has 187 banking branches, 198 area offices, 456 SME unit offices, 373 ATMs and 705 agent outlets spread across the country.

Subsidiaries: Subsidiaries are all entities over which the bank has the power to govern the financial and operating policies generally accompanying shareholding of more than one-half of the voting rights. A parent of a subsidiary should present consolidated financial statements according to BAS-27: Consolidated and Separate Financial Statements and BFRS 10: Consolidated Financial Statements.

Financial statements of subsidiaries are included in the consolidated financial statements from the date the control effectively commences, until the date the control effectively ceases.

The bank has four subsidiary companies and one associate:



(i) bKash Limited (subsidiary)

BRAC Bank established bKash Limited, a private company limited by shares that was incorporated on March 01, 2010 under the Companies Act, 1994. bKash was established to launch mobile financial services in Bangladesh. The bank has obtained a license from Bangladesh Bank for bKash for rendering mobile financial services. BRAC Bank currently holds 51% equity shares in the company.

With the consent of all existing shareholders, Bill & Melinda Gates Foundation (B&M) in 2014, Alipay Singapore E-Commerce Private Limited ("Alipay") in 2018 and SoftBank in 2021 invested in bKash in the form of convertible preference shares.

As of December 31 2021, out of the total 163,104 convertible preference shares, B&M holds 22,525 shares, Alipay holds 55,433 shares and SoftBank holds 85,146 shares. Preference shareholders do not have any voting rights but have the same rights as equity shareholders with respect to an economic interest in the company.

These preference shares are convertible at a 1:1 basis to ordinary shares, subject to consent as per shareholders' agreement. Consolidated financial statements have been prepared using 35.74% instead of 51%, considering the potential dilution, or otherwise according to economic interest in bKash.

(ii) BRAC EPL Investments Limited (subsidiary)

BRAC Bank acquired 51% shares of Equity Partners Limited on July 31 2009. This entity was incorporated in Bangladesh on April 19, 2000, as a private limited company under the Companies Act, 1994, and was subsequently renamed as "BRAC EPL Investments Limited".

BRAC Bank acquired an additional 25% shares in the entity in 2011 and a further 18.57% in 2016. In 2017, the bank acquired an additional 5.275% in the entity. During 2019, the bank acquired another 0.10%, thus taking the total shareholding to 99.945% at the end of the year 2019.

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

(iii) BRAC EPL Stock Brokerage Limited (subsidiary)

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

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

(iv) BRAC SAAJAN Exchange Limited (Subsidiary)

BRAC Bank acquired 75%+1 shares (249,992 shares out of the total share 333,333) of "Saajan Worldwide Money Transfer Limited" (SWMTL) in the UK. Bangladesh Bank granted the necessary approvals of GBP 500,000 to acquire SWMTL and set up two new branches in Luton and Bradford in the UK.

As per permission of Bangladesh Bank, SWMTL has been renamed as "BRAC SAAJAN Exchange Ltd" (BSE). BRAC Bank has been controlling and monitoring all its operations as a holding company. BRAC Saajan Exchange was established to cater to remittance and exchange services in the UK.

(v) BRAC IT Services Limited (Associate)

BRAC IT Services Ltd. (BITS) was initially founded as Documenta™ Ltd, a digital archiving firm, in 1999. BRAC IT Services was then formed in April 2013 through the merger of Documenta™ and the IT Division of BRAC Bank.

BRAC Bank acquired 51% shares of BRAC IT Services Limited, a private company limited by shares under the Companies Act, 1994, incorporated on April 09, 2013.

It currently operates as an IT services company. In the year 2017, BRAC Bank reduced its holding in BRAC IT Services Limited from 51% to 48.67% by selling 1,034 shares to BRAC. Due to this divestment, BRAC IT Services Limited was converted to an 'Associate' of the bank at the end of the year 2017, from a 'subsidiary' status. However, due to new investment by BRAC in 2020, the holding percentage of BRAC Bank further reduced to 12.92% by the end of the year 2020.

Basis of consolidation:

Consolidated financial statements include financial statements of BRAC Bank and its subsidiaries, BRAC EPL Investments, BRAC EPL Stock Brokerage, bKash and BRAC SAAJAN Exchange, as those of a single economic entity.

Consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) 10: Consolidated Financial Statements. These statements are prepared for a common reporting year ended December 31, 2021.

(c) Any restrictions, or other major impediments, on the transfer of funds or regulatory capital within the group.

The rules and regulations of BRPD of Bangladesh Bank that govern 'Single Borrower Exposure Limit' for customers are equally applicable for the bank in financing its own subsidiaries. The bank is following the latest Bangladesh Bank circular in determining the maximum amount of finance to the subsidiaries of the bank.

Quantitative Disclosures

a) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.

Not applicable for the bank.

2. Capital Structure

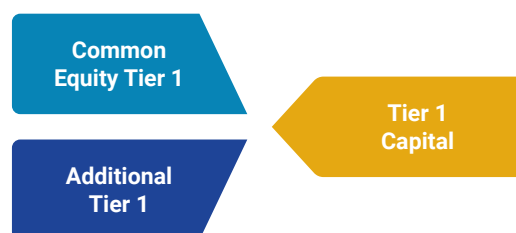
Qualitative Disclosures

a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.

As per RBCA guidelines of Bangladesh Bank (BB), regulatory capital is different from accounting capital. As per BB guidelines based on the Basel III accord, regulatory capital has two broad categories, namely, Tier 1 Capital (going-concern capital) and Tier II Capital (gone-concern capital). Additionally, Tier 1 Capital is further divided into two categories; Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1).

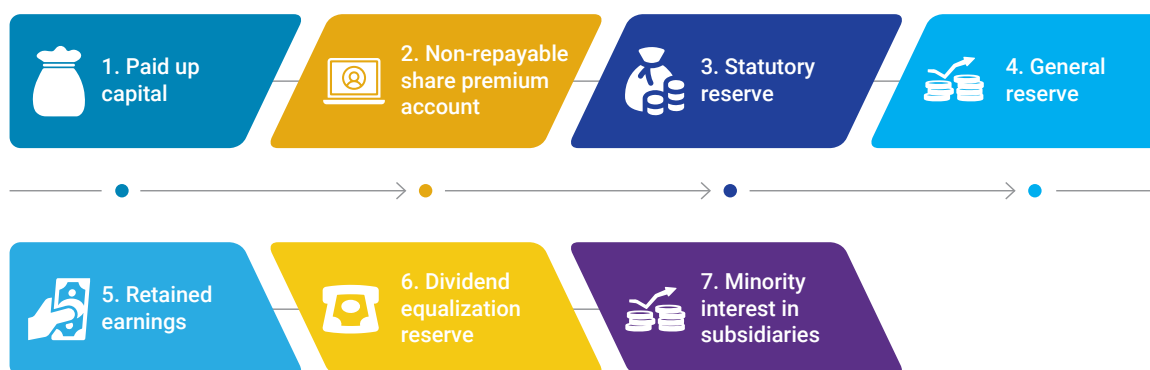
Tier 1 Capital: This form of capital can absorb losses without triggering bankruptcy. Hence, it is the core measure of a bank's financial strength from the

regulator's point of view. The components of Tier 1 Capital are given below:



Common Equity Tier 1 (CET1): The main components that comprise CET-1 Capital are as below

b) The amount of Regulatory capital, with separate



Additional Tier 1 (AT1):

- Non-cumulative irredeemable preference share
- Instruments issued by banks that meet the qualifying criteria for AT1 (the instrument is perpetual, i.e. no maturity date)

Minority interest (AT1 issued by consolidated subsidiaries to third parties)

Tier 2 Capital: Gone concern capital represents other elements that fall short of some of the characteristics of core capital but contribute to the overall strength of the bank. Tier 2 capital consists of the following items:



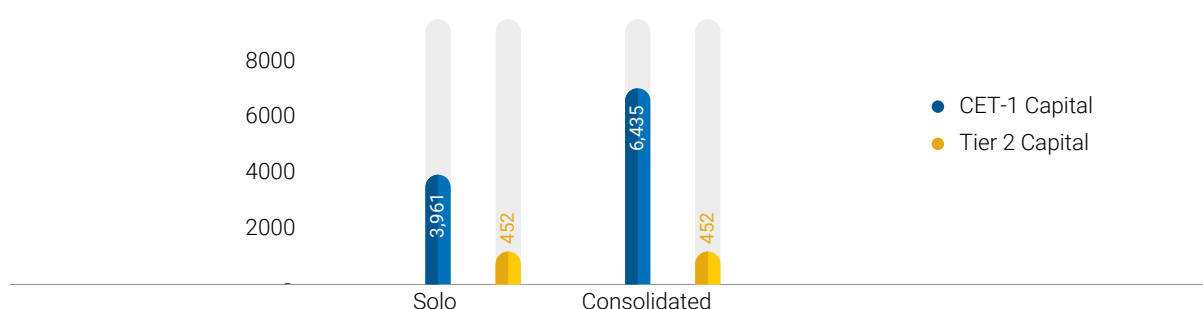
Quantitative Disclosures

Disclosure of: CET1 Capital, Additional Tier 1 Capital, Total Tier 1 Capital, Tier 2 Capital

Figures in BDT Crore

Sl. No.	Particulars	Solo	Consolidated
(a)	Common Equity Tier-1 Capital (CET-1)		
a.1	Paid up capital	1,392.17	1,392.17
a.2	Non-Repayable Share Premium account	385.38	385.38
a.3	Statutory Reserve	1,006.80	1,006.80
a.4	Retained Earning	1,632.99	2,640.30
a.5	Dividend Equalization Reserve	35.52	35.52
a.6	Minority Interests in Subsidiaries	-	1,976.06
a.7	Sub-total(a.1 to a.6)	4,452.85	7,436.22
(b)	Less: Regulatory Adjustments		
b.1	Goodwill and all other intangible Assets	95.72	495.83
b.2	Deferred Tax Assets (DTA)	396.45	505.03
(c)	Total common equity Tier-1 capital (CET-1)	3,960.67	6,435.36
(d)	Additional Tier-1 Capital	-	-
(e)	Total Tier-1 Capital (Core Capital)	3,960.67	6,435.36
(f)	Tier-2 Capital (Supplementary Capital)		
f.1	General Provision	452.50	452.50
(g)	Less: Regulatory Adjustments	-	-
(h)	Total Admissible Tier-2 capital	452.50	452.50
(i)	Total Eligible Regulatory Capital	4,413.17	6,887.86

Capital Composition



3. Capital Adequacy

Qualitative Disclosures

a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.

Capital adequacy management strategy:

BRAC Bank, with its focused strategy on risk governance, has been consistent in maintaining a capital adequacy ratio above the regulatory requirements. The bank focuses on strengthening risk management and its control environment rather than increasing capital to cover up weak risk management and control practices.

The bank has been successfully managing incremental growth of the Risk-Weighted Assets (RWA) by diversifying its portfolio in SME, Retail and Corporate segments. However, RWA is also managed by taking collateral against loans. We strive to ensure that external credit rating is duly conducted by our borrowers.

The bank's policy is to manage and maintain its capital with the objective of sustaining a strong capital ratio and high rating. The bank maintains capital levels that are sufficient to absorb all material risks. The bank also ensures that capital levels comply with regulatory requirements and satisfy external rating agencies and other stakeholders, including depositors. The principal objective of the capital management process is to ensure that the bank has adequate capital to meet all sorts of obligations at any time.

Calculation approach:

Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to Bangladesh Bank. The bank has adopted the following approach for calculation of risk-weighted assets (RWA) and capital adequacy.

- Credit Risk: Standardised Approach (SA)
- Market Risk: Standardised Approach (SA)
- Operational Risk: Basic Indicator Approach (BIA)

Compliance with regulatory requirements

As per Basel III guidelines, Minimum Capital Requirement (MCR) for banks in Bangladesh is currently 10% of their total RWA with the addition of Capital Conservation Buffer, which is 2.5% of total RWA. BRAC Bank is well ahead of this minimum target, both on a solo and consolidated basis as of December 2021.

Excess capital to support current and future activities

BRAC Bank has maintained surplus capital of 1.86% on solo basis and 7.92% on consolidated basis in addition to regulatory requirements. The surplus capital maintained by the bank will act as a cushion to absorb risks that arise from other risks under Pillar II and to support future business growth.

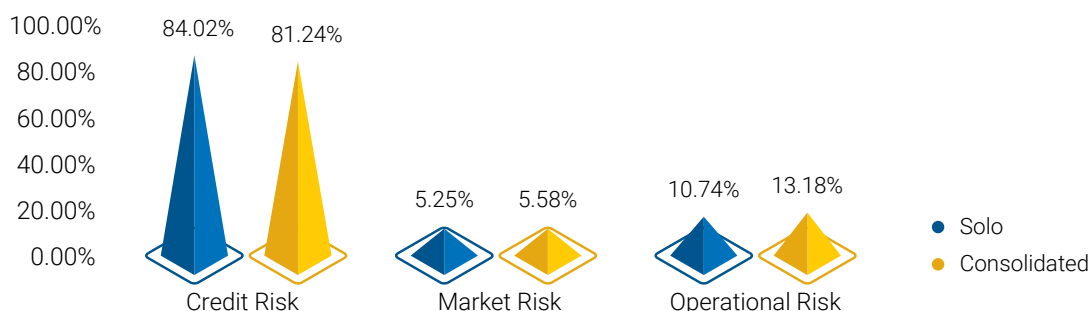
Quantitative Disclosures

Figures in BDT Crore

Sl.	Particulars	Solo	Consolidated
(b)	Capital requirement for credit risk	2,582.34	2,740.21
(c)	Capital requirement for market risk	161.27	188.08
(d)	Capital requirement for operational risk	329.98	444.53
	Minimum Capital Requirement (MCR)	3,073.60	3,372.82
(e)	Capital Ratio:		
	CET 1 Capital	3,960.67	6,435.36
	Total Tier 1 Capital	3,960.67	6,435.36
	Total Tier 2 Capital	452.50	452.50
	Total Capital	4,413.17	6,887.86
	Total Risk Weighted Assets (RWA)	30,735.97	33,728.19

Sl.	Particulars	Solo	Consolidated
	Capital to Risk-Weighted Assets Ratio (CRAR)	14.36%	20.42%
	CET 1 Capital Ratio	12.89%	19.08%
	Tier-1 Capital Ratio	12.89%	19.08%
	Tier-2 Capital Ratio	1.47%	1.34%
(f)	Capital Conservation Buffer (CCB) (Maintained)	4.36%	10.42%
(g)	Available Capital under Pillar 2 requirement	1,339.57	3,515.04

Capital Requirement Composition



4. Credit Risk

Qualitative Disclosures

a) The general qualitative disclosure requirement with respect to credit risk:

- Definitions of past due and impaired (for accounting purposes)
- Description of approaches followed for specific and general allowances and statistical methods
- Discussion of the Bank's credit risk management policy

Credit risk management at BRAC Bank

Credit risk arises when a bank's borrower or counterparty fails to meet their commitments in line with the agreed-upon terms and conditions. Credit risk also arises with deterioration of borrower's credit rating. Effective credit risk management is a vital component of a comprehensive risk management strategy and critical to any bank's long-term sustainability. The likelihood of the borrower defaulting and financial impact on the Bank in the case of the failure are both considered when assessing credit risk.

BBL has a Credit Risk Management policy in place since 2005 for the management of credit risk in the Bank. This policy is reviewed annually. The loan processing system in BBL is centralized. The Relationship Manager (RM) hunts for business, keeping in mind the 5 Cs in a customer. The RM prepares a credit proposal

and sends it to Credit Risk Management (CRM) for analysis. CRM analyzes the proposal, and the decision is made (Approved/Declined/Query provided) and approved as per Delegation of Authority. Finally, documentation & disbursement are being done by the Operation division. In each of the aforementioned steps, a very stringent and rigorous risk assessment is done. Whereby we strive to eliminate every possibility of credit risk. Moreover, fully complying as stipulated by the regulators, Other Banks' liability position and status, other Banks' sanction advice, Central Bank prescribed Credit risk Rating, External rating (for Large & Medium Enterprise customers), KYC Information, Proposed Security analysis, and compliance of regulatory and internal policy guidelines and relevant such covenants are considered before extending any credit facility. These are all done with the sole intention of combating credit risk.

Before approving any facility to a borrower, we follow a very robust and rigid credit assessment process. We embark on any deal or project after scrutinizing that person or organization properly, that starts from accumulating and analyzing that person's or organization's business information, business prospect, present scenario, Market position, market reputation, Industry growth and Peer group comparison and ends with making up the decision

whether to onboard or not to onboard that person or organization. At the same time, Experience & skill of Sponsor Directors and Key Management in primary business, succession plan, Financial statement analysis including projected cash flow and opportunity, CIB Report check, Search Report check, Requirement of loan, proposed facility, justification of requirement & facility structuring and related such avenues are closely scrutinized. If the status of the client is deemed to be satisfactory, all documents are prepared, and negotiations are undertaken. The relationship manager visits the factory (for manufacturing concerns) or retail outlets (for trading concerns) to see if the conditions are satisfactory and justifiable to support facilities. To maintain a thorough knowledge of the factory/warehouse, a visit report is prepared in this regard. Stock Verification Report is also prepared, and the record is kept in the customer's file. The environmental and social aspects are also considered while opting for any lending decision.

i) Definitions of past due and impaired (for accounting purposes)

Classification and provisioning for loans and advances are created based on the period of arrears by following the latest Bangladesh Bank master circulars and other relevant circulars on classification and provisioning. Definition of past due/overdue as per BB circular is as follows:

- Any continuous loan, if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date
- Any demand loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date
- In case of any installment(s) or part of installment(s) of a fixed term loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date
- The short-term agricultural & micro-credit, if not repaid within the fixed expiry date for repayment, will be considered past due/overdue after six months of the expiry date

In this regard, all loans and advances/investments are grouped into four categories for the purpose of classification, as per BB circulars, namely:

- i) Continuous loan
- ii) Demand loan
- iii) Fixed term loan
- iv) Short-term agricultural & micro-credit

They are classified as follow:

Type of facility	Borrower type	Loan classification		
		Sub-standard (overdue period)	Doubtful (overdue period)	Bad and loss (overdue period)
Continuous loan, Demand loan & Fixed term loan	CMS*	6 months or more but less than 18 months.	18 months or more but less than 30 months.	30 months or more.
	Other than CMS	3 months or more but less than 9 months.	9 months or more but less than 12 months.	12 months or more.
Short term agricultural & micro-credit		12 months or more but less than 36 months	36 months or more but less than 60 months	60 months or more

*CMS means Cottage, Micro & Small credit, defined in SMESPD Circular No. 02 dated September 05, 2019

ii) Description of approaches followed for specific and general allowances and statistical methods;

Provision for loans and advances is created to cover the bank from possible loan losses in the future.

A 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

banks are categorised as Sub-standard, Doubtful and Bad/loss as per Bangladesh Bank circulars.

For loans that are classified as sub-standard, doubtful or bad/loss, specific provision is created, netting off eligible security value and interest suspense from the amount outstanding. Provision for off-balance sheet items is made as per Bangladesh Bank guidance. The latest BB circulars are followed diligently. Interest accrued on Sub-standard, Doubtful and Bad/loss loans is transferred to an 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.

Loans and advances are written-off to the extent that:

- (i) There is no realistic prospect of recovery
- (ii) Against which legal cases are filed and classified as bad and loss, as per BRPD circular no. 02, dated January 13, 2003; circular no. 13, dated November 07, 2013 and circular no. 01, dated February 06, 2019

These write-offs, however, do not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write-off accounts are meticulously maintained and followed up.

At each balance sheet date, BRAC Bank assesses whether there is objective evidence that a financial asset or a group of financial assets, i.e. loans and advances, off-balance sheet items and investments, are impaired. A financial asset or groups of financial assets are impaired, and impairment losses are incurred, if there are objectives evidence of impairment as a result of a loss event that occurs after the initial recognition of the asset up to the balance sheet date, the loss event had an impact on the estimated future cash flows of the financial assets or the group of financial assets, and a reliable estimate of the loss amount can be made.

In the event of impairment loss, the bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank's guidelines or other regulatory requirements.

The bank is required to maintain the following general and specific provisions in respect of classified and unclassified loans and advances/investments on the basis of Bangladesh Bank's guidelines issued from time to time:

Business Unit		Rates of provision				
		Un-classified (UC)		Classified		
		Standard	Special Mention Account (SMA)	Substandard (SS)	Doubtful (DF)	Bad loan (BL)
Consumer	House building	1%	1%	20%	50%	100%
	Loans for professionals	2%	2%	20%	50%	100%
	Other than house building and professionals	2%	2%	20%	50%	100%
Loans to BHs/ MBs against share, etc.		2%	2%	20%	50%	100%
Cottage, micro & small credit under CMSME		0.25%	0.25%	5%	20%	100%
Medium enterprise		0.25%	0.25%	20%	50%	100%
Short-term agri/micro-credit		1%	-	5%	5%	100%
Credit card		2%	2%	20%	50%	100%
All others		1%	1%	20%	50%	100%
Off Balance Sheet		1%	-	-	-	-

iii) Discussion of the bank's credit risk management policy

Credit Policy:

BRAC Bank manages its credit risk through a Board-directed and approved Credit Policy, in line with the Bangladesh Bank Core Risk Management Guidelines, which outline robust processes and procedures to ensure the quality of its assets portfolio.

The Credit Policy also contains the general principles to govern the implementation of detailed lending procedures and risk grading systems of borrowers. As such, it specifically addresses the areas of:



Credit risk mitigation

Potential credit risks are mitigated by taking primary and collateral securities. There are other risk mitigation approaches too, like netting agreements and other guarantees. The professionals of respected fields verify the legal certainty and enforceability of the mitigation approach. Collateral types eligible for risk mitigation include cash, residential, commercial, industrial property, plant and machinery, marketable securities, etc. Bank officials physically verify collaterals simultaneously. These are also valued by an independent third-party surveyor in accordance with the Credit Policy and procedures.

Credit assessment and grading

Know Your Client (KYC) is the first step to analysing any credit proposal. The banker-customer relationship is established through an opening of account/s of the customer. Proper introduction, photographs of the account holders/signatories, passports, etc., and all other required papers as per the bank's policy are obtained during account opening.

Physical verification of customer address is done prior to credit appraisal. The entire process involves relationship teams of respective asset portfolio (Retail, SME and Corporate) booking the customer and the Credit Division conducting thorough assessment

before placing for approval of the facility.

Risk assessment includes borrower risk analysis, industry risk analysis, financial risk analysis, security risk analysis, account performance risk analysis and environmental & social risk analysis of the customer. Post-approval, Credit Administration Department ensures compliance with all legal formalities, completion of documentation, including security of the proposed facility and finally disburses the amount.

This arrangement has not only ensured segregation of duties and accountability, but has also helped in minimising the risk of compromise with the quality of the credit portfolio.

Credit risk management:

Conventionally, the core function of a Credit Risk Management (CRM) team is to optimise the risk-adjusted return from bank loans and advances by maintaining an appropriate standard in the underwriting process.

However, the scope of BRAC Bank's CRM is not just limited to this. At the bank, a more holistic approach towards risk management is adopted, where socio-economic and environmental impacts of the decisions made are emphasised upon. This practice is the hallmark of BRAC Bank's credit risk management objective. We believe in holistic development, growth and sustainability, rather than mere financial return from a transaction.

We strive to create value rather than be the consumer of the value. To achieve this goal, we manage credit risk inherent in the entire portfolio of the bank as well as risks associated with individual credit proposals/transactions.

We believe that the effective management of credit risk is a critical component of a comprehensive approach to risk management. In the last couple of years, BRAC Bank has been focusing on adopting environmental risk management programs through assistance, guidance, and/or requirements provided by various international DFIs as well as regulatory guidelines.

Bringing social and environmental risk assessment into our credit approval process will contribute to the wellbeing of society. Moreover, as the lion's share of the total revenue of BRAC Bank comes through SME lending, the future prospect of the bank are interlinked with the quality of its asset portfolio. Thus, efficient management of loans and advances is of paramount importance for the bank.

At the bank, a distributed collection model consistently follows-up with borrowers for timely repayments. A wing named 'Special Asset Management (SAM)' deals with non-performing assets through harmonious

settlement, execution of decrees and arrangements of auctions to sell the mortgaged properties. SAM is also engaged in monitoring early alert accounts.

Final authority and responsibility for all activities that expose the bank to credit risk rests with the Board of Directors. The Board however has delegated the authority to the Managing Director & CEO or other officers of the credit risk management division. The Credit Policy Manual contains the core principles for identifying, measuring, approving and managing credit risk in the bank and is designed to meet organisational

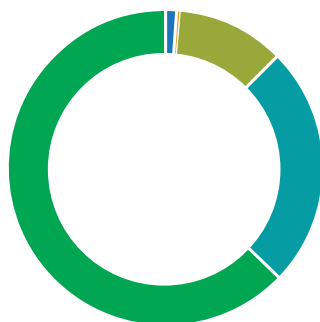
requirements that exist today as well as to provide flexibility for the future.

The policy covers corporate, retail and small & medium enterprise exposures. Policies and procedures have structured credit risk management processes, both at the obligor and portfolio levels and follow the central bank guidelines. Credit risk management function is independent of business origination and functions to establish better internal control and reduce conflict of interest.

Quantitative Disclosures

b) Total gross credit risk exposures broken down by major types of credit exposure:

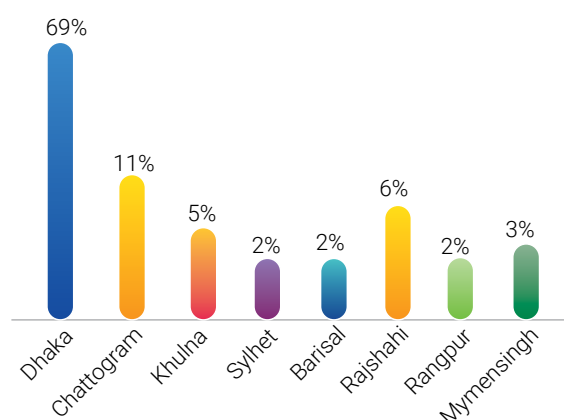
Categories of loans	Outstanding (BDT cr)
Continuous Loans (CL-2)	3,566.58
i. Small & medium enterprises financing (SMEF)	
a. Small, Cottage & Micro Enterprises	1,429.06
b. Medium enterprises	342.64
ii. Consumer financing (CF)	895.71
iii. Loans to BHs/MBs/SDs against shares, etc.	71.71
iv. Other than SMEF, CF, BHs/MBs/SDs	827.46
Demand Loans (CL-3)	7,896.94
i. Small & medium enterprises financing (SMEF)	
a. Small, cottage & micro enterprises	1,274.70
b. Medium enterprises	62.51
ii. Consumer financing (CF)	
iii. Loans to BHs/MBs/SDs against shares, etc.	7.32
iv. Other than SMEF, CF, BHs/MBs/SDs	6,552.41
Fixed Term Loan (CL-4)	20,152.28
i. Small & medium enterprises financing (SMEF)	
a. Small, cottage & micro enterprises	11,309.77
b. Medium enterprises	262.12
ii. Consumer financing (other than HF & LP)	3,702.46
iii. Housing finance (HF)	1,357.14
iv. Loans for professionals to set up business (LP)	534.72
v. Loans to BHs/MBs/SDs	
vi. Other than SMEF, CF, HF, LP, BHs/MBs/SDs	2,986.07
Short-term agri credit and micro-credit (CL-5)	394.10
Staff loan	111.32
Grand total	32,121.22



- Short Term Agri., 1.2%
- Staff Loan, 0.3%
- Continuous Loan, 11.1%
- Demand Loan, 24.6%
- Fixed Term Loan, 62.7%

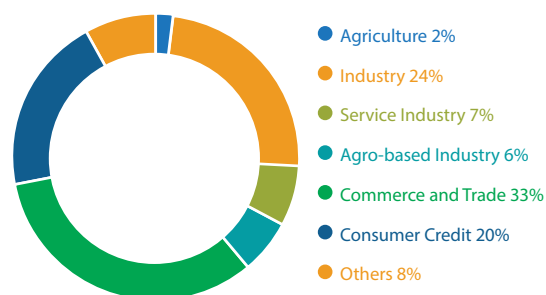
c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure:

Division	Outstanding (BDT cr)
Dhaka Division	22,209.87
Chattogram Division	3,510.92
Khulna Division	1,678.76
Sylhet Division	664.05
Barisal Division	600.76
Rajshahi Division	2,001.89
Rangpur Division	640.36
Mymensingh Division	814.62
Grand Total	32,121.22



d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure:

Industry/Counterparty	Outstanding (BDT cr)
Agriculture	575.39
Industry	7,605.84
Service industry	2,417.89
Agro-based industry	1,958.03
Commerce and trade	10,560.70
Consumer credit	6,547.46
Others	2,455.91
Grand total	32,121.22

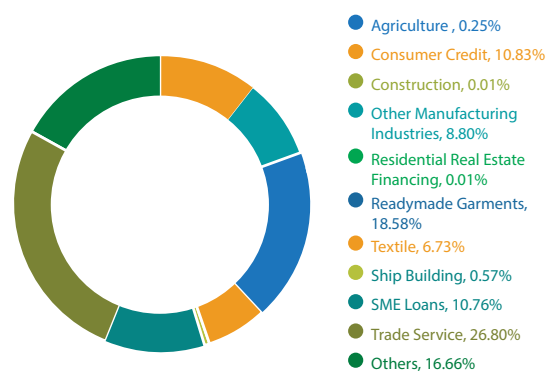


e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure:

Residual contractual maturity	Outstanding (BDT cr)
Repayable on demand	2,774.09
Not more than 3 months	5,019.45
More than 3 months but not more than 1 year	13,171.27
More than 1 year but not more than 5 years	9,745.92
More than 5 years	1,410.48
Grand Total	32,121.22

f) By major industry or counterparty type: Amount of impaired loans and if available, past-due loans, provided separately; Specific and general provisions; and Charges for specific allowances and charge-offs during the period:

Sector-wise NPL	Outstanding (BDT cr)
Agriculture	3.19
Consumer credit	135.66
Construction	0.10
Other manufacturing Industries	110.14
Residential real estate Financing	0.16
Readymade garments	232.71
Textiles	84.22
Ship-building	7.08
SME loans	134.76
Trade service	335.64
Others	208.59
Grand total	1,252.26



Status	Outstanding loans and advances 2020	Base for provision	(%) of required provision	Required provision, 2020
Unclassified				
All unclassified loans (Other than small and medium enterprise financing, consumer financing, BHs/MBs/SDs, housing and loans for professionals*)	9,747.10	9,675.52	1%**	133.12
Small and medium enterprise financing	14,240.27	14,240.27	0.25%	35.60
Loans to BHs/MBs/SDs against shares, etc.*	79.03	79.03	2%	1.58
Housing finance	1,295.09	1,295.09	1%	12.95
Loans for professionals to set up business (LP)	529.18	529.18	2%	10.58
Consumer finance	3,673.90	3,673.90	2%	73.48
Consumer finance (credit card)	798.97	798.97	2%	15.98
Short term agricultural and micro-credit	394.10	394.10	1%	3.94
Staff loan	111.32		1%	-
Sub-total	30,868.97	30,686.07		287.23
Classified - Specific provision				
Sub-standard	220.07	161.02	20%***	21.06
Doubtful	98.70	61.24	50%***	14.51
Bad/Loss	933.49	751.58	100%	762.74
Sub-total	1,252.26	973.84		798.31
Grand total	32,121.22	31,659.91		1,085.54
Special general provision Covid-19				
Special general provision Covid-19 for 2020			1%	3.31
Special general provision Covid-19 for 2021 (SME)			1.5%	18.66
Special general provision Covid-19 for 2021 (other than SME)			2%	78.42
Total required provision for loans and advances				1,163.96
Total provision maintained				1,277.87
Excess provision over minimum required provision prescribed by Bangladesh Bank				113.91

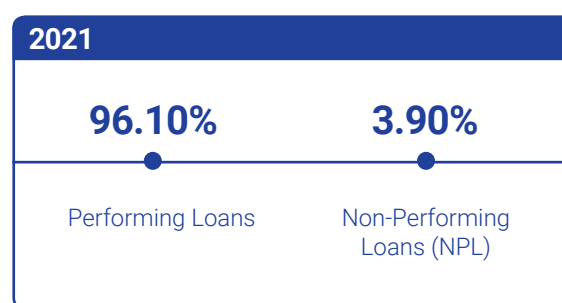
* BHs = Brokerage Houses, MBs = Merchant Banks, SDs = Stock Dealers against Shares

** 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

g) Gross Non-Performing Assets; Non-Performing Assets to Outstanding Loans & advances; Movement of Non-Performing Assets NPAs); Movement of Specific provisions for NPAs

Particulars	(BDT Crore)
Outstanding loans & advances	32,121.22
Non-performing loans	1,252.26
NPL %	3.90%



Movement of Non-Performing Loans (NPL):

Non-performing loans	Outstanding (BDT cr)
Opening balance	800.85
Additions during the year	687.59
Reductions during the year	(236.19)
Closing balance	1,252.26

Movement of specific provisions for NPLs:

Particulars	Amount (BDT cr)
Provisions held at the beginning of the year (a)	749.35
Less: Transfer to general provision (b)	(6.42)
Less: Write off during the year (c)	(150.34)
Add: Provision charged during the year (d)	301.81
Add: Recovery of written off bad debts (e)	70.75
Add: Exchange difference (f)	1.65
Net charge to Profit and Loss A/C (g) = (d)-(e)	231.06
Provisions held at the end of the year (a+b+c+d+f)	896.05

5. Equities: Disclosures for Banking Book Positions

Qualitative Disclosures

a) The general qualitative disclosure requirement with respect to equity risk, including:

i) differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;

Investment in equity securities are broadly categorised into two parts:

- **Quoted securities:** These securities are bought and held primarily for the purpose of selling

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

- **Unquoted Securities:** Investment in unlisted securities is reported at a cost under the cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

ii) Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices

The main objective is to invest in these equity securities for the purpose of capital gain by selling them in the future or holding for dividend income. As per BRPD Circular no. 14 dated June 25, 2003, investments in quoted shares and unquoted shares are revalued at the year-end at market price and as per book value of the last audited balance sheet of that company, respectively. Provision should be made for any loss arising from diminution in value of investments (portfolio basis), otherwise investments are recognised at cost.

Recognition and measurement, investments in shares and securities generally fall either under “at fair value through Profit or Loss Account” or under “available for sale”, where any change in fair value at the year-end is taken to Profit or Loss Account or Revaluation Reserve Account, respectively.

The valuation methods of Marking-to-Market for investment used are:

- i. **Held to Maturity (HTM):** By definition, the investments which have fixed or determinable payments and fixed maturity that the group has the positive intent and ability to hold to maturity,

other than those that meet the definition of ‘Held at amortised cost others’ are classified as held to maturity. These investments 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 derecognised or impaired.

- ii. **Held for Trading (HFT):** Investment 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 present 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.

- iii. **Revaluation:** According to DOS Circular no. 05, dated May 26, 2008, DOS Circular no. 05, dated January 28, 2009 and DOS Circular no. 02, dated January 19, 2012, HFT securities are revalued once each week using the 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 the HFT category with the Board’s approval.

VALUATION & ACCOUNTING OF INVESTMENT			
Investment Class	Initial Recognition	Measurement after Recognition	Recording of changes
Govt. T-bills/ bonds - HFT	Cost	Marking to Market/ fair value	Loss to profit and loss a/c, gain to revaluation reserve
Govt. T-bills/ bonds - HTM	Cost	Amortized cost	An increase in value of securities is booked to equity, but decrease to profit and loss account.
Bond/Debenture	Cost	Cost	Profit & Loss Account
Quoted shares	Cost	Lower of cost or market price at balance sheet date	Provision for revaluation loss (net off gain) is charged to profit and loss account but no unrealized gain booking.
Un-quoted Shares	Cost	Lower of cost or Net Asset Value (NAV) of last audited account	Provision for unrealized loss to profit and loss Account but no unrealized gain booking.
Mutual fund (closed-end)	Cost	Lower of cost and (higher of market value and 85% of NAV)	Provision for unrealized loss to profit and loss account but no unrealized gain booking.
Mutual fund (Open-end)	Cost	Lower of cost and 95% of NAV	Provision for unrealized loss to profit and loss account but no unrealized gain booking.
Prize bond	Cost	Cost	N/A

Quantitative Disclosures

b) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

Figures in BDT cr

Particulars	Solo		Consolidated	
	Cost price	Market value	Cost price	Market value
Value of quoted shares	434.87	464.24	568.92	598.30
Value of unquoted shares	29.63		39.33	

c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.

d) Total unrealized gains (losses); Total latent revaluation gains (losses); Any amounts of the above included in Tier 2 capital

Figures in BDT cr

Sl.	Particulars	Solo	Consolidated
c)	The cumulative realised gains (losses) arising from sales and liquidations in the reporting period.	22.85	22.85
	Total unrealized gains (losses)	32.63	32.63
d)	Total latent revaluation gains (losses)	-	-
	Any amounts of the above included in Tier 2 capital	-	-

e) Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

Figures in BDT cr

Capital charge for equities	Solo	Consolidated
Specific risk	46.42	59.83
General market risk	46.42	59.83
Total capital charge	92.85	119.66

6. Interest rate risk in the banking book (IRRBB)

Qualitative Disclosures

a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement:

Interest rate risk affect the bank's financial condition due to adverse movements in interest rates of interest-

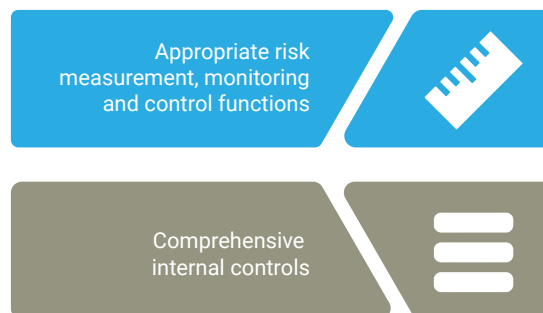
sensitive assets. Changes in interest rates have two types of impact:

- i) Earnings perspective: It affects a bank's earnings by changing its net interest income and the level of other interest-sensitive income and operating expenses.

- ii) Economic value perspective: The economic value of future cash flows changes when the interest rate changes.

At BRAC Bank, the Asset & Liability Management (ALM) unit, under the supervision of the Asset and Liability

Committee (ALCO), is responsible for managing market risk arising from the bank's banking book activities. Our interest rate risk management involves the application of four basic elements in the management of assets, liabilities and OBS instruments.



Techniques of addressing IRRB: The following techniques for managing the IRRB at BRAC Bank are applied:



Re-pricing schedules: It is the simplest technique for measuring a bank's interest rate risk exposure, and that is generating a maturity/re-pricing schedule that distributes interest-sensitive assets, liabilities, and OBS positions into a certain number of pre-defined time bands according to their maturity (if fixed-rate) or time remaining to their next re-pricing (if floating-rate). Those assets and liabilities lacking definitive re-pricing intervals (e.g. sight deposits or savings

accounts) or actual maturities that could vary from contractual maturities are assigned to re-pricing time bands according to the judgment and past experience of the bank.

Gap analysis: It helps to assess the interest rate risk of current earnings. To evaluate earnings exposure, interest rate-sensitive liabilities in each time band are subtracted from the corresponding interest-rate sensitive assets to produce a re-pricing "gap" for that time band. This gap is then multiplied by an assumed change in interest rates to yield an approximation of the change in net interest income that would result from such an interest rate movement.

i. Duration: A maturity/re-pricing schedule is also used to evaluate the effects of changing interest rates on a bank's economic value by applying sensitivity weights to each time band. Typically, such weights are based on estimates of the duration of assets and liabilities that fall into each time band.

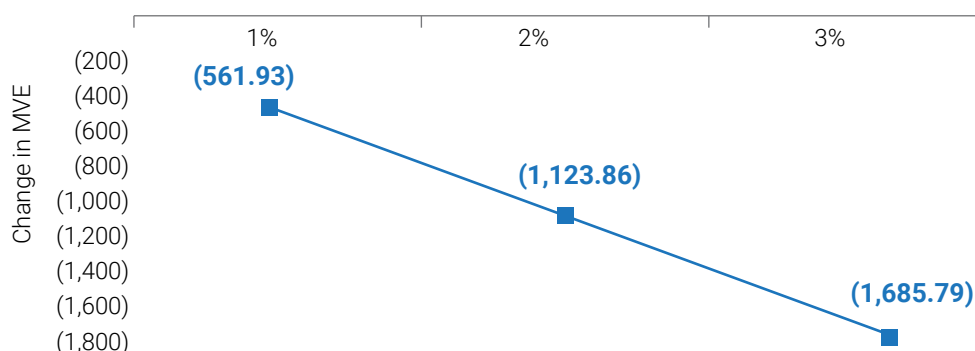
ii. Quarterly stress-testing: It is conducted on a quarterly basis as per the directives of Bangladesh Bank to gain better insight into the vulnerable issue of IRRB.

Quantitative Disclosures

b) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

Particulars	Amount (BDT in crore)		
Market Value of Assets	45,364		
Market Value of Liabilities	39,461		
Weighted Average of Duration of Assets (DA) in years	1.56		
Weighted Average of Duration of Liabilities (DL) in years	0.29		
Duration GAP (DA-DL)	1.31		
Yield to Maturity (YTM -Assets)	6.04%		
Yield to Maturity (YTM -Liability)	1.60%		
The magnitude of Interest Rate Change	1%	2%	3%
Change in market value of equity due to an increase in interest rate	(561.93)	(1,123.86)	(1,685.79)
Stress Testing	Minor	Moderate	Major
Regulatory capital (after shock)	3,857.33	3,295.40	2,733.47
RWA (after shock)	30,171.02	29,609.09	29,047.16
CRAR (after shock)	12.78%	11.13%	9.41%

Change in market value of equity due to an increase in interest rate



7. Market risk

Qualitative Disclosures

a) (i) Views of BOD on trading/investment activities
(ii) Methods used to measure Market risk; (iii) Market Risk Management system; (iv) Policies and processes for mitigating market risk

Views of BOD

Market risk arises due to changes in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. The financial instruments that are held with trading intent or to hedge against various risks are purchased to make a profit from spreads between the bid and ask price are subject to market risk.

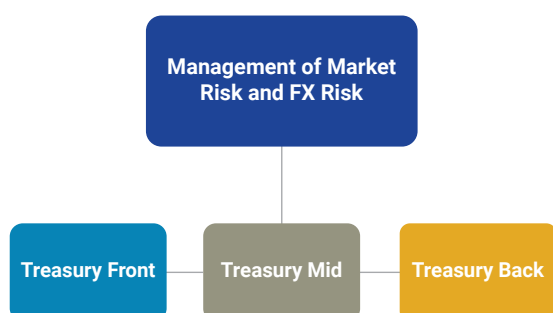
BBL has Foreign Exchange Risk Management Guideline fully customised as per our bank's need since 2004. The

guidelines have been prepared as per Bangladesh Bank guidelines and appraised by our Board of Directors. All financial activities are susceptible to a different degree of risk. To measure, monitor and manage these risks would be crucial for the survival and good health of the organisation. Within the bank, the treasury is vested with the responsibility to measure and minimise the risks associated with the bank's assets and liabilities. Managing foreign exchange risk is one of the prime responsibilities of the treasury.

Treasury is responsible for managing the balance sheet, as per the recommendation of ALCO to minimise risk and maximise returns. The committee calls on a meeting at least once every month to set and review strategies on ALM. The ALCO process or

ALCO meeting reviews the ALCO paper along with the prescribed agendas. Based on the analysis and views, the committee takes decisions to reduce balance sheet risk while maximising profits.

At BRAC Bank, the Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to obtain the best balance of risk and return whilst meeting customers' requirements.



Market risk measurement

There are several methods used to measure market risk, and the bank uses those methods which deemed fit for a particular scenario. For measuring interest risk from an earnings perspective, the bank uses maturity gap analysis, duration gap analysis and sensitivity analysis. Standardised (rule-based) method is used for calculating capital charge against market risks for the minimum capital requirement of the bank under Basel-III. For each risk category, the minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'.

Market risk management

The treasury manages market risk covering liquidity, interest rate and foreign exchange risks with oversight from the Asset-Liability Management Committee (ALCO) comprising senior executives of the bank. ALCO is chaired by the Managing Director.

Policies and processes

- **Asset liability management:**

BRAC Bank places strong emphasis so that balance sheet risks are effectively managed. Appropriate policies and procedures have been established as per the guidelines of the bank's Board of Directors, including relevant circular guidelines of Bangladesh Bank to control and limit these risks, and proper resources are available for the evaluation and control of these risks. The Asset Liability Committee (ALCO) of the bank monitors the Balance Sheet and liquidity risk of the bank.

- **Foreign exchange risk management:**

Foreign exchange risk (also known as FX risk, exchange rate risk or currency risk) is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency. The risk is that adverse fluctuations in exchange rates may result in a loss in earnings. We have our own Board-approved policy for the management of FX risk

There are approved limits for market risk-related instruments, both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks.

Quantitative Disclosures

b) The capital requirements for: interest rate risk; equity position risk; foreign exchange risk; and Commodity risk.

Figures in BDT cr

Capital charge for market risk	Solo	Consolidated
Interest rate risk	41.14	41.14
Equity position risk	92.85	119.66
FX risk	27.28	27.28
Commodity risk	-	-
Total	161.27	188.08

8. Operational risk

Qualitative Disclosures

a) Views of BOD on system to reduce Operational Risk; Performance gap of executives and staffs; Potential external events; Policies and processes for mitigating operational risk; Approach for calculating capital charge for operational risk

Views of BOD on system to reduce operational risk

Operational risk is the risk of losses resulting from inadequate or failed internal processes, people and systems, or external events. This definition includes legal risk but excludes strategic or reputation risk.

The Board of Directors of BRAC Bank and its Management firmly believe that efficient management of operational risks always contributes to the bank's sustainable earnings and, parallelly, secures the interest of its customers and shareholders. To materialise this understanding into reality, there are dedicated risk management associates across the bank that work towards efficiently managing operational risks using effective tools and techniques implemented through policies and processes.

Performance gap of executives and staff

The bank has a proper mechanism in place to identify the scope of improvement of the employees and executives and work towards addressing them on time. The development of human resources is pivotal for optimum efficiency, and hence, BBL's employees are given numerous learning and capacity development programs throughout the year by the best resources available within the country and abroad.

To reduce the knowledge gap and assist in developing our personnel, user user-friendly operations manual has been developed and enclosed with functional processes for all employees who are the end-users of these processes. This is a critical initiative for the bank because having a well-mapped process enables users to operate more efficiently, enhances knowledge amongst staff and fills in the lapses in operations.

All policies and processes address clear responsibilities and accountabilities of all employees.

Potential external events

There are non-diversifiable external factors that can affect the operations of the business directly or indirectly. BBL understands that business operates under an umbrella of interconnected socio-economic and political environment where macro-economic

conditions, regulatory changes, change in demand, and the status of infrastructure significantly influence the Bank's performance. The Bank has a separate mechanism to address such kinds of events.

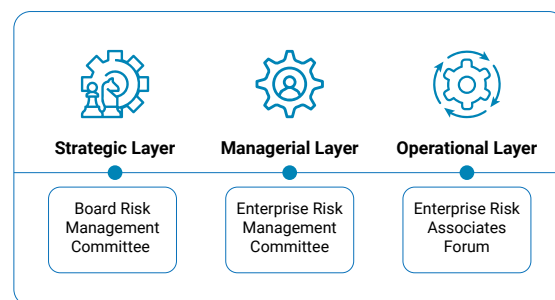
Policies and processes for mitigating operational risk

At BRAC Bank, a dedicated department under the Risk Management Division (RMD) consistently works in operational risk identification, assessment and implementing appropriate risk mitigation strategies across the bank. It helps to create awareness about various types of risks in pan-bank and enhances the management of significant risk exposures by escalating all risk issues timely and concisely to the MANCOM and Enterprise Risk Management Committee (ERMC).

The team works in close collaboration with all departments in the bank for minimising operational risk exposures by collating information from key stakeholders of processes across all functions of the bank, incident reports, potential loss reports, internal audit reports, external audit reports and various other sources to identify gaps, risks, compliance and control failures to ensure reporting of significant risks and corporate governance issues.

Such maintenance of a bank-wide risk management framework enables every department to independently identify, assess and respond to changes in the operating environment.

Moreover, Internal Control and Compliance Division



has a key role in identifying and mitigating operational risk. This wing works relentlessly under the guidance of the Board Audit committee to manage operational risk issues of the bank. The Audit Committee delivers policies and directions from time to time to keep operational efficiency of the bank up to the mark.

Approach for calculating capital charge for operational risk

Basic Indicator Approach (BIA) is followed to calculate the capital charges for operational risk as per the guidelines of Bangladesh Bank.

As per BIA, the capital charge for operational risk is a fixed percentage denoted by α (alpha) of an average positive gross annual income of the bank over the past three years.

$$K = [(GI_1 + GI_2 + GI_3) \times \alpha] / n$$

Where:-

K = the capital charge under the Basic Indicator Approach

GI = only positive annual gross income over the previous three years (i.e. negative or zero gross income if any shall be excluded)

$\alpha = 15\%$

n = number of the previous three years for which gross income is positive

Quantitative Disclosures

b) The capital requirements for operational risk:

Figures in BDT or

Particulars	Solo	Consolidated
Gross income (last 3 years)	6,599.69	8,890.56
Average GI	2,199.90	2,963.52
15% of average GI	329.98	444.53
Capital charge for operational risk	329.98	444.53

9. Liquidity Ratio

Qualitative Disclosures

a) Views of BOD on system to reduce liquidity Risk; Methods used to measure Liquidity risk; Liquidity risk management system; Policies and processes for mitigating liquidity risk

Liquidity risk

Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit) or when a bank is unable to fulfil its commitments in time when payment falls due. Liquidity risk can be of two types:

a) Funding liquidity risk: The risk that a firm will be unable to meet its current and future cash flow and collateral needs without affecting its daily operations or its financial condition.

b) Market liquidity risk: The risk that a firm cannot easily offset or sell a position without incurring a loss because of inadequate depth in the market.

Views of BOD on system to reduce liquidity risk

The Board of BBL always places utmost importance to minimise liquidity risk. In order to reduce liquidity

risk, stringent maintenance of cash reserve ratio (CRR) and statutory liquidity reserve (SLR) is also being emphasised on a regular basis.

This apart, as a part of Basel-III requirement, liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) are also maintained under the guidance of our Board.



Liquidity risk parameters

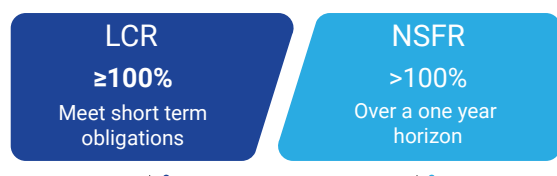
BBL follows Bangladesh Bank's Risk-Based Capital Adequacy guideline in line with Basel III. We also follow DOS circular no. 1, dated January 01, 2015, on the

implementation of the Basel III liquidity ratio.

Methods used to measure liquidity risk

Liquidity Coverage ratio: Liquidity coverage ratio (LCR) refers to highly liquid assets held by financial institutions in order to meet short-term obligations. Liquidity coverage ratio is designed to ensure that financial institutions have the necessary assets on hand to ride out short-term liquidity disruptions. Banks are required to hold an amount of highly-liquid assets, such as cash or treasury bonds, equal to or greater than their net cash over a 30-day period (having at least 100% coverage)

Net stable funding ratio (NSFR): NSFR presents the proportion of long-term assets funded by stable funding and is calculated as the amount of Available Stable Funding (ASF) divided by the amount of Required Stable Funding (RSF) over a one-year horizon. This ratio must equal or exceed 100%.



Liquidity risk management system

Liquidity is the ability of a bank to generate funds for increasing assets and meet obligations as they come due without incurring the unacceptable cost. The key role of banks in the maturity transformation of short-term deposits into long-term loans makes banks inherently vulnerable to liquidity risk.

Effective liquidity risk management helps ensure a bank's ability to meet cash flow obligations, which are uncertain as they are affected by external events and other agents' behaviour. Liquidity risk management is of paramount importance because a liquidity

shortfall at a single institution can have system-wide repercussions.

Responsibility for managing and controlling liquidity of BBL lies with Asset Liability Management Committee (ALCO), which meets at regular intervals. Asset and Liability Management (ALM) desk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities, and they are primarily responsible for the management of liquidity in the bank.

Policies and processes for mitigating liquidity risk

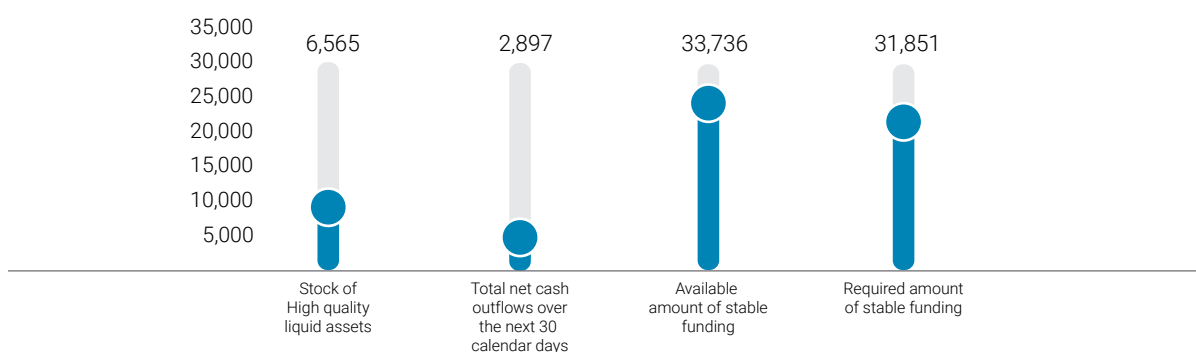
Asset Liability Management (ALM) is the core job and integral part of the bank's management. Changes in market liquidity and interest rate expose Bank's business to the risk of loss, which may, in extreme cases, threaten the survival of the institution. As such, it is important that the level of balance sheet risks is effectively managed, appropriate policies and procedures are established to control and limit these risks, and proper resources are available for evaluating and controlling these risks. Asset Liability management policy is prepared to monitor, measure and manage the risks associated with the balance sheet and guards the Bank against any unforeseen loss/threat of survival. The Asset Liability management policy was approved by the Board in August 2004. The policy is revised to accommodate regulatory and organisational change

The Board approves the LRM Policy. Asset Liability Committee (ALCO) reviews the policy at least annually or as and when required by taking into consideration any changes in the market dynamics and appropriateness and put a recommendation for changes in policy to the Board for approval. The LRM Policy is guided by international best banking practices, local banking & regulatory environment and prudent guidelines of the central bank.

Quantitative Disclosures

b) Liquidity Coverage Ratio; Net Stable Funding Ratio (NSFR); Stock of High quality liquid assets; Total net cash outflows over the next 30 calendar days; Available amount of stable funding; Required amount of stable funding

Particular	Amount (BDT cr)
Liquidity coverage ratio	226.61%
Net stable funding ratio (NSFR)	105.92%
Stock of high quality liquid assets	6,564.52
Total net cash outflows over the next 30 calendar days	2,896.89
Available amount of stable funding	33,736.45
Required amount of stable funding	31,850.84



10. Leverage Ratio

Qualitative Disclosures

a) Views of BOD on system to reduce excessive leverage; Policies and processes for managing excessive on and off-balance sheet leverage; Approach for calculating exposure

Views of BOD on system to reduce excessive leverage

In order to avoid building-up excessive on - and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk-based capital requirements

Banks have a range of financial incentives to operate with high leverage. But it creates risk when it crosses a certain point. Therefore, the Board views that sound prudential controls are needed to ensure that the organization maintains a balance between its debt and equity. The Board also believes that the Bank should maintain its leverage ratio on and above the regulatory requirements, which will eventually increase the public confidence in the organisation.

Policies and processes for managing excessive on and off balance sheet leverage

To manage excessive leverage, the Bank follows all regulatory requirements for capital, liquidity, commitment, advance-deposit ratio (ADR), maximum cumulative outflow (MCO), and other standards set by Bangladesh Bank. The aim is to ensure that the

high leverage inherent in banking business models is carefully and prudently managed.

Approach for calculating exposure

BRAC Bank calculates leverage ratio on a quarterly basis as per the RBCA guideline of the Bangladesh Bank and submits it to the Department of Off-site Supervision (DOS), Bangladesh Bank, along with the CRAR report.

The leverage ratio reflects the bank's Tier 1 capital (the numerator) over total exposure (the denominator), which include its balance sheet exposures and certain off-balance sheet exposures. The capital measure for the leverage ratio is based on the Tier 1 capital.

The exposure measure for the leverage ratio follows the accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the followings are applied by the Bank:

On-balance sheet, non-derivative exposures are net of specific provisions and valuation adjustments

Physical or financial collateral, guarantee or credit risk mitigation purchased is not considered to reduce on-balance sheet exposure

Netting of loans and deposits is not considered

Leverage Ratio= Tier 1 Capital (after related deductions)/Total exposure (after related deductions)

Quantitative Disclosures

b) Leverage Ratio; On balance sheet exposure; Off balance sheet exposure; Total exposure

Figures in BDT cr

Particular	Solo	Consolidated
Tier-1 Capital (considering all regulatory adjustments)	3,960.67	6,445.36
On- Balance Sheet Exposure	44,012.36	51,773.33
Off-Balance Sheet Exposure	3,920.16	3,920.16
Total Exposure	47,440.34	54,692.63
Leverage Ratio (Actual)	8.35%	11.77%
Leverage Ratio (Required)	3%	3%

11. Remuneration

Qualitative Disclosures

a) Information relating to the bodies that oversee remuneration. Disclosures must include:

- (i) Name, composition and mandate of the main body overseeing remuneration:

The remuneration issues at BRAC Bank are overseen by the senior management. It comprises the Managing Director & CEO, the Deputy Managing Directors and the Divisional Heads.

Remuneration during joining:

Head of Human Resources, Head of Compensation & Rewards, along with concerned Functional Head fix the remuneration based on fitment analysis of the incoming employee.

Remuneration after joining:

Head of Human Resources along with concerned Functional Heads and senior management review the Remuneration of the bank from time to time and adjust it based on performance, the importance of the role and market benchmark.

Cost of living adjustment is given to the eligible employees as per bank's policy on an annual basis.

- (ii) External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process;

N/A

- (iii) A description of the scope of the Bank's remuneration Policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.

The remuneration policy of the bank covers all persons engaged in service of the bank. The salary structure

of the bank is based on job grades. Job grades are decided on the basis of an analytic assessment of the position based on the size, responsibilities, decision-making authorities, nature and scope of the job.

- (iv) A description of the types of employees considered as material risk takers and as senior managers including the number of persons in each group.

The bank has identified employees in key areas and functions whose impact on the risk profile of the Bank will always be material that includes the members of the management body in its supervisory function, whose professional activities have a material impact on the institution's risk profile because of their responsibilities. In particular, all members of senior management, extended management team and other department heads have been identified as senior managers and material risk-takers.

b) Information relating to the design and structure of remuneration processes:

- (i) An overview of the key features and objectives of remuneration policy;

BRAC Bank is committed to maintain fair, competitive and performance-oriented remuneration policies and practices that align with the long-term employee and shareholder interests. The bank believes in rewarding employees for performing in a way that creates sustainable values for the bank and its shareholders over the time. We believe that well-established and clearly communicated core remuneration values drive fairness and consistency across our bank.

Upon recommendation from the management, the Board has the authority to approve and amend the policy.

The remuneration policy of the bank covers all persons engaged in permanent service of the bank.

Bank has different job grades for various levels of employees. Job grade is decided on the basis of an analytic assessment of the position based on the size, responsibilities, decision-making authorities, nature and scope of the job.

The following are the job grades of BRAB Bank:

- Deputy Managing Director
- Senior Executive Vice President
- Executive Vice President
- Senior Vice President
- Vice President
- Senior Assistant Vice President
- First Assistant Vice President
- Assistant Vice President
- Senior Principal Officer
- Principal Officer
- Senior Officer, Management Trainee
- Officer Grade-II, Young Professional
- Officer Grade I

Managing Director & CEO is not a permanent position. It is a fixed-term contractual position as per Bangladesh Bank's approval.

The monthly gross salary of an employee has the following components which may vary depending on employee's grades:

- Basic salary
- House rent
- Medical allowance
- Conveyance
- Festival bonus
- Leave fair allowance
- Others

Salaries are confidential between the employees concerned and the management. The salary ranges for these job grades is reviewed from time to time by the management committee and approved by the Board.

In addition to this, an employee receives 2 guaranteed festival bonuses in two festivals, each equal to one basic. He/ she also receives leave fair allowance equal to one basic salary at the time of his annual mandatory leave. He/she may also receive performance bonuses/ awards/grants, etc., as decided by the Board / Management of the bank from time to time.

- (ii) Whether the Remuneration Committee reviewed the firms Remuneration policy during the past year, and if so, an overview of any changes that were made.

N/A

- (iii) A discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.

Employees engaged in control functions (risk management, human resources, audit, compliance, etc.) are independent of the business units they oversee, have appropriate authority, and are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes.

- (i) An overview of the key risks that the Bank takes into account when implementing remuneration measures;

BRAC Bank takes into account all current and future risks, whether on or off-balance sheet, differentiating amongst risks relevant for business units and individuals. However, for managing and determining remuneration arrangements, key risks like financial risks, operational risks, compliance risks, market risks, reputational risks and employee turnover risks, etc., are usually taken into account. All of our remuneration practices are carefully managed within the risk-taking capacity of the bank.

- (ii) An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed);

N/A

- (iii) A discussion of the ways in which these measures affect remuneration;

We approach all of our remuneration arrangements, especially the periodic fixed remuneration enhancements and the variable compensation arrangements, through an integrated risk, finance, compensation and performance management framework.

The way in which each individual contributes to or impacts the key criteria differs depending on the area of the business in which they operate and their level of seniority. These differences are reflected in the expected outcomes and performance indicators developed for each individual employee/role, and satisfactory performance against these indicators is required to qualify for a change in remuneration.

- (iv) A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.

All measures remain unchanged during the past year.

d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration :

- (i) An overview of the main performance metrics for the Bank, top-level business lines and individuals;
- Based on the bank's profit, the Board, at their discretion, declare a certain percentage of the pre-tax profit as a performance bonus.
 - The method of distribution is based on management discretion.
 - No bonus will be applicable to the employees rating with needs improvement/unacceptable performance.
 - Bonus is declared as per individual employee performance. The ratings and associated bonus amount is decided by the management committee.
 - Performance is measured as per pre-defined criteria and set targets at the beginning of the year. Assessment is divided into two categories:
 - o A) Business objective
 - o B) Value-based objective
 - Eligibility criteria are as follows:
 - o Confirmed employees joining within June 30 of the performing year and confirmed within December 31 of that year.
 - o However, the bonus will be calculated on pro rata basis based on the joining date for the rest of the calendar year.
 - In case of a retired employee, he/she will be eligible for proportionate bonus subject to his/her stay for at least one quarter of the respective financial year
- (ii) A discussion of how amounts of individual remuneration are linked to institution-wide and individual performance;

Though amounts of individual remuneration do not contain any direct formulaic link between business income and individual reward but in the case of variable remuneration, we always consider concerned division performance while assessing the employees attached to it. Differentiating performance and value ratings at

all levels enable us to target spending towards those who have made the most effective contribution to the bank's performance and unique culture to recognise and motivate performers and retention of them.

- (iii) A discussion of the measures in general implement to adjust remuneration in the event that performance metrics are weak.

N/A

e) Description of the ways in which the Bank seeks to adjust remuneration to take account of longer-term performance.

- (i) A discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across persons or groups of persons, a description of the factors that determine the fraction and their relative importance;

Currently, we do not offer any variable remuneration that may be deferred or vested either in the form of cash, shares or share-linked instruments.

- (ii) A discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting through claw back arrangements.

N/A

f) Description of the different forms of variable remuneration that the Bank utilizes and the rationale for using these different forms.

- (i) an overview of the forms of variable remuneration offered (i.e., cash, shares and share-linked instruments and other forms)

Apart from fixed remuneration components, employees are also eligible for variable remuneration arrangements consisting of performance bonus and incentives, such bonuses are currently offered only in cash form.

- (ii) a discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across persons or groups of persons), a description the factors that determine the mix and their relative importance.

Variable remuneration arrangements differ across groups of employees. Performance bonus awards are discretionary and recognize the annual performance of the non-sales employees over the immediate past financial year. Performance is measured and reviewed against set goals, which include financial and value metrics; on the other hand, incentive bonuses are non-discretionary and normally paid to salespeople on a monthly basis who meet established business goals, generate new business, and retain current customers.

Quantitative Disclosures

g)	Number of meetings held by the main body overseeing remuneration during the financial year and the remuneration paid to its members.	The Senior Management met several times during the year ended December 31, 2021. No payment is made to Committee members for their membership of the committee.
h)	<p>The number of persons having received a variable remuneration award during the financial year.</p> <p>Number and total amount of guaranteed bonuses awarded during the financial year.</p> <p>Number and total amount of sign-on awards made during the financial year.</p> <p>Number and total amount of termination payments made during the financial year.</p>	<p>Employee No. 7,929 Total Amount: BDT 639,298,074</p> <p>Employee No. 7630 Total Festival Bonus: BDT 439,596,355</p> <p>N/A</p> <p>Employee No. 16 Termination Payments: BDT 1,166,552</p>
i)	<p>Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.</p> <p>Total amount of deferred remuneration paid out in the financial year.</p>	<p>N/A</p> <p>N/A</p>
j)	<p>Breakdown of the amount of remuneration awards for the financial year to show:</p> <p>Fixed and variable;</p> <p>Deferred and non-deferred; and</p> <p>The different forms used (cash, shares and share-linked instruments and other forms).</p>	<p>Fixed: BDT 5,718,841,963 Variable: BDT 639,298,074</p> <p>N/A</p> <p>N/A</p>
k)	<p>Quantitative information about persons' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. malus, clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:</p> <p>Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post explicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post implicit adjustments.</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>

Capital Plan

BRAC Bank operates in a sector that is one of the most regulated in Bangladesh and hence has developed rigorous compliance standards with a prudent capital allocation focus and management strategy. This has resulted in the fact that the bank has been able to consistently maintain capital levels over and above stipulated regulatory requirements.

One of the key facets underlying the bank's protected capital buffers is the organisation's ability to proactively, diligently and competently engage in forecasting major business trends, risk weighted assets and capital flows. In fact, prudent capital planning is interlinked into the bank's risk and governance processes, as capital remains a key consideration in the development of the bank's strategic plans and risk perimeter.

The bank has also been successful in engaging in careful forecasting about approaching capital requirements, thus succeeding in achieving business goals and also in tactical planning to ensure sufficient capital cushion at all times. Thus, we manage our capital position such that our capital is more than adequate to support our business activities, while also ensuring that it remains in alignment with regulatory mandates.

Furthermore, we strive to shelter our capital at all times, even under high-stress scenarios, which enables us to benefit from any opportunistic gains in terms of leveraging growth prospects, while also ensuring that our enhanced capacities help meet obligations to creditors and counterparties.

A robust capital position also helps us maintain seamless access to the financial markets, while also enabling us to serve as a responsible credit intermediary, remain a source of strength for our subsidiaries, while also satisfying current and future regulatory capital requirements.

We conduct an Internal Capital Adequacy Assessment Process (ICAAP) on a periodic basis. ICAAP is a forward-looking assessment of our projected capital needs and resources, incorporating earnings, balance sheet and risk forecasts under baseline and adverse economic/market conditions.

At the bank, we also take up periodic stress-testing to assess potential impacts on our balance sheet, earnings, regulatory capital levels and liquidity positions under a variety of simulated scenarios. Further, we also perform qualitative risk assessments to identify and assess material risks not fully factored into our forecasts/stress tests. We further evaluate potential capital impacts of proposed changes to regulatory capital requirements.

The bank's top management also supervises ICAAP outcomes and provides insights via quarterly assessments of the adequacy of our capital and capital positions to the Board or its committees.

Thus, capital planning is a dynamic, proactive and practical facilitator for BRAC Bank, enabling resilient banking operations especially in highly challenging economic conditions, especially triggered by the Covid-19 pandemic.

1. Regulatory alignment

Capital management is gaining credence around the world, manifest in the reform initiatives and amendments/updates in prudential norms undertaken by banks in various countries, in line with measures proposed by the Basel Committee on Banking Supervision. Bangladesh Bank, Bangladesh's central bank, is aligned with the reform measures adopted by the Basel Committee to ensure that the national banking sector remains in a strong position to absorb even adverse shocks in crisis conditions.

The following indicate the relationship between risk management and capital requirements:



Capital management helps to ensure that the bank has sufficient capital levels to cover risks associated with its activities



As part of ICAAP, the management identifies risks that the bank is exposed to, and determines the means by which they can be mitigated



Capital is used to cover some of these risks, and the remainder of these are mitigated by means of collateral or other credit enhancements, contingency planning, additional reserves, valuation allowances and other mechanisms

BRAC Bank has achieved constructive progress in forecasting upcoming capital requirements for attaining corporate goals, while also ensuring that capital is made available on-demand. Notably, pragmatic capital planning assists the bank's Board and Management to:

- a) Identify risks and improve understanding of the bank's overall risks to set risk tolerance levels
- b) Evaluate strategic choices in long-term planning
- c) Identify vulnerabilities, such as portfolio concentrations, and assess their impact on capital
- d) Integrate business strategy, risk management and capital and liquidity planning decisions, including due diligence for any merger or acquisition
- e) Maintain a forward-facing assessment of the bank's capital requirements, including those that may arise from rapid changes in economic and financial circumstances

At BRAC Bank, we believe that the most effective capital planning considers both short-term as well as long-term capital needs and is coordinated with the bank's overall strategy and planning process, usually with a forecast horizon of at least five years.

Notably, banks need to factor events that occur outside of the normal capital planning cycle as well into their capital planning process. This need was laid bare by the coronavirus pandemic.

BRAC Bank's capital planning process is customised to the overall risk, complexity and corporate structure of the bank. In fact, the bank's range of business activities, overall risks and operating environment have a significant impact on the level of granularity needed in capital planning. While the precise content, extent and depth of the capital planning process may vary, an effective capital planning framework includes the following dimensions:



Identifying and assessing risks



Setting and assessing capital adequacy goals



Maintaining a strategy to ensure capital adequacy and contingency planning



Ensuring integrity in the internal capital planning process and capital adequacy assessments

2. BRAC Bank's philosophy

BRAC Bank has developed its own capital management pillars, meticulously aligned with regulatory requirements and Basel guidelines, to calculate the capital-to-risk weighted asset ratio (CRAR) and secure adequate capital to cover the risks faced from the perspective of facilitating a sound business.

While doing so, the Board and Management actively define the goals of capital management, such that capital levels always exceed the bank's requirements by at least 1%. We strive to ensure that our capital levels remain aligned with the risks prevailing in the business and are consistent with our strategic plans, while also ensuring that capital levels maintain an appropriate balance between maximising shareholder value and protecting the interests of deposit-holders and other creditors.

Various stress scenarios are also taken into cognisance as they are reliable indicators of future adversities. While we consider capital position in determining our risk appetite, fortified measures are also undertaken so that there are no deficiencies at any given point of time.

The results of our prudent and ring-fenced capital management strategy comprise:

- A capital plan that meets the needs of the bank over a five-year horizon
- An ICAAP that determines accurate levels of required capital according to the measures of balance sheet capital and regulatory capital (Tier-1 and Tier-2)
- A process to regularly balance available capital with current and projected solvency needs, and address deficiencies in a timely manner
- A methodology that ensures improvement in the superintendence of stress scenarios

Our approach to capital management is driven by our strategic goals, whilst ensuring that regulatory requirements, capital targets and risk appetite are met at all times and in all conditions. While planning for adequate capital, we consider multiple other factors too. For example, starting from business expansion till network footprint growth, a thorough cost-benefit analysis is conducted at regular periodicity.

As such, BRAC Bank proactively manages its capital position, capital mix and allocation to meet the expectations of key stakeholders- regulators, shareholders, investors, rating agencies and

analysts, whilst ensuring that the return on capital is proportionate to the risks undertaken by the respective business wings and subsidiaries.

3. Capital management framework

Our capital management framework ensures that the bank embraces measures for capital adequacy that are in accordance with its corporate plans and capital management strategies, and changes in the external environment, including the economic cycle.

Thus, a time-trusted mechanism exists to conduct sufficient analysis in order to maintain adequate levels of capital based on the results of monitoring of the status of the internal environment (risk profile, status of use of risk limits, etc.), and the external environment (economic cycle, market conditions, etc.). The framework is able to extensively withstand risks faced by the bank on a category-wise basis, and is also able to specify risks to be subjected to capital management in the ICAAP, in view of the size and nature of the identified risks.

Conclusively, the framework is also able to assess capital adequacy in a manner commensurate with the scale and nature of the business and risk profile by taking into consideration the following:

- Suitability of the quality of capital to the internal capital adequacy assessment
- Validity of the ICAAP
- Limitations and weakness of the risk assessment methodology adopted
- Internal capital adequacy assessment in light of two or more stress scenarios and based on the analysis of the level of the impact thereof on capital
- Stress scenarios give due consideration to all material risks that would affect capital adequacy over the medium- and long-term
- Lack or excess of loan-loss provisions against expected losses

4. Annual capital plan

BRAC Bank's annual capital plan factors in comprehensive planning of the bank's strategic capital over a five-year horizon. The plan underlines capital projections, capital requirements, levels of capital and capital mix to support the bank's forward business plans and strategic objectives.

Notably, BRAC Bank places high focus on the quality of its capital in order to continue meeting the minimum regulatory requirements and support business growth and the risks undertaken. The

majority capital of the bank is in the form of Common Equity Tier 1 (CET 1) capital, which is permanent and has the highest loss absorption capacity (on a going concern basis).

on a sound footing, despite pressures triggered by the coronavirus pandemic. Hence, the following phase-in transition to Basel-III implementation as set by Bangladesh Bank has been accommodated smoothly.

Upon due treatment of deferred tax assets, general provisions, goodwill and other regulatory adjustments, our capital base has always remained

Particulars	2015	2016	2017	2018	2019	2020	2021
Minimum Common Equity Tier 1 (CET 1) Capital Ratio	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	0.00%	0.63%	1.25%	1.88%	2.50%	2.50%	2.50%
Minimum CET-1 plus Capital Conservation Buffer	4.50%	5.13%	5.75%	6.38%	7.00%	7.00%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00%	10.63%	11.25%	11.88%	12.50%	12.50%	12.50%
Phase-in of deductions from Tier-2 Revaluation Reserve (RR)							
RR for Fixed Assets	20%	40%	60%	80%	100%	100%	100%
RR for Securities	20%	40%	60%	80%	100%	100%	100%
RR for Equity Securities	20%	40%	60%	80%	100%	100%	100%

Historically, BRAC Bank has always maintained a healthy capital ratio against the minimum regulatory requirement. The following table demonstrates our successful capital management strategy over the last five years.

Particulars	2017	2018	2019	2020	2021
Common Equity Tier-1 (CET-1) Capital Ratio	11.24%	12.31%	13.82%	13.21%	12.89%
Additional Tier-1 Capital Ratio	-	-	-	-	-
Total Tier-1 Capital Ratio	11.24%	12.31%	13.82%	13.21%	12.89%
Total Tier-2 Capital Ratio	1.48%	1.35%	1.24%	1.34%	1.47%
Total Capital Ratio	12.72%	13.67%	15.07%	14.55%	14.36%

Going forward, BRAC Bank is focused on maintaining healthy regulatory capital levels to support business growth and hence ensure consistent shareholder and stakeholder value creation, despite extraneous circumstances.

Asset Liability Management Committee (ALCO)

Our enduring priorities



Embrace overall responsibility for the balance sheet management



Forecast interest rate and price deposits and loans



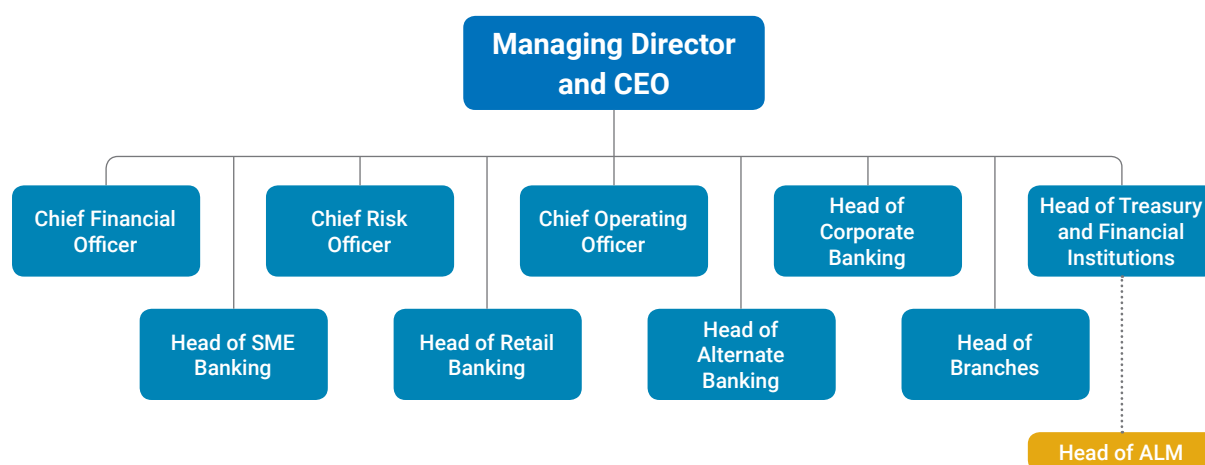
Formulate liquidity and market risk strategy of the bank

Ensuring balance sheet stability and optimal profitability

At BRAC Bank, Asset Liability Management Committee, or ALCO, monitors key funding metrics and liquidity ratios to assess potential risks to the liquidity position, which acts as early warning indicators of potential market disruptions or liquidity tightness. Treasury is responsible for managing the

fund position, as per recommendations of ALCO, to manage any potential risks, while optimizing returns. The Asset-Liability Manager of Treasury is entrusted with the responsibility of analyzing balance sheet composition and consequently place recommendations to ALCO and Head of Treasury.

ALCO comprises the following 10 members of Senior Management Team:



The Managing Director & CEO is the Chairman of ALCO, while Head of Treasury & FI acts as the Member Secretary. The Head of ALM Desk is the permanent invitee and coordinator of the ALCO. The committee calls on a meeting at least once every month, and also whenever required, to set and review strategies on ALM. The meeting's notice and

necessary arrangements are done by ALM.

ALCO reviews the ALCO paper along with the prescribed agendas. Treasury submits its views on liquidity and market risks, more specifically including:

- Economy and market movement
- Repricing interest rates

- Deposits mobilisation or augmenting advances
- Short-term or long-term calibration of deposits and advances
- Inter-division transfer pricing of funds

Based on the analysis and views, the committee takes strategic decisions to achieve the dual objective of moderating balance sheet risks and optimizing profitability.

ALCO's major responsibilities

- Ensure that the bank's assessment and reporting systems accurately convey the degree of liquidity and market risks
- Monitor the structure and composition of the bank's assets and liabilities and identify balance sheet management issues, where further scrutiny is required
- Determine major aspects of the balance sheet structure, such as maturity and currency mix of

assets and liabilities, mix of wholesale vs. retail funding, deposit mix, etc.

- Identify the approach to significant, actual and expected increases and decreases in required funding
- Review maturity profile and mix of assets and liabilities on an ongoing basis
- Periodically review the transfer pricing policy of the bank
- Evaluate market risks involved in launching new products
- Review deposit and loan pricing strategy
- Assess contingency funding roadmap

In 2021, ALCO held 12 regular meetings and 1 special meeting. All ALM risk ratios were within regulatory and internal limit. These achievements are also recognized by international credit rating agencies (S&P and Moody's) by assigning the best credit rating in Bangladesh to BRAC Bank Limited.

REPORTS AND FINANCIAL STATEMENTS



BRAC Bank Limited

Independent Auditor's Report and Consolidated
& Separate Financial Statements
as at and for the year ended 31 December 2021

Independent Auditor's Report

to the Shareholders of BRAC Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of BRAC Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of BRAC Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2021 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the

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

Other Matters

The financial statements of the year ended 31 December 2020, were audited by another auditor who expressed an unmodified opinion on those statement on 12 April 2021.

Key Audit Matters

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

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex. For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for credit transactions.	We tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none">• Credit appraisal, loan disbursement procedures, monitoring and provisioning process;• Alternate procedures applied by management to assess new loan/renewal of existing loans where latest audited financial statements of the borrower is not available;

<p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation.</p> <p>At year end the Group reported total gross loans and advances of BDT 322,135 million (2020: BDT 273,439 million) and provision for loans and advances of BDT 13,998 million (2020: BDT 11,807 million).</p> <p>In addition, special general provision – COVID 19 has been also maintained as per BRPD circular no. 56 dated 10 December 2021 and 50 dated 14 December 2021 on the outstanding balance from clients who have taken the deferral facility due to COVID 19.</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows. <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<ul style="list-style-type: none"> Identification of loss events, including early warning and default warning indicators; and Reviewed quarterly Classification of Loans (CL). <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained <p>Considering continuing adverse impact of COVID 19, Bangladesh Bank has given certain flexibility from classification requirement for loans vide issuing various circulars such as BRPD 3 dated 31 January 2021, BRPD 4 and 5 dated 24 March 2021, BRPD 13 dated 27 June 2021, BRPD 19 dated 26 August 2021 and BRPD 53 dated 30 December 2021 whereby Banks are allowed to keep a loan/customer as unclassified as long as the customer has paid 15% of the down payment due for the year 2021 by 31 December 2021.</p>
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See note # 7 and 16.1 to the financial statements

Risk	Our response to the risk
Interest income recognition	
<p>Recognition and measurement of interest income involve complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of interest income.</p> <p>Moreover, as per Bangladesh Bank BRPD circular no. 53 dated 30 December 2021, considering future risk banks were allowed to recognize outstanding/ arrear interest income on loans where deferral facilities were given upon receiving at least 15% of the total receivable amount.</p> <p>Accordingly this has been considered as key audit matter.</p>	<p>We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of interest on loans and advances.</p> <p>For selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut-of testing to check accuracy of interest income</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognised during the year with reference to the product wise outstanding loan balances.</p>

See note # 25 to the financial statements

Risk	Our response to the risk
Adequacy of income tax provision and measurement of deferred tax assets	
<p>Calculation of income tax provision required compliance with the Income Tax Ordinance 1984 including careful consideration of various temporary and permanent differences. Furthermore, upon final settlement of pending tax assessments any excess or short provision of current tax is also adjusted in the current year.</p> <p>Finally, significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p> <p>Accordingly, this area has been considered as key audit matter.</p> <p>At year end of 2021 the Bank reported income tax provision net off AIT of Tk 5,022 million (2020: Tk 4,012 million) and corresponding current income tax charges of Tk 3,467 million (2020: 2,537 million). In addition, total deferred tax assets of BDT 4,147 million (2020: BDT 3,199 million) and deferred tax income of BDT 1,125 million (2020: BDT 343 million) recognised by the Bank.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of both current tax and deferred tax, including the assumptions used in estimating the Bank's taxable income.</p> <p>We reviewed tax position for those years where income tax assessment is pending and assess adequacy of tax provision recorded by the Bank. Special focus attention was given to any reversal/adjustment of income tax provision from prior year.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. The Bank has sufficient taxable profit to recover the deferred tax assets in foreseeable future.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of current and deferred tax.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax including deduction of DTA on specific provision from regulatory capital.</p>

See notes no 9.4, 16.9, 41 to the financial statements

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

See note # 6 to the financial statements

Risk	Our response to the risk
Impairment of goodwill in consolidated financial statements of the Group and fair value of investments in standalone financial statements of the Bank	
<p>The Bank has adopted IFRS 9 Fair value through other comprehensive income (FVOCI) method for measurement of equity investment in subsidiaries and associates in the standalone financial statements. As all such investments are in unquoted investment, management used net assets value of the each investment as per the financial statements of the entity every year as fair value as management has assumed that if buyer offer any price of the Bank's investments, they will refer to NAV as reference price. The carrying value of such investment at 31 December 2021 the carrying amount was Tk 13,182 million (2020: Tk 5,825 million).</p> <p>Similarly, the Group has recognised goodwill of BDT 1,427 million (2020: BDT 1,427 million) which were arisen from acquisition of BRAC EPL Stock Brokerage Limited, BRAC EPL Investments Limited and BRAC SAAJAN Exchange Limited.</p> <p>The determination of fair value of the Bank's investment in subsidiary and annual impairment testing of goodwill at the Group level are considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount (i.e. the higher of the value in use or fair value e.g. NAV). Both the value in use and fair value have been determined with a number of valuation assumptions and inputs including estimates of revenue, operating costs, terminal value, growth rates and the weighted average cost of capital (discount rate).</p>	<p>Our audit procedures on both assessment of goodwill impairment at the Group level and carrying value of investments in subsidiaries at the Bank level included, among others:</p> <ul style="list-style-type: none"> evaluating the appropriateness of the assumptions applied to key inputs such as revenue, operating costs, inflation and long-term growth rates used by management, including comparing these inputs with our own assessments based on our knowledge of the entity and the industry; checking mathematical accuracy of the model, recalculating discount rate used in the model, reviewing other inputs in the model and corroborating these inputs with reference to external market information, third-party sources. performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on recoverable amount of the respective subsidiaries; and evaluating the adequacy of the financial statement disclosures. <p>The operation of BRAC SAAJAN Exchange Limited has been suspended during 2021 on regulatory ground by the local regulator in UK, against which management has lodged an appeal, and the hearing is pending. However, based on internal assessment management is satisfied that the appeal would be successful and it can immediately commence operation in a profitable manner. Accordingly, impairment assessment for goodwill is conducted on this assumption which may change due to the eventual outcome of the appeal.</p> <p>The Bank has continued to consider bKash Limited as its subsidiary because of holding 51% equity shares as well effective control on the Board. However, bKash has also issued convertible preference shares and these preference shareholders do not have any voting rights but has same rights as equity shareholders with respect to economic interest in the company. Accordingly, consolidated financial statements of the Group have been prepared using 35.74% instead of 51% of the economic interest on bKash considering the potential dilution.</p>

See notes 9, 11 and 22 to the financial statements**IT systems and controls**

Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively

We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.

We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.

We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.

We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Reporting on other information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as

explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Group and the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

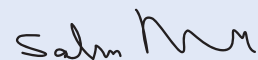
Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

- (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- (iii) Financial statements for the year ended 31 December 2021 of local subsidiaries namely BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited and bKash Limited have been audited by Rahman Rahman Huq, Chartered Accountants and one associate namely BRAC IT Services Limited have been audited by Howladar Yunus & Co., Chartered Accountants. The group reporting pack of the foreign subsidiary BRAC SAAJAN Exchange Limited have been audited by Reddy Siddiqui LLP, UK. All these entities have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
 - (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
 - (vii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
 - (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
 - (ix) the information and explanations required by us have been received and found satisfactory;
 - (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 3,000 person hours; and
 - (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 15 March 2022
DVC No: 2203160770AS427156



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

BRAC Bank Limited and its subsidiaries

Consolidated Balance Sheet

As at 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
PROPERTY AND ASSETS			
Cash	3	23,459,424,430	19,987,803,891
Cash in hand (Including foreign currency)		9,207,161,626	7,836,614,607
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		14,252,262,804	12,151,189,284
Balance with other banks and financial institutions	4	78,261,312,910	42,650,004,620
Inside Bangladesh		70,561,465,538	35,478,313,372
Outside Bangladesh		7,699,847,372	7,171,691,248
Money at call on short notice	5	3,500,000,000	-
Investments	6	70,068,593,304	94,094,812,131
Government		60,998,642,835	85,498,396,233
Others		9,069,950,469	8,596,415,898
Loans and advances	7	322,135,188,439	273,438,940,961
Loans, cash credit, overdrafts etc.		169,128,372,833	136,750,360,676
Small and medium enterprises		150,749,009,625	134,621,356,804
Bills purchased and discounted		2,257,805,981	2,067,223,481
Fixed assets including premises, furniture and fixtures	8	12,834,169,424	10,605,635,911
Other assets	9	16,222,224,464	13,862,504,994
Non-banking assets	10	4,541,700	66,471,775
Goodwill	11	1,427,468,911	1,427,468,911
Total property and assets		527,912,923,582	456,133,643,194
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	24,150,953,707	12,572,789,394
Borrowings from central bank & government agencies	13	23,175,903,824	23,370,068,779
Money at call on short notice	14	-	84,801,100
Deposits and other accounts	15	364,337,612,226	333,615,619,705
Current accounts and other accounts		164,425,455,280	143,332,071,057
Bills payable		2,367,889,416	1,797,962,669
Savings deposits		68,334,576,200	57,230,594,232
Term deposits		127,956,809,129	130,608,019,962
Other deposits		1,252,882,201	646,971,785
Other liabilities	16	39,300,363,327	32,731,812,776
Total liabilities		450,964,833,084	402,375,091,754
Capital and shareholders' equity			
Paid up capital	17.2	13,921,723,990	13,258,784,760
Share premium	17.7	3,853,767,032	3,853,767,032
Statutory reserve	18	10,067,956,958	9,405,017,728
Dividend equalization fund	19	355,218,455	355,218,455
Revaluation reserve on govt. securities	20	2,490,292,927	4,805,926,053
Fair value reserve		78,920,073	78,920,073
Foreign currency translation reserve		16,632,383	(15,052,339)
Surplus in profit and loss account/Retained earnings	22.1	26,402,962,532	16,368,391,545
Total shareholders' equity		57,187,474,350	48,110,973,307
Non controlling interest	22.2	19,760,616,148	5,647,578,133
Total equity		76,948,090,498	53,758,551,440
Total liabilities and equity		527,912,923,582	456,133,643,194

BRAC Bank Limited and its subsidiaries

Consolidated Balance Sheet

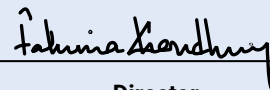
As at 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Off balance sheet items			
Contingent liabilities			
Acceptances and endorsements	23	50,478,536,940	27,887,446,334
Irrevocable letters of credit	23	26,598,203,443	15,550,643,171
Letter of guarantees	23.2	11,793,414,671	10,831,198,204
Bills for collection	23.3	16,438,866,245	12,320,479,990
		105,309,021,299	66,589,767,699
Other commitments			
Swap deals with banks and customers	23.4	20,452,606,603	18,307,971,009
Spot and forward deals with banks and customers	23.4	18,161,597,791	8,682,289,771
		38,614,204,394	26,990,260,781
Total off balance sheet items		143,923,225,693	93,580,028,480
Net asset value (NAV) per share	46	41.08	34.56

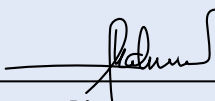
The notes 1 to 48 and annexures A to L form an integral part of these financial statements.



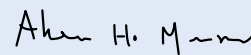
Managing Director and CEO



Director

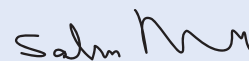


Director



Chairman

As per our report of same date.



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

Dhaka, 15 March 2022
DVC No: 2203160770AS427156

BRAC Bank Limited and its subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Interest income	25	24,225,217,948	27,079,940,016
Interest paid on deposits and borrowing etc.	26	7,912,883,508	13,724,700,661
Net interest income		16,312,334,440	13,355,239,355
Investment income	27	7,142,434,925	8,182,278,016
Commission, exchange and brokerage	28	7,992,853,236	6,846,329,406
Other operating income	29	175,087,450	170,205,482
Total operating income (a)		31,622,710,051	28,554,052,259
Salaries and allowances	30	9,890,092,832	9,043,103,741
Rent, taxes, insurance, electricity etc.	31	645,414,492	619,719,635
Legal expenses		62,840,810	67,443,988
Postage, stamps, telecommunication etc.	32	317,984,231	301,320,117
Stationery, printing, advertisement etc.	33	2,608,773,879	2,842,951,296
Chief Executive's salary and fees	34	18,424,250	18,775,000
Directors' fees	35	4,572,209	3,304,211
Auditors' fees	36	7,125,166	7,895,608
Depreciation and repair of the bank's assets	37	4,577,170,806	3,898,055,827
Other expenses	38	3,383,027,192	3,542,809,289
Total operating expenses (b)		21,515,425,868	20,345,378,712
Profit before provisions (c = a-b)		10,107,284,183	8,208,673,547
Share of profit of associates	39	3,742,052	-
Gain on disposal of associates		17,373,182	-
Profit/(loss) before provisions (d)		10,128,399,417	8,208,673,547
Provision for loans/investments:			
Loans and advances		2,971,016,470	2,365,157,113
Diminution in value of investments		(74,000,000)	(563,219,881)
Off balance sheet items		251,500,000	63,083,635
Other provisions		70,093,002	7,481,732
Total provisions (e)	40	3,218,609,472	1,872,502,599
Total profit/(loss) before taxes (f= d-e)		6,909,789,945	6,336,170,948
Provision for taxation:			
Current tax expense		3,737,018,428	2,840,345,166
Deferred tax expense / (income)		(1,479,828,777)	(545,564,997)
Total provision for taxation (g)	41	2,257,189,651	2,294,780,169
Net profit/(loss) after taxation (f-g)		4,652,600,294	4,041,390,779
Attributable to:			
Equity holders of BRAC Bank Limited		5,464,672,680	4,418,312,022
Non controlling interest	22.2.1	(812,072,386)	(376,921,243)
		4,652,600,294	4,041,390,779
Retained earnings brought forward from previous year		16,368,391,545	15,247,318,833
Net profit attributable to the equity holders of the Bank		5,464,672,680	4,418,312,022
Net effect of all items directly recognised in equity-retained earnings	22.1.1	7,322,532,868	(171,308,013)
Profit available for appropriation		29,155,597,093	19,494,322,842

BRAC Bank Limited and its subsidiaries

Consolidated Profit and Loss Account

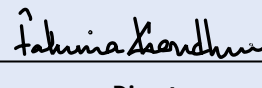
For the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Appropriations:			
Statutory reserve		662,939,230	1,275,868,312
General reserve		-	-
Dividend		1,988,817,706	1,850,062,985
Start-up Fund		100,877,625	-
		2,752,634,561	3,125,931,297
Retained surplus		26,402,962,532	16,368,391,545
Earnings Per Share (EPS) [previous year's figure restated]	42	3.93	3.17

The notes 1 to 48 and annexures A to L form an integral part of these financial statements.



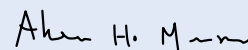
Managing Director and CEO



Director

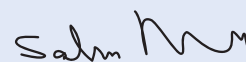


Director



Chairman

As per our report of same date.



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

Dhaka, 15 March 2022
DVC No: 2203160770AS427156

BRAC Bank Limited and its subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

Amount in Taka

Particulars	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Assets revaluation reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2021	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	-	78,920,073	(15,052,340)	16,368,391,545	5,647,578,133	53,758,551,440
Surplus on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-	-
Recognition of deferred tax on revaluation reserve of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	(2,315,633,126)	-	-	-	-	-	(2,315,633,126)
Changes in foreign currency translation reserve	-	-	-	-	-	-	-	31,684,722	-	771,145	32,455,867
Fair value reserve	-	-	-	-	-	-	-	-	(122,766,336)	39,418,996	(83,347,340)
Remeasurements of defined benefits liability (assets)	-	-	-	-	-	-	-	-	7,445,299,204	14,884,920,260	22,330,219,464
Effect of issuance of preference share by bKash	-	-	-	-	-	-	-	-	-	-	-
Sub total	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	2,490,292,927	-	78,920,073	16,632,382	23,690,924,413	20,572,688,534	73,722,246,305
Net profit for the year	-	-	-	-	-	-	-	-	5,464,672,680	(812,072,386)	4,652,600,294
Dividend for the year 2020:	-	-	-	-	-	-	-	-	-	-	-
Stock dividend	662,939,230	-	-	-	-	-	-	-	(662,939,230)	-	-
Cash dividend	-	-	-	-	-	-	-	-	(1,325,878,476)	-	(1,325,878,476)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-
Adjustment for subsidiaries holdings change	-	-	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	-	(100,877,625)	-	(100,877,625)
Statutory reserve	-	-	662,939,230	-	-	-	-	-	(662,939,230)	-	-
Balance as at 31 December 2021	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	-	78,920,073	16,632,382	26,402,962,532	19,760,616,148	76,948,090,498

BRAC Bank Limited and its subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

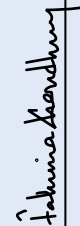
Amount in Taka

Particulars	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Assets revaluation reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2020	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	478,558,600	78,920,073	23,670,247	15,230,405,214	6,081,237,821	46,663,645,179
Changes in accounting policy	-	-	-	-	-	(478,558,600)	-	-	16,913,619	27,548,400	(434,096,581)
Restated balance	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	-	78,920,073	23,670,247	15,247,318,833	6,108,786,221	46,229,548,598
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-	-
Recognition of deferred tax on revaluation reserve of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	4,706,961,002	-	-	-	-	-	4,706,961,002
Changes in foreign currency translation reserve	-	-	-	-	-	-	-	(38,722,587)	-	1,611,069	(37,111,517)
Fair value reserve	-	-	-	-	-	-	-	-	-	-	-
Remeasurements of defined benefits liability (assets)	-	-	-	-	-	-	-	-	(171,308,013)	(81,712,541)	(253,020,554)
Effect of issuance of preference share by bKash	-	-	-	-	-	-	-	-	-	-	-
Sub total	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	4,805,926,053	-	78,920,073	(15,052,340)	15,076,010,820	6,028,684,749	50,646,377,529
Net profit for the year	-	-	-	-	-	-	-	-	4,418,312,022	(376,921,243)	4,041,390,779
Dividend for the year 2019:	-	-	-	-	-	-	-	-	-	-	-
Stock dividend	925,031,490	-	-	-	-	-	-	-	(925,031,490)	-	-
Cash dividend	-	-	-	-	-	-	-	-	(925,031,495)	(4,185,373)	(929,216,868)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-
Adjustment for subsidiaries	-	-	-	-	-	-	-	-	-	-	-
holdings change	-	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	1,275,868,312	-	-	-	-	-	(1,275,868,312)	-	-
Balance as at 31 December 2020	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	-	78,920,073	(15,052,340)	16,368,391,545	5,647,578,133	53,758,551,440

The notes 1 to 48 and annexures A to L form an integral part of these financial statements.



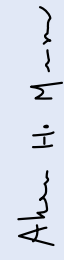
Managing Director and CEO



Director



Director



Chairman


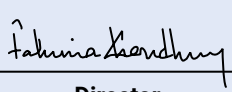
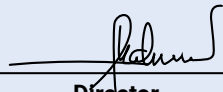
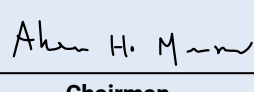
BRAC Bank Limited and its subsidiaries

Consolidated Cash Flow Statement

For the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
A. Cash flows from operating activities			
Interest receipts in cash		30,510,937,817	32,195,001,006
Interest payment		(8,765,182,197)	(15,636,013,075)
Dividend receipts		225,198,769	130,763,062
Fees and commission receipts in cash		36,148,193,743	28,610,570,178
Recoveries on loans previously written off		707,517,594	633,704,077
Cash payments to employees		(9,942,261,926)	(8,965,734,511)
Cash payments to suppliers		(29,490,800,154)	(25,375,595,894)
Income tax paid		(7,109,584,330)	(7,175,081,433)
Receipts from other operating activities	44	592,067,664	1,810,225,196
Payment for other operating activities	45	(4,049,473,180)	(4,028,702,697)
Operating cash flow before changes in operating assets and liabilities (i)		8,826,613,800	2,199,135,909
Increase/(decrease) in operating assets and liabilities			
Loans and advances		(47,587,679,964)	(8,638,680,349)
Other assets		(376,833,057)	1,565,213,895
Deposits from other banks/borrowings		10,667,650,315	(911,149,627)
Deposits from customers		31,712,233,455	37,742,136,950
Other liabilities		483,029,607	1,055,798,882
Cash utilised in operating assets and liabilities (ii)		(5,101,599,644)	30,813,319,751
Net cash flows from operating activities (i+ii) (a)		3,725,014,156	33,012,455,660
B. Cash flows from investing activities			
Treasury bills		7,996,369,494	11,618,356,004
Treasury bonds		14,187,750,778	(48,589,867,351)
Investment in shares		(863,128,507)	(371,439,457)
Sale/ (Investment) in bonds		642,282,917	159,332,423
Acquisition of fixed assets		(4,696,385,425)	(2,146,251,314)
Disposal of fixed assets		601,372,697	110,651,527
Net cash used in investing activities (b)		17,868,261,954	(39,219,218,168)
C. Cash flows from financing activities			
Proceeds from issue of convertible preference shares		22,330,724,613	-
Cash dividend paid		(1,383,245,432)	(921,492,906)
Net cash flows from financing activities (c)		20,947,479,181	(921,492,906)
Net increase/(decrease) in cash (a+b+c)		42,540,755,291	(7,128,255,414)
Cash and cash equivalents at the beginning of the year		62,639,236,011	69,666,251,890
Effect of exchange rate changes on cash and cash equivalent		42,026,838	101,239,535
Cash and cash equivalents at the end of the year	43	105,222,018,140	62,639,236,011
Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currency)		9,207,161,626	7,836,614,607
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		14,252,262,804	12,151,189,284
Balance with other banks and financial institutions		78,261,312,910	42,650,004,620
Money at call on short notice		3,500,000,000	-
Prize Bond		1,280,800	1,427,500
		105,222,018,140	62,639,236,011
Net operating cash flow per share	47	2.68	23.71

The notes 1 to 48 and annexures A to L form an integral part of these financial statements.

 Managing Director and CEO	 Director	 Director	 Chairman
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BRAC Bank Limited and its subsidiaries

Consolidated Liquidity Statement

(Asset and Liability Maturity Analysis)


As at 31 December 2021

Amount in Taka

Particulars	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
Assets						
Cash in hand and Balance with Bangladesh Bank	12,315,123,324	-	-	-	11,144,301,106	23,459,424,430
Balance with other banks and financial institutions (including foreign currencies)	6,339,852,686	21,968,040,315	49,953,419,909	-	-	78,261,312,910
Money at call and short notice	3,500,000,000	-	-	-	-	3,500,000,000
Investments	2,710,582,737	220,724,640	18,305,723,722	33,494,806,504	15,336,755,701	70,068,593,304
Loans and advances	26,883,955,082	50,194,511,523	133,482,324,464	97,469,578,104	14,104,819,266	322,135,188,439
Fixed assets including premises, furniture and fixtures	-	-	-	12,303,782,880	530,386,544	12,834,169,424
Other assets	5,567,492,705	134,691,134	3,873,033,402	2,105,212,990	4,541,794,233	16,222,224,464
Non - banking assets	-	-	-	-	4,541,700	4,541,700
Goodwill	-	-	-	-	1,427,468,911	1,427,468,911
Total Assets	57,317,006,534	72,517,967,612	205,614,501,497	145,373,380,478	47,090,067,461	527,912,923,582
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	2,705,217,264	9,381,763,860	28,055,817,386	6,420,979,855	763,079,166	47,326,857,531
Money at call and short notice	-	-	-	-	-	-
Deposits and other accounts	40,490,298,262	44,251,532,743	129,712,843,223	143,906,983,804	5,975,954,194	364,337,612,226
Other liabilities	2,045,007,504	5,327,442,929	8,651,783,705	6,254,738,547	17,021,390,642	39,300,363,327
Total Liabilities	45,240,523,030	58,960,739,532	166,420,444,314	156,582,702,206	23,760,424,002	450,964,833,084
Net Liquidity Gap	12,076,483,504	13,557,228,080	39,194,057,183	(11,209,321,728)	23,329,643,459	76,948,090,498

The notes 1 to 48 and annexures A to L form an integral part of these financial statements.


Managing Director and CEO


Director


Director


Chairman

Balance Sheet

As at 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
PROPERTY AND ASSETS			
Cash	3	22,676,943,467	19,243,096,656
Cash in hand (Including foreign currency)		8,424,680,663	7,091,907,372
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		14,252,262,804	12,151,189,284
Balance with other banks and financial institutions	4	19,880,951,145	14,358,762,046
Inside Bangladesh		12,261,365,946	7,928,558,845
Outside Bangladesh		7,619,585,199	6,430,203,201
Money at call on short notice	5	3,500,000,000	-
Investments	6	51,590,814,842	68,896,004,194
Government		44,051,798,178	61,821,887,388
Others		7,539,016,664	7,074,116,806
Loans and advances	7	321,212,230,987	273,063,193,200
Loans, cash credit, overdrafts etc.		168,205,415,381	136,374,612,915
Small and medium enterprises		150,749,009,625	134,621,356,804
Bills purchased & discounted		2,257,805,981	2,067,223,481
Fixed assets including premises, furniture and fixtures	8	7,454,867,399	6,828,574,683
Other assets	9	22,763,775,341	14,525,819,425
Non-banking assets	10	4,541,700	66,471,775
Total property and assets		449,084,124,881	396,981,921,979
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	12	24,134,564,025	11,913,324,935
Borrowings from central bank & government agencies	13	23,175,903,824	23,370,068,779
Money at call on short notice	14	-	84,801,100
Deposits and other accounts	15	314,598,626,264	289,054,405,724
Current accounts & other accounts		109,470,657,298	98,756,904,331
Bills payable		2,367,889,416	1,797,962,669
Savings deposits		68,334,576,200	57,230,594,232
Term deposits		133,172,621,149	130,621,972,707
Other deposits		1,252,882,201	646,971,785
Other liabilities	16	32,755,559,637	26,082,795,675
Total Liabilities		394,664,653,750	350,505,396,213
Capital and shareholders' equity			
Paid up capital	17.2	13,921,723,990	13,258,784,760
Share premium	17.7	3,853,767,032	3,853,767,032
Statutory reserve	18	10,067,956,958	9,405,017,728
Dividend equalization fund	19	355,218,455	355,218,455
Revaluation reserve on govt. securities	20	2,490,292,927	4,805,926,053
Fair value gain/(loss) on equity investment	21	7,384,920,564	1,131,197,846
Foreign currency translation reserve		15,729,653	(13,641,635)
Surplus in profit and loss account/Retained earnings	22	16,329,861,552	13,680,255,527
Total shareholders' equity		54,419,471,131	46,476,525,766
Total liabilities and shareholders' equity		449,084,124,881	396,981,921,979

BRAC Bank Limited

Balance Sheet

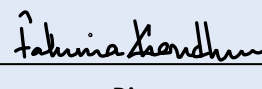
As at 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Off balance sheet items			
Contingent liabilities			
Acceptances and endorsements	23	50,478,536,940	27,887,446,334
Irrevocable letters of credit	23	26,598,203,443	15,550,643,171
Letter of guarantees	23.2	11,793,414,671	10,831,198,204
Bills for collection	23.3	16,438,866,245	12,320,479,990
		105,309,021,299	66,589,767,699
Other Commitments			
Swap deals with banks and customers	23.4	20,452,606,603	18,307,971,009
Spot and forward deals with banks and customers	23.4	18,161,597,791	8,682,289,771
		38,614,204,394	26,990,260,781
Total off balance sheet items		143,923,225,693	93,580,028,480
Net asset value (NAV) per share	46	39.09	33.38

The notes 1 to 48 and annexures A to L form an integral part of these financial statements.



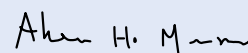
Managing Director and CEO



Director

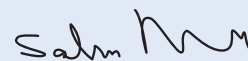


Director



Chairman

As per our report of same date.



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

Dhaka, 15 March 2022
DVC No: 2203160770AS427156

Profit and Loss Account

For the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Interest income	25	21,586,220,747	24,708,585,875
Interest paid on deposits and borrowing etc.	26	7,589,298,326	13,501,818,343
Net interest income		13,996,922,421	11,206,767,532
Investment income	27	5,780,677,077	6,456,643,091
Commission, exchange and brokerage	28	3,440,196,921	2,560,275,778
Other operating income	29	146,093,679	111,861,433
Total operating income (a)		23,363,890,098	20,335,547,834
Salaries and allowances	30	6,626,995,876	6,228,455,055
Rent, taxes, insurance, electricity etc.	31	473,700,396	491,971,548
Legal expenses		33,352,689	32,746,130
Postage, stamps, telecommunication etc.	32	222,631,352	204,617,611
Stationery, printing, advertisement etc.	33	221,634,405	220,659,472
Chief Executive's salary and fees	34	18,424,250	18,775,000
Directors' fees	35	2,437,600	1,596,800
Auditors' fees	36	1,840,000	1,840,000
Depreciation and repair of the bank's assets	37	2,191,026,040	2,081,241,194
Other expenses	38	2,627,953,670	2,451,914,688
Total operating expenses (b)		12,419,996,278	11,733,817,498
Profit before provisions (c = a-b)		10,943,893,820	8,601,730,336
Provision for loans/Investments:			
Loans and advances		2,810,975,910	2,365,157,113
Diminution in value of investments		(74,000,000)	(563,219,881)
Off balance sheet items		251,500,000	63,083,635
Other provisions		65,866,351	1,581,941
Total provisions (d)	40	3,054,342,261	1,866,602,808
Total Profit/(loss) before taxes (e= c-d)		7,889,551,559	6,735,127,528
Provision for taxation:			
Current tax expense		3,467,399,481	2,537,375,925
Deferred tax income		(1,124,778,486)	(343,080,346)
Total provision for taxation (f)	41	2,342,620,995	2,194,295,579
Net profit after taxation (e-f)		5,546,930,564	4,540,831,949
Retained earnings brought forward from previous year		13,680,255,527	12,378,804,260
Net effect of all items directly recognised in equity-retained earnings		(144,689,978)	(113,449,385)
Profit available for appropriation		19,082,496,113	16,806,186,824

BRAC Bank Limited

Profit and Loss Account

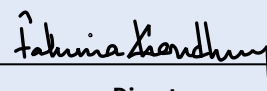
For the year ended 31 December 2021

Particulars	Note	2021 Taka	2020 Taka
Appropriations:			
Statutory reserve		662,939,230	1,275,868,312
General reserve		-	-
Dividend		1,988,817,706	1,850,062,985
Start-up Fund		100,877,625	-
		2,752,634,561	3,125,931,297
Retained Surplus		16,329,861,552	13,680,255,527
Earnings Per Share (EPS) [previous year's figure restated]	42	3.98	3.26

The notes 1 to 48 and annexures A to L form an integral part of these financial statements.



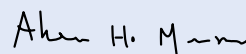
Managing Director and CEO



Director

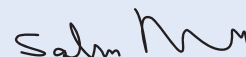


Director



Chairman

As per our report of same date.



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

Dhaka, 15 March 2022
DVC No: 2203160770AS427156

Statement of Changes in Equity

For the year ended 31 December 2021

Amount in Taka

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

Statement of Changes in Equity

For the year ended 31 December 2020

Amount in Taka

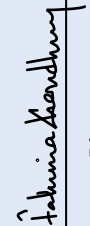
Particulars	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Assets revaluation reserve	Foreign currency translation reserve	OCI Reserve for equity investment	Retained earnings	Total
Balance as at 01 January 2020	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	478,558,600	29,914,158	1,261,102,670	12,378,804,260	38,919,232,912
Changes in accounting policy	-	-	-	-	-	(478,558,600)	-	-	-	(478,558,600)
Restated balance	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	-	29,914,158	1,261,102,670	12,378,804,260	38,440,674,312
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Recognition of Deferred Tax on revaluation reserve of fixed assets	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	4,706,961,002	-	-	-	-	4,706,961,002
Changes in translation reserve	-	-	-	-	-	-	-	-	-	-
Changes in OCI reserve for investment in subsidiaries and associates	-	-	-	-	-	-	(43,555,793)	-	-	(43,555,793)
Actuarial gain/(loss)	-	-	-	-	-	-	-	(129,904,824)	-	(129,904,824)
Sub total	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	4,805,926,053	-	(13,641,635)	1,131,197,846	12,265,354,875	42,860,725,312
Net profit for the year	-	-	-	-	-	-	-	-	4,540,831,949	4,540,831,949
Dividends for the year 2019:	-	-	-	-	-	-	-	-	-	-
Stock dividend	925,031,490	-	-	-	-	-	-	-	(925,031,490)	-
Cash dividend	-	-	-	-	-	-	-	-	(925,031,495)	(925,031,495)
Statutory reserve	-	-	1,275,868,312	-	-	-	-	-	(1,275,868,312)	-
Balance as at 31 December 2020	13,258,784,760	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	-	(13,641,635)	1,131,197,846	13,680,255,527	46,476,525,766

* Detail of fair value gain/(loss) on equity investments has been provided at Note-9 and Note-21.

The notes 1 to 48 and annexures A to L form an integral part of these financial statements.



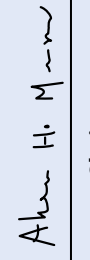
Managing Director and CEO



Director



Director



Chairman

Cash Flow Statement

For the year ended 31 December 2021

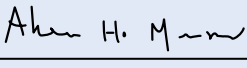
Particulars	Note	2021 Taka	2020 Taka
A. Cash flows from operating activities			
Interest receipts in cash		27,105,416,678	28,096,473,305
Interest payment		(8,504,508,879)	(15,516,804,726)
Dividend receipts		174,618,013	96,094,680
Fees and commission receipts in cash		3,440,196,921	2,560,275,778
Recoveries on loans previously written off		707,517,594	633,704,077
Cash payments to employees		(6,597,572,669)	(6,243,757,705)
Cash payments to suppliers		(480,845,623)	(423,015,776)
Income tax paid		(2,557,956,724)	(3,564,500,491)
Receipts from other operating activities	44	710,776,014	1,689,098,017
Payment for other operating activities	45	(3,597,592,564)	(3,439,275,865)
Operating cash flow before changes in operating assets and liabilities (i)		10,400,048,761	3,888,291,294
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(48,149,037,787)	(8,972,011,665)
Other assets		(400,388,462)	1,207,569,075
Deposits from other banks/borrowings		11,942,273,035	(1,295,171,744)
Deposits from customers		26,460,328,428	22,632,432,701
Other liabilities		912,507,742	1,153,663,554
Cash utilised in operating assets and liabilities (ii)		(9,234,317,044)	14,726,481,921
Net cash flows from operating activities (i+ii) (a)		1,165,731,717	18,614,773,215
B. Cash flows from investing activities			
Treasury bills		170,075,754	12,463,112,715
Treasury bonds		15,284,380,330	(34,318,050,369)
Sale/ (Investment) in shares		(1,107,182,775)	(465,347,240)
Sale/ (Investment) in bonds		642,282,917	159,332,423
Acquisition of fixed assets		(2,955,859,632)	(758,893,262)
Disposal of fixed assets		601,254,376	108,701,537
Net cash used in investing activities (b)		12,634,950,970	(22,811,144,196)
C. Cash flows from financing activities			
Dividend paid		(1,383,245,433)	(918,394,579)
Net cash flows from financing activities (c)		(1,383,245,433)	(918,394,579)
Net increase/decrease in cash (a+b+c)		12,417,437,254	(5,114,765,560)
Cash and cash equivalents at the beginning of year		33,603,286,202	38,630,874,333
Effect of exchange rate changes on cash and cash equivalent		38,451,956	87,177,429
Cash and cash equivalents at the end of the year	43	46,059,175,412	33,603,286,202
Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currency)		8,424,680,663	7,091,907,372
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		14,252,262,804	12,151,189,284
Balance with other banks and financial institutions		19,880,951,145	14,358,762,046
Money at call on short notice		3,500,000,000	-
Prize Bond		1,280,800	1,427,500
		46,059,175,412	33,603,286,202
Net operating cash flow per share	47	0.84	13.37

The notes 1 to 48 and annexures A to L form an integral part of these financial statements.

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


**Managing Director
and CEO**

Director

Director

Chairman

BRAC Bank Limited

Liquidity Statement

(Asset and Liability Maturity Analysis)

As at 31 December 2021

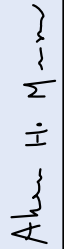
Particulars	Amount in Taka					
	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
Assets						
Cash in hand and balance with Bangladesh Bank	11,532,642,361	-	-	-	11,144,301,106	22,676,943,467
Balance with other banks and financial institutions (including foreign currencies)	6,548,951,145	8,432,000,000	4,900,000,000	-	-	19,880,951,145
Money at call and short notice	3,500,000,000	-	-	-	-	3,500,000,000
Investments	5,297,464	200,000,000	6,210,894,725	31,885,306,402	13,289,316,251	51,590,814,842
Loans and advances	27,740,925,103	50,194,511,523	131,712,743,324	97,459,231,770	14,104,819,267	321,212,230,987
Fixed assets including premises, furniture and fixtures	-	-	-	6,924,480,855	530,386,544	7,454,867,399
Other assets	4,585,134,133	81,021,612	37,230,033	534,435,461	17,525,954,102	22,763,775,341
Non-banking assets	-	-	-	-	4,541,700	4,541,700
Total Assets	53,912,950,206	58,907,533,135	142,860,868,082	136,803,454,488	56,599,318,970	449,084,124,881
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	3,573,615,580	9,087,689,750	27,465,103,499	6,420,979,855	763,079,165	47,310,467,849
Money at call and short notice	-	-	-	-	-	-
Deposits and other accounts	37,502,259,013	39,990,558,658	103,077,776,095	130,372,431,083	3,655,601,415	314,598,626,264
Other liabilities	1,104,451,570	4,377,115,572	3,944,359,842	5,021,558,503	18,308,074,150	32,755,559,637
Total Liabilities	42,180,326,163	53,455,363,980	134,487,239,436	141,814,969,441	22,726,754,730	394,664,653,750
Net liquidity Gap	11,732,624,043	5,452,169,155	8,373,628,646	(5,011,514,953)	33,872,564,240	54,419,471,131

The notes 1 to 48 and annexures A to L form an integral part of these financial statements.


Managing Director and CEO


Director


Director


Chairman

Notes to the financial statements as at and for the year ended 31 December 2021

Section - One : Corporate profile and significant accounting policies

1.1 BRAC Bank Limited

BRAC Bank Limited (the “Bank” or “BRAC Bank”) is a scheduled commercial bank established under the Bank Company Act, 1991, and incorporated as a public company, limited by shares, on 20 May 1999 under the Companies Act, 1994, in Bangladesh, vide RJSC registration no. C-37782(2082)/99. The primary objective of the bank is to conduct all kinds of banking businesses. On completion of all legal formalities, the bank commenced its operations on 4th July 2001. At present, the bank has 187 banking branches (2020: 187 branches), 198 Area offices (2020: 185 Area offices), 456 SME unit offices (2020: 456 SME unit offices), 373 ATMs (2020: 375 ATMs) and 705 agent outlets (2020: 481 agent outlets) spread across the country. 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. A brief description of the subsidiaries and associates of BRAC Bank is provided in note 1.2.

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 Money Enterprise (SME) and corporate customers, trade financing, lease financing, project financing, issuing Letters of Credit, inter bank borrowing and lending, dealing in government securities, equity shares etc. There have been no significant changes in the nature of the principal activities 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 Small and Medium Enterprises (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.

Real Economy intermediation can be considered Triple Bottom Line if it supports individuals or enterprises delivering impact in at least one of the following categories: Social Empowerment (People), Environmental Regeneration (Planet), and/or Economic Resiliency (Prosperity). As a founder member of GABV and being the trailblazer of values-based banking in Bangladesh, BRAC 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.

1.1.2 Off Shore Banking Unit

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. Apart from the reporting of OBU with solo financial statements, a separate financial statements of OBU is shown in Annexure I. The principal activities of OBU are to provide all kinds of commercial banking services to its customers in Bangladesh in foreign currency.

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. Financial performance of Security Custodial Services have been separately reported in Annexure J along with Bank's audited financial statements in compliance with the requirement u/s 10(2) of Security Custodial Services Rules 2003. The

due certificate from external auditors has been obtained on internal control and financial statements of security custodial operations of the Bank and annexed with the financial statements.

1.1.4 Agent banking

BRAC Bank obtained permission from Bangladesh Bank on 11 March 2018, vide reference no. BRPD(P-3)745/(50)2018-1806, to commence Agent Banking and subsequently, started commercial operations on 11 September 2018. Till 31 December 2021, the bank has already opened 705 Agent Banking Outlets in 64 districts across the country. Services that are currently being dispensed include Account Opening (Current, Savings & Term deposit), Cash Deposit and Withdrawal, Fund Transfer to BBL A/C or other bank A/C through BEFTN, SME Loan Disbursement & Repayment Collection, Foreign Remittance Disbursement, Corporate Bill/Distributor Fee Collection, Retail Loan and Credit Card Lead Generation, Credit Card Bill Collection, Insurance Premium Collection, Utility Bill Collection, Cheque Book & Debit Card Request Process & Delivery, Internet and SMS Banking and Balance Inquiry etc.

1.2 Subsidiaries and associates of BRAC Bank Limited

Subsidiaries

'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.

Associates

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 ventures). 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.

1.2.1 BRAC EPL Investments Limited (subsidiary)

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

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

initial public offerings, domestic and international placements, portfolio management and project development and consultancy.

1.2.2 BRAC EPL Stock Brokerage Limited (subsidiary)

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

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

1.2.3 bKash Limited (subsidiary)

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

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

1.2.4 BRAC SAAJAN Exchange Limited (subsidiary)

BRAC Bank Limited acquired 75%+1 shares (249,992 shares out of the total 333,333 shares) of "SAAJAN Worldwide Money Transfer Limited" (SWMTL) in the UK. Bangladesh Bank provided necessary approvals of GBP 500,000 to acquire SWMTL and setting up two new branches in Luton and Bradford, UK. As per permission of Bangladesh Bank, SWMTL has been renamed as "BRAC SAAJAN Exchange Ltd" (BSE). BRAC Bank has been controlling and monitoring all its operations as a holding company.

BRAC SAAJAN Exchange Limited was established to offer remittance and exchange services in the UK.

Notable that the operation of BRAC SAAJAN Exchange Limited has been suspended on regulatory ground by the local regulator in UK. Management have lodged an appeal against the suspension before the court in UK. So, we will have to wait till verdict from the court to resume the operations of the company.

1.2.5 BRAC IT Services Limited (associate)

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

1.2.6 Summary of shareholding in subsidiaries and associates

BRAC Bank's (BBL) shareholding position in all of its subsidiaries and associates is summarized below:

Name of subsidiaries and associates	Face value per share	Total no. of ordinary shares		No. of ordinary shares held by BBL		BBL's percentage of shareholding	
		2021	2020	2021	2020	2021	2020
BRAC EPL Investments Limited	BDT 10	258,500,000	258,500,000	258,358,734	258,358,734	99.95%	99.95%
BRAC EPL Stock Brokerage Limited	BDT 100	8,411,446	7,009,538	7,570,249	6,308,541	90.00%	90.00%
bKash Limited	BDT 100	381,949	381,949	194,800	194,800	51.00%	51.00%
BRAC SAAJAN Exchange Limited	GBP 1	333,333	333,333	249,992	249,992	75.00%	75.00%
BRAC IT Services Limited	BDT 1,000	233,729	233,729	30,190	30,190	12.92%	12.92%

2. Basis of preparation of financial statements

2.1 Consolidated and separate financial statements

Separate financial statements of the bank for the year ended 31 December 2021 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 comprise those of the bank (parent) and its subsidiaries and associates (note 1.2), together referred to as 'the Group', or individually referred to as 'Group entities/subsidiaries/associates', as the case may be. There were no significant changes in the operations of the bank/group entities. A summary of accounting principles and policies which have been applied consistently (unless otherwise stated), are set out below and in the notes of respective areas:

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; and
- viii) Financial Reporting Act, 2015.

2.1.2 Compliance with International Financial Reporting Standard (IFRS)

Ref.	Name of the standards	Status
IFRS-1	First-Time Adoption of International Financial Reporting Standards	Not applicable
IFRS-2	Share-based Payment	Not applicable
IFRS-3	Business Combinations	Complied
IFRS-4	Insurance Contracts	Not applicable
IFRS-5	Non-current assets Held for Sale and Discounted Operations	Not applicable
IFRS-6	Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS-7	Financial Instruments: Disclosures	Complied *
IFRS-8	Operating Segments	Complied*
IFRS-9	Financial Instruments	Complied *
IFRS-10	Consolidated Financial Statements	Complied
IFRS-11	Joint Arrangements	Not applicable
IFRS-12	Disclosure of Interests in Other Entities	Complied
IFRS-13	Fair Value Measurement	Complied
IFRS-14	Regulatory Deferral Accounts	Not applicable
IFRS-15	Revenue from Contracts with Customers	Complied
IFRS-16	Leases	Complied
IAS-1	Presentation of Financial Statements	Complied*
IAS-2	Inventories	Not applicable
IAS-7	Statement of Cash Flows	Complied*
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS-10	Events after the Reporting Period	Complied
IAS-12	Income taxes	Complied
IAS-16	Property, Plant and Equipment	Complied
IAS-19	Employee Benefits	Complied
IAS-20	Accounting for Government Grants and Disclosure of Government Assistance	Complied
IAS-21	The Effect of Changes in Foreign Exchanges Rates.	Complied
IAS-23	Borrowing Cost	Complied
IAS-24	Related Party Disclosures	Complied
IAS-26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS-27	Separate Financial Statements	Complied
IAS-28	Investment in Associates and Joint Venture	Complied
IAS-29	Financial Reporting in Hyperinflationary Economies	Not applicable
IAS-32	Financial Instruments: Presentation	Complied *
IAS-33	Earnings Per Share	Complied
IAS-34	Interim Financial Reporting **	Complied
IAS-36	Impairment of Assets	Complied
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS-38	Intangible Assets	Complied*
IAS-40	Investment Property	Not applicable
IAS-41	Agriculture	Not applicable

* Complied to the extent possible subject to compliance to Bangladesh Bank guidelines in this respect.

** Complied in the preparation of interim financial reports of the Bank.

Standards issued but not yet effective

A number of new standards and amendments to standards are issued but not yet effective for annual periods beginning after 01 January 2021 and earlier application is permitted. However, the Bank has not adopted early the following new or amended standards in preparing these financial statements.

A) Onerous contracts - Cost of fulfilling a contract (Amendments to IAS 37)

B) Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)

C) Other standards: The following new and amended standards are not expected to have a significant impact on the bank's standalone and consolidated financial statements:

- Covid-19 related rent concession beyond 30 June 2021 (Amendments to IFRS 16)
- Annual improvements to IFRS Standards 2018-2020
- Property, plant and equipment: Proceeds before intended use (Amendments to IAS 16)
- Reference to Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

Reason for departure from IFRS

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, as referred above.

In case any requirement of the Bank Company Act, 1991, and provisions and circulars issued by Bangladesh Bank (BB) differ with those of IFRS, the requirements of the Bank Company Act, 1991, and provisions and circulars issued by BB shall prevail. Material departures from the requirements of IFRS are as follows:

i) Investment in equity instruments except investment in subsidiaries and associates

IFRS: As per requirements of IFRS 9: Classification and measurement of investment in equity instruments depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors, it would generally fall either under 'at fair value through profit and loss account' or under 'at fair value through other comprehensive income' where any change in the fair value (measured in accordance with IFRS 13) at the year-end is taken to the profit and loss account or other comprehensive income, respectively.

Bangladesh Bank: As per Banking Regulation and Policy Department (BRPD) circular no. 14, dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the year-end at market price and as per the book value of the last audited balance sheet, respectively. Provisions should be made for any loss arising from diminution in value of investments; otherwise investments are recognised at cost.

ii) Subsequent measurement of Government securities

IFRS: Government securities refer primarily to various debt instruments which include both bonds and bills. As per requirements of IFRS 9: Financial Instruments, these investments can be categorised as "Amortised Cost (AC)", or "Fair Value Through Profit or Loss (FVTPL)", or "Fair Value through Other Comprehensive Income (FVOCI)". Investments designated as Amortised Cost are measured at amortised cost method, and interest income is recognised through profit and loss account. Any changes in fair value of investments designated as FVTPL is recognised in the profit and loss account. Any changes in fair value of investments designated as FVOCI is recognised in other reserves, as a part of equity.

Bangladesh Bank: As per DOS Circular no. 05, dated 26 May 2008, and subsequent clarification in DOS Circular no. 05, dated 28 January 2009, Government securities/bills are classified into Held for Trading (HFT) and Held to Maturity (HTM). HFT securities are revalued on the basis of mark-to-market and at year-end, any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity. Any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities, including amortisation of discount, are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at year-end, and gains or losses on amortisation are recognised in other reserves as part of equity.

iii) Provision on loans and advances

IFRS: As per IFRS 9: Financial Instruments, an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses, if the credit risk on these loans and advances has increased significantly since initial recognition, whether assessed on an individual or collective basis, considering all reasonable information (including that which is forward-looking). For those loans and advances for which credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12-month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after the reporting date.

Bangladesh Bank: As per BRPD Circular no. 07 dated 21 June 2018, BRPD Circular no 13 dated 18 October 2018, BRPD circular No. 15 dated 27 September 2017, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 1 dated 20 February 2018, BRPD circular no. 3 dated 21 April 2019, BRPD circular no. 52 Dated 20 October 2020, a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also, provision for different categories of classified loans (sub-standard, doubtful and bad and loss loans) has to be provided at 20%, 50% and 100% respectively, for loans and advances depending on time past due. Again, as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 07 dated 21 June 2018, a general provision at 1% is required to be provided for all off-balance sheet exposures except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by multilateral development bank (MDB)/international bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks, in line with Basel-III). Such provision policies are not specifically in line with those prescribed by IFRS 9. As per BRPD circular no. 16 dated 21 July 2020, provision @ 5%, 20% on SMEF financing on SS,DF except medium enterprise has to be maintained. As per BRPD circular No: 56 dated 10 December 2020, Special General Provision - COVID-19 @ 1% has to be maintained on all UC moratorium loans.

iv) Other comprehensive income

IFRS: As per IAS 1 Presentation of Financial Statements, other comprehensive income is a component of financial statements or the elements of other comprehensive income are to be included in single comprehensive income statements.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) statement. As such, the bank does not prepare Other Comprehensive Income statement. However, elements of OCI, if any, are shown in the Statement of Changes in Equity.

v) Financial instruments – presentation and disclosure

In several cases, Bangladesh Bank guideline categorize, recognise, measure and present financial instruments differently from those prescribed in IFRS 9: Financial Instruments. Hence, some disclosure and presentation requirements of IFRS 7 Financial Instruments: Disclosures and IAS 32 Financial Instruments: Presentation cannot be made in the financial statements.

vi) Repo and reverse repo transactions

IFRS: As per IFRS 9, when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan, and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular letter no. 6, dated 15 July 2010, and subsequent clarification in DOS Circular no. 03, dated 30 January 2012 and DOS circular no. 2, dated 23 January 2013, when a bank

sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction, and the financial assets are de-recognised in the seller's book and recognised in the buyer's book.

However, as per DMD circular letter no. 7, dated 29 July 2012, non-primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collateralised repo arrangements with Bangladesh Bank. Here, the selling bank accounts for the arrangement as a loan, thereby continuing to recognise the asset.

vii) Financial guarantees

IFRS: As per IFRS 9: Financial Instruments, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs if a specified debtor fails to make payment when due, in accordance with the term of debt instruments. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount, and the loss allowance determined as expected credit loss under IFRS 9. Financial guarantees are prescribed to be included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, financial guarantees, such as Letter of Credit and Letter of Guarantee should be treated as off balance sheet items. No liability is recognised for the guarantee, except the cash margin.

viii) Cash and cash equivalents

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7: Statement of Cash Flows.

Bangladesh Bank: Some cash and cash equivalent items, such as money at call and on short notice, treasury bills, Bangladesh Bank bills and prize bonds are not shown as cash and cash equivalents. Money at call and on short notice is shown separately in the balance sheet. Treasury bills, Bangladesh Bank bills and prize bonds are shown under investment in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash-in-hand, balance with Bangladesh Bank and other banks.

ix) Non-banking assets

IFRS: There is no particular/specific guideline about non-banking assets in IFRS.

Bangladesh Bank: As per BRPD circular no. 22, dated 20 September 2021, there is a separate balance sheet item titled as non-banking asset that exists in the standard format.

x) Cash flow statement

IFRS: As per IAS 7: Statement of Cash Flows, cash flow statement can be prepared either in direct method or indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, the cash flow statement is a mix of both the direct and indirect methods.

xi) Balance with Bangladesh Bank

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

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xii) Presentation of intangible asset

IFRS: Intangible assets must be identified and recognised, and the disclosure must be given as per IAS 38: Intangible Assets.

Bangladesh Bank: Intangible assets are shown in fixed assets, including premises and furniture and fixtures, as there is no specific regulation for intangible assets in BRPD circular no. 14, dated 25 June 2003.

xiii) Off balance sheet items

IFRS: As per IFRS, there is no requirement for disclosure of off balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, off balance sheet items, e.g. Letter of Credit, Letter of Guarantee and Acceptance must be disclosed separately on the face of the balance sheet.

xiv) Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit on the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, appropriation of profit should be disclosed on the face of profit and loss account.

xv) Loans and advances/investments net of provision

IFRS: As per IFRS 9, loans and advances/investments should be presented net of provision.

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, provision on loans and advances/investments are presented separately as liability and cannot be netted-off against loans and advances.

xvi) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9, and interest income is recognised in the profit and loss account by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently becomes credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per BRPD circular no. 14, dated 23 September 2012, once a loan is classified as Sub-standard, Doubtful BL (special reason), interest accrued on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account which is presented as other liability in the balance sheet.

xvii) Provision on undrawn loan commitments

IFRS: As per IFRS 9, the bank shall recognise credit losses on undrawn loan commitments, such as Letter of Credit (L/C), Letter of Guarantee (L/G), etc., as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that the bank expects to receive.

Bangladesh Bank: As per BRPD Circular no. 07, dated 21 June 2018, and BRPD Circular no. 14, dated 23 September 2012, the bank is required to maintain a provision at 1% rate against off balance sheet exposures (which includes all types of undrawn loan commitments).

xviii) Name of the financial statements

IFRS: As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes, comprising significant accounting policies and other explanatory information.

Bangladesh Bank: The forms of financial statements and directives for preparation thereof of the bank companies in Bangladesh are guided by BRPD Circular no. 14, dated 25 June 2003 and subsequent amendments thereof from time to time. BRPD circular no. 14 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.

[Also refer to (note 2.1.2) Compliance of International Financial Reporting Standards (IFRS)]

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'.

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

2.1.4 Use of estimates and judgments

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future periods affected. The key item which involve these judgments, estimates and assumptions are discussed below:

Impairment losses on loans and advances

In addition to the provision made for loans and advances based on the guidelines of Bangladesh Bank, the Bank reviews its loans and advances portfolio on a monthly basis to assess whether a further allowance for impairment should be provided in the income statement. Judgments by the management is required in the estimation of these amounts, and such estimations are based on assumptions about a number of factors, though actual results may differ, resulting in future changes to the provisions.

Other items

Other key items where estimates or judgements were involved include:

- a) Deferred tax (Note - 9.4)
- b) Useful life of fixed assets and right of use of assets (Note - 8)
- c) Provisions (Note - 16)
- d) Remeasurement gain/(loss) of defined benefit obligation and plan assets (Note - 9.5.3)
- e) Impairment testing of goodwill and/or investment in subsidiaries/associates (Note 6 and 38.1)
- f) Lease liabilities (Note - 16)
- g) Provision for taxation (Note - 41)

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 wherever necessary to conform with the current presentation.

2.2 Basis of consolidation

Consolidated financial statements include financial statements of BRAC Bank Limited and its subsidiaries, BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited, bKash Limited and BRAC SAAJAN Exchange Limited, as those of a single economic entity.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) 10: Consolidated Financial Statements. The consolidated financial statements are prepared to a common reporting year ended 31 December 2021.

Intra-company transactions, balances and intra-group gains on transactions between group companies are eliminated on consolidation.

2.3 Foreign currency transactions

Functional and presentation currency

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

Conversion of foreign currency transactions and balances

The transactions in foreign currencies are converted into equivalent Taka currency using the ruling exchange rates on the dates of such transactions as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at standard mid-rate of exchange ruling at the reporting date. Effects of exchange rate differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlements) applied on the monetary assets or liabilities of the Bank are recorded in the profit and loss account as per IAS 21 The Effects of Changes in Foreign Exchange Rates. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in reserve as part of equity as per IAS 21 The Effects of Changes in Foreign Exchange Rates.

Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in Taka currency at the revaluation rate.

Translation of foreign currency operations

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

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

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

Exchange rates

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

Name of Currencies	2021	2020
USD 1= BDT	85.80	84.45
SGD 1= BDT	63.41	63.75
GBP 1= BDT	115.70	114.93
AUD 1= BDT	62.33	64.72
EUR 1= BDT	97.12	103.65
CHF 1= BDT	93.71	95.46
JPY 1= BDT	0.75	0.82
CAD 1= BDT	67.12	66.10
AED 1= BDT	23.36	22.99
CNY 1= BDT	13.46	12.94

Translation reserve in separate financial statements

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

Translation reserve in consolidated financial statements

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

2.4 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.

No provision is recognised for-

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

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

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

2.5 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 Reporting period

These financial statements cover one calendar year - from 01 January to 31 December 2021.

2.7 Basis of preparation of liquidity statement

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

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

2.8 Dividend

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

Dividend on ordinary shares for the year that is recommended by the Directors after the balance sheet date for approval of shareholders at the Annual General Meeting are disclosed in Note - 48.6 to the financial statements.

2.8.1 Dividend Distribution Policy of BRAC Bank

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

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

2.9 Reconciliation of inter-bank/inter-branch account

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

2.10 Accounting for changes in policy, accounting estimates and errors

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

2.10.1 The changes in accounting policy for the subsequent measurement/valuation and accounting of Land

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

We also conclude that since judgment and estimates are not used in cost model and also other constraints of revaluation model as stated above, the cost method will provide reliable measurement

basis, better information about the nature and amount of the Bank's economic resources as well as ensure faithful representation and verifiability as outlined in Conceptual Framework for Financial Reporting under IFRS. Considering all these issues to ensure fair presentation of financial statements, bank has changed the measurement basis of Bank's land and decided to revert back from revaluation model to cost model in line with International Accounting Standard (IAS) 8: Accounting policies, changes in accounting estimates and errors.

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

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

2.10.2 Application of uniform accounting policy for Fixed Assets in group/consolidated financial statements

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

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

The management of BRAC Bank decided to follow uniform accounting policies in compliance with IFRS 10 "Consolidated Financial Statements" with the retrospective effect as per IAS 8 for the preparation of consolidated financial statements as per IFRS 10. Accordingly, consolidated financial statements of BRAC Bank for the year ended 31 December 2021 have been prepared applying uniform accounting policies giving impact of uniform depreciation policy.

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

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

Balance sheet items

Particulars	31 Dec 2021	31 Dec 2020	31 Dec 2019
Increase in Fixed assets including premises, furniture and fixture	72,214,624	59,007,796	44,462,019
Increase in equity and non-controlling interest	72,214,624	59,007,796	44,462,019

Profit and loss items

Particulars	Jan to Dec 2021	Jan to Dec 2020	Up to Dec 2019
Decrease in Depreciation and repairs to bank's assets	(13,206,828)	(14,545,777)	(44,462,019)

2.11 Risk management

In the world of finance, risk management refers to the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce/mitigate the risk. Risk management is pivotal for ensuring sustainability of the business. Globalization enables consequential expansion of business activities that ultimately heightens competition levels for organizations. Financial crisis and volatility in economic growth set enforce the need for comprehensive risk management. Types of risk vary from business to business, but preparing a comprehensive risk management plan involves a collaborative process. A comprehensive risk management plan must enumerate strategies for dealing with risks specific to any business but should not be limited to those alone.

Risk management is at the heart of banking business. Banks strive for embracing prudent risk management discipline to combat unpredictable/exigent situations. Today, it is clear that banking institutions must develop systematic and watchful techniques to monitoring activities that have a significant impact on the business.

The Standards of Risk Management, as taken up by the Bank for International Settlements (BIS) and, particularly, Basel Committee on Banking Supervision (BCBS), has been applied by bank regulators across the world. The Central Bank of Bangladesh, i.e. Bangladesh Bank also issued revised risk management guidelines in October 2018, which forms the basis of risk management of all scheduled banks in Bangladesh. Banks must implement stronger risk management policies and processes according to the guidelines. Risk management among banks broadly cover core risk areas of banking, i.e. credit risk, operational risk, liquidity risk and ICC risk, etc. Bangladesh Bank also prescribes that there should be a separate desk for each of these risk types under the risk management division. In line with the regulatory requirement and elevating its risk management function, BRAC Bank has established comprehensive risk management guidelines, duly approved by its Board of Directors. The bank's risk management strategy is based on a thorough awareness of diverse risks, a disciplined risk assessment process, and cautious measurement processes with ongoing monitoring. The bank is continuing to improve its risk management systems, not only to meet regulatory obligations, but also to achieve superior risk-adjusted returns and optimal capital use while keeping the organization's business objectives in mind. The bank handles risk across two strategic layers: the managerial layer and the operational layer, for effective risk management. Risk discussions are held at those levels with the goal of identifying and measuring the impact of various types of risk in core banking. Risk mitigation and viable solutions are examined, and conclusions are reached as a result.

2.11.1 Credit risk management

Credit risk is one of the bank's six Core risks and it is one of the most Important. Simply put, it occurs when a bank's borrower or counterparty fails to meet their commitments in line with the agreed-upon terms and conditions. Effective credit risk management is a vital component of a comprehensive risk management strategy and critical to any bank's long-term sustainability. The likelihood of the borrower defaulting including the exposure or financial impact on the bank in the case of the failure are both considered when assessing credit risk. It also takes into account the connections between credit risk and other risk factors.

Considering key elements of credit risk, the bank has segregated duties of officers/executives involved in credit-related activities. Separate divisions for Corporate, SME, Retail and Credit Cards are entrusted with the responsibility of maintaining effective relationship with customers, marketing credit products, exploring new business opportunities, etc. For transparency in operations during the entire credit process, teams for i. Credit Approval, ii. Asset Operations, iii. Recovery Unit and Special Asset Management have been set up.

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

To ensure sound practices in credit risk management, including taking calculated risk and maintaining asset portfolio quality, BRAC Bank follows well-established Credit Policy Guidelines, as approved by

the Board of Directors and prepared in line with internationally-accepted risk management principles and best practices. The guidelines are also aligned with the 'Guidelines on Credit Risk Management (CRM) for Banks' (March, 2016) by Bangladesh Bank, the Bank Company Act, 1991 (Amended in 2013), Risk Management Guidelines for Banks (October, 2018) and credit-related circulars and instructions of Bangladesh Bank circulated from time to time.

In 2021, BRAC Bank has complied with the instructions given by Bangladesh Bank vide BRPD Circular letter no 04 dated 04-Jan-21 and BRPD Circular letter no 35 dated 06-Jul-21 for the loan accounts at the time of sanctioning or renewal, where applicable.

2.11.2 Foreign exchange risk management

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

All treasury functions are clearly demarcated between treasury front office, mid office and back office. The front office is involved only in dealing activities, mid office is involved in monitoring of different limits, e.g. counterparty limits, dealers' trading limits, stop/loss limits, etc. and calculation of Value at Risk (VaR) and reports directly to the Chief Risk/Operating Officer of the bank. Treasury back office is responsible for all related processing functions with separate reporting line to the Head of Operations. Treasury front and back office personnel operate as per Bangladesh Bank's core risk management guidelines and also according to their respective job descriptions. Any overlap is barred. The Banks treasury front office, mid office and back office has separate and independent reporting lines to ensure segregation of duties and accountability and also helps minimise the risk of compromise. The full function operates under the foreign exchange risk management policy of the bank, updated based on the latest Foreign Exchange Guidelines from the central bank.

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

2.11.3 Asset liability management

Changes in market liquidity and or interest rate exposes the bank's business to the risk of loss, which may, in extreme cases, threaten the survival of the institution. Thus, it is essential that the level of balance sheet risks are effectively managed, appropriate policies and procedures are established to control and limit these risks and proper resources are made available for evaluating and controlling these risks. The Asset Liability Management Committee (ALCO) of the bank monitors balance sheet and liquidity risks of the bank.

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

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

In order to improve Bank's money laundering risk management rating, BRAC Bank has taken number of initiatives in line with the Core Risk Management Guideline under supervision of its Board and Senior Management. This includes restructuring of Anti Money Laundering Division by appointment of dedicated CAMLCO in the rank of Deputy Managing Director (Chief Anti Money Laundering Compliance Officer) with sole responsibility to oversee AML program of the Bank. Also, other senior level appointments were made including DCAMLCO and Head of AML Trade to make the program effective.

In line with the directives of BFIU, Managing Director & CEO of the Bank issues a message to all employees citing strong commitment to ensure compliance of AML rules and regulations and to adopt necessary policy/procedures for proper implementation of the same. Large scale trainings are organized including resource persons from BFIU to enhance employee knowledge and awareness covering TBML guidelines. Special awareness session is also organized for members of Board of Directors of the Bank on AML/CFT regulations. Some of the related policies and procedures of the Bank have been revised to make those more aligned with different circulars and guidelines of BFIU. TBML directive has also been rolled out with adaptation in internal processes. Additional process and procedures have also been implemented covering areas of CDD/KYC, review of high-risk accounts, Trade CDD and risk grading of customers, PEP/IP, Ultimate Beneficial Owner guideline, sanctions screening etc. In order to update CDD lapses at account level separate projects have also been initiated. In order to improve monitoring of client transactions new transaction monitoring reports have been introduced with risk-based approach, which resulted in high level detection and reporting of suspicious activities/transactions (SAR/STR). Further discipline was brought in improving quality of quarterly meeting and self-assessment reports by branches. The Central Compliance Committee and its Terms of Reference has been revised to make the committee more effective and to have oversight of Senior Management. To ensure AML policy & procedures, more focused internal audit reviews have also been initiated. In addition to review of internal audit, further reviews by AML Division has also been carried out, to improve AML standard of the branches. Branches were also provided training to better manage regulatory inspections by offsite/onsite training.

Therefore, the key objectives of the Bank are to ensure implementation of policies and procedures in line with BFIU Guideline, improve employee awareness and commitment, integrate higher engagement and focus of Senior Management within Bank's control measures to improve overall AML-CFT Governance and better mitigate the money laundering & terrorist financing risk.

2.11.5 Internal Control and Compliance (ICC)

Internal Control is the mechanism to provide reasonable assurance regarding the attainment of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies. The primary objective of Internal Control and Compliance is to support the bank to perform better and add value through the optimal use of resources.

Establishing adequate internal control and ensuring an effective control environment is high on the management agenda. The bank has instituted internal control over financial reporting and has also established monitoring mechanisms to ensure operational effectiveness of these controls. All internal controls are specifically designed to address risks related to financial reporting, efficiency and effectiveness of operations and compliance with applicable laws and regulations. Through internal control systems, the bank identifies weaknesses associated with the process and adopts appropriate measures to overcome these deficiencies.

The main objectives of internal control are as follows:

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

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

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

- a) Various committees are established by the Board to assist it in ensuring the effectiveness of the bank's daily operations and that the bank's operations are in accordance with the corporate objectives, strategies and the annual budget, as well as approved policies and business directions.
- b) The Internal Audit Department of the Bank checks for compliance with policies and procedures and the effectiveness of the internal control systems on an ongoing basis using samples and rotational procedures and highlights significant findings in respect of any non-compliance.
- c) Audits are carried out on various departments/units, SME Service Centres and all branches in accordance with the annual audit plan, approved by the Audit Committee of the Board. The frequency of audits of branches is determined by the level of risk assessed to provide an independent and objective report. Findings of the internal audit are submitted to the Audit Committee of the Board for review at their periodic meetings.
- d) The Audit Committee of the Board of the bank reviews internal control issues identified by the Internal Audit Department, Bangladesh Bank, External Auditors and the management, and evaluates the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit functions with particular emphasis on the scope of audits and quality of internal audits. The minutes of the Audit Committee meetings of the Board are tabled at the meetings of the Board of Directors of the bank on a periodic basis.
- e) Self-assessment of anti-fraud internal controls is carried out on a semi-annual basis and is sent to Bangladesh Bank, as per requirements of DOS Circular Letter No. 10, dated 09 May 2017, issued by Bangladesh Bank.
- f) In assessing the internal control system, identified officers of the bank continued to review and update all procedures and controls that are connected with significant accounts and disclosures of the financial statements of the bank. The bank's Internal Audit Department continued to verify the suitability of design and effectiveness of these procedures and controls on an ongoing basis.

ICCD of BRAC Bank comprises mainly of four units/departments - Internal Audit, Compliance Unit, Monitoring Unit and Concurrent Audit.

2.11.5.1 Internal audit

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. The audit team of BRAC Bank possesses a combination of business acumen and knowledge about IT. The Audit Department is committed to meet the standards of best professional practices. The bank's audit team also applies risk-based internal audit methodology for conducting their audit functions. Risk-based internal audit includes, in addition to selective transaction testing, an evaluation of the risk management systems and control procedures prevailing across various areas of the bank's operations.

BRAC Bank has a strong internal audit team comprised of three units to carry out audit activities, namely -Head Office Audit, Distribution Audit (which conducts audits on all Branches, including AD, LAD, Corp. Branches, SME Krishi Branches, SME Service Centres and SME Unit Offices, etc.) and Information Systems and Vigilance Audit. BRAC Bank also introduced risk-based audit system and the audit team conducts comprehensive, spot and surprise audits in various Branches, SME Service Centers, SME/Krishi Branches, SME Unit Offices, information technology, information security, cyber security, data privacy and protection, various departments and divisions, centralised functional units at the Head Office and even regional functional units. Internal audit assists the organisation to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

2.11.5.2 Compliance

BRAC Bank establishes a robust compliance culture throughout the organisation by encouraging employees to comply with policies, procedures rules & regulations and laws.

To establish and uphold a high-quality compliance culture, BRAC Bank has a strong Compliance Department under the Internal Control & Compliance Division, which is dedicated to ensuring compliance with guidelines/observations/ recommendations of regulatory and internal audit/Concurrent Audit/ investigations. In line with this, three separate units are formed under the Compliance Department - Regulatory Compliance Unit, Internal Compliance Unit and Investigation Unit.

Regulatory Compliance Unit supports the Bangladesh Bank team in their inspection at branches/head office and ensures submission of compliance response to Bangladesh Bank appropriately and timely, monitor compliance activities of Branches, Divisions, Departments and other offices.

Internal Compliance Unit works dedicatedly in the implementation of internal auditor's observations and also recommendations made by the Investigation Unit. Subsequently Internal Control Unit forward the compliance status to Monitoring Unit for further physical verification.

Investigation Unit conducts investigations and submits reports as per management requirements and also analyses fraud cases to ascertain responsible parties and recommend appropriate actions.

Compliance Department also ensures required reporting to the management, Board Audit Committee and regulators.

2.11.5.3 Monitoring

BRAC Bank has formed a separate monitoring department under Internal Control & Compliance Division, which is dedicated to monitor internal control systems and operational activities of the bank on an ongoing basis

In case of any lapses/irregularities, the Monitoring Unit takes appropriate corrective measures within the respective business/operational areas. If they discover any significant operational lapses, they escalate the issue to the higher management (senior management team) through the Head of ICC for immediate resolution. Some major tools of this unit are as follows:

- a) Branch/Departmental Control Function Checklist (DCFCL);
- b) Loan Documentation Checklist (LDCL);
- c) ICC internal reporting;
- d) Quarterly Operations Report (QOR);
- e) Spot checks/Surprise visits in SME Unit Offices, Branches and agent banking outlets to analyse if the respective functions abide by compliance and existing policies and guidelines.
- f) Conduct borrower and guarantor visit to identify irregularities and policy violation in regular interval;

The Monitoring Unit also submits self-assessment of anti-fraud internal controls report and the bank's health report to Bangladesh Bank.

2.11.5.4 Concurrent audit

As per the directives of Bangladesh Bank as 'Guidelines on Internal Control and Compliance in Banks', the Concurrent Audit Department was formed to align with the guidelines. Concurrent Audit Team scrutinises whether the Bank follows guidelines of internal and regulatory bodies issued from time to time. This unit exclusively conducts spot/surprise audits of continuing operational activities across various branches, SME Service Centers, SME Krishi Branches, ATM Service Centers, SME Unit Offices, Regional Operation Center (ROC), Credit Risk Management unit and Centralised Functional Units in the Head Office.

2.11.5.5 Fraud and forgery

Fraud and forgery have become important issues in recent years. These have a major impact on our country's economy, impeding economic development. BRAC Bank has always been focused in controlling fraud and forgery by establishing and maintaining proper control systems. Today, fraud and forgery appear in diverse forms. To prevent fraud and forgery, BRAC Bank has formed an Investigation Unit under the Compliance Department of Internal Control & Compliance Division. This wing exclusively deals with all kinds of fraud and forgery and acts independently where internal and external fraud and forgery incidents are escalated, investigated and reviewed.

To protect the bank and its stakeholders' interest, the investigation team identifies perpetrators and root-cause of the reported incident. As a remedial course of action, preventive measures are recommended to the business/functional unit to take necessary action relating to process improvements, recovery of misappropriated amount, adjustment of the operational loss and appropriate action initiated against the perpetrator. Investigation reports are also placed to the Board Audit Committee for their direction and guidance. All fraud and forgery cases that were identified in 2020 were also duly reported to Bangladesh Bank as per regulations and adequate provisions have been maintained in the books of accounts. On the other hand, the management is exerting full efforts to recover the loss amount incurred due to fraud.

2.11.6 Information and communication technology (ICT) security

Cyber attacks are a serious threat and concern for financial institutions. BRAC Bank is committed to high levels of service quality and banking security. Cyber security is a top priority for the Board and management of BRAC Bank.

While BRAC Bank going through digital transformation, it has integrated Cyber security as an integrated part of this digital journey. Cyber security is considered from the beginning. Bank considers being cyber-resilience as a key component of digital transformation.

To establish a managed risk culture, BRAC Bank considers trust and reputation as a top. Considering that bank has developed its ICT security risk management strategy. For cyber security and ICT risk mitigation, the bank has an ICT security policy, in line with the latest Bangladesh Bank ICT guidelines and well-established frameworks and international standards and controls, e.g. COBIT, ITIL, ISO 27001, NIST, GDPR, PCI, and SANS.

With the establishment of a 24x7 Security Operations Center (SOC) as the first bank in Bangladesh to do so, BRAC Bank has shifted from passive cyber defense to active cyber security. SOC is a dedicated site where enterprise information systems are monitored, assessed, and defended.

BRAC Bank has achieved International certification ISO 18788:2015 – for its Security Operations and Cyber fusion center this year. BRAC Bank is the 1st financial organisation in Bangladesh has achieved this global recognition on Management system for private security operations.

BRAC Bank is a Payment Card Industry Data Security Standard (PCI DSS) certified organization– the most rigorous industry-recognized payment-card security standard available globally. We are among the few banks in the country that have complied with this PCI-DSS requirement set by the regulatory body and mandatory requirement by payment partners (Visa, Master Card, JCB). This achievement of BRAC Bank has ensured more secure and reliable services for its valued customers.

BRAC Bank has already adopted global-standard ISO 27001:2013 for Information Security Management. The bank is the first in Bangladesh to have achieved the ISO 27001:2013 international certification for information security management, and has thus fulfilled a key regulatory mandate. Accredited international certification to ISO 27001 demonstrates that the bank has a well-defined and focused approach to embracing best practices in information security and processes with an eye on assuring continuous improvement.

Through Mirroring Military ‘war game’ to Ethical Hacking, the bank’s information security regularly conducts application/system security assessments and vulnerability assessment and penetration testing on own infrastructure/networks by internally-certified ethical hackers to protect data assets. The bank also involves global third parties for appropriate revalidation.

Bank has on boarded multiple robust security solutions to prevent any unwanted / unauthorized malware attack as well as zero-day attack based on behavior base static, to detect and prevent data leakage, unauthorized use and transmission of sensitive information, to reduce insider threats by detecting the inappropriate actions that can lead to malware infections or data breaches etc.

To protect customers and the bank’s data BRAC Bank has implemented a comprehensive Data Leakage Prevention program. The bank has on boarded multiple latest technology as a part of this. To ease internet usage, minimize web attack vectors, and enable users to safely use the web, the bank has also implemented an advanced internet secure gateway. Bank has also implemented advanced email security.

BRAC Bank is the 1st financial organization in Bangladesh, that has implemented an Enterprise Vulnerability Management program, which covered the entire systems and network of BRAC Bank. This is helping us to identify any new vulnerability in real-time and mitigate it faster. The bank has also implemented an automated solution for third-party security monitoring. Moreover, to ensure ethical use of technology, the bank ensures automated internal security monitoring.

For better-automated incident response and more visibility, BRAC bank on boarded Security Orchestration and Automated Response capability. On top of it, the bank has implemented a global robust threat intelligence platform.

To ensure application security, the bank has established an automated security assessment of the application and source code. For database security, banks utilize the latest database security platforms. The bank always considers advanced technology for its basic security capabilities.

Considering awareness is key to cyber security, the bank regularly conducts face-to-face information security awareness sessions and cyber security awareness campaigns, while also organizing awareness through emails/stickers/booklets/e-books/posters, etc.

The bank has activated other multiple security strengthening initiatives. It has adopted the latest technology for better manageability, high availability and redundancy, better security, and future scalability. Further, it has also completed up-gradation of the credit card management system and call center, which is PADSS-complied. We are already issuing EMV chip cards to our customers.

BRAC Bank has successfully implemented Core Banking System (CBS), ERP solution, e-Commerce Payment Gateway, Universal Banking Application (UBA) and Enterprise Service Bus (ESB) as middleware solution. The bank also implemented a global standard Agent Banking solution with robust security and business functionalities. Finacle Treasury solutions were also implemented, thus reinforcing our treasury practice.

Comprehensive annual maintenance contracts (AMCs), along with service level agreements (SLAs) were signed with partners of global data centre equipment manufacturers to ensure 24x7 service for all active equipment of data centre and disaster recovery site. With the upgradation of the monitoring system of the data centre and disaster recovery site, the bank is now capable to proactively monitor all system parameters and accordingly take corrective measures beforehand. BRAC Bank has also adopted ITIL framework of best practice guidance for ensuring comprehensive IT service management.

To ensure high levels of quality and security of IT systems and for ensuring compliance with Bangladesh Bank's regulatory requirements, BRAC Bank has a fully-functional Information Security Department with trained and certified resources (e.g. CISSO, CISSP, CISA, ECISA, CCISO, CPISI, CEH, CPEH, LA-QMS, LA-ISMS, CHFI, LPM, Security+, COBIT, etc.), various tools and senior management support. As a continuous approach, bank resources attended continuously multiple Cyber Security training/workshops to enhance its resources capabilities.

BRAC bank considers integrated cyber defense with digital transformation as a key. As a digital-focused bank, BRAC bank continuously monitors its' assets for the likelihood and potential severity of cyber-attacks. BRAC Bank has developed a holistic cyber security roadmap and is working accordingly to be equipped with the best people, security solutions, processes, and practices. Cyber security is not a one-time exercise. BRAC Bank engages top global external agencies to conduct assessments and reviews its cyber security posture and future preparedness on a regular basis.

2.12 Director's and management's responsibilities on statement

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

2.13 General

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

Section - Two : Notes to the Balance Sheet

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
3	Cash					
	Cash in hand (Including foreign currency)	3.1	9,207,161,626	7,836,614,607	8,424,680,663	7,091,907,372
	Balance with Bangladesh Bank and its agent bank (s) (Including foreign currency)	3.2	14,252,262,804	12,151,189,284	14,252,262,804	12,151,189,284
			23,459,424,430	19,987,803,891	22,676,943,467	19,243,096,656
	Cash in hand (Including foreign currency)					
	Local currency		9,166,408,109	7,767,114,436	8,383,927,146	7,022,407,201
	Foreign currency		40,753,517	69,500,171	40,753,517	69,500,171
			9,207,161,626	7,836,614,607	8,424,680,663	7,091,907,372
3.2	Balance with Bangladesh Bank and its agent bank(s)					
	(Including foreign currency)					
	Local currency		12,208,257,526	10,465,673,419	12,208,257,526	10,465,673,419
	Foreign currency		961,504,172	463,052,252	961,504,172	463,052,252
			13,169,761,698	10,928,725,671	13,169,761,698	10,928,725,671
	Sonali Bank as an agent of Bangladesh Bank (local currency)		1,082,501,106	1,222,463,613	1,082,501,106	1,222,463,613
			14,252,262,804	12,151,189,284	14,252,262,804	12,151,189,284

3.3 Cash Reserve Ratio (CRR) (Bank only)

As per section 33 of Bank Company Act, 1991 (amended up to 2013), MPD circular No. 03 dated 09 April 2020 for Domestic Banking Operation (DBO) & BRPD circular No. 31 dated 18 June 2020 for Offshore Banking Operation (OBO) issued by Bangladesh Bank, BRAC Bank Limited has been maintaining 3.5% & 1.5% CRR on daily basis and 4.0% & 2.0% on bi-weekly basis for DBO & OBO respectively. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2021 is maintained on the basis of weekly ATDTL of October 2021), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.

Daily basis

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

Average total demand and time liabilities of October 2021 and October 2020

DBU	280,299,190,703	284,074,934,574
OBU	16,755,464,795	13,639,438,776
	297,054,655,498	297,714,373,349
Required reserve		
DBU (2021: 3.5% and 2020: 3.5%)	9,810,471,675	9,942,622,710
OBU (2021: 1.5% and 2020: 1.5%)	251,331,972	204,591,582
	10,061,803,647	10,147,214,292
Actual reserve maintained as per Bangladesh Bank statement	12,027,375,845	11,042,563,214
Surplus	1,965,572,198	895,348,923

Bi-weekly basis

The Bank maintained excess cash reserve of Tk. 155,172,067 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 2021.

3.4 Statutory Liquidity Ratio (SLR)

As per section 33 of the Bank Company Act 1991 (amended up to 2013) & MPD circular no. 2 dated 10 December 2013 issued by Bangladesh Bank (effective from 1 February 2014), BRAC Bank Limited has been maintaining 13% SLR on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of December 2021 is based on weekly ATDTL of October 2021), 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.

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Required reserve (13% of ATDTL)				38,617,105,215	38,702,868,535
	Actual reserve maintained					
	(2021: 18.30%, 2020: 23.56%)	3.4.1			54,038,211,707	70,135,306,738
	Surplus				15,421,106,492	31,432,438,203
3.4.1	Actual reserve maintained					
	Cash in hand				8,424,680,663	7,091,907,372
	Balance with Sonali Bank as per statement				1,081,433,955	1,221,511,978
	Daily Excess Reserve				480,298,921	-
	Un-encumbered approved securities (HFT)				16,203,146,653	38,452,631,190
	Un-encumbered approved securities (HTM)				27,847,370,715	22,575,908,698
	Un-encumbered approved securities (other eligible)				1,280,800	793,347,500
					54,038,211,707	70,135,306,738
4	Balance with other Banks and Financial Institutions					
	Inside Bangladesh	4.1	70,561,465,538	35,478,313,372	12,261,365,946	7,928,558,845
	Outside Bangladesh	4.2	7,699,847,372	7,171,691,248	7,619,585,199	6,430,203,201
			78,261,312,910	42,650,004,620	19,880,951,145	14,358,762,046
4.1	Balance inside Bangladesh					
	In current deposit accounts with:					
	Banks		15,137,298,752	9,473,228,462	121,365,946	198,558,845
	Less: Inter unit/company elimination		3,578,641,104	2,433,325,973	-	-
		4.1.1	11,558,657,648	7,039,902,489	121,365,946	198,558,845
	In fixed deposit accounts with:					
	Banks		57,278,619,910	23,722,363,628	5,200,000,000	3,000,000,000
	Non Banking Financial Institutions (NBFIs)	4.1.1	6,940,000,000	4,730,000,000	6,940,000,000	4,730,000,000
			64,218,619,910	28,452,363,628	12,140,000,000	7,730,000,000
	Less: Inter unit/company elimination		5,215,812,020	13,952,745	-	-
			59,002,807,890	28,438,410,883	12,140,000,000	7,730,000,000
	Total		70,561,465,538	35,478,313,372	12,261,365,946	7,928,558,845
4.1.1	Balance with other banks and financial institutions (Inside Bangladesh)					
	Current Accounts					
	Standard Chartered Bank		697,558,859	569,754,331	62,953,505	92,625,307
	Southeast Bank Limited		234,305,990	433,865,611	-	-
	Rajshahi Krishi Unnayan Bank		-	1,141,360	-	1,141,360
	Al-Arafa Islami Bank Limited		253,887	4,378,411	-	-
	Jamuna Bank Limited		241,354,134	242,308,075	23,314	26,343
	Prime Bank Limited		9,230,839	2,050,665	9,071,179	1,717,568
	NRB Global Bank Limited		1,000,000	500,000	1,000,000	500,000
	Midland Bank Limited		1,593,920	2,100,728	1,500,000	1,500,000
	Mutual Trust Bank Limited		3,413,896,870	172,851,828	-	377,667
	Pubali Bank Limited		122,888,233	29,550,768	8,515,281	7,030,499
	Janata Bank Limited		3,379,141	11,310,723	2,211,029	5,379,890
	Bangladesh Krishi Bank Limited		7,427,580	10,419,231	6,334,880	9,368,480
	The City Bank Limited		2,059,742,754	797,436,544	216,451	215,944
	Agrani Bank Limited		10,550,205	45,500,450	5,330,389	15,980,708
	Islami Bank Bangladesh Limited		4,035,199	14,551,820	470,174	1,407,211
	United Commercial Bank Limited		918,964,790	1,458,412,862	202,805	214,322
	National Bank Limited		3,018,628	3,184,371	305,559	1,247,825
	Sonali Bank Limited		244,447,395	382,801,032	2,137,294	37,132,494
	Dutch Bangla Bank Limited		2,106,776	1,646,846	2,106,776	1,646,846
	IFIC Bank Limited		-	26,302	-	26,302
	Rupali Bank Limited		2,031,388	8,865,575	403,045	3,056,866

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Social Islami Bank Limited		1,133,586	299,501	-	2,397
	First Security Islami Bank Limited		4,895,934	4,721,969	3,544,921	3,485,078
	EXIM Bank Limited		12,273,490	11,805,331	11,222,970	11,198,153
	BASIC Bank Limited		814,470	303,820	814,470	303,820
	Bank Asia Limited		7,416,397	11,203,026	-	14,152
	Standard Bank Limited		843,731	10,336,394	-	21,878
	Meghna Bank Limited		1,473,335	242,118	-	-
	One Bank Limited		1,591,498,158	1,068,248,657	68,369	4,200
	Mercantile Bank Limited		386,036,905	470,284,449	2,433,535	2,433,535
	Union Bank Limited		500,000	500,000	500,000	500,000
	Trust Bank Limited		62,653,151	59,821,448	-	-
	Eastern Bank Limited		1,053,264,735	560,160,573	-	-
	Dhaka Bank Limited		334,393,959	402,916,919	-	-
	NCC Bank Limited		116,770,312	95,146,346	-	-
	Habib Bank Limited		2,311	103,236,377	-	-
	NRB Commercial Bank Limited		522,131	518,643	-	-
	NRB Bank Limited		9,712	57	-	-
	AB Bank Limited		1,301,813	759,335	-	-
	Uttara Bank Limited		1,336,589	19,882,459	-	-
	Allied Bank Limited		399,608	22,686,254	-	-
	Security deposit to bank by BRAC Sajaan Exchange Ltd		3,330,733	4,171,279	-	-
			11,558,657,648	7,039,902,489	121,365,946	198,558,845
	Fixed deposit with banks					
	Southeast Bank Limited		1,000,000,000	2,750,000,000	-	-
	The City Bank Limited		4,000,000,000	2,050,000,000	-	-
	NCC Bank Limited		1,710,000,000	14,200,000	1,700,000,000	-
	Jamuna Bank Limited		3,009,481,081	9,145,228	2,000,000,000	-
	Dhaka Bank Limited		500,000,000	1,500,000,000	-	-
	United Commercial Bank Limited		6,000,000,000	-	-	-
	Mercantile Bank Limited		3,073,467,327	5,246,308,403	-	-
	One Bank Limited		-	1,500,000,000	-	1,500,000,000
	Standard Chartered Bank		29,544,482	28,757,252	-	-
	Padma Bank Limited		10,315,000	10,000,000	-	-
	Standard Bank Limited		1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
	Janata Bank Limited		7,840,000,000	5,600,000,000	-	-
	Sonali Bank Limited		13,150,000,000	3,500,000,000	-	-
	Agrani Bank Limited		8,240,000,000	-	-	-
	Prime Bank Limited		2,000,000,000	-	-	-
			52,062,807,890	23,708,410,883	5,200,000,000	3,000,000,000
	Fixed deposit with financial institutions					
	Industrial and Infrastructure Development Finance Co. Limited		140,000,000	840,000,000	140,000,000	840,000,000
	United Finance Limited		800,000,000	170,000,000	800,000,000	170,000,000
	IPDC Finance Limited		3,000,000,000	700,000,000	3,000,000,000	700,000,000
	Investment Corporation of Bangladesh (ICB)		-	1,220,000,000	-	1,220,000,000
	Delta BRAC Housing Finance Corporation Limited		3,000,000,000	1,800,000,000	3,000,000,000	1,800,000,000
			6,940,000,000	4,730,000,000	6,940,000,000	4,730,000,000
			59,002,807,890	28,438,410,883	12,140,000,000	7,730,000,000
			70,561,465,538	35,478,313,372	12,261,365,946	7,928,558,845

There are some unreconciled entries as on 31 December 2021 and status of unreconciled entries are given in Annexure-B-2.

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
4.2	Balance outside Bangladesh					
	On shore balance	4.2.1	13,827,605,643	12,165,623,864	13,747,343,470	11,424,135,817
	Off shore balance	4.2.1	5,974,658,657	5,708,975,135	5,974,658,657	5,708,975,135
			19,802,264,300	17,874,598,999	19,722,002,127	17,133,110,952
	Less: On shore to BBL off-shore placement		12,102,416,928	10,702,907,751	12,102,416,928	10,702,907,751
			7,699,847,372	7,171,691,248	7,619,585,199	6,430,203,201
4.2.1	Balance with other banks and financial institutions (outside Bangladesh)					
	On shore balance					
	Standard Chartered Bank-New York, USA		497,936,217	174,306,726	497,936,217	174,306,726
	Standard Chartered Bank, United Kingdom		16,027,822	44,056,087	16,027,822	44,056,087
	Standard Chartered Bank, Frankfurt, Germany		14,323,040	9,600,965	14,323,040	9,600,965
	Mashreq Bank, New York, USA		69,942,687	4,056,438	69,942,687	4,056,438
	Bank of Tokyo Mitsubishi		5,975,580	15,419,801	5,975,580	15,419,801
	ICICI Bank Limited, Mumbai, India		6,962,245	27,482,876	6,962,245	27,482,876
	Zuercher Kantonal Bank, Switzerland		3,721,299	4,485,250	3,721,299	4,485,250
	Commerz Bank AG, Germany (USD)		1,908,554	1,428,419	1,908,554	1,428,419
	Commerz Bank AG, Germany (EURO)		(72,805,071)	(85,034,511)	(72,805,071)	(85,034,511)
	Commerz Bank, Frankfurt, Germany (GBP)		5,815	11,557	5,815	11,557
	United Bank of India, Kolkata, India		-	35,353,993	-	35,353,993
	JP Morgan Chase Bank, New York, USA		331,450,001	383,861,285	331,450,001	383,861,285
	HDFC Bank Limited, India		19,459,599	32,670,348	19,459,599	32,670,348
	Habib Metro Bank Limited		1,790,293	1,909,672	1,790,293	1,909,672
	JP Morgan Chase Bank, Sydney (AUD)		605,425,151	18,035,314	605,425,151	18,035,314
	AB Bank Limited, Mumbai, India		16,637,248	10,496,950	16,637,248	10,496,950
	AXIS Bank Limited		44,326,693	30,032,257	44,326,693	30,032,257
	Abu Dhabi Commercial Bank (AED)		6,196,415	2,606,393	6,196,415	2,606,393
	Kookmin Bank, Seoul, South Korea (USD)		6,187,529	8,726,033	6,187,529	8,726,033
	Citi Bank N.A., New York, USA		24,844,680	941,927	24,844,680	941,927
	Shanghai Pudong Development Bank Co. Ltd, China (CNY)		813,173	780,286	813,173	780,286
	DBS Bank Ltd, Singapore, SGD		13,486,513	-	13,486,513	-
	Punjab National Bank, Kolkata (USD)		30,311,059	-	30,311,059	-
	Balance with different banks maintained by BRAC SAAJAN Exchange Limited		80,262,173	741,488,047	-	-
			1,725,188,715	1,462,716,113	1,644,926,542	721,228,066
	Add: On shore to off shore placement		12,102,416,928	10,702,907,751	12,102,416,928	10,702,907,751
	Total on shore balance		13,827,605,643	12,165,623,864	13,747,343,470	11,424,135,817
	Off shore balance					
	Standard Chartered Bank, UK		-	21	-	21
	JP Morgan Chase Bank, New York		138,374,290	254,880,206	138,374,290	254,880,206
	JP Morgan AG, Frankfurt, Germany		425,313	23,473,731	425,313	23,473,731
	JP Morgan Chase Bank, NA, London		1,459,054	3,350,777	1,459,054	3,350,777
	BBL OBU to Other Bank OBU placement		5,834,400,000	5,427,270,400	5,834,400,000	5,427,270,400
	Total off shore balance		5,974,658,657	5,708,975,135	5,974,658,657	5,708,975,135
			19,802,264,300	17,874,598,999	19,722,002,127	17,133,110,952
	Less: On shore to BBL off-shore placement		12,102,416,928	10,702,907,751	12,102,416,928	10,702,907,751
			7,699,847,372	7,171,691,248	7,619,585,199	6,430,203,201

There are some unreconciled entries as on 31 December 2021 and status of unreconciled entries are given in Annexure-B-1 and detail balance are shown in Annexure - C except BBL OBU to Other Bank OBU placement.

4.3 Maturity grouping of balance with other banks and financial institutions

Up to 1 month	6,339,852,686	30,206,962,266	6,548,951,145	4,778,309,246
More than 1 month but not more than 3 months	21,968,040,315	5,920,752,909	8,432,000,000	5,360,425,300

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	More than 3 months but not more than 1 Year		49,953,419,909	6,522,289,445	4,900,000,000	4,220,027,500
	More than 1 year but not more than 5 years		-	-	-	-
	More than 5 years		-	-	-	-
			78,261,312,910	42,650,004,620	19,880,951,145	14,358,762,046

5 Money at call on short notice

The balance as money at call on short notice at the end of the year as follow:

IDLC Finance Limited	3,500,000,000	-	3,500,000,000	-
	3,500,000,000	-	3,500,000,000	-

6 Investments

Accounting policy

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

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. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

As per Bangladesh Bank DOS Circular no. 04, dated 24 November 2011, provision for diminution in value of investment was made by netting off unrealised gain (loss) of shares from market price/book value less cost price.

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

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

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

Investment Class	Initial Recognition	Measurement after Recognition	Recording of changes
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	If average cost price (CP) > NAVCMP*0.95, then required provision per unit will be (RP) = CP - NAVCMP*0.95	Loss (net off gain) to Profit and Loss Account but no unrealized gain booking
Mutual Fund (closed-end)	Cost	If CP > Market value (MV) or CP > NAVCMP*0.85, then required provision (RP) per unit will be: i) in case of $MV \geq NAVCMP*0.85$, then $RP = CP - MV$ or ii) in case of $MV < NAVCMP*0.85$, then $RP = CP - NAVCMP*0.85$	Loss (net off gain) to Profit and Loss Account but no unrealized gain booking

Impairment of financial assets

At each balance sheet date, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets, i.e., loans and advances, off balance sheet items and investments are impaired. A financial asset or group of financial assets are impaired and impairment losses are incurred if there is objective evidence of impairment as a result of a loss event that occur after the initial recognition of the asset up to the balance sheet date; the loss event had an impact on the estimated future cash flows of the financial assets or the group of financial assets; and a reliable estimate of the loss amount can be made.

In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement, in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
The details of investments are presented below:						
	Government	6.1	60,998,642,835	85,498,396,233	44,051,798,178	61,821,887,388
	Others	6.2	9,069,950,469	8,596,415,898	7,539,016,664	7,074,116,806
			70,068,593,304	94,094,812,131	51,590,814,842	68,896,004,194

6.1 Government (investment in Govt. securities)

Treasury bills	6.1.1	1,658,322,369	9,654,691,863	79,924,246	250,000,000
Treasury bonds	6.1.2	59,339,039,666	75,050,356,870	43,970,593,132	60,778,539,888
Sukuk Bond		-	791,920,000	-	791,920,000
Prize bonds		1,280,800	1,427,500	1,280,800	1,427,500
		60,998,642,835	85,498,396,233	44,051,798,178	61,821,887,388

6.1.1 Treasury bills

Treasury bills (91 Days)		79,924,246	-	79,924,246	-
Treasury bills (182 Days)		1,479,534,000	-	-	-
Treasury bills (364 Days)		98,864,123	9,654,691,863	-	250,000,000
		1,658,322,369	9,654,691,863	79,924,246	250,000,000

6.1.2 Treasury Bonds

Treasury bonds (2 years BGTB)		13,314,480,669	15,150,571,682	-	878,754,700
Treasury bonds (5 years BGTB)		27,236,823,583	27,728,270,642	27,230,297,168	27,728,270,642
Treasury bonds (10 years BGTB)		8,660,373,429	23,481,971,353	8,660,373,429	23,481,971,353
Treasury bonds (15 years BGTB)		2,466,208,715	2,824,145,877	1,535,758,458	2,824,145,877

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Treasury bonds (20 years BGTB)		6,544,164,077	5,865,397,316	6,544,164,077	5,865,397,316
	Reverse REPO		1,116,989,193	-	-	-
			59,339,039,666	75,050,356,870	43,970,593,132	60,778,539,888
6.1.3	BB category wise investment					
	Held for trading (HFT)		16,203,146,653	38,452,631,190	16,203,146,653	38,452,631,190
	Held to maturity (HTM)		44,794,215,382	46,252,417,543	27,847,370,725	22,575,908,698
	Other securities		1,280,800	793,347,500	1,280,800	793,347,500
			60,998,642,835	85,498,396,233	44,051,798,178	61,821,887,388
6.2	Others (investment in other than Govt. securities)					
	Zero coupon bond	6.2.1	-	112,282,917	-	112,282,917
	Corporate bonds- unquoted and quoted	6.2.2	2,900,000,000	3,420,000,000	2,890,000,000	3,420,000,000
	Ordinary shares and Mutual Funds (MFs) - unquoted and quoted	6.2.3	6,165,950,469	5,056,132,981	4,645,016,664	3,533,833,889
	Preference shares	6.2.4	4,000,000	8,000,000	4,000,000	8,000,000
			9,069,950,469	8,596,415,898	7,539,016,664	7,074,116,806
	Investment in ordinary and preference shares are shown in Annexure - D					
6.2.1	Zero coupon bond					
	Impress Newtux Composite Textiles Limited		-	112,282,917	-	112,282,917
			-	112,282,917	-	112,282,917
6.2.2	Corporate bonds- unquoted and quoted					
	Unquoted					
	North West Power Generation Company Limited Coupon Bearing Bond		1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
	Jamuna Bank II Floating Rate Subordinated Bond		270,000,000	360,000,000	270,000,000	360,000,000
	MBL Variable Rate Subordinated Bond		-	200,000,000	-	200,000,000
	Bank Asia Floating Rate Subordinated Bond		20,000,000	40,000,000	20,000,000	40,000,000
	EBL Floating Rate Subordinated Bond		20,000,000	40,000,000	20,000,000	40,000,000
	Prime Bank Floating Rate Subordinated Bond		20,000,000	40,000,000	20,000,000	40,000,000
	EXIM Bank Mudaraba Subordinated Floating Rate Bond		50,000,000	100,000,000	50,000,000	100,000,000
	AB Bank Floating Rate Subordinated Bond		-	20,000,000	-	20,000,000
	AB Bank Floating Rate Subordinated Bond II		60,000,000	120,000,000	60,000,000	120,000,000
	MTBL Floating Rate Subordinated Bond		50,000,000	100,000,000	50,000,000	100,000,000
	MTBL Floating Rate Subordinated Bond IV		400,000,000	400,000,000	400,000,000	400,000,000
			2,390,000,000	2,920,000,000	2,390,000,000	2,920,000,000
	Quoted					
	Beximco Green Sukuk Al Istisna'a		10,000,000			
	Ashuganj Power Station Company Limited Bond		500,000,000	500,000,000	500,000,000	500,000,000
			510,000,000	500,000,000	500,000,000	500,000,000
			2,900,000,000	3,420,000,000	2,890,000,000	3,420,000,000
6.2.3	Ordinary shares and Mutual Funds (MFs) - unquoted and quoted					
	Unquoted					
	Industrial and Infrastructure Development Finance Company Limited		29,683,820	29,683,820	29,683,820	29,683,820
	Bangladesh Rating Agency Limited		10,671,700	10,671,700	10,671,700	10,671,700
	Central Depository Bangladesh Ltd.		6,277,770	6,277,770	6,277,770	6,277,770

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Investment in non publicly traded Mutual Fund		249,686,370	483,900,000	249,686,370	483,900,000
	Investment in DSE & CSE		96,986,595	96,986,595	-	-
			393,306,255	627,519,885	296,319,660	530,533,290
	Quoted					
	Investment in secondary market		5,772,644,214	4,428,613,096	4,348,697,004	3,003,300,599
			5,772,644,214	4,428,613,096	4,348,697,004	3,003,300,599
			6,165,950,469	5,056,132,981	4,645,016,664	3,533,833,889
6.2.4	Preference shares					
	Union Capital Preference Share		4,000,000	8,000,000	4,000,000	8,000,000
			4,000,000	8,000,000	4,000,000	8,000,000
6.3	Maturity wise grouping of Investment					
	Up to 1 month		2,710,582,737	1,784,527,014	5,297,464	371,710,417
	More than 1 month but not more than 3 months		220,724,640	212,495,900	200,000,000	200,000,000
	More than 3 months but not more than 1 Year		18,305,723,722	28,130,823,815	6,210,894,725	4,454,314,969
	More than 1 year but not more than 5 years		33,494,806,504	34,870,674,544	31,885,306,402	34,773,687,950
	More than 5 years		15,336,755,701	29,096,290,858	13,289,316,251	29,096,290,858
			70,068,593,304	94,094,812,131	51,590,814,842	68,896,004,194

7 Loans and advances

Accounting policy

a) 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.

b) Classification and provisioning for loans and advances are created based on the period of arrears by following 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: 3 dated 31 January 2021, BRPD circular No: 5 dated 24 March 2021, BRPD circular No: 19 dated 26 August 2021, BRPD circular No: 50 dated 14 December 2021, BRPD circular No: 53 dated 30 December 2021.

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

c) Interest on classified loans and advances is calculated 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.

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.

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
The details of loans and advances as at reporting date are as follows:						
	Loans, cash credits, overdrafts etc.	7.1.1	169,128,372,833	136,750,360,676	168,205,415,381	136,374,612,915
	Small and medium enterprises	7.1.2	150,749,009,625	134,621,356,804	150,749,009,625	134,621,356,804
	Bills purchased and discounted*	7.2	2,257,805,981	2,067,223,481	2,257,805,981	2,067,223,481
			322,135,188,439	273,438,940,961	321,212,230,987	273,063,193,200

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

7.1.1 Loans, cash credits, overdrafts etc.

Overdrafts		9,386,377,592	15,793,141,363	9,386,377,592	15,793,141,363
Demand loans		63,339,447,043	46,013,246,452	63,339,447,043	46,013,246,452
Term loans		84,980,045,030	65,155,442,944	84,980,045,030	65,155,442,944
Lease receivables		823,850,563	1,292,454,503	823,850,563	1,292,454,503
Credit Cards		8,562,449,791	7,022,290,761	8,562,449,791	7,022,290,761
Staff loans		1,123,591,696	1,098,036,892	1,113,245,362	1,098,036,892
Margin loan		1,769,581,139	1,860,287,034	-	-
		169,985,342,854	138,234,899,949	168,205,415,381	136,374,612,915
Less: Inter company elimination		856,970,021	1,484,539,273	-	-
		169,128,372,833	136,750,360,676	168,205,415,381	136,374,612,915

7.1.2 Small and medium enterprises

Overdrafts		17,716,943,831	15,188,731,384	17,716,943,831	15,188,731,384
Demand loans		13,336,489,437	12,480,098,176	13,336,489,437	12,480,098,176
Term loans		119,647,429,292	106,902,889,720	119,647,429,292	106,902,889,720
Lease receivables		12,493,658	26,076,080	12,493,658	26,076,080
Bills purchased and discounted (SME)		35,653,407	23,561,444	35,653,407	23,561,444
		150,749,009,625	134,621,356,804	150,749,009,625	134,621,356,804

7.2 Bills purchased and discounted

Bills purchased and discounted (except SME)		2,257,805,981	2,067,223,481	2,257,805,981	2,067,223,481
Bills purchased and discounted (SME)		35,653,407	23,561,444	35,653,407	23,561,444
		2,293,459,388	2,090,784,925	2,293,459,388	2,090,784,925

7.3 Net loans and advances

Gross loans and advances		322,135,188,439	273,438,940,961	321,212,230,987	273,063,193,200
Less: Interest suspense	16.6	1,637,871,114	1,443,050,060	1,637,871,114	1,443,050,060
Less: Provision for loans and advances	16.1	13,997,832,683	11,806,753,217	12,778,727,514	10,747,688,608
		306,499,484,642	260,189,137,684	306,795,632,359	260,872,454,532

7.4 Loans and advances under the following broad categories

Inside Bangladesh:					
Loans		295,031,867,016	242,457,068,214	294,108,909,564	242,081,320,453
Cash credits		-	-	-	-
Overdrafts		27,103,321,423	30,981,872,747	27,103,321,423	30,981,872,747
		322,135,188,439	273,438,940,961	321,212,230,987	273,063,193,200
Outside Bangladesh:					
Loans		-	-	-	-
Cash credits		-	-	-	-
Overdrafts		-	-	-	-
		322,135,188,439	273,438,940,961	321,212,230,987	273,063,193,200

All loan and overdrafts are including SME.

7.5 Geographical location wise portfolio grouping

Inside Bangladesh:					
Dhaka Division		223,021,612,215	188,553,704,543	222,098,654,763	188,177,956,782
Chattogram Division		35,109,172,069	32,032,020,561	35,109,172,069	32,032,020,561
Khulna Division		16,787,570,379	15,705,337,819	16,787,570,379	15,705,337,819
Sylhet Division		6,640,519,209	5,550,975,746	6,640,519,209	5,550,975,746
Barisal Division		6,007,586,814	4,649,104,603	6,007,586,814	4,649,104,603
Rajshahi Division		20,018,904,916	14,892,521,754	20,018,904,916	14,892,521,754

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Rangpur Division		6,403,619,148	7,893,449,128	6,403,619,148	7,893,449,128
	Mymensingh Division		8,146,203,689	4,161,826,808	8,146,203,689	4,161,826,808
			322,135,188,439	273,438,940,961	321,212,230,987	273,063,193,200
	Outside Bangladesh		-	-	-	-
			322,135,188,439	273,438,940,961	321,212,230,987	273,063,193,200

7.6 Loans and advances on the basis of significant concentration

7.6.1 Loans and advances to directors, executives and others

Directors, subsidiaries and others	857,164,160	1,484,937,629	857,164,160	1,484,937,629
Staff:				
Managing Director and CEO	-	-	-	-
Senior executives	117,266,663	111,193,790	106,920,329	111,193,790
Other executives and staffs	1,006,325,033	986,843,102	1,006,325,033	986,843,102
	1,123,591,696	1,098,036,892	1,113,245,362	1,098,036,892
Industries:				
Agro-based	19,580,349,837	16,651,664,671	19,580,349,837	16,651,664,671
Large and medium	67,128,717,347	59,971,413,091	67,128,717,347	59,971,413,091
Small and cottage	26,021,968,591	20,371,224,882	26,021,968,591	20,371,224,882
Service industry	14,618,681,406	14,967,879,880	14,618,681,406	14,967,879,880
	127,349,717,181	111,962,182,524	127,349,717,181	111,962,182,524
Agricultural	5,753,930,713	4,606,902,747	5,753,930,713	4,606,902,747
Consumers	64,361,156,599	45,175,623,933	64,361,156,599	45,175,623,933
Trade and commercial	106,519,590,246	87,630,517,467	105,606,979,128	87,254,769,706
Others	16,170,037,844	21,480,739,769	16,170,037,844	21,480,739,769
	322,135,188,439	273,438,940,961	321,212,230,987	273,063,193,200

7.6.2 Staff loan

Personal loan	58,119,303	90,225,095	47,772,969	90,225,095
Car and motorcycle loan	547,275,877	473,306,900	547,275,877	473,306,900
House building loan	518,196,516	534,504,897	518,196,516	534,504,897
	1,123,591,696	1,098,036,892	1,113,245,362	1,098,036,892

7.7 Details of large loan

Number of clients with amount outstanding (funded and non funded) and classification status to whom loans and advances sanctioned are 10% or more of the total regulatory capital of the Bank. Total capital of the Bank was Taka 68,878 million on consolidated basis and Taka 44,131 million on standalone basis as at 31 December 2021 (Taka 44,962 million and 40,182 million as at 31 December 2020 respectively). (Details are shown in Annexure - E)

Number of clients	19	9
Amount of outstanding loans and advances	68,221,274,243	31,171,180,482
Amount of classified loans and advances	-	-

7.8 Classified and unclassified loans and advances

Unclassified				
Standard (including staff loan)	307,143,533,027	263,144,533,824	307,445,882,479	263,994,092,967
Special Mention Accounts (SMA)	1,243,788,089	1,060,554,097	1,243,788,089	1,060,554,097
	308,387,321,116	264,205,087,921	308,689,670,568	265,054,647,064
Classified				
Sub-standard	2,200,671,339	1,715,697,004	2,200,671,339	1,715,697,004
Doubtful	987,009,923	1,144,060,986	987,009,923	1,144,060,986
Bad/Loss	10,560,186,061	6,374,095,050	9,334,879,157	5,148,788,146
	13,747,867,323	9,233,853,040	12,522,560,419	8,008,546,136
	322,135,188,439	273,438,940,961	321,212,230,987	273,063,193,200

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

Corporate	6,188,357,727	4,675,424,432	6,188,357,727	4,675,424,432
Retail	3,154,195,395	2,020,333,578	1,928,888,491	795,026,674
Small and medium enterprises	4,405,314,201	2,538,095,030	4,405,314,201	2,538,095,030
	13,747,867,323	9,233,853,040	12,522,560,419	8,008,546,136

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
7.8.2	Sector wise concentration of classified loans and advances/ NPL of the Bank					
	Agriculture		31,871,445	16,556,744	31,871,445	16,556,744
	Communication		-	-	-	-
	Consumer Credit		1,356,644,787	400,546,744	1,356,644,787	400,546,744
	Construction		1,002,418	-	1,002,418	-
	Other Manufacturing Industries		1,101,429,548	263,733,869	1,101,429,548	263,733,869
	Power, Gas		-	-	-	-
	Residential Real Estate Financing		1,572,079	394,480,107	1,572,079	394,480,107
	Readymade Garments		2,327,134,845	1,267,469,740	2,327,134,845	1,267,469,740
	Textile		842,239,719	1,122,806,050	842,239,719	1,122,806,050
	Ship Building		70,785,749	-	70,785,749	-
	SME Loans		1,347,584,551	2,537,695,839	1,347,584,551	2,537,695,839
	Trade Service		4,581,726,386	2,733,143,069	3,356,419,482	1,507,836,165
	Others		2,085,875,796	497,420,878	2,085,875,796	497,420,878
			13,747,867,323	9,233,853,040	12,522,560,419	8,008,546,136
7.8.3	Movements of classified loans and advances					
	Opening balance		9,233,853,040	11,759,841,142	8,008,546,135	10,524,563,993
	Additions during the year		6,875,879,905	112,774,446	6,875,879,905	122,744,690
	Reductions during the year		(2,361,865,621)	(2,638,762,548)	(2,361,865,621)	(2,638,762,548)
			13,747,867,324	9,233,853,040	12,522,560,419	8,008,546,135
7.8.4	Loan type wise classified loans and advances					
	Overdraft		1,439,279,855	714,542,799	1,439,279,855	714,542,799
	Demand loan		3,440,164,860	2,291,762,452	3,440,164,860	2,291,762,452
	Term loan		7,042,575,016	4,796,352,161	7,042,575,016	4,796,352,161
	Lease finance		27,804,883	-	27,804,883	-
	Credit cards		572,735,805	205,888,724	572,735,805	205,888,724
	Margin loan		1,225,306,904	1,225,306,904	-	-
			13,747,867,323	9,233,853,040	12,522,560,419	8,008,546,136
7.9	Sector-wise allocation of loans and advances					
	Government		-	-	-	-
	Private:					
	Agriculture		5,753,930,713	4,368,825,394	5,753,930,713	4,368,825,394
	Industry		76,058,381,214	64,717,199,443	76,058,381,214	64,717,199,443
	Service Industry		24,178,892,767	20,094,172,270	24,178,892,767	20,094,172,270
	Agro-based Industry		19,580,349,837	17,417,925,795	19,580,349,837	17,417,925,795
	Commerce and Trade		106,519,590,246	104,513,947,336	105,606,979,128	104,138,199,575
	Consumer Credit		65,474,596,100	45,185,645,630	65,474,596,100	45,185,645,630
	Others		24,569,447,562	17,141,225,094	24,559,101,228	17,141,225,094
			322,135,188,439	273,438,940,961	321,212,230,987	273,063,193,200
7.10	Securities wise loans and advances including bills purchased and discounted					
	Collateral of moveable/immoveable assets		135,307,188,774	36,741,857,296	135,307,188,774	36,741,857,296
	Local banks and financial institutions guarantee		-	-	-	-
	Government guarantee		-	-	-	-
	Foreign banks guarantee		-	-	-	-
	Export documents		-	-	-	-
	Fixed deposit receipts (FDR)		5,791,509,559	6,775,794,098	5,791,509,559	6,775,794,098
	FDR of other banks		-	-	-	-
	Government bonds		-	-	-	-
	Personal guarantee and other securities		179,969,307,739	229,491,346,040	179,958,961,405	229,491,346,040
	Other securities		1,067,182,367	429,943,527	154,571,249	54,195,766
			322,135,188,439	273,438,940,961	321,212,230,987	273,063,193,200

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

In Taka				
Status	Outstanding loans and advances 2021	Base for provision	Percentage (%) of required provision	Required provision 2021
Unclassified				
All unclassified loans (Other than Small and Medium Enterprise Financing, Consumer Financing, BHs/MBs/SDs, Housing and loans for professional*)	97,470,985,950	96,755,236,201	1%**	1,331,178,040
Small and Medium Enterprise Financing	142,402,703,737	142,402,703,737	0.25%	356,006,759
Loans to BHs/MBs/SDs against share etc.*	790,333,621	790,333,621	2%	15,806,672
Housing Finance	12,950,857,995	12,950,857,995	1%	129,508,580
Loans for professionals to Set up business (LP)	5,291,802,496	5,291,802,496	2%	105,836,050
Consumer finance	36,739,035,735	36,739,035,735	2%	734,780,715
Consumer finance (Credit Card)	7,989,713,985	7,989,713,985	2%	159,794,280
Short Term Agricultural and Micro Credit	3,940,991,687	3,940,991,687	1%	39,409,917
Staff Loan	1,113,245,362	-	1%	-
	308,689,670,568	306,860,675,457		2,872,321,013
Classified - Specific provision				
Sub-standard	2,200,671,339	1,610,205,149	20%***	210,607,228
Doubtful	987,009,923	612,417,254	50%***	145,090,096
Bad/Loss	9,334,879,157	7,515,809,819	100%	7,627,363,819
	12,522,560,419	9,738,432,222		7,983,061,143
	321,212,230,987	316,599,107,679		
Special General Provision Covid-19				
Special general provision Covid-19 for 2020			1%	564,532,639
Special general provision Covid-19 for 2021 (SME)			1.5%	33,100,864
Special general provision Covid-19 for 2021 (other than SME)			2%	186,573,721
				784,207,224
				11,639,589,380
				12,778,727,514
				1,139,138,134
				7,665,729,638
				10,747,688,608
				3,081,958,970

Total required provision for loans and advances

Total provision maintained (Note 16.1)

Excess provision over minimum required provision prescribed by Bangladesh Bank

* 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

	Particulars	2021 Taka	2020 Taka
7.12	Particulars of loans and advances		
i)	Loans considered good in respect of which Bank is fully secured	86,137,720,340	55,087,229,595
ii)	Loans considered good against which Bank holds no security other than the debtor's personal guarantee	233,961,265,285	216,877,926,713
iii)	Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	1,113,245,362	1,098,036,892
iv)	Loans adversely classified; provision not maintained there against	-	-
		321,212,230,987	273,063,193,200
V)	Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons	1,113,439,501	1,098,435,249
vi)	Loans due from companies or firms in which the directors of the bank have interested as directors, partners or managing agents or in case of private companies as members	856,970,022	1,484,539,272
		-	-
vii)	Maximum total amount of advance including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person	1,113,439,501	1,098,435,249
		-	-
viii)	Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies, as members	856,970,022	1,484,539,272
		-	-
ix)	Due from banking companies	-	-
x)	Amount of classified loan on which interest has not been charged should be mentioned as follows:		
a)	Increase/decrease of provision (specific)	1,466,974,668	2,186,350,263
	Amount of debts written off	1,634,560,945	1,046,298,040
	Amount realised against loan previously written off	707,517,594	633,704,077
b)	Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet	7,627,363,819	3,988,401,549
c)	Interest creditable to the Interest Suspense a/c	1,533,746,003	1,308,196,997
xi)	Cumulative amount of the written off loan		
	Opening balance	21,108,639,322	20,062,341,282
	Amount written off during the year	1,634,560,945	1,046,298,040
		22,743,200,267	21,108,639,322
	The amount of written off loans for which law suits have been filed	21,652,814,618	20,630,426,744

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
7.13	Write off of loans and advances (net basis)					
	The outstanding balance of written-off loans net of recovery is BDT 12,508,427,034 as on 31 December 2021.					
7.14	Bill Purchased and Discounted under the following broad categories					
	Inside Bangladesh		2,293,459,388	2,090,784,925	2,293,459,388	2,090,784,925
	Outside Bangladesh		-	-	-	-
			2,293,459,388	2,090,784,925	2,293,459,388	2,090,784,925

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
7.15	Maturity wise grouping of loans and advances					
	Repayable on demand		26,883,955,082	27,624,895,628	27,740,925,103	29,109,434,900
	Not more than 3 months		50,194,511,523	38,634,528,099	50,194,511,523	38,634,528,099
	More than 3 months but not more than 1 Year		133,482,324,464	117,934,355,477	131,712,743,325	116,074,068,443
	More than 1 year but not more than 5 years		97,469,578,104	78,466,876,590	97,459,231,770	78,466,876,591
	More than 5 years		14,104,819,266	10,778,285,167	14,104,819,266	10,778,285,167
			322,135,188,439	273,438,940,961	321,212,230,987	273,063,193,200
7.16	Maturity wise grouping of lease receivables					
	Receivable on demand		1,151,132	2,144,898	1,151,132	2,144,898
	Not more than 3 months		2,344,909	2,242,740	2,344,909	2,242,740
	More than 3 months but not more than 1 Year		18,873,511	51,896,473	18,873,511	51,896,473
	More than 1 year but not more than 5 years		475,272,980	1,000,054,854	475,272,980	1,000,054,854
	More than 5 years		338,701,689	262,191,624	338,701,689	262,191,624
			836,344,221	1,318,530,589	836,344,221	1,318,530,589
7.17	Maturity wise grouping of bill purchased and discounted					
	Payable within 1 month		1,096,020,362	794,294,214	1,096,020,362	794,294,214
	Over 1 month but less than 3 months		1,036,935,079	1,049,026,646	1,036,935,079	1,049,026,646
	Over 3 months but less than 6 months		132,174,913	247,219,742	132,174,913	247,219,742
	6 months or more		28,329,034	244,323	28,329,034	244,323
			2,293,459,388	2,090,784,925	2,293,459,388	2,090,784,925

8 Fixed assets including premises, furniture and fixtures

Accounting policy

Property, plant and equipment

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.

Please refer to policy note 2.10.1 for policy change of land accounting i.e. reverting from revaluation model to cost model.

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:

- its purchase price, including import duties and non-refundable purchase tax, after deducting trade discounts and rebates.
- 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.

IFRS 16 "Leases" and its relevant assumptions and disclosures

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

Right-of-use assets

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

Lease liabilities

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

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

Short-term leases and leases of low value assets

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

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

Covid-19-Related Rent Concessions: Implementation of amendment to IFRS 16

The Bank has considered the amendment of lease modification clause i.e. 46A & 46B and applied the practical expedient to rent concessions that meet the conditions in paragraph 46B. Conditions of paragraph 46B are as follows:

- a) the change in lease payments results in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change.
- b) reduction in lease payments affects only payments originally due on or before 30 June 2021.
- c) there is no substantive change to other terms and conditions of the lease.

Depreciation

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

Category of assets	BRAC Bank Limited	BRAC EPL Investments Limited	BRAC EPL Stock Brokerage Limited	bKash Limited	BRAC Saajan Exchange Limited
Furniture and fixture	10%	10%-20%	12.5%	20%	10%
Building	2.5%	5%	2%	-	-
Office equipment	20%	10%-20%	20%	20%	10%
IT equipment - Hardware	20%	25%	-	20%	-
IT equipment - PC, Laptop, UPS, Printer and 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%

Right-of-use assets are depreciated on a straight-line basis over the lease term.

Gain or loss on disposal of fixed assets

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 property, plant and equipment

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.

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.

Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and is measured at cost less accumulated impairment losses.

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.

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.

The details of fixed assets including premises, furniture and fixtures are presented below:

In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2021	2020	2021	2020
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		2,336,543,136	2,294,414,585	2,140,914,382	2,096,550,341
Office equipment		1,450,379,835	1,412,395,664	1,344,953,601	1,307,461,739
IT hardwares		6,284,258,630	4,949,599,866	3,049,688,043	2,900,091,204
Motor vehicles		504,714,769	501,354,796	354,296,880	354,296,880
Leasehold improvements		134,421,114	130,093,833	-	-
Right of use assets (ROU) as per IFRS 16		6,448,373,021	5,507,955,873	5,489,602,469	4,374,375,108
Capital expenditure work in progress		585,568,883	912,105,973	251,206,514	402,817,173
IT Software (Finite useful lives)		6,081,922,651	4,161,573,517	2,322,117,221	2,093,396,465
Total cost		24,374,313,365	20,417,625,433	15,484,088,844	14,060,298,644

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Accumulated depreciation and amortisation		11,540,143,941	9,811,989,522	8,029,221,445	7,231,723,961
	Written down value at 31 December		12,834,169,424	10,605,635,911	7,454,867,399	6,828,574,683

(Fixed assets schedules are shown in Annexure - F)

9 Other assets

Accounting policy

Other assets include mainly all other financial assets, fees and other unrealised income receivable, advance for operating expenditure and stocks of stationery and stamps etc. Any part of uncollectible other assets is subject to making provision based on their ageing as per Bangladesh Bank circular no. 14 dated 25 June 2001.

Reporting investment in subsidiaries and associates in separate financial statements

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

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

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

Accordingly, below cumulative fair value gain/(loss) has been directly recognised in equity in the separate financial statements of the bank till to date 31 December 2021.

Name of the subsidiaries and associates	BBL's investment at cost	Net asset value of investee	BBL's share of net asset	Gross fair value gain/(loss)	Gain/(loss) net of deferred tax
BRAC EPL Investment Limited	2,891,704,014	1,036,887,546	1,036,320,904	(1,855,383,110)	(1,577,075,644)
BRAC EPL Stock Brokerage Limited	1,344,147,500	1,379,781,772	1,241,795,091	(102,352,409)	(86,999,548)
bKash Limited	168,921,800	30,427,030,067	10,874,512,125	10,705,590,325	9,099,751,776
BRAC Saajan Exchange Limited	59,388,531	11,667,108	8,750,331	(50,638,200)	(43,042,470)
BRAC IT Services Limited (biTS)	30,190,000	163,472,757	21,115,234	(9,074,766)	(7,713,551)
Total	4,494,351,845	33,018,839,250	13,182,493,685	8,688,141,840	7,384,920,564

For shareholding percentage, please refer to Note 1.2.6 "Summary of shareholding in subsidiaries and associates". Economic shareholding percentage of bKash 35.74% has been used for BBL's share of net asset considering dilution for bKash's preference shares having rights like ordinary shares.

Reporting investment in subsidiaries and associates in consolidated financial statements

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

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

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

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

Deferred tax asset

Refer to Note 41 Provision for taxation for the relevant accounting policy

Net plan assets -Employees' Gratuity Fund

Refer to Note 30 Salaries and allowances/Employee benefits for the relevant accounting policy

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
The details of other assets are as follows:						
	Income generating					
	Interest receivables	9.1	2,721,178,635	3,207,995,470	2,721,178,635	3,207,995,470
	Profit receivables from govt. Sukuk bond		-	306,108	-	306,108
	Dividend receivables		35,919,830	30,721,114	35,919,830	30,721,114
	Investment in subsidiary	9.2	-	-	13,161,378,451	5,807,799,658
	Investment/carrying value in associates	9.3	21,115,234	-	21,115,234	17,373,182
	Investment In Swift Share		8,083,464	-	8,083,464	-
	Prepaid interest expenses on IFFD		24,511,806	33,575,459	24,511,806	33,575,459
	Receivables against sanchayapatra		44,502,037	50,328,721	44,502,037	50,328,721
	Balance with BRAC EPL					
	Stock Brokerage Limited		1,166,738	2,084,159	1,166,738	2,084,159
	Non- Income generating					
	Stock of stamps		48,826,086	44,877,227	48,826,086	44,877,227
	Stock of security stationery		47,369,961	39,558,367	47,369,961	39,558,367
	Stock of printing stationery		12,007,770	13,744,865	12,007,770	13,744,865
	Advance to staff		6,617,457	4,465,873	6,617,457	4,465,873
	Advance to supplier		30,451,912	20,337,425	24,933,886	12,230,453
	Advance Value Added Tax		4,370,000	9,132,298	4,370,000	9,132,298
	Advance to SME unit offices		1,308,690	1,310,690	1,308,690	1,310,690
	Advance against office rent		68,234,617	63,458,597	68,234,617	63,458,597
	Advance security deposit		13,362,635	15,065,185	8,894,727	11,441,629
	Receivables from biTS		187,859,621	213,246,061	187,859,621	213,246,061
	Deferred revenue expenditure		173,250,448	131,510,876	173,250,448	131,510,876
	Deferred tax asset	9.4	5,233,012,588	3,965,036,176	4,147,255,591	3,198,786,943
	Receivable settlement account-OBU/DBU		2,105,379,492	-	2,105,379,492	-
	Receivable in proxy account		-	287,880	-	287,880
	Net plan assets - Employees' Gratuity Fund	9.5	127,281,040	348,376,767	127,281,040	348,376,767
	Other receivables	9.6	1,887,698,086	1,283,207,028	1,887,698,086	1,283,207,028
	Less: On-shore to Off-shore		(2,105,368,326)	-	(2,105,368,326)	-
	Other assets of subsidiaries	9.7	5,524,084,643	4,383,878,648	-	-
			16,222,224,464	13,862,504,994	22,763,775,341	14,525,819,425
9.1	Interest receivables					
	Receivable against Govt. securities		978,845,897	1,317,902,250	978,845,897	1,317,902,250
	Receivable against other securities		50,972,387	84,410,281	50,972,387	84,410,281
	Receivable against balance with other bank		82,740,585	104,272,860	82,740,585	104,272,860
	Receivable against loans and advances		1,608,619,766	1,701,410,079	1,608,619,766	1,701,410,079
			2,721,178,635	3,207,995,470	2,721,178,635	3,207,995,470

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020

9.2 Investment in subsidiaries

Accounting policy

Refer to above Note 9 "Policy changes for reporting equity investment in subsidiaries and associates in separate financial statements" and "Policy for reporting equity investment in subsidiaries and associates in consolidated financial statements".

BRAC EPL Investments Limited			1,036,320,904	792,510,265
BRAC EPL Stock Brokerage Limited			1,241,795,091	1,004,544,339
bKash Limited			10,874,512,125	3,843,441,748
BRAC SAAJAN Exchange Limited			8,750,331	167,303,306
			13,161,378,451	5,807,799,658

9.3 Investment/carrying value in associates

BRAC IT Services Limited	9.3.1	21,115,234	-	21,115,234	17,373,182
		21,115,234	-	21,115,234	17,373,182

9.3.1 Carrying value of investment in associates:

BRAC IT Services Limited					
Opening balance/fair value of residual interest retained		-	-		
Gain/(loss) on disposal/loss of significant influence of associates		17,373,182	-		
Share of profit/(loss) of equity in associate company		3,742,052	-		
		21,115,234	-		

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

Particulars	Accounting base	Tax base	Deductible/ (Taxable) temporary difference	Applicable tax rate	Deferred Tax Asset/ (Liability)
Balance as at 31 December 2021					
Loan loss provision including Covid-19 special provision (Note - 16.1)	9,744,711,824	-	9,744,711,824	37.50%	3,654,266,934
Provision against capital market (Note - 16.5)	13,580,119	-	13,580,119	10.00%	1,358,012
Fixed assets except ROU (Annex-F)	2,522,794,574	3,532,771,605	1,009,977,031	37.50%	378,741,387
Right of use assets (ROU) as per IFRS 16 (Annexure - F)	4,150,429,766	847,913,185	(3,302,516,581)	37.50%	(1,238,443,718)
Leased Liability as per IFRS 16 (Note - 16)	3,603,554,603	-	3,603,554,603	37.50%	1,351,332,976
Deferred tax asset (a)					4,147,255,591
Deferred tax liability arises due to actuarial valuation gain	8,221,604	-	(8,221,604)	37.50%	(3,083,101)
Deferred tax liability arises from fair value gain as per IFRS 9 (Note - 9)	8,688,141,840	-	(8,688,141,840)	15.00%	(1,303,221,276)
Interest receivable from treasury bills and bonds (Note - 9.1)	978,845,897	-	(978,845,897)	37.50%	(367,067,212)
Dividend receivables (Note - 9)	35,919,830	-	(35,919,830)	20.00%	(7,183,966)
Deferred tax liability (b)					(1,680,555,555)
Net deferred tax asset at 31 December 2021 (a+b)					2,466,700,036
Increase of deferred tax asset recognised in profit and loss account as income					948,468,648
Decrease of deferred tax liability recognised in profit and loss account as income					176,309,838
Net Deferred tax income recognised in profit and loss account during the year ended 31 December 2021					1,124,778,486
Net Deferred tax liability recognised in equity during the year ended 31 December 2021					(1,016,784,141)

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

Particulars	Accounting base	Tax base	Deductible/ (Taxable) temporary difference	Applicable tax rate	Deferred Tax Asset/ (Liability)
Balance as at 31 December 2020					
Loan loss provision including Covid-19 special provision (Note - 16.1)	8,267,660,049	-	8,267,660,049	37.50%	3,100,372,519
Provision against capital market (Note - 16.5)	87,580,119	-	87,580,119	10.00%	8,758,012
Right of use assets (ROU) as per IFRS 16 (Annexure - F)	2,908,869,923	407,840,542	(2,501,029,381)	37.50%	(937,886,018)
Leased Liability as per IFRS 16 (Note - 16)	2,740,113,147	-	2,740,113,147	37.50%	1,027,542,430
Deferred tax asset (a)					3,198,786,943
Deferred tax liability arises due to actuarial valuation gain	239,725,567	-	(239,725,567)	37.50%	(89,897,087)
Deferred tax liability arises from fair value gain as per IFRS 9 (Note - 9)	1,330,820,995	-	(1,330,820,995)	15.00%	(199,623,149)
Fixed assets except ROU	2,989,612,186	2,856,042,430	(133,569,756)	37.50%	(50,088,659)
Interest receivable from treasury bills and bonds (Note - 9.1)	1,317,902,250	-	(1,317,902,250)	37.50%	(494,213,344)
Profit receivables from govt.					
Sukuk bond (Note - 9)	306,108	-	(306,108)	37.50%	(114,790)
Dividend receivables (Note - 9)	30,721,114	-	(30,721,114)	20.00%	(6,144,223)
Deferred tax liability (b)					(840,081,252)
Net deferred tax asset at 31 December 2020 (a+b)					2,358,705,691
Increase of deferred tax asset recognised in profit and loss account as income					684,605,472
Increase of deferred tax liability recognised in profit and loss account as expense					(341,525,127)
Net Deferred tax income recognised in profit and loss account during the year ended 31 December 2020					343,080,345
Net Deferred tax liability recognised in equity during the year ended 31 December 2020					90,994,013

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

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
9.5	Net plan assets - Employees' Gratuity Fund					
	Fair value of plan assets	9.5.1	2,278,452,754	1,968,963,855	1,749,085,730	1,511,837,864
	Less: Defined benefit obligation	9.5.2	2,151,171,714	1,620,587,088	1,621,804,690	1,163,461,097
			127,281,040	348,376,767	127,281,040	348,376,767
9.5.1	Fair value of plan assets - gratuity fund					
	Fair value of plan assets as on 1 January		1,968,963,855	1,231,473,815	1,511,837,864	1,073,540,067
	Interest income on plan assets		136,065,408	99,839,226	136,065,408	99,839,226
	Actual employer contributions		249,642,432	621,600,313	177,401,399	322,408,070
	Actual net benefits payments		(90,128,124)	(53,900,827)	(90,128,124)	(53,900,827)
	Remeasurement gain/(losses) on plan assets		13,909,183	69,951,328	13,909,183	69,951,328
	Fair value of plan assets as on 31 December		2,278,452,754	1,968,963,855	1,749,085,730	1,511,837,864

		Consolidated		BRAC Bank Limited		
	Particulars	Note	2021	2020	2021	2020
9.5.2	Defined benefit obligation - gratuity fund					
	Defined benefit obligation as on 1 January		1,620,587,088	897,565,050	1,163,461,097	739,631,302
	Current service cost		358,220,441	249,894,708	198,347,071	157,474,567
	Past service cost due to amendment of gratuity benefits		-	-	-	-
	Interest cost		104,711,499	68,785,711	104,711,499	68,785,711
	Actual net benefits payments		(90,128,124)	(53,900,828)	(90,128,124)	(53,900,828)
	Remeasurement (gain)/loss		157,780,810	458,242,447	245,413,147	251,470,345
	Defined benefit obligation as on 31 December		2,151,171,714	1,620,587,088	1,621,804,690	1,163,461,097

9.5.3 Remeasurements gain/(loss) of defined benefits liabilities/assets

	Opening balance	(76,606,123)	243,615,364	149,828,479	263,277,864
	Remeasurement gain/(losses) on plan assets	13,909,183	69,951,328	13,909,183	69,951,328
	Remeasurement gain/(losses) on defined benefit obligation	(157,780,810)	(458,242,447)	(245,413,147)	(251,470,345)
		(220,477,750)	(144,675,755)	(81,675,485)	81,758,847
	Less: Deferred tax (expense)/income	86,813,987	68,069,632	86,813,987	68,069,632
		(133,663,763)	(76,606,123)	5,138,502	149,828,479

Remeasurement gain/(loss) has been recognised as per Actuarial Valuation Report.

9.6 Other Receivables

	Receivable against remittance	11,559,766	17,969,668	11,559,766	17,969,668
	Receivable against DD	133,000,000	84,100,000	133,000,000	84,100,000
	Receivable against cards	64,353,917	4,105,449	64,353,917	4,105,449
	Receivable from merchant	241,107,676	131,499,259	241,107,676	131,499,259
	Receivable from partners	220,116	2,112,169	220,116	2,112,169
	Receivable from Co-Brand ATM	27,020,242	27,020,242	27,020,242	27,020,242
	Receivable against fraud and forgery/ protested bill	117,873,609	116,816,609	117,873,609	116,816,609
	Receivable from NPS	103,551,000	49,087,500	103,551,000	49,087,500
	Sundry debtors*	1,150,197,828	820,431,057	1,150,197,828	820,431,057
	Receivable from BACH	5,000,000	5,000,000	5,000,000	5,000,000
	Coupon interest adjustment	13,627,536	-	13,627,536	-
	REPO interest expenditure	(1,119,412)	(1,481,944)	(1,119,412)	(1,481,944)
	Interest rate swap	21,305,808	26,547,019	21,305,808	26,547,019
		1,887,698,086	1,283,207,028	1,887,698,086	1,283,207,028

* In compliance with FRC notification no. 179/FRC/FRM/Notification/2020/2, we have already adjusted the forfeited fund previously distributed among active members of provident fund for the period from 2015 to 2019 as per the existing Fund Rules. Additionally, we have recognized other receivable of BDT 1,670,920 under sundry debtors for the forfeited fund for 2021.

9.7 Other assets of subsidiaries

	BRAC EPL Investments Limited	65,146,951	379,105,991		
	BRAC EPL Stock Brokerage Limited	80,943,352	202,379,803		
	bKash Limited	5,344,095,037	3,508,211,128		
	BRAC SAAJAN Exchange Limited	60,971,865	331,900,799		
		5,551,157,205	4,421,597,721		
	Less: Inter company transactions:				
	BRAC Bank Limited	22,664,005	35,685,889		
	BRAC EPL Investments Limited	-	585,468		

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	BRAC EPL Stock Brokerage Limited		-	1,389,480		
	bKash Limited		4,408,557	58,236		
			27,072,562	37,719,073		
			5,524,084,643	4,383,878,648		

10 Non-banking assets Possession date

Haque Specialized	30 June 2015					
Steell Mills Ltd.		-	62,230,075	-	62,230,075	
M/s Shawan	12 January					
Enterprise	2021	300,000	-	300,000	-	
M/s Macca And	16 January					
Modina Store	2017	1,200,000	1,200,000	1,200,000	1,200,000	
M/S. Akash Auto	11 June 2018					
Mobile		3,041,700	3,041,700	3,041,700	3,041,700	
		4,541,700	66,471,775	4,541,700	66,471,775	

The Bank has been awarded ownership of the mortgaged property M/s Macca And Modina Store at Nilphamari, verdict of the honourable Artharin Court of Nilphamari under Section 33(7) of Artharin Adalat ain-2003 and mortgaged property M/S. Akash Auto Mobile at Sherpur, verdict of the honourable Artharin Court of Sherpur under Section 33(7) of Artharin Adalat ain-2003 and reported as Non Banking Assets in accordance with Bank Companies Act 1991 and BRPD circular no. 14 of 2003. The value of the Non-Banking Assets has been determined on the basis of valuation report of an Independent valuer.

11 Goodwill

Accounting policy

Refer to "Intangible assets" section of Note 8 Fixed assets including premises, furniture and fixtures for the relevant accounting policy of goodwill.

(i) BRAC EPL Investments Limited	246,289,821	246,289,821		
(ii) BRAC EPL Stock Brokerage Limited	1,126,273,572	1,126,273,572		
(iii) BRAC SAAJAN Exchange Limited	54,905,518	54,905,518		
Total	1,427,468,911	1,427,468,911		

12 Borrowings from other banks, financial institutions and agents

Accounting policy

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.

Borrowings inside Bangladesh	12.1	429,000,000	894,403,300	429,000,000	254,403,300
Borrowings outside Bangladesh	12.2				
		23,721,953,707	11,678,386,094	23,705,564,025	11,658,921,635
		24,150,953,707	12,572,789,394	24,134,564,025	11,913,324,935

12.1 Borrowings inside Bangladesh

Industrial and Infrastructure					
Development Finance Company Limited	-	470,000,000	-	-	-
Woori Bank, Dhaka	429,000,000	254,403,300	429,000,000	254,403,300	
United Finance	-	170,000,000	-	-	-
	429,000,000	894,403,300	429,000,000	254,403,300	

12.2 Borrowings outside Bangladesh

Sonali Bank UK Ltd.	-	574,061,047	-	574,061,047	
State Bank Of India, Hong Kong	858,000,000	-	858,000,000	-	
Nabil Bank Limited, Nepal	300,300,000	848,011,000	300,300,000	848,011,000	
HDFC Bank Limited, India	858,000,000	424,005,500	858,000,000	424,005,500	

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Standard Chartered Bank, Singapore		2,368,080,000	-	2,368,080,000	-
	DBS Bank Singapore		2,402,400,000	-	2,402,400,000	-
	Asian Development Bank		2,574,000,000	-	2,574,000,000	-
	Axis Bank Limited		858,000,000	-	858,000,000	-
	Caixabank S.A.		561,185,625	-	561,185,625	-
	Siddhartha Bank Limited, Kathmandu		300,300,000	-	300,300,000	-
	The National Bank of Ras Al-Khaimah, UAE		1,716,000,000	-	1,716,000,000	-
	Abu Dhabi Commercial Bank, UAE		2,574,000,000	-	2,574,000,000	-
	First Abu Dhabi Bank PJSC, UAE		858,000,000	-	858,000,000	-
	CDC Group Plc, United Kingdom		1,471,298,400	2,180,745,088	1,471,298,400	2,180,745,088
	International Finance Corporation (IFC), USA		4,719,000,000	7,632,099,000	4,719,000,000	7,632,099,000
	JP Morgan Chase Bank N.A. Singapore		1,287,000,000	-	1,287,000,000	-
	Millennium Bank, (Portugal)		16,389,682	19,464,459	-	-
			23,721,953,707	11,678,386,094	23,705,564,025	11,658,921,635

12.3 Security against borrowings from other banks, financial institutions and agents:

Secured (Treasury bills)	-	-	-	-
Unsecured	24,150,953,707	12,572,789,394	24,134,564,025	11,913,324,935
	24,150,953,707	12,572,789,394	24,134,564,025	11,913,324,935

12.4 Disclosure regarding REPO

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

(a) (i) Disclosure regarding outstanding Repo as on 31 December 2021:

Counter party name	SL. no	Agreement date	Reversal date	Amount (1 st leg cash consideration) outstanding on 31 December 2021	Amount (1 st leg cash consideration) outstanding on 31 December 2020
Standard Chartered Bank Dhaka	i	December 29, 2021	January 2, 2022	1,593,212,388	Nil
Standard Chartered Bank Dhaka	ii	December 30, 2021	January 2, 2022	7,757,656,399	Nil
United Commercial Bank Limited	iii	December 30, 2021	January 4, 2022	927,638,685	Nil
The City Bank Limited	iv	December 30, 2021	January 6, 2022	1,024,745,040	Nil
Prime Bank Limited	v	December 29, 2021	January 3, 2022	1,946,907,218	Nil
Prime Bank Limited	vi	December 30, 2021	January 3, 2022	442,388,250	Nil
Agrani Bank Limited				Nil	3,994,393,207
Janata Bank Limited				Nil	2,394,826,065
Agrani Bank Limited				Nil	4,797,743,485
Janata Bank Limited				Nil	1,814,896,800
Standard Chartered Bank Dhaka				Nil	4,695,369,692
Agrani Bank Limited				Nil	5,055,085,852
Janata Bank Limited				Nil	798,134,813
Agrani Bank Limited				Nil	2,814,642,771
				13,692,547,980	26,365,092,684

(a) (ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2021:

Counter party name	SL. no	Agreement Date	Reversal Date	Amount (1 st leg cash consideration)	Amount (1 st leg cash consideration)
South Bangla Agriculture Bank Limited	N/A	30-Dec-21	6-Jan-22	Nil	996,644,119
				Nil	996,644,119

(b) Disclosure regarding overall transaction of Repo and Reverse repo during the year 2021:

Particulars	Minimum outstanding during the year 2021	Maximum outstanding during the year 2021	Daily average outstanding during the year 2021	Daily average outstanding during the year 2020
Securities sold under repo:				
i) with Bangladesh Bank		-	-	790,429,680
ii) with other banks & FIs	497,675,500	10,759,362,776	2,082,542,687	3,912,089,893
Securities purchased under reverse repo:				
i) with Bangladesh Bank	-	-	-	-
ii) with other banks & FIs	227,307,522	3,003,541,178	64,700,456	46,836,478

In Taka

		in Taka				
	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
12.5	Maturity wise grouping of borrowing from other bank and financial institutions					
	Repayable on demand		1,233,701,684	730,448,398	2,102,100,000	2,227,682,496
	Not more than 3 months		5,222,479,736	5,023,429,488	4,928,405,625	4,324,856,100
	More than 3 months but not more than 1 Year		16,958,608,287	3,225,250,285	16,367,894,400	1,786,589,575
	More than 1 year but not more than 5 years		736,164,000	3,574,196,764	736,164,000	3,574,196,764
	More than 5 years		-	19,464,460	-	-
			24,150,953,707	12,572,789,394	24,134,564,025	11,913,324,935

13 Borrowings from central bank & government agencies

Bangladesh Bank refinance	-	-	-	-
Bangladesh Bank EDF fund	9,124,444,403	7,638,489,608	9,124,444,403	7,638,489,608
Bangladesh Bank SME Foundation	817,222,000	77,675,000	817,222,000	77,675,000
Borrowing from Bangladesh Bank - LTFF	763,079,166	896,411,733	763,079,166	896,411,733
Borrowing from Bangladesh Bank - GTF	261,070,057	252,601,734	261,070,057	252,601,734
Borrowing from Bangladesh Bank - Jute Financing	-	69,954,000	-	69,954,000
Borrowing from Bangladesh Bank - Stimulus Fund	387,594,399	560,627,613	387,594,399	560,627,613
Borrowing from Bangladesh Bank - Working Capital Stimulus Fund	528,491,391	2,728,245,369	528,491,391	2,728,245,369
Borrowing from Bangladesh Bank - PSC Stimulus Package	45,242,000	-	45,242,000	-
Borrowing from Bangladesh Bank -Refinancing for Green Initiatives	40,000,000	-	40,000,000	-
Borrowing from Bangladesh Bank - Joyeeta Foundation Pre or Re-Finance	99,900,000	-	99,900,000	-
Borrowing from Bangladesh Bank - SME Re-finance	11,108,860,408	11,146,063,722	11,108,860,408	11,146,063,722
	23,175,903,824	23,370,068,779	23,175,903,824	23,370,068,779

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
13.1	Maturity wise grouping of Borrowings from central bank & government agencies					
	Repayable on demand		1,471,515,580	1,782,142,433	1,471,515,580	1,782,142,433
	Not more than 3 months		4,159,284,124	2,975,884,386	4,159,284,124	2,975,884,386
	More than 3 months but not more than 1 year		11,097,209,099	15,303,999,721	11,097,209,099	15,303,999,722
	More than 1 year but not more than 5 years		5,684,815,855	2,778,035,363	5,684,815,855	2,778,035,363
	More than 5 years		763,079,166	530,006,875	763,079,166	530,006,875
			23,175,903,824	23,370,068,779	23,175,903,824	23,370,068,779

14 Money at call on short notice

Bank Al-Falah Limited	-	84,801,100	-	84,801,100
	-	84,801,100	-	84,801,100

14.1 Maturity wise grouping of money at call on short notice

Up to 1 month	-	84,801,100	-	84,801,100
More than 1 month but not more than 3 months	-	-	-	-
More than 3 months but not more than 1 Year	-	-	-	-
More than 1 year but not more than 5 years	-	-	-	-
More than 5 years	-	-	-	-
	-	84,801,100	-	84,801,100

15 Deposits and other accounts

Accounting policy

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

Current deposits and other accounts etc.	15.1	164,425,455,280	143,332,071,057	109,470,657,298	98,756,904,331
Bills payable	15.2	2,367,889,416	1,797,962,669	2,367,889,416	1,797,962,669
Savings deposits	15.3	68,334,576,200	57,230,594,232	68,334,576,200	57,230,594,232
Term deposits*	15.4	127,956,809,129	130,608,019,962	133,172,621,149	130,621,972,707
Other deposits	15.5	1,252,882,201	646,971,785	1,252,882,201	646,971,785
		364,337,612,226	333,615,619,705	314,598,626,264	289,054,405,724

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

15.1 Current deposits and other accounts

Local currency	161,838,118,956	141,348,027,225	103,304,679,870	94,339,534,526
Foreign currencies	6,165,977,428	4,417,369,805	6,165,977,428	4,417,369,805
	168,004,096,384	145,765,397,030	109,470,657,298	98,756,904,331
Less: Inter unit/company elimination	3,578,641,104	2,433,325,973	-	-
	164,425,455,280	143,332,071,057	109,470,657,298	98,756,904,331

15.1.1 Current deposits and other accounts

Current deposits	155,023,341,775	132,157,841,623	96,489,902,689	85,149,348,924
Special notice deposit	12,980,754,609	13,607,555,407	12,980,754,609	13,607,555,407
	168,004,096,384	145,765,397,030	109,470,657,298	98,756,904,331
Less: Inter unit/company elimination	3,578,641,104	2,433,325,973	-	-
	164,425,455,280	143,332,071,057	109,470,657,298	98,756,904,331

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
15.2	Bills payable					
	Local currency		2,164,588,843	1,454,223,684	2,164,588,843	1,454,223,684
	Foreign currencies		203,300,573	343,738,985	203,300,573	343,738,985
			2,367,889,416	1,797,962,669	2,367,889,416	1,797,962,669
15.3	Savings deposits					
	Local currency		68,334,576,200	57,230,594,232	68,334,576,200	57,230,594,232
	Foreign currencies		-	-	-	-
			68,334,576,200	57,230,594,232	68,334,576,200	57,230,594,232
15.4	Term deposits					
	Local currency		131,121,074,245	128,592,181,629	131,121,074,245	128,592,181,629
	Foreign currencies		2,051,546,904	2,029,791,078	2,051,546,904	2,029,791,078
			133,172,621,149	130,621,972,707	133,172,621,149	130,621,972,707
	Less: Inter unit/company elimination		5,215,812,020	13,952,745	-	-
			127,956,809,129	130,608,019,962	133,172,621,149	130,621,972,707
15.5	Other deposits					
	Local currency	15.5.1	1,247,004,101	638,849,997	1,247,004,101	638,849,997
	Foreign currencies	15.5.2	5,878,100	8,121,788	5,878,100	8,121,788
			1,252,882,201	646,971,785	1,252,882,201	646,971,785
	Less: Inter unit/company elimination		-	-	-	-
			1,252,882,201	646,971,785	1,252,882,201	646,971,785
15.5.1	Other local currency deposits					
	Security deposits		800,000	834,000	800,000	834,000
	Security deposit from retail loan client		7,355,223	7,614,179	7,355,223	7,614,179
	Sundry deposit	15.5.1.1	1,238,848,878	630,401,818	1,238,848,878	630,401,818
			1,247,004,101	638,849,997	1,247,004,101	638,849,997
15.5.1.1	Sundry deposit					
	Lease deposits		934,785	3,646,585	934,785	3,646,585
	Payable to NPS		1,000,841,185	307,784,640	1,000,841,185	307,784,640
	EFTN and BACH					
	adjustments account		201,401,857	279,100,672	201,401,857	279,100,672
	Payable against customers,					
	loan account and others		35,671,051	39,869,921	35,671,051	39,869,921
			1,238,848,878	630,401,818	1,238,848,878	630,401,818
15.5.2	Other foreign currency deposits					
	Proceeds awaiting for remittance (BTB LC)		5,878,100	8,121,788	5,878,100	8,121,788
	Remittance awaiting for disposal (RAD)		-	-	-	-
			5,878,100	8,121,788	5,878,100	8,121,788
15.6	Deposits concentration					
	Deposits from banks-inside					
	Bangladesh	15.6.1	3,900,000,000	100,779	3,900,000,000	100,779
	Other than banks		360,437,612,226	333,615,518,926	310,698,626,264	289,054,304,945
			364,337,612,226	333,615,619,705	314,598,626,264	289,054,405,724
15.6.1	Deposits from banks-inside Bangladesh					
	Current deposits:					
	Eldorado Member Banks		-	100,779	-	100,779
			-	100,779	-	100,779

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Term deposits from Banks:					
	State Bank of India		400,000,000	-	400,000,000	-
	Habib Bank Limited		500,000,000	-	500,000,000	-
	Pubali Bank Limited		3,000,000,000	-	3,000,000,000	-
			3,900,000,000	-	3,900,000,000	-
	Total deposits from banks		3,900,000,000	100,779	3,900,000,000	100,779

15.7 Payable on demand and time deposit

i) Demand deposit

Current deposits	145,278,723,243	125,307,145,845	90,323,925,261	80,731,979,119
Saving deposits (9% of total saving deposits)	6,150,111,858	5,150,753,481	6,150,111,858	5,150,753,481
Foreign currency deposits	6,171,855,528	4,425,491,593	6,171,855,528	4,425,491,593
Sundry deposits	1,238,848,878	630,401,818	1,238,848,878	630,401,818
Bills payable	2,367,889,416	1,797,962,669	2,367,889,416	1,797,962,669
	161,207,428,923	137,311,755,406	106,252,630,941	92,736,588,680

ii) Time deposit

Saving deposits (91% of total saving deposits)	62,184,464,342	52,079,840,751	62,184,464,342	52,079,840,751
Foreign currency deposits	2,051,546,904	2,029,791,078	2,051,546,904	2,029,791,078
Term deposits	109,066,283,138	113,164,908,952	114,282,095,158	113,178,861,697
Deposit pension schemes (DPS)	16,838,979,087	15,413,319,932	16,838,979,087	15,413,319,932
Special notice deposit	12,980,754,609	13,607,555,407	12,980,754,609	13,607,555,407
Security deposits	8,155,223	8,448,179	8,155,223	8,448,179
	203,130,183,303	196,303,864,299	208,345,995,323	196,317,817,044
	364,337,612,226	333,615,619,705	314,598,626,264	289,054,405,724

15.8 Maturity wise grouping of deposits and other accounts

Repayable on demand	10,678,266,582	3,671,713,675	10,678,266,582	3,671,713,675
Repayable within 1 month	29,812,031,680	53,004,835,673	26,823,992,430	29,583,490,662
Over 1 months but within 6 months	78,146,789,069	78,019,891,611	78,146,789,069	78,019,891,611
Over 6 months but within 1 year	111,672,492,397	77,437,850,673	64,921,545,685	56,297,981,703
Over 1 year but within 5 years	130,372,431,083	91,487,009,788	130,372,431,083	91,487,009,788
Over 5 years but within 10 years	3,655,601,415	29,994,318,285	3,655,601,415	29,994,318,285
Over 10 years	-	-	-	441,000
Total	364,337,612,226	333,615,619,705	314,598,626,264	289,054,846,724
Unclaimed deposits for 10 years or more	50,123,305	58,869,117	50,123,305	58,869,117

As per Bank Company Act 1991, Section 35 and BB circular letter no. BRPD 10 dated 12 September 2018, if any money or valuable asset (except deposits from Government, minor or litigation) is unclaimed for ten years or above as of 31 December every year, a three months' notice will be given to depositors concerned. Based on the response from the concerned depositors by following three months, amount will be paid to them otherwise unclaimed deposit will be deposited to Bangladesh Bank by 30 April 2022. We reported BDT 50,123,305 as 10 years and above unclaimed deposit amount as on 31 December 2021 (cut off basis) to Bangladesh Bank.

16 Other liabilities

Accounting policy

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.

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.

Provision for other assets

Any part of uncollectible other assets is subject to making provision based on their ageing as per Bangladesh Bank circular no. 14 dated 25 June 2001.

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).

Provision for diminution in value of Investments

Refer to Note 6 Investments for the relevant accounting policy.

Provisions for nostro accounts

Provisions for unsettled transactions on nostro accounts made are reviewed on a monthly basis by management in Risk management meeting (RMM) and certified by the Bank's external auditors on a semi-annual basis in accordance with Bangladesh Bank Foreign Exchange Policy Department (FEPD) circular letter No. (FEPD)/01/2005-677 dated 13 September 2005. At the Balance Sheet date, Bank is not required to make provision regarding un-reconciled debit entries which are outstanding for more than three (03) months.

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.

Provision for taxation net off AIT and Deferred tax liability

Refer to Note 41 Provision for taxation for the relevant accounting policy.

Leased liabilities as per IFRS 16

Refer to Note 8 Implementation of IFRS 16 and its relevant assumptions and disclosures for the relevant accounting policy.

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
The details of other liabilities are given below:						
	Provision for loans and advances	16.1	13,213,625,459	11,032,623,099	11,994,520,290	9,973,558,490
	Special general provision Covid-19	16.1	784,207,224	774,130,118	784,207,224	774,130,118
	Provision for interest receivable from loan	16.2	13,457,003	13,457,003	13,457,003	13,457,003
	Provision for other assets	16.3	234,820,125	195,208,855	234,820,125	168,102,992
	Provisions for off balance sheet Items	16.4	706,746,134	455,246,134	706,746,134	455,246,134
	Provision for diminution in value of Investments	16.5	13,580,119	87,580,119	13,580,119	87,580,119
	Interest suspense	16.6	1,637,871,114	1,443,050,060	1,637,871,114	1,443,050,060
	Withholding tax payable	16.7	201,214,386	253,886,515	201,214,386	253,886,515

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	VAT payable	16.8	208,608,833	248,931,096	208,608,833	248,931,096
	Excise duty payable		262,341,336	161,946,299	262,341,336	161,946,299
	Provision for taxation net off AIT	16.9	5,920,521,742	3,673,665,415	5,021,558,503	4,012,115,746
	Deferred tax liability	9.4	377,334,278	640,458,104	1,680,555,555	840,081,252
	Interest payable on borrowings		323,331,571	322,434,236	323,331,571	322,434,236
	Accrued expenses		5,337,303,430	3,957,141,846	2,108,043,731	2,096,169,765
	Share subscription - IPO (refund warrant)		229,509	228,419	229,509	228,419
	Right share subscription		-	636,674	-	636,674
	Payable settlement account-OBUDBU		-	88,498	-	88,498
	Payable to on-shore		-	1,982,392,275	-	1,982,392,275
	Unclaimed and undistributed dividend	16.10	9,676,218	67,043,176	9,676,218	67,043,176
	Suppliers payable		125,946,941	132,044,849	125,946,941	132,044,849
	Leased liabilities as per IFRS 16		4,085,484,681	3,528,145,886	3,603,554,604	2,740,113,147
	Payable against exchange houses		100	85,355	100	85,355
	Payable against insurances		6,155,625	6,635,467	6,155,625	6,635,467
	Payable against proxy account		206,092	-	206,092	-
	Payable to Omnibus		-	84,300	-	84,300
	Payable against SWIFT charge		1,716,000	-	1,716,000	-
	Start-up Fund**	16.11	100,877,625	-	100,877,625	-
	Other payables	16.12	3,716,340,999	2,285,139,168	3,716,340,999.0	2,285,139,168
	Less: Off-shore to on-shore		-	(1,982,385,478)	-	(1,982,385,478)
	Other liabilities of subsidiaries	16.13	2,018,766,783	3,451,915,288	-	-
			39,300,363,327	32,731,812,776	32,755,559,637	26,082,795,675

16.1 Provision for loans and advances

A. General provision

Provisions held at the beginning of the year	3,254,158,676	2,646,180,388	3,254,158,676	2,646,180,388
Add: Transfer from specific provision	64,204,586	438,310,342	64,204,586	438,310,342
Add: Special general provision Covid-19	10,077,106	774,130,118	10,077,106	774,130,118
Add: Net charge to Profit and Loss A/C	490,317,074	(603,544,658)	490,317,074	(603,544,658)
Add: Exchange difference	(534,528)	(917,514)	(534,528)	(917,514)
Provisions held at the end of the year	3,818,222,914	3,254,158,676	3,818,222,914	3,254,158,676

B. Specific provision

Provisions held at the beginning of the year (i)	8,552,594,541	7,140,374,396	7,493,529,932	6,081,309,787
Less: Transfer to general provision (ii)	(64,204,586)	(438,310,342)	(64,204,586)	(438,310,342)
Less: Special general provision Covid-19 (iii)	-	(774,130,118)	-	(774,130,118)
Less: Write off during the year (iv)	(1,503,380,807)	(976,501,071)	(1,503,380,807)	(976,501,071)
Add: Provision charged for the year including special provision Covid-19 (v)	3,178,139,884	3,602,405,848	3,018,099,324	3,602,405,848
Add: Recovery of written off bad debts (vi)	707,517,594	633,704,077	707,517,594	633,704,077
Add: Exchange difference (vii)	16,460,737	(1,244,172)	16,460,737	(1,244,172)
Net charge to Profit and Loss A/C (viii) = (v)-(vi)	2,470,622,290	2,968,701,771	2,310,581,730	2,968,701,771
Provisions held at the end of the year (i+ii+iii+iv+v+vii)	10,179,609,769	8,552,594,541	8,960,504,600	7,493,529,932
Total provision held at the end of the year (A+B)	13,997,832,683	11,806,753,217	12,778,727,514	10,747,688,608

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
16.2	Provision for interest receivable from loan					
	Provisions held at the beginning of the year		13,457,003	12,375,062	13,457,003	12,375,062
	Add: Net charge to Profit and Loss A/C		-	1,081,941	-	1,081,941
	Provisions held at the end of the year		13,457,003	13,457,003	13,457,003	13,457,003
16.3	Provision for other assets					
	Provisions held at the beginning of the year		195,208,855	188,809,064	168,102,992	167,602,992
	Add: Net movement during the year		39,611,270	6,399,791	66,717,133	500,000
	Provisions held at the end of the year		234,820,125	195,208,855	234,820,125	168,102,992

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

Other asset type	Other assets balance	Doubtful (50%)	Bad/Loss (100%)	Required provision 31 Dec 2021	Required provision 31 Dec 2020
Receivable from partners	220,116	-	-	-	2,002,851
Receivable for fraud and forgery-protessed bill	117,873,609	-	117,873,609	117,873,609	116,816,609
Receivables in cash shortage	1,509,730	-	1,324,350	1,324,350	1,380,600
Receivable from BBL-RBL atm	5,144,030	-	5,144,030	5,144,030	5,144,030
Receivables in cash shortage-atm	236,000	9,000	215,500	220,000	198,250
Receivable from BACH	5,000,000	-	5,000,000	5,000,000	5,000,000
Proxy accounts	(206,092)	31,459	4,773,016	4,788,745	6,443,012
Receivable from co-brand atm	27,020,242	-	27,020,242	27,020,241	27,020,242
Receivables against remittance	4,916,421	-	1,600,000	1,600,000	326,962
Receivable from MoneyGram	5,897,559	-	-	-	205,607
Charge back receivables in suspenses-cards	1,817,638	213,469	36,900	143,635	4,569
Receivable for outstanding priority pass bill payment_USD	128,593	44,552	-	22,276	113,421
Receivable from merchant(On US)-cards	260,800	-	193,925	193,925	182,694
Receivables against Placid Express	-	-	-	-	7,652
Receivables from BRAC Saajan	-	-	-	-	30,000
Unclaimed Dividend paid to BSEC	60,840,320	-	60,840,320	60,840,320	-
Total required provision for other assets				224,171,131	164,876,500
Total provision maintained				234,820,125	168,102,992
Excess/(short) provision				10,648,994	3,226,492

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
16.4	Provisions for off balance sheet items					
	Balance at the beginning of the year		455,246,134	392,162,499	455,246,134	392,162,499
	Provision made during the year		251,500,000	63,083,635	251,500,000	63,083,635
	Balance at the end of the year		706,746,134	455,246,134	706,746,134	455,246,134

In Taka

Particulars	Base for provision	Percentage (%) of required provision	Required provision 2021	Required provision 2020
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16.4.1 Particulars of required provisions for off balance sheet items - General provision (Bank only)

Acceptances and endorsements	32,328,043,035	1%	323,280,430	191,651,556
Irrevocable letters of credit	26,598,203,447	1%	265,982,034	155,506,432
Letter of guarantees	11,793,414,671	1%	117,934,147	108,311,982
Total required provision before considering counter guarantee			707,196,612	455,469,970
Deduction for counter guarantee			3,955,406	3,441,006
Total required provision			703,241,206	452,028,964
Total provision maintained (Note 16.4)			706,746,134	455,246,134
Excess/(short) provision			3,504,928	3,217,170

16.5 Provision for diminution in value of investments

In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2021	2020	2021	2020
Balance at the beginning of the year		87,580,119	650,800,000	87,580,119	650,800,000
Provision made/(released) during the year		(74,000,000)	(563,219,881)	(74,000,000)	(563,219,881)
Balance at the end of the year		13,580,119	87,580,119	13,580,119	87,580,119

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

16.6 Interest suspense

Balance at the beginning of the year	1,443,050,060	1,115,201,138	1,443,050,060	1,115,201,138
Add: Amount transferred to "Interest Suspense" account during the year	1,533,746,003	1,308,196,997	1,533,746,003	1,308,196,997
	2,976,796,063	2,423,398,135	2,976,796,063	2,423,398,135
Less: Amount recovered and adjusted in "Interest Suspense" account during the year	1,207,744,812	910,551,105	1,207,744,812	910,551,105
Less: Amount written off during the year	131,180,137	69,796,970	131,180,137	69,796,970
Balance at the end of the year	1,637,871,114	1,443,050,060	1,637,871,114	1,443,050,060

16.7 Withholding tax payable

Payable on Interest	81,459,135	155,833,873	81,459,135	155,833,873
Payable (Suppliers)	3,669,132	2,457,565	3,669,132	2,457,565
Payable (Staff Salaries and Allowance)	16,461,797	13,401,755	16,461,797	13,401,755
Payable (Rent)	4,345,397	3,893,338	4,345,397	3,893,338
Payable (Export)	36,596,076	21,759,159	36,596,076	21,759,159
Payable on commission paid	16,259,115	10,900,918	16,259,115	10,900,918
Payable on professional services	10,718,853	11,570,966	10,718,853	11,570,966
Payable on export cash subsidy	42,474	907,200	42,474	907,200
Payable on local LC	979,909	1,958,271	979,909	1,958,271
Payable on foreign buyer agent	18,788,738	11,389,306	18,788,738	11,389,306
Payable on IGW services	859,352	702,613	859,352	702,613
Payable on others	11,034,408	19,111,551	11,034,408	19,111,551
	201,214,386	253,886,515	201,214,386	253,886,515

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
16.8	VAT Payable					
	Payable on banking service		82,588,034	66,991,129	82,588,034	66,991,129
	Payable - Supplier		32,777,748	58,868,807	32,777,748	58,868,807
	Payable - Rent		12,437,967	11,027,398	12,437,967	11,027,398
	Payable - DPDC, DESCO & BPDB		80,723,558	111,921,278	80,723,558	111,921,278
	Payable - REB		81,526	122,484	81,526	122,484
			208,608,833	248,931,096	208,608,833	248,931,096

16.9 Provision for taxation net off AIT (BBL only)**A. Provision for tax:**

Balance at the beginning of the year

23,934,664,849

21,397,288,924

Net addition during the year

3,567,399,481

2,537,375,925

27,502,064,330

23,934,664,849

Adjustment of tax provision for previous years

-

-

Balance at the end of the year

27,502,064,330**23,934,664,849****B. Advance income tax:**

Balance at the beginning of the year

19,922,549,103

16,358,048,612

Add: Paid during the year

2,557,956,724

3,564,500,491

22,480,505,827

19,922,549,103

Less: Adjustment made during the year

-

-

Balance at the end of the year

22,480,505,827

19,922,549,103

Provision for taxation (A-B)**5,021,558,503****4,012,115,746**

Corporate tax position of the Bank has been shown in Annexure G.

16.10 Unclaimed and undistributed dividend

As on 31 December 2021, the Unclaimed/undistributed dividend was BDT 9,676,219.

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).

16.11 Start-up Fund

In compliance with SMESPD circular 04 dated March 29, 2021 and SMESPD circular letter 05 dated April 26, 2021, BRAC Bank has created Start-up Fund in first quarter 2021 appropriating BDT 4.54 crore (1% of net profit of FY 2020 BDT 454 crore). As a continuation of creating Start-up Fund, the bank has also contributed BDT 5.55 crore (1% of net profit of FY 2021 BDT 555 crore). The objective of this fund is to provide loan facilities to the start-up entrepreneurs for their business and projects.

16.12 Other payables

Payables related to cards and others	516,065,060	392,294,175	516,065,060	392,294,175
Payables for good borrower rebate 16.121	-	138,746,220	-	138,746,220
Payable to merchant	4,791,116	6,778,325	4,791,116	6,778,325
Payables to co brand ATM	3,106,744	3,106,745	3,106,744	3,106,745
Miscellaneous payable	3,192,378,079	1,744,213,703	3,192,378,079	1,744,213,703
	3,716,340,999	2,285,139,168	3,716,340,999	2,285,139,168

16.12.1 Provision for rebate to good borrower

Vide BRPD circular letter no.14 dated 18 June 2020, Bangladesh Bank withdrew the provision of mandatory payment of good borrowers' incentive after 30 September 2019. Accordingly, in 2021 BRAC Bank reversed all the excess provision made earlier as the Bank has no further obligation to pay good borrower incentives.

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
16.13	Other liabilities of subsidiaries					
	BRAC EPL Investments Limited		197,875,533	140,802,034		
	BRAC EPL Stock Brokerage Limited		1,008,535,941	848,158,581		
	bKash Limited		811,129,171	2,109,161,938		
	BRAC SAAJAN Exchange Limited		16,870,406	378,816,981		
			2,034,411,051	3,476,939,534		
	Less: Inter company transactions:					
	BRAC Bank Limited		4,408,557	944,193		
	BRAC EPL Investments Limited		-	770,962		
	BRAC EPL Stock Brokerage Limited		-	318,029		
	bKash Limited		11,235,711	12,420,500		
	BRAC Saajan Exchange Limited		-	10,570,562		
			15,644,268	25,024,246		
			2,018,766,783	3,451,915,288		

17 Share capital

Accounting policy

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

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

17.1 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.

2,000,000,000 ordinary shares of Tk. 10 each

20,000,000,000 20,000,000,000

17.2 Issued, Subscribed and Paid up capital

Accounting policy

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.

100,000,000 Ordinary Shares of Tk. 10/- each issued for cash	1,000,000,000	1,000,000,000
1,037,942,153 Ordinary Shares of Tk. 10/- each issued as bonus share	10,379,421,530	9,716,482,300
26,400,000 Right Shares of Tk. 10/- each issued in 2008	264,000,000	264,000,000
221,652,288 Right Shares of Tk. 10/- each issued in 2014	2,216,522,880	2,216,522,880
1,149,589 Ordinary Shares of Tk. 10/- each issued as 1 st bond converted share in 2016	11,495,890	11,495,890
2,237,835 Ordinary Shares of Tk. 10/- each issued as 2 nd bond converted share in 2017	22,378,350	22,378,350
2,790,534 Ordinary Shares of Tk. 10/- each issued as 3 rd bond converted share in 2018	27,905,340	27,905,340
	13,921,723,990	13,258,784,760

17.2.1 History of paid-up capital

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

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

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
17.2.2 Issued, Subscribed and Paid up Capital						
	Balance at the beginning of the year		13,258,784,760	12,333,753,270	13,258,784,760	12,333,753,270
	Add: Stock dividend of 2020 issued in 2021		662,939,230	925,031,490	662,939,230	925,031,490
	Closing at the end of the year		13,921,723,990	13,258,784,760	13,921,723,990	13,258,784,760

17.3 Initial Public Offering (IPO)

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

17.4 Cash Dividend/Bonus Issue

On 27 May 2021, 15% Dividend (5% stock & 10% Cash) were approved by the shareholders at its 22nd Annual General Meeting. The stock dividend was distributed on 06 June 2021 accordingly.

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

17.5 Ordinary Shares

	No. of Shares (2021)	% of shareholding (2021)	2021 Taka	2020 Taka
Sponsor:				
BRAC	642,696,863	46.17%	6,426,968,630	6,120,922,510
Others	1,074,421	0.08%	10,744,210	10,417,110
Non Sponsor:				
Non Resident Bangladeshi	978,349	0.07%	9,783,490	12,806,020
Mutual Funds	29,686,702	2.13%	296,867,020	280,853,240
Institutions and General Public	717,736,064	51.56%	7,177,360,640	6,833,785,880
	1,392,172,399	100%	13,921,723,990	13,258,784,760

17.5.1 Share trading

The Bank traded its ordinary shares in Central Depository Bangladesh Limited (CDBL) through Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 31 January 2007. The closing market price on 31 December 2021 was Tk. 55.30 at Dhaka Stock Exchange (DSE) and Tk. 54.60 at Chittagong Stock Exchange (CSE).

17.6 Classification of Shareholding

Range of holding of shares	Number of shareholders (2021)	Number of shares (2021)	Percentage of holding of shares (2021)
Less than 500	6,295	1,072,571	0.08%
500 to 5,000	7,701	14,839,752	1.07%
5,001 to 10,000	1,510	10,609,614	0.76%
10,001 to 20,000	656	9,357,563	0.67%
20,001 to 30,000	253	6,225,854	0.45%
30,001 to 40,000	108	3,762,092	0.27%
40,001 to 50,000	61	2,788,898	0.20%
50,001 to 100,000	151	10,744,882	0.77%
100,001 to 1,000,000	201	65,969,685	4.74%
Over 1,000,000	90	1,266,801,488	90.99%
Total	17,026	1,392,172,399	100%

17.6.1 Name of the Directors and their shareholdings as at 31 December 2021:

Name	Status	Opening position	Closing position	% of shares held as on 31 December 2021
Dr. Ahsan H Mansur (Chairman)	Independent Director	Nil	Nil	Nil
Mr. Asif Saleh (Nominated by BRAC)	Nominated Director	31,000	31,000	0.002%
Ms. Farzana Ahmed	Independent Director	Nil	Nil	Nil
Mr. Kazi Mahmood Sattar	Independent Director	Nil	Nil	Nil
Ms. Fahima Choudhury	Independent Director	Nil	Nil	Nil
Dr. Zahid Hussain	Independent Director	Nil	Nil	Nil
Mr. Meheriar M Hasan (Nominated by BRAC)	Nominated Director	Nil	Nil	Nil
Mr. Shameran Bahar Abed (Nominated by BRAC)	Nominated Director	950,000	997,500	0.071%
Dr. Mustafa Kamal Mujeri	Independent Director	Nil	Nil	Nil
Mr. Faruq Mayeenuddin Ahmed	Independent Director	Nil	Nil	Nil

17.7 Share Premium

Accounting policy

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

In Taka

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

17.7.1 Particulars of Share Premium

Sponsor:

BRAC

Others

Non Sponsor:

International Finance Corporation (IFC)

ShoreCap International Limited

Non Resident Bangladeshis

Mutual Funds

General Public

1,324,534,000	1,324,534,000
192,580	192,580
219,056,640	219,056,640
92,473,920	92,473,920
91,555,530	91,555,530
189,254,190	189,254,190
1,936,700,172	1,936,700,172
3,853,767,032	3,853,767,032

17.8 Capital Adequacy Ratio - As per BASEL- III

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

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

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

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

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
Common Equity Tier-1 (Going Concern Capital)						
	Fully Paid-up Capital/Funds from Head Office for the Purpose of Meeting the Capital Adequacy		13,921,723,990	13,258,784,760	13,921,723,990	13,258,784,760
	Non-repayable Share Premium Account		3,853,767,032	3,853,767,032	3,853,767,032	3,853,767,032
	Statutory Reserve		10,067,956,958	9,405,017,728	10,067,956,958	9,405,017,728
	General Reserve		-	-	-	-
	Retained Earnings		26,402,962,532	16,346,550,011	16,329,861,552	13,680,255,527
	Dividend equalization fund		355,218,455	355,218,455	355,218,455	355,218,455
	Minority Interest in Subsidiaries		19,760,616,148	5,610,136,813	-	-
	Others (if any item approved by Bangladesh Bank)		-	-	-	-
	Sub-total		74,362,245,115	48,829,474,799	44,528,527,987	40,553,043,502
Regulatory Adjustments						
	Goodwill and all other Intangible Assets		4,958,310,051	3,767,220,392	957,240,725	1,036,448,298
	Deferred Tax Assets (DTA)		5,050,299,241	3,810,017,550	3,964,542,244	3,043,768,317
	Others if any		-	-	-	-
	Sub-total		10,008,609,293	7,577,237,942	4,921,782,969	4,080,216,615
	Total common equity Tier-1 capital		64,353,635,822	41,252,236,857	39,606,745,018	36,472,826,887
Additional Tier-1 Capital						
	Non-cumulative irredeemable preference shares		-	-	-	-
	Instruments issued by the banks that meet the qualifying criteria for AT1 (as specified in Annex-4 of Basel III Guidelines)		-	-	-	-

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Others (if any item approved by Bangladesh Bank)		-	-	-	-
	Subtotal		-	-	-	-
	Regulatory Adjustments:					
	Maximum Limit of Additional Tier-1 Capital (AT-1 capital can be maximum up to 1.5% of the total RWA or 33.33% of CET1, whichever is higher)		-	-	-	-
	Excess Amount over Maximum Limit of AT-1		-	-	-	-
	Subtotal		-	-	-	-
	Total Admissible Additional Tier-1 Capital		64,353,635,822	41,252,236,857	39,606,745,018	36,472,826,887
	Tier-2 Capital (Going Concern Capital)					
	General Provision		4,524,969,048	3,709,404,810	4,524,969,048	3,709,404,810
	Revaluation Reserves as on 31 December, 2014 (50% of Fixed Assets and Securities & 10% of Equities)		-	346,502,408	-	346,502,408
	Others (if any item approved by Bangladesh Bank)		-	-	-	-
	Sub-total		4,524,969,048	4,055,907,218	4,524,969,048	4,055,907,218
	Regulatory Adjustments					
	Revaluation Reserves for Fixed Assets, Securities & Equity Securities (follow Phase-in deductions as per Basel III Guidelines)		-	346,502,408	-	346,502,408
	Others if any		-	-	-	-
	Total Tier-2 Capital Available		4,524,969,048	3,709,404,810	4,524,969,048	3,709,404,810
	Maximum Limit of Tier-2 Capital (Tier 2 capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)		49,849,223,854	36,669,113,342	28,366,905,565	32,420,695,820
	Total Admissible Tier-2 capital		4,524,969,048	3,709,404,810	4,524,969,048	3,709,404,810
	Total Capital		68,878,604,870	44,961,641,667	44,131,714,066	40,182,231,697
	Total Risk Weighted Assets		337,281,898,721	297,177,998,257	307,359,660,182	276,174,839,100
	Minimum Capital requirement (MCR - 12.50%)		42,160,237,340	37,147,249,782	38,419,957,523	34,521,854,888
	Surplus/ (Deficiency)		26,718,367,530	7,814,391,885	5,711,756,543	5,660,376,809
	Capital Adequacy Ratio:					
	Common Equity Tier-1 (Against standard of minimum 6%)		19.08%	13.88%	12.89%	13.21%
	Total Capital to Risk-weighted Asset Ratio*		20.42%	15.13%	14.36%	14.55%
	Minimum CRAR %		12.50%	12.50%	12.50%	12.50%
	Surplus/ (Deficiency) %		7.92%	2.63%	1.86%	2.05%

* In Standalone regulatory capital calculation, fair value gain of BDT 7,384,920,564 on investment in subsidiaries and associates arisen out of application of IFRS 9 for the measurement of equity investment in subsidiaries and associate at fair value. The fair value gain/loss reported as FVOCI directly as part of equity as per IFRS 9. In absence of any specific guidelines for the treatment of Fair value gain/loss in Risk Based Capital Adequacy guidelines by Bangladesh Bank, the fair value gain /loss has not been considered as part of Tier 1 capital. However, as this has emerged from implementation of IFRS 9 (which came in to effect in 2018), we have requested Bangladesh Bank for their guidance on the same. While the fair value gain /loss is a part of Tier 1 capital according to the recommendation of International Basel Committee. Had the fair value gain / loss been considered as component of Tier-I capital as per international practice, the standalone Regulatory Capital to Risk-weighted Asset Ratio (CRAR) would have been reported at 16.19%.

18 Statutory reserve

Accounting policy

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

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Opening balance		9,405,017,728	8,129,149,416	9,405,017,728	8,129,149,416
	Transferred from profit during the year		662,939,230	1,275,868,312	662,939,230	1,275,868,312
	Closing balance		10,067,956,958	9,405,017,728	10,067,956,958	9,405,017,728
19	Dividend equalization fund					
	Balance at the beginning of the year		355,218,455	355,218,455	355,218,455	355,218,455
	Add: Addition during the year		-	-	-	-
			355,218,455	355,218,455	355,218,455	355,218,455

20 Revaluation reserve on govt. securities

Accounting policy

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.

The details of revaluation reserve are as follows:

Balance at the beginning of the year	4,805,926,053	98,965,051	4,805,926,053	98,965,051
Add: Addition during the year	1,277,441,975	7,553,065,801	1,277,441,975	7,553,065,801
Less: Adjustment during the year	3,593,075,101	2,846,104,799	3,593,075,101	2,846,104,799
	2,490,292,927	4,805,926,053	2,490,292,927	4,805,926,053

21 Fair value gain/(loss) on equity investment (Standalone)

Accounting policy

For accounting policy and details, please refer to policy note 9 "Reporting investment in subsidiaries and associates in separate financial statements".

Balance at the beginning of the year	1,131,197,846	1,261,102,670
Net change during the year	6,253,722,718	(129,904,824)
	7,384,920,564	1,131,197,846

22 Surplus in profit and loss account/Retained earnings (standalone)

Accounting policy

Remeasurements gain/(loss) of defined benefits liability (assets)

Remeasurement gain/loss arises from the actuarial valuation report carried out by professional actuary time to time on BRAC Bank Employees' Gratuity Fund. The last actuarial valuation were carried out based on 31 December 2020 and actuarial gain/loss was recognised in equity as a component of equity net of any deferred tax impact.

Balance at the beginning of the year	13,680,255,527	12,378,804,260
Add: Remeasurements gain/(loss) of defined benefits liabilities (assets)	(144,689,978)	(113,449,385)
Add: Retained surplus for the year	5,546,930,564	4,540,831,949
Less: Transfer to statutory reserve	662,939,230	1,275,868,312

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Less: Start-up Fund				100,877,625	-
	Less: Cash dividend paid				1,325,878,476	925,031,495
	Less: Bonus share issued				662,939,230	925,031,490
	Closing balance				16,329,861,552	13,680,255,527
22.1	Surplus in profit and loss account/Retained earnings (Consolidated)					
	BRAC Bank Limited		16,329,861,552	13,680,255,527		
	Less: Gain on disposal of BAMCL reported at Bank's accounts		-	-		
	Sub total		16,329,861,552	13,680,255,527		
	BRAC EPL Investment Limited					
	Opening balance		(1,855,049,822)	(1,899,738,048)		
	Add: Retained Surplus/(deficit) for the year		247,553,185	44,688,226		
	Add: Effect of change of shareholding		-	-		
	Less: Impairment of Goodwill		-	-		
	Sub total		(1,607,496,637)	(1,855,049,822)		
	BRAC EPL Stock Brokerage Limited					
	Opening balance		711,882,093	567,229,072		
	Add: Retained Surplus/(deficit) for the year		231,685,505	144,653,021		
	Less: Dividend distributed		-	-		
	Add: Reserve for stock dividend		-	-		
	Sub total		943,567,598	711,882,093		
	bKash Limited					
	Opening balance		3,715,030,852	4,044,682,420		
	Add: Retained Surplus/(deficit) for the year		(439,513,503)	(271,792,940)		
	Add: Effect of change in preference share of bKash		7,445,299,204	-		
	Add: Remeasurements of defined benefits liability (assets)		21,923,644	(57,858,628)		
	Less: Correction of wrongly recognised Goodwill		-	-		
	Sub total		10,742,740,197	3,715,030,852		
	BRAC SAAJAN Exchange Limited					
	Opening balance		146,462,896	186,531,128		
	Add: Retained Surplus/(deficit) for the year		(143,098,311)	(27,512,107)		
	Less: Dividend distributed		-	(12,556,125)		
	Add: Effect of change of shareholding		-	-		
	Sub total		3,364,585	146,462,896		
	Associates					
	Opening balance - (biTS)		(30,190,001)	(30,190,001)		
	Add: Share of profit/(loss) of equity in associate company - (biTS)		3,742,052	-		
	Gain/(loss) on disposal/loss of control of associates		17,373,186	-		
	Sub total		(9,074,763)	(30,190,001)		
			26,402,962,532	16,368,391,545		

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
22.1.1	Net effect of all items directly recognised in Equity					
	Effect of change of shareholding in subsidiaries		-	-		
	Dividend distributed by BRAC SAAJAN Exchange Limited		-	(12,556,125)		
	Remeasurement of defined benefits liabilities (assets)-Gratuity		(122,766,334)	(171,308,013)		
	Effect of change in preference share of bKash	21.1.1.a	7,445,299,204	-		
			7,322,532,870	(183,864,138)		

22.1.1a The above adjustment arose due to issuance of preference share and ordinary share of bKash at a premium namely to "SoftBank" in the year 2021 and remeasurements of defined benefits liability (assets)-Gratuity Fund in BRAC Bank Limited and bKash Limited.

Particulars	Total	BRAC Bank	Non-controlling interest
Opening Economic interest considering potential dilution in ownership	100%	41.45%	58.55%
Closing Economic interest considering potential dilution in ownership	100%	35.74%	64.26%
Effect for change in bKash's equity due to issuance of new preference shares*		7,980,820,432	14,349,399,019
Net effect for change in shareholding percentage from opening equity		(535,521,228)	535,521,228
Total amount directly recognised in BBL's equity and NCI		7,445,299,204	14,884,920,247

* Total 75,141 no. of preference shares issued in 2021 at an issue price of BDT 298,332 having face value of BDT 100.

22.2 Non Controlling Interest

Accounting policy

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 25% respectively.

BRAC EPL Investments Limited	567,516	432,157
BRAC EPL Stock Brokerage Limited	137,817,957	112,075,122
bKash Limited	19,619,313,898	5,485,225,785
BRAC SAAJAN Exchange Limited	2,916,777	49,845,069
	19,760,616,148	5,647,578,133

22.2.1 Reconciliation of Non Controlling Interest

	BRACEPL Investments Ltd.	BRAC EPL Stock Brokerage Ltd.	bKash Limited	BRAC SAAJAN Exchange Limited
Opening balance	432,157	112,075,122	5,485,225,785	49,845,069
Share of profit/(loss)	135,359	25,742,835	(790,251,143)	(47,699,437)
Effect of issuance of convertible preference share by bKash*	-	-	14,884,920,260	-
Dividend payment	-	-	-	-
Translation adjustment	-	-	-	771,145
Remeasurements loss on defined benefits liability (assets)	-	-	39,418,996	-
	567,516	137,817,957	19,619,313,898	2,916,777

* Please refer to note 22.1.1.a for detail calculation of effect of issuance of convertible preference share by bKash.

23 Contingent liabilities

Accounting policy

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.

The Bank has following exposures for contingent liabilities at reporting date:

In Taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Acceptances and endorsements		50,478,536,940	27,887,446,334	50,478,536,940	27,887,446,334
	Irrevocable letters of credit		26,598,203,443	15,550,643,171	26,598,203,443	15,550,643,171
	Total Letters of credit and					
	Acceptances and endorsements	23.1	77,076,740,383	43,438,089,505	77,076,740,383	43,438,089,505
	Letter of gurantees	23.2	11,793,414,671	10,831,198,204	11,793,414,671	10,831,198,204
	Bills for collection	23.3	16,438,866,245	12,320,479,990	16,438,866,245	12,320,479,990
	Other Commitments	23.4	38,614,204,394	26,990,260,781	38,614,204,394	26,990,260,781
			143,923,225,693	93,580,028,480	143,923,225,693	93,580,028,480
23.1	Irrevocable Letters of Credit including Acceptances and endorsements					
	Letter of credit (Inland)		2,778,557,467	272,980,934	2,778,557,467	272,980,934
	Letter of credit (General)		57,860,271,471	28,525,891,159	57,860,271,471	28,525,891,159
	Back to Back L/C		4,052,799,770	2,161,014,227	4,052,799,770	2,161,014,227
	Back to Back bills		1,208,061,714	4,590,390,724	1,208,061,714	4,590,390,724
	Back to Back bills (EDF)		11,177,049,962	7,887,812,460	11,177,049,962	7,887,812,460
			77,076,740,384	43,438,089,505	77,076,740,384	43,438,089,505
	Less: Margin		748,254,248	733,320,168	748,254,248	733,320,168
			76,328,486,136	42,704,769,337	76,328,486,136	42,704,769,337
23.2	Letter of Guarantees					
	Letter of guarantee (Local)		10,898,451,190	8,223,631,119	10,898,451,190	8,223,631,119
	Letter of guarantee (Foreign)		576,806,964	667,058,388	576,806,964	667,058,388
	Foreign counter guarantee		318,156,517	1,940,508,697	318,156,517	1,940,508,697
			11,793,414,671	10,831,198,204	11,793,414,671	10,831,198,204
	Less: Margin		216,052,368	200,468,299	216,052,368	200,468,299
			11,577,362,303	10,630,729,905	11,577,362,303	10,630,729,905
	Balance for which the Bank is contingently liable in respect of guarantee issued favouring:					
	Directors		2,948,353,668	2,274,551,623	2,948,353,668	2,274,551,623
	Government		589,670,734	866,495,856	589,670,734	866,495,856
	Bank and other financial institutions		8,255,390,270	7,690,150,724	8,255,390,270	7,690,150,724
	Others		11,793,414,672	10,831,198,204	11,793,414,672	10,831,198,204
	Less : Margin		216,052,368	200,468,299	216,052,368	200,468,299
			11,577,362,304	10,630,729,904	11,577,362,304	10,630,729,904
23.3	Bills for collection					
	Outward local bills for collection		15,299,010,106	11,333,960,651	15,299,010,106	11,333,960,651
	Outward foreign bills for collection		1,139,856,139	986,519,339	1,139,856,139	986,519,339
	Inward local bills for collection		-	-	-	-
	Inward foreign bills for collection		-	-	-	-
			16,438,866,245	12,320,479,990	16,438,866,245	12,320,479,990
23.4	Other Commitments					
	Swap deals with banks and customers		20,452,606,603	18,307,971,009	20,452,606,603	18,307,971,009
	Spot and forward deals with banks and customers		18,161,597,791	8,682,289,771	18,161,597,791	8,682,289,771
			38,614,204,394	26,990,260,781	38,614,204,394	26,990,260,781

in taka

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020

23.5 Significant concentration wise grouping

i) Documentary credits and short term trade related transactions	105,309,021,299	66,589,767,699	105,309,021,299	66,589,767,699
ii) Forward asset purchased and forward deposits placed	-	-	-	-
iii) Undrawn formal standby facilities, credit lines and commitments to lend:				
-Under one year	-	-	-	-
-One year and over;	-	-	-	-
iv) Spot and forward foreign exchange rate contracts	-	-	-	-
v) Other exchange contracts	18,161,597,791	8,682,289,771	18,161,597,791	8,682,289,771
vi) Others	20,452,606,603	18,307,971,009	20,452,606,603	18,307,971,009
	143,923,225,693	93,580,028,480	143,923,225,693	93,580,028,480

23.6 Suit filed by the Bank

No law suit has been filed by the bank against contingent liabilities. However, there are three performance guarantees under litigation between Bank's customers and beneficiaries. Adequate provisions has been kept against these contingencies.

Section - Three: Notes To Profit and Loss Account**24 Income statement****Income:**

Interest, discount and similar income	24.1	30,613,868,935	33,573,293,813	26,613,113,886	29,463,748,622
Dividend income	27	179,816,729	96,585,958	179,816,729	109,142,083
Fees, commission and brokerage	24.2	7,297,576,594	6,393,186,579	2,744,920,279	2,107,132,951
Gains less losses arising from government securities		345,451,894	1,889,670,053	345,451,894	1,889,670,053
Gains less losses arising from investment securities/trading shares-MF		228,515,315	(297,331,792)	228,515,315	(297,331,792)
Gains less losses arising from dealing from foreign currencies	28	695,276,642	453,142,827	695,276,642	453,142,827
Income from investment in biTS		-	-	-	-
Other operating income	29	175,087,450	170,205,482	146,093,679	111,861,433

Expenses:

Interest paid on deposits and borrowings etc.	26	7,912,883,508	13,724,700,661	7,589,298,326	13,501,818,343
Administrative expenses	24.3	15,105,621,818	14,178,977,974	8,059,931,152	7,599,422,704
Other operating expenses	38	3,383,027,192	3,542,809,289	2,627,953,670	2,451,914,688
Depreciation on banking assets	37	3,026,776,858	2,623,591,449	1,732,111,456	1,682,480,106
		29,428,309,376	34,070,079,373	20,009,294,604	25,235,635,841
Operating Profit		10,107,284,183	8,208,673,547	10,943,893,820	8,601,730,336

24.1 Interest, discount and similar income

Interest on loans and advances	21,653,006,358	24,022,608,951	21,235,466,936	23,984,780,544
Interest on balance with other banks	594,251,565	683,413,682	2,173,585	18,862,154
Interest on fixed deposits with other banks	1,892,247,656	2,278,046,864	262,867,857	609,248,730
Other interest income	85,712,369	95,870,519	85,712,369	95,694,447
Interest on government securities	4,747,356,870	4,384,704,334	4,747,356,870	4,384,704,334
Interest on reverse repo	4,247,691	9,449,127	4,247,691	9,449,127

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Interest on corporate & subordinated bond		275,455,497	358,168,551	275,455,497	358,168,551
	Interest on interest rate swap (IRS)		5,319,038	6,855,771	5,319,038	6,855,771
	Gain (loss) on interest rate swap (IRS) position		(5,485,957)	(4,015,036)	(5,485,957)	(4,015,036)
	Investment income/loss from subsidiaries		1,361,757,848	1,738,191,050	-	-
			30,613,868,935	33,573,293,813	26,613,113,886	29,463,748,622
24.2	Fees, commission and brokerage					
	Fees		1,988,438,814	1,552,091,757	1,988,438,814	1,552,091,757
	Commission		5,309,137,780	4,841,094,822	756,481,465	555,041,194
			7,297,576,594	6,393,186,579	2,744,920,279	2,107,132,951
24.3	Administrative expenses					
	Salaries and allowances		9,890,092,832	9,043,103,741	6,626,995,876	6,228,455,055
	Rent, taxes, insurance, electricity etc.		645,414,492	619,719,635	473,700,396	491,971,548
	Legal expenses		62,840,810	67,443,988	33,352,689	32,746,130
	Postage, stamps, telecommunication etc.		317,984,231	301,320,117	222,631,352	204,617,611
	Stationery, printing, advertisement etc.		2,608,773,879	2,842,951,296	221,634,405	220,659,472
	Chief Executive's salary and fees		18,424,250	18,775,000	18,424,250	18,775,000
	Directors' fees and expenses		4,572,209	3,304,211	2,437,600	1,596,800
	Auditors' fee		7,125,166	7,895,608	1,840,000	1,840,000
	Repairs and maintenance of fixed assets		1,550,393,948	1,274,464,378	458,914,584	398,761,088
			15,105,621,818	14,178,977,974	8,059,931,152	7,599,422,704

25 Interest income

Accounting policy

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 receivable on credit cards

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

Income on Bills purchased and discounted

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

Interest on loans and advances	21,653,006,358	24,022,608,951	21,235,466,936	23,984,780,544
Interest on balance with other banks	594,251,565	683,413,682	2,173,585	18,862,154
Interest on fixed deposits with other banks	2,333,307,976	2,799,006,059	515,005,098	864,599,668
Other interest income	85,712,369	95,870,519	85,712,369	95,694,447
	24,666,278,268	27,600,899,211	21,838,357,988	24,963,936,813
Less: Elimination of inter unit/company transactions	441,060,320	520,959,195	252,137,241	255,350,938
	24,225,217,948	27,079,940,016	21,586,220,747	24,708,585,875

26 Interest paid on deposits and borrowings etc.

Accounting policy

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

A. Interest paid on deposits:

Current account	972,611,273	1,135,157,388	539,413,646	799,286,651
Short term deposit	200,927,646	351,791,964	200,927,646	351,791,964
Savings deposit	665,574,233	646,549,529	665,574,233	646,549,529
Term deposit	5,226,073,047	9,967,544,780	5,226,073,047	9,967,544,780
	7,065,186,199	12,101,043,661	6,631,988,572	11,765,172,924

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	B. Interest paid for borrowings:					
	Interest on money at call and short notice		132,329,734	134,757,495	132,329,734	134,757,495
	Interest on borrowings from banks and FIs		642,769,998	939,613,810	563,459,364	786,993,972
	Interest on funding SWAP		19,776,850	58,551,722	19,776,850	58,551,722
	Interest on re-finance and pre-finance from central bank & government agencies		406,218,426	377,065,566	406,218,426	377,065,566
	Interest on Repurchase agreement (REPO)		87,662,621	634,627,602	87,662,621	634,627,602
			1,288,757,629	2,144,616,195	1,209,446,995	1,991,996,357
			8,353,943,828	14,245,659,856	7,841,435,567	13,757,169,281
			441,060,320	520,959,195	252,137,241	255,350,938
			7,912,883,508	13,724,700,661	7,589,298,326	13,501,818,343

27 Investment income

Accounting policy

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

Dividend Income on Shares

Dividend income from investment in shares is recognised when the Banks right to receive the dividend is established. It is recognised when:

- It is probable that the economic benefit associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

The details of investment income are as follows:

Interest on government securities	4,747,356,870	4,384,704,334	4,747,356,870	4,384,704,334
Interest on reverse REPO	4,247,691	9,449,127	4,247,691	9,449,127
Interest on corporate & subordinated bond	275,455,497	358,168,551	275,455,497	358,168,551
Interest on interest rate swap (IRS)	5,319,038	6,855,771	5,319,038	6,855,771
Dividend on shares & mutual funds	179,816,729	96,585,958	179,816,729	96,585,958
Dividend on subsidiary	-	-	-	12,556,125
Capital gain (loss) on government securities	345,451,894	1,889,670,053	345,451,894	1,889,670,053
Capital gain (loss) on shares & mutual funds	228,515,315	(297,331,792)	228,515,315	(297,331,792)
Gain (loss) on interest rate swap (IRS) position	(5,485,957)	(4,015,036)	(5,485,957)	(4,015,036)
Investment income/(loss) of subsidiaries	27.1 1,361,757,848	1,738,191,050	-	-
	7,142,434,925	8,182,278,016	5,780,677,077	6,456,643,091

27.1 Investment income/(loss) of subsidiaries

Dividend income	44,823,469	48,962,141		
Realised gain/(loss) during the year	(102,153,300)	99,404,813		
Fair value adjustment at reporting date	209,675,164	168,122,345		
Interest on treasury bills & bonds	1,209,412,515	1,421,701,751		
	1,361,757,848	1,738,191,050		

28 Commission, exchange and brokerage

Accounting policy

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.

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
The details of commission, exchange and brokerage income are as follows:						
	Commission from sale of sanchaya patra		84,301,766	114,832,709	84,301,766	114,832,709
	Commission from issue of payment orders, DD and TT		5,830,538	9,577,780	5,830,538	9,577,780
	Commission from issue of letter of guarantee		73,718,628	66,711,236	73,718,628	66,711,236
	Commission from issue of letters of credit (Import and Export)		470,603,536	284,519,104	470,603,536	284,519,104
	Other commission		122,026,997	79,400,365	122,026,997	79,400,365
	Gain /(Loss) on Foreign currency dealings		695,276,642	453,142,827	695,276,642	453,142,827
	Loan processing fees		560,484,117	226,769,467	560,484,117	226,769,467
	Account activity fees		179,914,635	282,958,905	179,914,635	282,958,905
	Import and export related fees		214,464,552	176,753,392	214,464,552	176,753,392
	Fees and Commission-Cards		645,545,812	478,995,594	645,545,812	478,995,594
	Relationship Fees		3,761,463	5,976,718	3,761,463	5,976,718
	Loan Early Settlement Fees		77,592,716	93,881,972	77,592,716	93,881,972
	Service Charges for ATM Card		149,712,089	157,134,237	149,712,089	157,134,237
	Fund Collection/ Transfer Fees		137,718	148,363	137,718	148,363
	Student Service Center Fees		13,646,700	11,305,400	13,646,700	11,305,400
	Cancellation fees		69,900	86,775	69,900	86,775
	Cheque collection fees		188,100	198,500	188,100	198,500
	Custodian fees		20,398,110	18,259,494	20,398,110	18,259,494
	Other fees		122,522,902	99,622,940	122,522,902	99,622,940
	Commission and brokerage income of subsidiaries		4,593,062,686	4,346,703,147	-	-
			8,033,259,607	6,906,978,925	3,440,196,921	2,560,275,778
	Less: Elimination of inter unit/ company transactions		40,406,371	60,649,519	-	-
			7,992,853,236	6,846,329,406	3,440,196,921	2,560,275,778

28.1 Other fees

	Passport Endorsement Fees	159,400	95,915	159,400	95,915
	Locker fees	5,265,039	4,843,137	5,265,039	4,843,137
	Service fees - ATM	449,979	514,239	449,979	514,239
	Service fees - BIT	1,373,050	1,307,708	1,373,050	1,307,708
	Service fees - bKash	9,097,338	8,468,945	9,097,338	8,468,945
	Annual Membership Fees-Premium Banking	11,800	59,000	11,800	59,000
	Annual Fees-SMS Banking	37,593,510	34,972,593	37,593,510	34,972,593
	Annual Fees-Internet Banking	1,780,000	984,600	1,780,000	984,600
	Syndication Fees	-	7,165,740	-	7,165,740
	Valuation fees	-	268,602	-	268,602
	E-commerce acquiring fees	23,041,325	26,198,697	23,041,325	26,198,697
	Miscellaneous fees income	43,751,461	14,743,764	43,751,461	14,743,764
		122,522,902	99,622,940	122,522,902	99,622,940

29 Other operating income

Accounting policy

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.

	Profit on sale of fixed assets	3,798,917	11,086,641	3,798,917	11,086,641
	Profit share from other bank	107,157,532	100,533,561	107,157,532	100,533,561
	Miscellaneous income	35,137,230	241,231	35,137,230	241,231
	Other operating income of subsidiaries	28,993,771	58,344,049	-	-
		175,087,450	170,205,482	146,093,679	111,861,433

Accounting policy**Provident Fund (Defined Contribution Plan)**

A "Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. Provident Fund benefits are given to the staff of the Bank in accordance with the registered Provident Fund Rules. The commissioner of Income Tax, Large Tax Payers Unit, Dhaka has approved the Provident Fund as a recognized fund within the meaning of section 2(52) read with the provisions of part - B of the First Schedule of Income Tax ordinance 1984. The recognition took effect from 1st January, 2003. The fund is operated by a Board of Trustees consisting of employees of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount of the employees' contribution to the fund. Upon completion of 1 year of service length after confirmation employees are entitled to 100% of employer's contribution along with his/her own contribution. Interest earned from the investments is credited to the members' account on half yearly basis.

Gratuity Fund (Defined Benefit Plan)

Gratuity Fund benefits are given to the staff of the Bank in accordance with the approved Gratuity Fund rules. National Board of Revenue has approved the Gratuity Fund as a recognized Gratuity fund on 6th March 2006. The fund is operated by a Board of Trustees consisting of 8 (eight) members of the Bank. Employees are entitled to Gratuity benefit after completion of minimum 05 (five) years of service in the Bank. The Gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service, or in the case of service of 10 years or more at the rate of one and half month's basic pay for every completed year of service. Beyond 5 years, 6 months and more shall be considered as full year of service. Gratuity fund is a "Defined Benefit Plan" and contribution to Gratuity Fund is measured through the result of actuarial valuation of the fund.

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

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

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

Worker's Profit Participation Fund (WPPF)

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

Life Insurance

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

Welfare Fund

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

Hospitalization Insurance

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

Performance bonus

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

Annual leave

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

Subsidized Scheme - Staff Loan

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

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

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

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

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	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
31	Rent, taxes, insurance, electricity, etc.					
	Rent, rates and taxes	31.1	322,815,149	298,221,971	270,100,724	273,205,964
	Insurance		89,905,087	82,243,851	13,827,612	14,197,269
	Power and electricity		223,032,603	218,385,341	180,256,170	183,816,133
	WASA and sewerage		9,661,653	20,868,472	9,515,890	20,752,182
			645,414,492	619,719,635	473,700,396	491,971,548
31.1	Rent, rates and taxes					
	Rent, taxes, insurance, electricity, etc.		1,355,992,047	1,385,092,784	1,128,047,204	1,132,107,149
	Less: Reversal of rent expenses due to depreciation and interest expenses under IFRS 16 -Leases		1,033,176,898	1,086,870,813	857,946,480	858,901,185
			322,815,149	298,221,971	270,100,724	273,205,964

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
32	Postage, stamp, telecommunication, etc.					
	Postage and courier		51,388,405	53,238,635	34,325,260	39,863,122
	Telegram, telex, fax and network		94,216,080	111,537,551	60,469,128	74,487,696
	Court fees and stamps		78,141,242	33,397,825	78,141,242	33,397,825
	Telephone		94,238,504	103,146,106	49,695,722	56,868,968
			317,984,231	301,320,117	222,631,352	204,617,611
33	Stationery, printing, advertisements, etc.					
	Stationery and Printing		100,607,005	116,991,185	91,173,910	111,064,919
	Security Stationery		53,297,028	51,995,186	53,297,028	51,995,186
	Advertisement		2,454,869,846	2,673,964,925	77,163,467	57,599,367
			2,608,773,879	2,842,951,296	221,634,405	220,659,472
34	Chief Executive's salary and fees					
	Basic salary		13,249,250	12,600,000	13,249,250	12,600,000
	Bonus and others	34.1	3,675,000	4,675,000	3,675,000	4,675,000
	House rent allowance		1,500,000	1,500,000	1,500,000	1,500,000
	Medical allowance		-	-	-	-
			18,424,250	18,775,000	18,424,250	18,775,000
34.1	Bonus and others					
	Festival Bonus		2,100,000	2,100,000	2,100,000	2,100,000
	Performance Bonus		-	1,000,000	-	1,000,000
	Leave Fair Assistance		1,575,000	1,575,000	1,575,000	1,575,000
			3,675,000	4,675,000	3,675,000	4,675,000
35	Directors' fees					
	Directors' fees represent fees paid for attending board meeting, board audit committee meeting and risk management committee meeting @ Tk. 8,000 from January to December 2021 per director per meeting.					
	Breakup of Directors fees and expenses are given below:					
	Meeting attendance fees		4,572,209	3,304,211	2,437,600	1,596,800
			4,572,209	3,304,211	2,437,600	1,596,800
36	Auditor's fees					
	Audit fees		7,125,166	7,895,608	1,840,000	1,840,000
			7,125,166	7,895,608	1,840,000	1,840,000
37	Depreciation and repair of the bank's assets					
	Accounting policy					
	Refer to Note 8 Fixed assets including premises, furniture and fixtures for the relevant accounting policy.					
	Depreciation of Property, plant and equipment					
	Furniture and fixtures		163,899,773	181,711,001	148,736,943	163,307,618
	Office floor space		516,375	617,701	100,858	100,858
	Office equipment		108,234,082	132,843,571	94,567,471	112,189,846
	IT hardware		810,561,705	678,947,904	353,862,417	361,314,369
	Motor vehicles		88,859,710	92,915,616	64,518,382	66,599,024
	Leasehold improvement		12,393,972	22,870,947	-	-
	Right of use assets (ROU) as per IFRS 16		953,842,898	950,110,722	762,397,055	754,483,800
	IT software		888,468,343	563,573,987	307,928,330	224,484,591
			3,026,776,858	2,623,591,449	1,732,111,456	1,682,480,106
	Repairs and Maintenance expenses					
	Transportation expenses		528,010,816	439,377,841	371,932,390	337,959,120
	Equipment repairing expense		70,986,044	55,862,695	13,135,741	11,890,262
	Hardware and software maintenance expense		820,320,339	734,542,452	12,967,822	10,433,741
	Premises maintenance expense		131,076,749	44,681,390	60,878,631	38,477,965
			1,550,393,948	1,274,464,378	458,914,584	398,761,088
	Total		4,577,170,806	3,898,055,827	2,191,026,040	2,081,241,194

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
38	Other expenses					
	Conveyance expense		127,323,767	103,449,986	127,323,767	103,449,986
	Fuel expenses		24,580,181	17,698,252	24,580,181	17,698,252
	Traveling cost		27,586,782	27,629,377	27,586,782	27,629,377
	Professional fees		118,553,625	71,946,294	118,553,625	71,946,294
	Entertainment		45,520,007	55,233,863	45,520,007	55,233,863
	SWIFT cost		7,663,074	7,140,219	7,663,074	7,140,219
	Business promotion and development		34,250,516	28,481,989	34,250,516	28,481,989
	Books, news papers and periodicals		148,861	684,794	148,861	684,794
	Donation and subscription		236,669,080	282,510,708	236,669,080	282,510,708
	Government Levy, VAT and excise duty		1,895,285	5,273,489	1,895,285	5,273,489
	Other operational loss		4,484,559	152,762	4,484,559	152,762
	Staff training and development		8,596,578	30,843,497	8,596,578	30,843,497
	Staff liveries		185,940	2,852,217	185,940	2,852,217
	Staff recruitment		9,478,227	1,748,873	9,478,227	1,748,873
	Salaries and allowance					
	-outsourcing staff		414,478,552	373,431,474	414,478,552	373,431,474
	Staff sales incentives		398,905,613	350,447,720	398,905,613	350,447,720
	Bank charges		21,638,477	18,787,319	21,638,477	18,787,319
	Interest expense for leased liability as per IFRS 16		240,975,386	259,835,771	157,503,682	208,780,645
	Documentation charges - CIB		7,571,438	3,508,800	7,571,438	3,508,800
	IT enabled services		566,345,069	427,833,552	566,345,069	427,833,552
	Security guard cost		212,770,875	209,953,698	212,770,875	209,953,698
	Commission paid- Vendor		9,798,827	4,496,446	9,798,827	4,496,446
	Cash carrying charges		62,792,683	83,071,919	62,792,683	83,071,919
	Spare parts expense		74,519,716	54,782,359	74,519,716	54,782,359
	Archiving expense		30,451,572	32,027,367	30,451,572	32,027,367
	Covid prevention expense		16,285,221	48,044,586	16,285,221	48,044,586
	Miscellaneous		7,955,463	1,102,483	7,955,463	1,102,483
	Other expenses of subsidiaries	38.1	712,008,189	1,100,488,994	-	-
			3,423,433,563	3,603,458,808	2,627,953,670	2,451,914,688
	Less: Elimination of inter unit/company transactions		40,406,371	60,649,519	-	-
			3,383,027,192	3,542,809,289	2,627,953,670	2,451,914,688
38.1	Other expenses of subsidiaries					
	BRAC EPL Investments Limited		27,163,142	9,820,297		
	BRAC EPL Stock Brokerage Limited		189,693,939	123,465,912		
	bKash Limited		289,758,928	410,930,914		
	BRAC SAAJAN Exchange Limited		205,392,180	556,271,871		
			712,008,189	1,100,488,994		
With reference to BRPD circular 09 dated April 26, 2021, BRAC Bank kept 1% provision for CSR expenditure on net profit of 2021.						
39	Share of profit of associates					
	BRAC IT Services Limited		3,742,052	-		
			3,742,052	-		
40	Provisions					
	Accounting policy					
	Refer to Note 16 Other liabilities for the relevant accounting policy.					

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Provision for loans and advances					
	Specific provision charged during the year		3,178,139,884	2,828,275,730	3,018,099,324	2,828,275,730
	Special provision Covid-19 charged during the year		-	774,130,118	-	774,130,118
	Recovery of written off bad debts Specific provision (net off recovery) for the year		(707,517,594)	(633,704,077)	(707,517,594)	(633,704,077)
	General provision charged during the year		2,470,622,290	2,968,701,771	2,310,581,730	2,968,701,771
	Special provision Covid-19 charged during the year		490,317,074	(603,544,658)	490,317,074	(603,544,658)
			10,077,106	-	10,077,106	-
	Total provision for loans and advances		2,971,016,470	2,365,157,113	2,810,975,910	2,365,157,113
	Diminution in value of Investments		(74,000,000)	(563,219,881)	(74,000,000)	(563,219,881)
	Off Balance Sheet items		251,500,000	63,083,635	251,500,000	63,083,635
	Other provisions:					
	Other assets		70,093,002	6,399,791	65,866,351	500,000
	Interest receivable from loan		-	1,081,941	-	1,081,941
			3,218,609,472	1,872,502,599	3,054,342,261	1,866,602,808

41 Provision for taxation

Accounting policy

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 2021.

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.

The charge for taxation is based upon the profit for the year comprises:

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Current tax expense/ (income)*		3,737,018,428	2,840,345,166	3,467,399,481	2,537,375,925
	Deferred tax expense/ (income) (Net)		(1,479,828,777)	(545,564,997)	(1,124,778,486)	(343,080,346)
	Total provision for Taxation		2,257,189,651	2,294,780,169	2,342,620,995	2,194,295,579

* Current tax includes the reversal of surplus tax provision for 2013-2017 of BDT 60 crore based on latest assessment order from tax office.

41.1 Reconciliation of effective tax rate

	2021 (Standalone)		2020 (Standalone)	
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		7,889,551,559		6,735,127,528
Income tax as per applicable tax rate	37.50%	2,958,581,835	37.50%	2,525,672,823
Factors affecting the tax charge for current year				
Inadmissible expenses	51.36%	4,051,715,522	47.75%	3,216,016,611
Admissible expenses in the current year (i.e. write-off etc.)	-35.26%	(2,781,861,936)	-33.95%	(2,286,598,235)
Tax exempted income	-1.64%	(129,568,012)	-10.54%	(709,775,363)
Tax savings from reduced tax rates for dividend	-0.40%	(31,467,927)	-0.25%	(16,816,569)
Tax loss/(savings) from reduced tax rates for capital gain	0.00%	-	0.00%	-
Reversal of previous years' excess tax (2009 - 2016)	-7.60%	(600,000,000)	-2.84%	(191,123,342)
Effect of deferred tax	-14.26%	(1,124,778,487)	-5.09%	(343,080,346)
Total income tax expenses	29.69%	2,342,620,995	32.58%	2,194,295,579

42 Earnings Per Share

Accounting policy

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.

Basic earnings

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

Weighted average number of ordinary shares outstanding during the year

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

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

Diluted earnings per share

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

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

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
	Profit after taxation		4,652,600,294	4,041,390,779	5,546,930,564	4,540,831,949
	Profit/(loss) attributable to Non controlling interest		(812,072,386)	(376,921,243)	-	-
	Profit attributable to ordinary shareholders of BRAC Bank Limited		5,464,672,680	4,418,312,022	5,546,930,564	4,540,831,949
	Weighted average number of shares outstanding		1,392,172,399	1,392,172,399	1,392,172,399	1,392,172,399
	Earnings Per Share (EPS)		3.93	3.17	3.98	3.26

Section - Four : Notes to Cash Flow Statement

43 Cash and Cash Equivalents

Accounting policy

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."

The details of cash and cash equivalents are as follows:

Cash in hand (including foreign currency)	3.1	9,207,161,626	7,836,614,607	8,424,680,663	7,091,907,372
Balance with Bangladesh Bank and its agents banks (including foreign currency)	3.2	14,252,262,804	12,151,189,284	14,252,262,804	12,151,189,284
Balance with other banks and financial institutions	4	78,261,312,910	42,650,004,620	19,880,951,145	14,358,762,046
Money at call and on short notice	5	3,500,000,000	-	3,500,000,000	-
Prize Bond	6.1	1,280,800	1,427,500	1,280,800	1,427,500
		105,222,018,140	62,639,236,011	46,059,175,412	33,603,286,202

44 Receipts from other operating activities

Miscellaneous Income		35,137,230	241,231	35,137,230	241,231
Capital gain (loss) on shares & mutual funds		228,515,315	(297,331,792)	228,515,315	(297,331,792)
Profit share from other banks		107,157,532	100,533,561	107,157,532	100,533,561
Capital gain (loss) on government securities		345,451,894	1,889,670,053	345,451,894	1,889,670,053
Gain (loss) on interest rate swap (IRS) position		(5,485,957)	(4,015,036)	(5,485,957)	(4,015,036)
Other receipts of subsidiaries		(118,708,350)	121,127,179	-	-
		592,067,664	1,810,225,196	710,776,014	1,689,098,017

45 Payment for other operating activities

Rent, taxes, insurance, electricity etc.		464,325,834	495,885,512	464,325,834	495,885,512
Audit fees		1,840,000	1,840,000	1,840,000	1,840,000
Directors fees and expenses		2,437,600	1,596,800	2,437,600	1,596,800
Repair and maintenance		524,909,515	445,530,121	524,909,515	445,530,121
Other expenses		2,593,818,978	2,476,735,938	2,593,818,978	2,476,735,938
Legal expenses		10,260,637	17,687,494	10,260,637	17,687,494
Other payments of subsidiaries		451,880,616	589,426,832	-	-
		4,049,473,180	4,028,702,697	3,597,592,564	3,439,275,865

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020
46	Net asset value (NAV) per share					
	Net asset value attributable to shareholders of parent		57,187,474,350	48,110,973,307	54,419,471,131	46,476,525,766
	Number of ordinary share outstanding at the end of the year		1,392,172,399	1,392,172,399	1,392,172,399	1,392,172,399
			41.08	34.56	39.09	33.38
47	Net operating cash flow per share					
	Net operating cash flow					
	Number of ordinary share outstanding at the end of the year		3,725,014,156	33,012,455,660	1,165,731,717	18,614,773,215
			1,392,172,399	1,392,172,399	1,392,172,399	1,392,172,399
			2.68	23.71	0.84	13.37

Section - Five : General Disclosures

48 General Disclosures

48.1 Audit Committee

An audit committee was constituted by the Board of Directors of BRAC Bank Limited in its 23rd meeting held on 02 March 2003. As on 31 December 2021, the Audit Committee as under:

SI No	Name of the director	Status with the Bank	Status with the committee	Educational qualification
01	Ms. Farzana Ahmed	Independent Director	Chairman	MA (Hons) Philosophy, Politics, Economics & Chartered Accountant
02	Ms. Fahima Choudhury	Independent Director	Member	B.Sc. (Hons.) Management and M.Sc. Management from London School of Economics and Political Science, the United Kingdom
03	Dr. Zahid Hussain	Independent Director	Member	Ph.D. in Economics, Boston University

- During the year ended 31 December 2021, the Audit Committee of the Board conducted 08 (Eight) meeting in which among others, the following issues were discussed:
- Training of the employees for the year 2019
- Manual of Audit Procedures and Audit Policy 2020
- Compliance Policy, Monitoring Policy and Revised Internal Control & Compliance Policy and Revised Audit Charter 2020
- Revised ICC Policy 2020
- Procurement & Outsourcing Risk Management Policy 2020
- Asset-Liability Management Policy and Contingency Funding Plan
- Fraud/forgeries and operational loss report
- Technology related incidents.
- Overall effectiveness of Internal Control System.
- Audit observations on branches, departments, SME Unit offices, Agent Banking
- Audit observations on information systems.
- Annual Health Report of BRAC Bank Limited 2019.
- Management Report of BRAC Bank Limited for the year ended 31 December 2019.

	Particulars	Note	Consolidated		BRAC Bank Limited	
			2021	2020	2021	2020

48.2 Particulars of Board of Directors

i) Name of Directors and the entities in which they have interest as on 31 December 2021:

SI No	Name of the director	Status with the Bank	Name of the firms/companies in which they have interest	Educational qualification
1	Dr. Ahsan H. Mansur	Chairman Independent Director	Policy Research Institute of Bangladesh (PRI) Walton Hi-Tech Industries Water Garden Resort and Spa	Ph.D in Economics, University of Western Ontario, Canada, M.A. Economics, McMaster University, Canada, M.A. in Economics, University of Dhaka, Bangladesh
2	Mr. Asif Saleh (Nominated by BRAC)	Nominated Director	BRAC IT Services Limited BRAC Net Limited Institute of Informatics and Development (IID) Edotco Bangladesh Co.Ltd. BRAC Kaiyachara Tea Company Ltd BRAC OSIRIS Impact Ventures Ltd. BRAC Kumon Affordable Health Care trust BRAC Probashbondhu Ltd bKash Limited	Masters of Business Administration, New York University, Stern School of Management
3	Mr. Kazi Mahmood Sattar (Independent Director)	Director	RSA Advisory Ltd. RSA Solution Limited RSA Aviation Limited Blue-Wealth Assets Limited BRAC SAAJAN Exchange Limited bKash Limited Unique Meghnaghat Power Limited Data Science Technology Limited	M.Com (Accounting) B. Com (Honours) Finance, University of Dhaka
4	Ms. Fahima Choudhury	Independent Director	Ogilvy & Mather Communications Pvt. Ltd Adcomm Ltd. Adcomm Holdings Ltd. Aktivision Advertising Ltd Graphic People Nazimgarh Resorts Ltd Northbrook Consultants Ltd Screaming Girl Production Ltd. Software People BRAC EPL Investments Limited BRAC EPL Stock Brokerage Limited. Northern Resort bKash Limited	B.Sc. (Hons.) Management and M.Sc. Management from London School of Economics and Political Science, the United Kingdom

SI No	Name of the director	Status with the Bank	Name of the firms/companies in which they have interest	Educational qualification
5	Ms. Farzana Ahmed	Independent Director	Kids Tutorial	MA (Hons) Philosophy, Politics, Economics & Chartered Accountant
6	Dr. Zahid Hussain	Independent Director	BRAC EPL Stock Brokerage Limited BRAC EPL Investment Limited	Ph.D. in Economics, Boston University
7	Mr. Meheriar M Hasan(Nominated by BRAC)	Nominated Director	Toyota Financial Savings Bank Mechanics Bank bKash Limited	Master of Science in Finance, USA, BA in Economics
8	Mr. Shameran Bahar Abed (Nominated by BRAC)	Nominated Director	bKash Limited BRAC IT Services Limited (biTs) BRAC Tanzania Finance Limited BRAC Sierra Leone Micro Finance Company Limited BRAC Liberia Micro Finance Company Limited BRAC Uganda Bank Limited BRAC Rwanda Mircofinance Co. Ltd BRAC OSIRIS Impact Ventures Ltd. BRAC Myanmar Micro Finance Company Limited	BA in Economics, USA, Bar-at-Law,UK
9	Dr. Mustafa Kamal Mujeri	Independent Director	Institute for inclusive Finance and Development (InM)	Ph.D. in Economics from McMaster University, Canada M.A in Economics from McMaster University
10	Mr. Faruq Mayeenuddin Ahmed	Independent Director	N/A	MSS in Economics, University of Dhaka
11	Mr. Selim R.F. Hussain	Managing Director & CEO	Industrial and Infrastructure Development Finance Company (IIDFC) BRAC EPL Investments Ltd. BRAC EPL Stock Brokerage Ltd. bKash Limited BRAC IT Services Limited BRAC Sajaan Exchange Ltd Association of Bankers, Bangladesh	MBA (IBA), University of Dhaka

The bank carried out transactions with related parties in the normal course of business on an arms length basis. As on 31 December 2021, the bank had following transactions with the 'Related Party/(ies)' as defined in the BRPD circulars no. 14 issued by the Bangladesh Bank on 25 June 2003.

	Taka
Details of transactions with related parties can be found at Annexure-K	
ii) Significant contracts where bank is a party and wherein Directors have interest:	Nil
iii) Shares issued to Directors and executives without consideration or exercisable at discount	Nil
iv) Lending Policies to related parties:	
Lending to related parties is effected as per requirement of section 27(1) of the Banking Companies Act, 1991.	Nil
v) Loan and advances to Directors and subsidiaries:	857,164,160
Classification Status	Unclassified
vi) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Banking Companies Act, 1991.	Nil
vii) Investment in the Securities of Directors and their related concern:	
* Industrial and Infrastructure Development Finance Co. Limited	
* Square Pharmaceutical Limited	

48.3 Claim not Acknowledged as Debt

There was no claim against the Bank not acknowledged as debt as on 31 December 2021.

48.4 Number of Employees

The number of employees including contractual engaged for the whole year or part there of who received a total yearly remuneration of tk. 36,000 or above were 7,619 (2020: 7,740).

48.5 Approval of the financial statements

The financial statements were approved by the Board of Directors on 15 March 2022.

48.6 Events after the Balance Sheet Date

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

(a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and

(b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

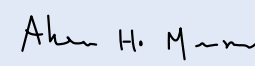
The details about the events after reporting period are as follows:

A. The Board of Directors in its 315th Board meeting held on 15 March 2022 has proposed 15% dividend (Cash dividend: 7.5% and stock dividend: 7.5%) subject to the approval of Bangladesh Bank and of the Shareholders at the next Annual General Meeting.


**Managing Director
and CEO**


Director


Director


Chairman

Highlights on the overall Activities

As at 31 December 2021

Annexure - A

Amount in Taka unless otherwise specified

Particulars	Note	2021	2020
Paid-up capital	17.2	13,921,723,990	13,258,784,760
Total capital including general provisions	17.8	44,131,714,066	40,182,231,697
Capital surplus	17.8	5,711,756,543	5,660,376,809
Total assets		449,084,124,881	396,981,921,979
Total deposits	15	314,598,626,264	289,054,405,724
Total loans and advances	7	321,212,230,987	273,063,193,200
Total contingent liabilities and commitments	23	143,923,225,693	93,580,028,480
Income from investments	27	5,780,677,077	6,456,643,091
Profit after tax and provisions		5,546,930,564	4,540,831,949
Amount of classified loans during the current year	7.8	12,522,560,419	8,008,546,136
Provision kept against classified loans	16.1	8,960,504,600	7,493,529,932
Provisions surplus/deficit	7.11	1,139,138,134	3,081,958,970
Interest earning assets		434,883,338,336	384,777,711,742
Non-Interest earning assets		14,200,786,545	12,204,210,237
Credit deposit ratio (Loans and Advances/Deposits)*		81.86%	76.69%
Percentage of classified loans against total loans and advances		3.90%	2.93%
Cost of fund		4.49%	6.41%
Return on Investment (ROI) [PAT/(Shareholders equity+Borrowings)]		6.04%	5.79%
Return on Assets (ROA) [PAT/Average assets]		1.31%	1.19%
Return on Equity (ROE) [PAT/Average shareholders equity]		11.00%	10.69%
Earnings per share [previous years figure restated]	42	3.98	3.26
Net income per share [(PAT-Dividend on preference share/No. of Ordinary Shares)] [previous years figure restated]		3.98	3.26
Price earning ratio (Market price per share/EPS)		13.88	12.94
Net Asset Value per Share (NAV) [(Shareholders equity-Preference Share)/No. of Ordinary Share] [previous years figure restated]	46	39.09	33.38
Net Operating Cash Flow Per Share [previous years figure restated]	47	0.84	13.37

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

Statement of outstanding unreconciled entries in nostro accounts (foreign)

As at 31 December 2021

Annexure B-1

Nostro Account represents outstanding transactions (net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as at 31 December 2021 is given below:

(Amount in USD)

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	509	17,105,576	253	16,159,227	69	3,592,222	804	31,786,404
02	More than 03 months but less than 06 months	-	-	2	42,215	-	-	79	328,671
03	More than 06 months but less than 09 months	-	-	1	2,547.91	-	-	6	25,719
04	More than 09 months but less than 12 months	-	-	-	-	-	-	3	7,257
05	More than 12 months	-	-	-	-	-	-	1	2,103
Total		509	17,105,576	256	16,203,990	69	3,592,222	893	32,150,154

As at 31 December 2020

(Amount in USD)

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	320	7,133,187	250	9,381,696	52	1,992,471	499	15,662,816
02	More than 03 months but less than 06 months	-	-	-	-	-	-	18	87,528
03	More than 06 months but less than 09 months	-	-	-	-	-	-	9	953,435
04	More than 09 months but less than 12 months	-	-	-	-	-	-	3	11,303
05	More than 12 months	-	-	-	-	-	-	-	-
Total		320	7,133,187	250	9,381,696	52	1,992,471	529	16,715,082

All unadjusted entries are subsequently adjusted on regular basis.

Statement of outstanding unreconciled entries in nostro accounts (local)

As at 31 December 2021

Annexure B-2

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	4	546,434	0	-	75	11,881,903	6	10,296,527
02	More than 03 months but less than 06 months	0	-	0	-	0	-	0	-
03	More than 06 months but less than 09 months	1	4,000	0	-	0	-	1	79,713
04	More than 09 months but less than 12 months	0	-	0	-	0	-	1	420,287
05	More than 12 months	0	-	27	734,389	23	2,115,119	16	347,269
Total		5	550,434	27	734,389	98	13,997,022	24	11,143,796

As at 31 December 2020

(Amount in USD)

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	47	75,802,962	33	222,910,007	237	406,740,496	65	964,612,241
02	More than 03 months but less than 06 months	0	-	0	-	0	-	0	-
03	More than 06 months but less than 09 months	0	-	0	-	1	920,287	0	-
04	More than 09 months but less than 12 months	3	17,000	1	661	1	901	0	-
05	More than 12 months	2	14,000	28	734,697	22	1,194,832	16	347,269
Total		52	75,833,962	62	223,645,366	261	408,856,516	81	964,959,510

Balance with other banks-outside Bangladesh (Nostro Account)

As at 31 December 2021

Name of Bank	Currency	A/C Type	2021		2020	
			Amount in foreign currency	Exchange rate	Amount in foreign currency	Exchange rate
DBU balance:						
Standard Chartered Bank-New York, USA	USD	CD	5,803,452	85.80	2,055,477	84.80
Standard Chartered Bank, United Kingdom	GBP	CD	138,528	115.70	382,213	115.27
Standard Chartered Bank, Frankfurt, Germany	EUR	CD	147,482	97.12	92,287	104.03
Mashreq Bank, New York, USA	USD	CD	815,183	85.80	47,835	84.80
Bank of Tokyo Mitsubishi UFJ, Ltd	JPY	CD	8,019,542	0.75	18,753,120	0.82
ICICI Bank Limited, Mumbai, India	USD	CD	81,145	85.80	324,086	84.80
Zuercher Kantonal Bank, Switzerland	CHF	CD	39,709	93.71	46,809	95.82
Commerz Bank AG, Germany (USD)	USD	CD	22,244	85.80	16,844	84.80
Commerz Bank AG, Germany (EURO)	EUR	CD	(749,663)	97.12	(817,372)	104.03
Commerz Bank, Frankfurt, Germany (GBP)	GBP	CD	50	115.70	100	115.27
United Bank of India, Kolkata, India	USD	CD	-	-	416,905	84.80
JP Morgan Chase Bank, New York, USA	USD	CD	3,863,054	85.80	4,526,607	84.80
HDFC Bank Limited, India	USD	CD	226,802	85.80	385,259	84.80
Habib Bank Limited, Pakistan	USD	CD	20,866	85.80	22,519	84.80
JP Morgan Chase Bank, Sydney (AUD)	AUD	CD	9,713,312	62.33	277,502	64.99
AB Bank Limited, Mumbai, India	USD	CD	193,907	85.80	123,783	84.80
AXIS Bank Limited, Kolkata ACU	USD	CD	516,628	85.80	354,149	84.80
Abu Dhabi Commercial Bank (AED)	AED	CD	265,268	23.36	112,896	23.09
Kookmin Bank, Seoul, South Korea (USD)	USD	CD	72,116	85.80	102,900	84.80
Citi Bank N.A., New York, USA	USD	CD	289,565	85.80	11,107	84.80
Shanghai Pudong Development Bank Co. Ltd, China (CNY)	CNY	CD	60,410	13.46	60,049	12.99
DBS Bank Ltd, Singapore, SGD	SGD	CD	212,688	63.41	-	-
Punjab National Bank, Kolkata (USD)	USD	CD	353,276	85.80	-	-
			1,644,926,543		721,228,066	
OBU balance:						
Standard Chartered Bank, UK	GBP	CD	-	-	0	111.32
JP Morgan Chase Bank, New York	USD	CD	1,612,754	85.80	3,005,624	84.80
JP Morgan AG, Frankfurt, Germany	EUR	CD	4,373	97.27	225,323	104.18
JP Morgan Chase Bank, NA, London	GBP	CD	12,609	115.72	29,185	114.81
			140,258,656		281,704,735	
Total			1,785,185,199		1,002,932,801	

Investment in shares, mutual funds and quoted bonds

As at 31 December 2021

(In Taka)

Sl. no	Name of the company	Industry	Face value	No. of shares	Cost of holding	Average costing price	Market Price	Total market value (Tk)
Quoted ordinary shares								
1	Bata Shoe Company (Bangladesh) Limited	Tannery Industries	10	102,386	105,843,818	1,033.77	966.90	98,997,023
2	Berger Paints Bangladesh Ltd.	Miscellaneous	10	313,122	530,123,562	1,693.03	1,765.90	552,942,140
3	Eastern Bank Limited	Bank	10	1,400,216	44,926,754	32.09	38.50	53,908,316
4	Grameenphone Limited	Telecommunication	10	2,795,026	904,420,404	323.58	349.50	976,861,587
5	Linde Bangladesh Limited	Fuel & Power	10	113,350	144,091,523	1,271.21	1,579.80	179,070,330
6	Marico Bangladesh Limited	Pharmaceuticals & Chemicals	10	374,798	786,955,320	2,099.68	2,301.00	862,410,198
7	Renata Limited	Pharmaceuticals & Chemicals	10	158,563	171,902,509	1,084.13	1,312.00	208,034,656
8	Singer Bangladesh Limited	Engineering	10	3,310,320	575,233,762	173.77	169.90	562,423,368
9	Square Pharmaceuticals Limited	Pharmaceuticals & Chemicals	10	5,356,052	1,085,199,352	202.61	214.30	1,147,801,944
					4,348,697,004			4,642,449,562
Quoted corporate Bond								
1	APSCL redeemable coupon bearing bond	Corporate Bond	5,000	100,000	500,000,000	5,000.00	5,325.50	532,550,000
					500,000,000			532,550,000
Unquoted shares and mutual funds								
1	Industrial and Infrastructure Development Finance Co. Limited		10	10,449,259	29,683,820			
2	Central Depository Bangladesh Limited		10	2,284,721	6,277,770			
3	The Bangladesh Rating Agency Limited		100	106,717	10,671,700			
4	HFAML-ACME Unit Fund		10	-	-			
5	IDLC Balanced Fund		10	4,511,370	45,113,700			
6	VIPB Growth Fund		10	2,014,000	20,140,000			
7	VIPB Income Fund		10	4,600,000	51,198,000			
8	VIPB SEBL 1 st Unit Fund		10	13,323,467	133,234,670			
					296,319,660			
Preference shares								
1	Union Capital Preference Share		4,000,000	1	4,000,000			
					4,000,000			

BRAC Bank Limited

Details of Large Loan

As at 31 December 2021

Annexure E

Number of clients	19
Amount of outstanding advances	68,221,274,243
Amount of classified advances	NIL
Measures taken for recovery	NIL

Client wise break-up is as follows:

SL.	Name of Clients	Outstanding (BDT)		
		Funded	Non Funded	Total
1	CityGroup	3,381,128,820	5,351,991,298	8,733,120,118
2	Meghna Group	2,582,720,256	5,979,076,123	8,561,796,379
3	Abul Khair Group	2,172,804,115	4,821,737,830	6,994,541,945
4	BSRM Group	2,821,070,260	2,726,541,359	5,547,611,619
5	BRAC	4,434,422,990	-	4,434,422,990
6	Square Group	589,304,306	3,342,001,661	3,931,305,967
7	Pran-Rfl Group	2,802,012,985	1,108,368,392	3,910,381,377
8	Urmi Group	1,064,516,726	2,661,321,161	3,725,837,887
9	Mir Group of Industries	1,552,448,213	2,130,949,569	3,683,397,782
10	Bitopi Group	2,195,458,421	732,428,404	2,927,886,825
11	Sterling Group	1,683,084,622	1,182,556,542	2,865,641,164
12	Summit Group	-	2,319,008,458	2,319,008,458
13	Akij Group	1,486,050,195	809,926,668	2,295,976,863
14	Robi Axiata Limited	-	2,144,926,868	2,144,926,868
15	Samuda Group	1,734,740,051	335,847,039	2,070,587,090
16	Walton Group	472,798,863	1,257,410,184	1,730,209,047
17	Reneta Group	1,021,401,940	55,559,790	1,076,961,730
18	Veon Group	578,697,585	188,962,549	767,660,134
19	Telenor Group and Grameen Telecom	500,000,000	-	500,000,000
	Grand Total	31,072,660,348	37,148,613,895	68,221,274,243

Schedule of Fixed Assets

As at 31 December 2021

(In Taka)

Particulars	Cost			Depreciation				Written down value as at 31 December 2021
	Opening balance as on 01 January 2021	Addition/ Revaluation during the year	Disposals/ Transfer/ Adjustments during the year	Total balance as at 31 December 2021	Opening balance as on 01 January 2021	Charge during the year	Disposals/ Adjustments during the year	Total balance as at 31 December 2021
Property, plant & equipments								
Land	527,275,400	-	-	527,275,400	-	-	-	527,275,400
Office floor space	4,034,334	-	-	4,034,334	822,332	100,858	-	923,190
Furniture & fixture	2,096,550,341	58,151,911	13,787,869	2,140,914,383	1,395,740,435	148,736,943	13,563,167	1,530,914,211
Office equipments	1,307,461,739	48,474,903	10,983,041	1,344,953,601	1,120,463,136	94,567,471	10,932,967	1,204,097,640
IT Hardware	2,900,091,204	171,197,743	21,600,904	3,049,688,043	1,970,565,211	353,862,417	21,388,300	2,303,039,328
Motor vehicles	354,296,880	-	-	354,296,880	221,679,496	64,518,382	-	286,197,878
Right of use assets (ROU)	4,374,375,108	2,600,924,979	1,485,697,618	5,489,602,469	1,465,505,184	762,397,055	888,729,537	1,339,172,702
Capital expenditure work in progress	402,817,173	108,642,199	260,252,859	251,206,513	-	-	-	251,206,513
Sub-total	11,966,902,179	2,987,391,735	1,792,322,291	13,161,971,623	6,174,775,794	1,424,183,126	934,613,971	6,664,344,949
Intangible assets:								
With definite useful lives:								
IT Software	2,093,396,465	228,720,756	-	2,322,117,221	1,056,948,166	307,928,330	-	1,364,876,496
Sub-total	2,093,396,465	228,720,756	-	2,322,117,221	1,056,948,166	307,928,330	-	1,364,876,496
As at 31 December 2021	14,060,298,644	3,216,112,491	1,792,322,291	15,484,088,844	7,231,723,960	1,732,111,456	934,613,971	8,029,221,445
								7,454,867,399

The amount of capital commitment of the Bank for the year 2021 was BDT 4,541,700 (2020: BDT 23,525,398)

Schedule of Fixed Assets

As at 31 December 2020

(In Taka)

Particulars	Cost			Depreciation				Written down value as at 31 December 2020
	Opening balance as on 01 January 2020	Addition/ Revaluation during the year	Disposals/ Transfer/ Adjustments during the year	Total balance as at 31 December 2020	Opening balance as on 01 January 2020	Charge during the year	Disposals/ Adjustments during the year	Total balance as at 31 December 2020
Property, plant & equipments								
Land	527,275,400	-	-	527,275,400	-	-	-	527,275,400
Leasehold Building	4,034,334	-	-	4,034,334	721,473	100,858	-	822,332
Furniture & fixture	2,204,586,559	70,959,207	178,995,424	2,096,550,341	1,406,754,339	163,307,618	174,321,522	1,395,740,435
Office equipments	1,493,892,852	40,260,547	226,691,660	1,307,461,739	1,233,560,713	112,189,846	225,287,423	1,120,463,136
IT Hardware	2,986,716,243	429,138,222	515,763,260	2,900,091,204	2,124,788,910	361,314,369	515,538,068	1,970,565,211
Motor vehicles	337,603,953	29,959,013	13,266,086	354,296,880	168,346,558	66,599,024	13,266,086	221,679,496
Right of use assets (ROU)	4,306,897,358	199,826,862	132,349,112	4,374,375,108	733,943,048	772,784,035	41,221,899	1,465,505,184
Capital expenditure work in progress	608,506,435	228,306,762	433,996,023	402,817,173	-	-	-	402,817,173
Sub-total Intangible assets:	12,469,513,133	998,450,612	1,501,061,566	11,966,902,179	5,668,115,041	1,476,295,751	969,634,998	6,174,775,794
With definite useful lives:								
IT Software	2,112,339,585	394,265,535	413,208,656	2,093,396,465	1,245,487,880	224,484,591	413,024,304	1,056,948,166
Sub-total	2,112,339,585	394,265,535	413,208,656	2,093,396,465	1,245,487,880	224,484,591	413,024,304	1,056,948,166
As at 31 December 2020	14,581,852,718	1,392,716,147	1,914,270,221	14,060,298,643	6,913,602,920	1,700,780,342	1,382,659,302	7,231,723,960
								6,828,574,683

Statement of Tax Position

As at 31 December 2021

(In Taka)

Accounting year	Assessment year	Gross tax provision in financial statements	Adjustment of excess/deficit provision during 2020	Net tax provision in financial	Tax as per latest assessment	(Short)/Excess provision	Advance tax as per assessment order	Present status
2009	2010-2011	1,140,000,000	-	1,140,000,000	1,226,332,530	(86,332,530)	1,225,978,580	Assessment in progress and filed appeal before Honorable High Court against the Order of The Taxes Appellate Tribunal
2010	2011-2012	1,416,240,000	-	1,416,240,000	1,316,974,555	99,265,445	1,228,668,951	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2011	2012-2013	1,460,000,000	-	1,460,000,000	1,535,641,921	(75,641,921)	1,256,758,569	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2012	2013-2014	1,530,000,000	-	1,530,000,000	1,537,477,180	(7,477,180)	1,304,653,579	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2013	2014-2015	1,797,698,269	-	1,797,698,269	1,536,388,741	261,309,528	1,088,661,543	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2014	2015-2016	2,097,475,597	-	2,097,475,597	1,916,762,068	180,713,529	1,250,930,480	Appeal in progress before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2015	2016-2017	2,250,022,595	-	2,250,022,595	2,269,625,619	(19,603,024)	1,540,453,195	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2016	2017-2018	2,629,520,979	-	2,629,520,979	2,177,689,835	451,831,144	1,739,275,075	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2017	2018-2019	3,196,240,955	-	3,196,240,955	2,880,663,875	315,577,080	2,402,077,500	Order passed from The Taxes Appellate Tribunal
2018	2019-2020	2,523,031,538	-	2,523,031,538	2,530,531,807	(7,500,269)	2,459,662,676	Tax return submitted for the assessment
2019	2020-2021	3,718,904,812	-	3,718,904,812	3,432,353,978	286,550,834	3,432,353,978	Tax return submitted for the assessment
2020	2021-2022	2,728,499,267	(191,123,342)	2,537,375,925	2,466,141,523	71,234,402	2,174,170,846	Tax return submitted for the assessment
2021	2022-2023	4,067,399,481	(500,000,000)	3,567,399,481				Not yet due to Submit Tax Return

Statement of Segment Reporting

Accounting policy

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.

A: Segmental operating profit and loss

There are 4 (four) operating segments (SME, Retail, Corporate, and Treasury) on standalone basis as on 31 December 2021. 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.

BRAC Bank Limited For the year ended 31 December 2021

Particulars	SME	Retail	Corporate	Treasury	Total
Total external revenue	11,628,176,923	1,508,130,376	4,199,827,507	6,027,755,292	23,363,890,098
Inter segment revenue /(expenses)	(4,051,915,294)	5,224,979,657	418,513,593	(1,591,577,956)	-
Total segment revenue	7,576,261,629	6,733,110,033	4,618,341,100	4,436,177,336	23,363,890,098
Total segment operating expenses	5,395,517,168	5,285,573,794	1,415,952,685	322,952,631	12,419,996,278
Segment operating profit/(loss)	2,180,744,461	1,447,536,239	3,202,388,415	4,113,224,705	10,943,893,820

BRAC Bank Limited For the year ended 31 December 2020

Particulars	SME	Retail	Corporate	Treasury	Total
Total external revenue	11,473,888,383	(724,276,557)	3,159,117,497	6,426,818,511	20,335,547,834
Inter segment income /(expenses)	(6,559,158,542)	6,673,800,048	183,109,735	(297,751,241)	-
Total segment revenue	4,914,729,841	5,949,523,491	3,342,227,232	6,129,067,270	20,335,547,834
Total segment operating expenses	5,392,033,429	4,659,139,430	1,388,433,229	294,211,410	11,733,817,498
Segment operating profit/(loss)	(477,303,588)	1,290,384,061	1,953,794,003	5,834,855,860	8,601,730,336

B. Segmental assets and liabilities

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

BRAC Bank Limited

Off-shore Banking Units

Financial Statements

as at and for the year ended 31 December 2021

Off-shore Banking Units

Balance Sheet

As at 31 December 2021

Particulars	Note	2021		2020	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash		-	-	-	-
Cash in hand		-	-	-	-
(Including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its agent bank(s)		-	-	-	-
(Including foreign currency)		-	-	-	-
Balance with other banks and financial institutions	3	69,634,716	5,974,658,656	67,321,946	5,708,975,151
Inside Bangladesh		-	-	-	-
Outside Bangladesh		69,634,716	5,974,658,656	67,321,946	5,708,975,151
Money at call on short notice		-	-	-	-
Investments		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
Loans and advances	4	402,592,990	34,542,478,506	244,650,877	20,746,663,512
Loans, cash credit, overdrafts etc.		375,658,784	32,231,523,671	217,868,511	18,475,489,405
Small and medium enterprises		1,712,685	146,948,408	2,429,863	206,055,013
Bills purchased and discounted		25,221,520	2,164,006,427	24,352,504	2,065,119,093
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	5	9,272,614	795,603,813	8,246,627	699,510,418
Total Property and Assets		481,500,320	41,312,740,975	320,219,451	27,155,149,081
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	6	422,378,794	36,240,100,482	266,675,594	22,614,383,731
Money at call and short notice		-	-	1,000,000	84,801,100
Deposits and other accounts	7	9,716,023	833,634,779	9,569,611	811,513,557
Current accounts and other accounts		809,354	69,442,595	710,287	60,233,127
Bills payable		-	-	-	-
Savings deposits		-	-	-	-
Fixed deposits		8,633,540	740,757,724	8,694,540	737,306,548
Other deposits		273,129	23,434,460	164,784	13,973,882
Other liabilities	8	54,361,285	4,496,927,343	40,523,956	3,420,462,291
Total Liabilities		486,456,102	41,570,662,605	317,769,161	26,931,160,679

Off-shore Banking Units

Continuation of Annexure - I

Balance Sheet

As at 31 December 2021

Particulars	Note	2021		2020	
		USD	Taka	USD	Taka
Capital and Shareholders' Equity					
Paid up share capital		-	-	-	-
Statutory reserve		-	-	-	-
Revaluation reserve		-	-	-	-
Foreign currency translation reserve		-	12,610,122	-	(11,792,680)
Surplus in profit and loss account/ Retained earnings	9	(4,955,782)	(270,531,752)	2,450,290	235,781,082
Total shareholders' equity		(4,955,782)	(257,921,630)	2,450,290	223,988,402
Total Liabilities and Shareholders' Equity		481,500,320	41,312,740,975	320,219,451	27,155,149,080
Off balance sheet items					
Contingent liabilities					
Acceptances and endorsements		12,205,159	1,032,165,486	6,599,548	556,742,888
Letter of guarantees		-	-	-	-
Irrevocable letter of credits		5,118,638	436,927,963	2,627,429	224,873,307
Bills for collection		13,693,469	1,129,567,424	12,022,213	986,699,797
Other contingent liabilities		176,241	-	6,626,463	551,443,745
Total		31,193,508	2,598,660,873	27,875,653	2,319,759,737
Other commitments					
Swap deals with banks and customers		-	-	-	-
Spot and forward deals with banks and customers		-	-	-	-
Total off balance sheet items		31,193,508	2,598,660,873	27,875,653	2,319,759,737

Off-shore Banking Units

Profit and Loss Account

For the year ended 31 December 2021

Particulars	Note	2021		2020	
		USD	Taka	USD	Taka
Interest income	10	10,637,272	905,068,309	13,099,204	1,110,640,743
Interest paid on deposits and borrowing etc.	11	6,883,601	576,258,553	9,416,654	795,640,396
Net interest income		3,753,671	328,809,756	3,682,550	315,000,347
Investment income		-	-	-	-
Commission, exchange and brokerage	12	508,613	43,131,459	517,998	43,767,990
Other operating income	13	529,967	45,018,624	631,579	53,619,995
Total operating income		4,792,252	416,959,839	4,832,126	412,388,332
Salaries and allowances		830,183	70,720,500	511,058	43,373,384
Rent, taxes, insurance, electricity etc.	14	78,498	13,874,663	201,044	17,062,505
Legal expenses		-	-	-	-
Postage, stamps, telecommunication etc.	15	4,024	342,605	3,593	304,937
Stationery, printing, advertisement etc.	16	4,466	381,254	10,608	899,853
Depreciation and repairs to bank's assets		103,166	8,785,868	71,919	6,104,007
Other expenses		202,099	17,215,043	99,606	8,444,659
Total operating expenses		1,222,435	111,319,933	897,829	76,189,344
Profit before provisions		3,569,817	305,639,906	3,934,297	336,198,988
Provision for:					
Loans and advances	17	10,976,328	938,079,063	(518,019)	(43,424,486)
Off balance sheet items		-	-	-	-
Others		-	-	(7,867)	(667,567)
Total provision		10,976,328	938,079,063	(525,887)	(44,092,053)
Profit/(loss) before taxes		(7,406,512)	(632,439,157)	4,460,184	380,291,041
Provision for tax:					
Current tax expense		-	-	-	-
Deferred tax expense/ (income)		-	-	-	-
Total provision for tax	18	-	-	-	-
Total profit/(loss) after taxes		(7,406,512)	(632,439,157)	4,460,184	380,291,041

Off-shore Banking Units

Cash Flow Statement

For the year ended 31 December 2021

Continuation of Annexure - I

Particulars	Note	2021		2020	
		USD	Taka	USD	Taka
A. Cash flows from operating activities					
Interest receipts in cash		9,543,342	809,552,379	14,244,725	1,208,198,357
Interest payment		(6,790,073)	(566,899,959)	(10,942,058)	(947,837,011)
Fees and commissions receipts		508,613	43,131,459	517,998	43,767,990
Cash payments to employees		(830,183)	(70,720,500)	(511,058)	(43,373,384)
Cash payments to suppliers		(8,489)	(723,860)	(14,201)	(1,204,790)
Receipts from other operating activities		530,005	45,021,853	631,579	53,619,995
Payment for other operating activities :		(346,800)	(36,747,012)	(380,194)	(32,262,384)
Operating cash flow before changes in operating assets and liabilities (i)		2,606,415	222,614,361	3,546,791	280,908,773
Increase/decrease in operating assets and liabilities					
Loans and advances to customers		(157,942,112)	(13,795,814,994)	51,026,782	4,356,369,727
Other assets		67,943	(577,465)	247,599	21,655,527
Deposits from other banks/ borrowings		154,703,199	13,540,915,651	(12,661,159)	(1,101,405,515)
Deposits from customers		146,412	22,121,222	340,821	27,989,285
Other liabilities		2,730,913	201,113,661	574,727	15,642,973
Cash utilised in operating assets and liabilities (ii)		(293,646)	(32,241,925)	39,528,770	3,320,251,997
Net cash (used)/flows from operating activities (i+ii)		2,312,769	190,372,436	43,075,561	3,601,160,770
B. Cash flows from investing activities					
Investment in commercial paper		-	-	-	-
Net cash used in investing activities		-	-	-	-
C. Cash flows from financing activities					
D. Net increase/(decrease) in cash (A+B+C)		2,312,769	190,372,436	43,075,561	3,601,160,770
E. Cash and cash equivalents at beginning of year		67,321,946	5,708,975,151	24,246,386	2,058,518,161
Exchange difference		-	75,311,069	-	49,296,220
Cash and cash equivalents at the end of year (D+E)		69,634,716	5,974,658,656	67,321,947	5,708,975,151
Cash and cash equivalents at the end of the year:					
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		-	-	-	-
Balance with other banks and financial institutions		69,634,716	5,974,658,656	67,321,946	5,708,975,151
		69,634,716	5,974,658,656	67,321,946	5,708,975,151

Off-Shore Banking Units

Notes to the financial statements

as at and for the year ended 31 December 2021

1 Status of the units

Off-shore Banking Units of BRAC Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The bank commenced the operation of its Off-shore banking Unit from 2010 after obtaining necessary approval from Bangladesh Bank.

1.1 Principal Activities

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its off-shore Banking units in Bangladesh.

2 Summary of significant accounting policies and basis of preparation

2.1 A summary of the principle accounting policies which have been applied consistently (unless otherwise stated), are set out below:

a) Basis of accounting

The Off-shore Banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Companies Act 1991, International Financial Reporting Standards and other applicable directives issued by Bangladesh Bank.

b) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

c) Foreign currency transactions and translations to presentation currency

"Foreign currency transactions are converted into equivalent functional currency i.e. USD using the exchange rates ruling on the dates of respective transactions as per IAS -21st The Effects of Changes in Foreign Exchange Rates".

All revenue items have been translated to presentation currency i.e. BDT at average rate and all balance sheet items except retained earnings were translated to presentation currency at the closing rate. Any resulting differences have been recognised as foreign currency translation reserve."

Commitments for outstanding forward foreign exchange contracts disclosed in the financials are translated at contracted rates. Contingent liabilities/ commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

2.2 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2021.

2.3 Cash and cash equivalents

For the purpose of presentation in the cash flow statements, cash and cash equivalents includes cash in hand and cash at bank, highly liquid interest bearing investment/securities with original maturities of less than three month.

As per IAS 7 Statement of Cash Flows, cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently. As per BRPD 14 dated 25 June 2003, cash flow statement should be a mixture of direct and indirect method.

2.4 Loans and advances / investment

- a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.
- b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

2.5 Provision for liabilities

A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.6 General

- a) Figures appearing in these financial statements have been rounded off to the nearest Taka and rearranged wherever necessary.

	Particulars	2021		2020	
		USD	Taka	USD	Taka
3	Balance with other banks and financial institutions				
	Standard Chartered Bank, Frankfurt, Germany	-	-	-	16
	Standard Chartered Bank, UK	-	-	-	21
	JP Morgan Chase Bank, New York	1,612,754	138,374,289	3,005,624	254,880,206
	JP Morgan AG, Frankfurt, Germany	4,957	425,313	276,809	23,473,731
	JP Morgan Chase, N.A., London	17,005	1,459,054	39,513	3,350,777
	BBL OBU to Other Bank OBU placement	68,000,000	5,834,400,000	64,000,000	5,427,270,400
		69,634,716	5,974,658,656	67,321,946	5,708,975,151
4	Loans and advances				
	Loans, cash credits, overdrafts etc. (note 4.1)	375,658,784	32,231,523,671	217,868,511	18,475,489,405
	Small and medium enterprises	1,712,685	146,948,408	2,429,863	206,055,013
	Bills purchased and discounted (note 4.2)	25,221,520	2,164,006,427	24,352,504	2,065,119,093
		402,592,990	34,542,478,506	244,650,877	20,746,663,512
4.1	Overdrafts	5,150,889	441,946,251	9,825,938	833,250,311
	Demand loans	326,653,467	28,026,867,478	159,206,152	13,500,856,812
	Term loans	43,854,428	3,762,709,942	48,836,422	4,141,382,282
		375,658,784	32,231,523,671	217,868,511	18,475,489,405
4.2	Bills purchased and discounted	25,221,520	2,164,006,427	24,352,504	2,065,119,093
	Bills purchased and discounted SME	-	-	-	-
		25,221,520	2,164,006,427	24,352,504	2,065,119,093

Continuation of Annexure - I

	Particulars	2021		2020	
		USD	Taka	USD	Taka
5	Other assets				
	Interest receivables	2,926,535	250,930,191	1,832,605	155,414,261
	Deferred revenue expenditure	200,313	17,186,834	262,396	22,251,475
	Receivables against collateral margin-swap	-	180,000	-	180,000
	Receivable settlement account- OBU/DBU	6,145,767	527,306,789	6,151,626	521,664,683
		9,272,614	795,603,813	8,246,627	699,510,418
6	Borrowings from other banks, financial institutions and agents				
	Inside Bangladesh:				
	Woori Bank, Dhaka	5,000,000	429,000,000	3,000,000	254,403,300
	On Shore to BBL Off Shore	141,090,169	12,105,536,457	126,190,094	10,701,058,797
		146,090,169	12,534,536,457	129,190,094	10,955,462,097
	Outside Bangladesh:				
	Sonali Bank UK Ltd	-	-	6,769,500	574,061,046
	Nabil Bank Limited, Nepal	3,500,000	300,300,000	10,000,000	848,011,000
	HDFC Bank Limited, India	10,000,000	858,000,000	5,000,000	424,005,500
	Standard Chartered Bank	27,600,000	2,368,080,000	-	-
	DBS Bank Singapore	28,000,000	2,402,400,000	-	-
	Asian Development Bank	30,000,000	2,574,000,000	-	-
	The National Bank of Ras Al-Khaimah, UAE	20,000,000	1,716,000,000	-	-
	Abu Dhabi Commercial Bank	30,000,000	2,574,000,000	-	-
	First Abu Dhabi Bank PJSC	10,000,000	858,000,000	-	-
	CDC Group Plc, United Kingdom	17,148,000	1,471,298,400	25,716,000	2,180,745,088
	Borrowing from IFC, USA	55,000,000	4,719,000,000	90,000,000	7,632,099,000
	Axis Bank Limited	10,000,000	858,000,000	-	-
	Caixabank S.A.	6,540,625	561,185,625	-	-
	JP Morgan Chase Bank N.A. Singapore	15,000,000	1,287,000,000	-	-
	Siddhartha Bank Limited, Kathmandu	3,500,000	300,300,000	-	-
	State Bank Of India, Hong Kong	10,000,000	858,000,000	-	-
		276,288,625	23,705,564,025	137,485,500	11,658,921,634
		422,378,794	36,240,100,482	266,675,594	22,614,383,731
7	Deposit and other accounts				
	Local currency:				
	Current and other accounts	-	-	-	-
	Bills payable	-	-	-	-
	Saving deposits	-	-	-	-
	Fixed deposits	-	-	-	-
	Other deposits	-	-	-	-
		-	-	-	-
	Foreign currency:				
	Current and other accounts	809,354	69,442,595	710,287	60,233,127
	Bills payable	-	-	-	-
	Saving deposits	-	-	-	-
	Fixed deposits	8,633,540	740,757,724	8,694,540	737,306,548
	Other deposits	273,129	23,434,460	164,784	13,973,882
		9,716,023	833,634,779	9,569,611	811,513,557
	Total Deposit and other accounts	9,716,023	833,634,779	9,569,611	811,513,557

Continuation of Annexure - I

	Particulars	2021		2020	
		USD	Taka	USD	Taka
8	Other liabilities				
	Provisions for loans and advances	24,297,996	1,958,679,094	13,343,004	1,131,501,444
	Special provision COVID-19	435,293	37,348,170	572,974	48,588,796
	Provision on interest receivable	21,488	1,843,706	21,742	1,843,706
	Interest payable on borrowings	1,275,007	109,395,602	1,210,896	102,685,311
	Provision for taxation	787,956	67,606,624	797,238	67,606,624
	Interest suspense	1,918,811	164,633,977	965,598	81,883,810
	Suppliers payable	(231,137)	(19,901,732)	-	-
	Accrued expenses	(48,975)	(4,054,049)	-	-
	Payable to on-shore	27,431,047	2,105,368,327	23,575,625	1,982,385,478
	Others payable	(1,526,202)	76,007,624	36,879	3,967,121
		54,361,285	4,496,927,343	40,523,956	3,420,462,291
9	Surplus in profit and loss account/ retained earnings				
	Balance at the beginning of the year	2,450,290	235,781,082	(1,989,854)	(142,808,606)
	Adjustment to retained earnings	440	126,126,323	(20,040)	(1,701,354)
	Add: Retained surplus for the year	(7,406,512)	(632,439,157)	4,460,184	380,291,041
		(4,955,782)	(270,531,752)	2,450,290	235,781,082
10	Interest income				
	Interest on loans and advances	10,634,503	904,832,171	13,049,549	1,106,445,412
	Interest on money at call and short notice	-	-	14,701	1,242,251
	Interest on Funding SWAP	-	-	34,954	2,953,080
	Other interest income	2,769	236,138	-	-
		10,637,272	905,068,309	13,099,204	1,110,640,743
11	Interest paid on deposits and borrowing etc.				
	Interest on deposits	240,178	13,228,827	243,508	20,664,695
	Interest on borrowing from banks & FIs	32,869	559,529,636	9,172,993	774,962,775
	Interest on funding SWAP	6,602,017	721,430	-	-
	Interest on money at call and short notice	8,537	2,778,660	153	12,926
		6,883,601	576,258,553	9,416,654	795,640,396
12	Commission, exchange and brokerage				
	Commission from letters of credit-foreign	140,757	11,934,049	91,637	7,740,219
	Import and export related fees	367,868	31,198,363	341,516	28,862,703
	Syndication fees	-	-	84,852	7,165,740
	Other fees	(11)	(952)	(8)	(671)
		508,613	43,131,459	517,998	43,767,990
13	Other operating income				
	Miscellaneous income	529,967	45,018,624	631,579	53,619,995
		529,967	45,018,624	631,579	53,619,995

Continuation of Annexure - I

	Particulars	2021		2020	
		USD	Taka	USD	Taka
14	Rent, taxes, insurance, electricity etc.				
	Rent, rates and taxes	68,008	5,792,896	52,852	4,485,627
	Insurance	1,542	7,319,806	138,435	11,748,645
	Power and electricity	8,029	683,964	6,810	577,979
	WASA and sewerage	918	77,997	2,948	250,254
		78,498	13,874,663	201,044	17,062,505
15	Postage, stamp, telecommunication etc.				
	Postage and courier	661	56,171	939	79,750
	Court fees & stamps	255	21,737	171	14,510
	Telegram, telex, fax & network	-	-	0	37
	Telephone- Office	3,108	264,697	2,482	210,639
		4,024	342,605	3,593	304,937
16	Stationery, printing, advertisement etc.				
	Stationery and printing	1,473	125,394	1,229	104,298
	Security stationery	1,309	111,589	6,865	582,216
	Advertisement	1,684	144,272	2,514	213,339
		4,466	381,254	10,608	899,853
17	Provisions for loans and advances				
	For classified loans and advances	9,487,900	810,646,253	(2,059)	(175,220)
	For unclassified loans and advances	1,488,429	127,432,811	(515,961)	(43,249,266)
		10,976,328	938,079,063	(518,019)	(43,424,486)

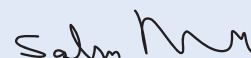
18 Provision for tax

Offshore Banking Unit (OBU) is an integral business unit of the Bank. The income from OBU is included in the separate financial statement of the Bank and tax has been provided on total income of the Bank including income from OBU. Hence provision for tax has not been calculated for OBU portion separately.

To whom it may concern

This is to certify that as detailed in the Annexure J, BRAC Bank Limited made the custodian transactions on account of custodian services provided during the year ended 31 December 2021, which have been verified with the books of account, invoices and other related documents as produced to us for our verification.

We also certify that management of the Bank prepared and fairly presented of the income and expenses in accordance with the requirement of the Securities and Exchange Commission (Securities Custodian Service) Rules 2003, and made necessary disclosures in the Bank's audited financial statements for the year ended 31 December 2021.



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

Dhaka, 15 March 2022

Custodian Service

For the year ended 31 December 2021

Particulars	In Taka	
	2021 Taka	2020 Taka
Operating income		
Commission, exchange and brokerage	20,405,215	18,265,986
Total operating income	20,405,215	18,265,986
Operating expenses		
Salaries and allowances	2,805,181	3,051,737
Rent, taxes, insurance, electricity etc.	963,510	965,430
Postage, stamps, telecommunication etc.	121,790	33,063
Stationery, printing, advertisement etc.	909,363	327,629
Depreciation on and repairs to bank's assets	1,220,677	1,033,597
Other expenses	9,800,386	7,862,768
Total operating expenses	15,820,907	13,274,224
Operating profit	4,584,308	4,991,762

Details of transactions with related parties

For the year ended 31 December 2021

Related Party is a party related to an entity if:

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

SL No.	Name of the related parties (Companies)	Relationship with BBL	Balance type	Opening balance on 01 January 2021	Additions for deposit made/loan disbursed/interest or fees charged	Deductions for deposit withdrawn/ loan recovered	Closing balance on 31 December 2021
1	BRAC and its associated organization	Parent Company	Deposits	6,654,832,632	237,426,264,899	229,458,336,562	14,622,760,969
2	bKash Limited	Subsidiary	Deposits	2,590,480,725	462,280,954,880	456,332,179,893	8,539,255,713
3	BRAC EPL Investments Limited	Subsidiary	Deposits	2,721,732	19,850,936,212	19,837,972,630	15,685,315
4	BRAC EPL Stock Brokerage Limited	Subsidiary	Deposits	40,015,481	1,337,971,190	1,135,522,238	242,464,433
5	BRAC IT Services Limited (biTS)	Associates	Deposits	103,302,915	428,143,676	420,276,302	111,170,288
6	BRAC SAAJAN Exchange Limited	Subsidiary	Deposits	29,136,980	3,339,806,293	3,308,295,988	60,647,285
7	Edotco Bangladesh Co. Limited	Common Board member	Deposits	3,294,972,846	6,188,935,788	9,363,792,590	120,116,043
8	Policy Research Institute of Bangladesh (PRI)	Common Board member	Deposits	1,525,163	2,390,259	3,066,412	849,010
9	RSA Advisory Ltd.	Common Board member	Deposits	5,891,572	58,380,365	64,256,422	15,515
10	Blue-Wealth Assets Limited	Common Board member	Deposits	-	5,000	575	4,425
11	Walton Hi-Tech Industries Limited	Common Board member	Deposits	48,142,660	2,689,552,088	2,682,586,360	55,108,388
12	Water Garden Resort and Spa	Common Board member	Deposits	77,019	5,938,870	5,672,530	343,359
13	Affordable Health Care	Common Board member	Deposits	1,818,045	130,000,000	60,003,805	71,814,240
14	BRAC EPL Investments Limited	Subsidiary	Continuous loan	798,660,711	1,178,793,099	1,386,739,922	590,713,888
15	BRAC Sajjan Exchange Limited	Subsidiary	Continuous loan	685,878,561	1,341,846,666	1,761,469,094	266,256,133
16	Industrial and Infrastructure Development Finance Company (IIDFC)	Common Board member	Term placement	840,000,000	N/A		140,000,000
17	IPDC Finance Limited	Common Board member	Term placement	700,000,000	N/A		3,000,000,000

(In Taka)

SL No.	Name of the related parties (Companies)	Relationship with BBL	Balance type	Opening balance on 01 January 2021	Additions for deposit made/loan disbursed/interest or fees charged	Deductions for deposit withdrawn/loan recovered	Closing balance on 31 December 2021
18	Delta BRAC Housing Finance Corporation Limited	Common Board member	Term placement	1,800,000,000	N/A		3,000,000,000
19	BRAC IT Services Limited (biTS)	Associates	Receivables	213,246,061	N/A		187,859,621
20	Key Management Personnel (Note - 7.6)	Senior Management	Loans and advances	111,193,790	N/A		106,920,329
21	BRAC Bank Employees' Gratuity Fund (Post employment benefit plan)	Details of transactions with BRAC Bank Employees' Gratuity Fund can be found at note no 9.5					

SL No.	Name of the related parties (Directors)	Relationship with BBL	Balance type	Opening balance on 01 January 2021	Closing balance on 31 December 2021	Credit Card Limit	Lien Amount
1	Kazi Mahmood Sattar	Director	Credit card	23,600	6,974	500,000	500,000
2	Asif Saleh	Director	Credit card	25,846	106,081	500,000	500,000
3	Selim Reza Farhad Hussain	Director	Credit card	88,783	64,568	1,000,000	1,000,000
4	Fahima Choudhury	Director	Credit card	6,160	15,176	500,000	500,000
5	Shameran Bahar Abed	Director	Credit card	223,547	1,340	500,000	500,000

Note: In addition, BRAC Bank has credit exposure on NGOs where its Directors are involved in the capacity of executive committee members. As on 31 December 2021, the Bank has credit exposures amounting BDT 4,434,422,990 to BRAC. 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.

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

For the year ended 31 December 2021

Particulars	In Taka	
	31 December 2021	31 December 2020
	Taka	Taka
Profit before tax as per profit and loss account	7,889,551,559	6,735,127,528
Adjustment for non-cash items:		
Provision for Loans and advances	2,810,975,910	2,365,157,113
Provision for Diminution in value of investments	(74,000,000)	(563,219,881)
Provision for Off balance sheet items	251,500,000	63,083,635
Provision for other assets	65,866,351	1,581,941
Depreciation of Property plant and equipment	1,732,111,456	1,682,480,106
Foreign exchange gain/(loss)	486,268,924	(62,984,747)
Profit on sale of fixed assets	(3,798,917)	(11,086,641)
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(48,149,037,787)	(8,972,011,665)
Other operating assets	128,673,899	(163,721,278)
Deposits from other banks/borrowings	11,942,273,035	(1,295,171,744)
Deposits from customers	26,460,328,428	22,632,432,701
Other operating liabilities	182,975,583	(232,393,362)
Income tax paid	(2,557,956,724)	(3,564,500,491)
Cash flows from operating activities as per cash flow statement	1,165,731,717	18,614,773,215

SUBSIDIARY COMPANIES



BRAC EPL Investments Limited (BEIL)

Overview

BEIL is a public limited company, established as a full-fledged investment bank and portfolio management services provider in Bangladesh. Since its inception in 2009, BEIL has developed a successful track record as transaction advisor in executing and closing even the most challenging deals/transactions, including arranging structured debt and equity facilities for leading local and foreign clients.

Being a part of the BRAC family, BEIL possess a valuable network of local and global institutions, foreign and local capital, and solid foundational values of ethics and integrity. Its longstanding and trust-based relationship with regulators and other external stakeholders, such as the stock exchanges, auditors, lawyers and consultants, allow us to provide customised, effective and coherent solutions to meet our clients' financial needs and expectations.

BEIL is strategically optimising business growth and profitability in 2022. The focus of our strategies would comprise rationalising cost, enhancing fee-based income and boosting performance for establishing a sustainable investment bank.

We have seven offices that include a Corporate Head Office and six branches in Mohakhali and Gulshan (in Dhaka), Chittagong, Sylhet, Chowmuhan and Comilla.

Key achievements, 2021

In 2021, BEIL, as issue manager, successfully completed the subscription process of the Initial Public Offering (IPO) of Union Bank Limited, the largest IPO in terms of size among banks and the fourth largest in Bangladesh's capital market with a size of BDT 4,280 mn. The shares of the bank commenced trading on both the stock exchanges from 26th January 2022.

The year was also a commendable one for the portfolio management department of BEIL. The total number of accounts at the company increased by 6%. BEIL also opened 259 new Cap Cash accounts and 94 new Cap Edge accounts during the year. The number of these accounts rose by 17% and 2%, respectively.

As of December 31, 2021, BEIL's total assets under management stood at an impressive BDT 1,684.29 mn in market value.

Products and services

1. Portfolio Management Department

BEIL provides two types of portfolio management services:

- **Investor Discretionary Portfolio Management:** Investor Discretionary Account closely resembles a BO (Beneficial Owner) Account. In this regard, BEIL provides two products- Cap Edge and Cap Cash.
- **Manager Discretionary Portfolio Management:** Under Manager Discretionary Account, we offer our Managed Cap Edge product, whereby the authority to take all pertinent decisions regarding most aspects of portfolio management vests with the portfolio manager.

The major difference between these two lines of business is the legal discretion or power of security selection, portfolio construct, execution timing and actual execution of trade. Most merchant banks in Bangladesh provide only Investor Discretionary Management Services, whereas BEIL is amongst the few companies providing both types of services.

2. Investment Banking Department

Investment Banking Department widened its scope to provide a complete suite of investment banking solutions in 2021. Moreover, the wing witnessed ongoing transformation during the year with a revamp of the team, as new recruits were brought in.

Thus, under a seasoned leadership and new team, BEIL successfully closed the IPO of Union Bank Limited, the largest IPO so far in the banking sector and the fourth largest in the nation's capital market, as issue manager. This served as a demonstration of the team's specialist issue management and transaction advisory skills.

The Investment Banking Department is also currently pursuing several IPOs/direct listings/bond issues/merger and acquisition deals.

Investment Banking Services	
▪ Initial Public Offering	▪ Arrangement of Debt Securities
▪ Repeat Public Offering	▪ Arrangement of Quasi-debt Securities
▪ Rights Issue	▪ Syndicated Loan Arrangement
▪ Direct Listing Services	▪ Private Equity
▪ Underwriting Services	▪ Mergers & Acquisitions
▪ Capital Raising	▪ Corporate Advisory

Capital market outlook, 2022

The broader market trend of 2021 was bullish, fuelled by the regulator's numerous market-stimulating policies. The benchmark index, DSEX, increased 25% during the year, a growth trend that is expected to continue in the current year too, as macroeconomic indicators have also become favourable with the fading of the pandemic.

The primary market is also likely to witness action with regards to size and depth as a result of measures to list several prominent companies. On the other hand, the secondary market for fixed income securities is also expected to get bigger from its current small size.

Moreover, renewed emphasis on governance and financial disclosures of publicly listed companies is expected to emerge as a major trend in 2022. Thus, the capital market in Bangladesh is predicted to perform significantly better in 2022 on an overall basis.

Directors' Report to the Shareholders of BRAC EPL Investments Limited

The Board of Directors of BRAC EPL Investments Limited (BEIL) is pleased to present the Directors' Report on the operational and financial activities of BEIL together with the Audited Financial Statements for the year ended 31 December 2021 for your valued consideration, approval and adoption. The Directors' Report has been prepared in compliance with Section 184 of the Companies Act, 1994 and the requirements mandated by the regulatory bodies.

BRAC EPL Investments Limited

BEIL is a public limited company, which has established itself as a full-fledged merchant bank and portfolio manager in Bangladesh.

BEIL is strategically optimizing business growth and profitability for the year 2022. The focus of the strategies would be rationalizing costs, enhancing fee-based income and boosting performance for establishing a sustainable merchant bank.

Products and services

1. Portfolio Management

BEIL provides three types of portfolio management services:

a. Cap Edge: Non-Discretionary Portfolio Accounts:

Cap Edge is an Investor controlled account. Investors retain all the authority and power to select the items to buy and sell, and the timing of trade while the portfolio managers assist them with trade execution and continuous advice.

b. Cap Cash: Non-Discretionary Portfolio

Accounts: Cap Cash is a unique non-discretionary product of BEIL offering clients margin and non-margin services through individual BO Account. Clients can link their existing BO Accounts in BEIL with their existing accounts in other brokerage houses. Cap Cash is an Investor controlled account.

c. Managed Cap Edge - Discretionary Portfolio

Account: Managed Cap Edge is a Portfolio Manager controlled account. Managers retain

all the authority and power to select the items to buy and sell, and the timing of trade while the investors can guide the managers by providing input on their return and risk preference. Under this arrangement, investors pay management fees and settlement fees for trading.

2. Investment Banking Department

The Investment Banking Department widened its scope further to provide a complete suite of investment banking solutions in 2021. Under the seasoned leadership and the new team, BEIL acted as an issue manager of the initial public offering of Union Bank Limited - largest IPO (of BDT 4280 Mn) in terms of size among the banks and the fourth largest in Bangladesh's capital market. This served as a demonstration of the team's extensive skills. The Investment Banking Department is also pursuing several IPO/direct listing/bond issuing/Merger and Acquisition deals.

a. Debt Arrangement

BEIL focused on originating, structuring and distributing debt in the form of syndicated loans, corporate bonds, bridge finance, mezzanine debt, asset backed securities and other debt products for the corporate houses of Bangladesh.

b. Private Equity

In recent years, alternative investment asset classes such as private equity placement have become increasingly important pools of capital in the global financial system. With our vast network of foreign and local equity investors, we advise our clients on the optimum mode of financing requirement with alternatives to debt such as private equity and venture capital investments.

c. Mergers & Acquisitions

BEIL provides best in-class merger & acquisition advisory solutions for its clients in buying, selling or consolidating companies across all industries and across international borders. BEIL acts as

both buyers and seller's agent. BEIL would assist in finding potential sellers/ buyers, negotiating to achieve the best possible price, valuation of the company, thorough due diligence of BEIL and all related activities in bringing the transaction to closure.

d. Corporate Advisory

BEIL provides various corporate and financial advisory on project financing, corporate restructuring, financial due-diligence, etc. for its clients.

3. Distribution networks

We have seven offices that include a Corporate Head Office and six branches in Mohakhali and Gulshan (Dhaka), Chittagong, Sylhet, Chowmuhani and Cumilla.

Global Economy

Globally 2021 was a year of insipid growth as major world economies struggled to recover from two years of financial downturns mainly due to the pandemic. The primary concern is the global polarity in caseloads, hospital capacity and vaccination rates around the world.

Recent advancements also obscure fundamental shifts, implying that some industries, employment, technology, and behaviors will not revert to pre-pandemic levels.

Bangladesh Economy

In the backdrop of combating the global economy's coronavirus, Bangladesh's economy is turning around. According to BBS preliminary projections, GDP growth in FY 2020-21 will be 5.47 percent.

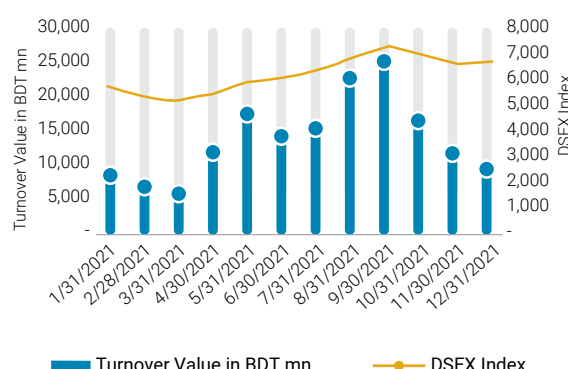
Despite the coronavirus-caused economic standstill, food production and supply chains remained unaffected, resulting in inflation of 5.56 percent in FY 2020-21, somewhat more than the objective (5.4 percent). After a significant decrease in FY 2019-20, both export and import in Bangladesh have shown signs of recovery. Bangladeshi expatriate remittances totaled US\$ 24,777.72 million in FY 2020-21, a considerable increase (36.10 percent) over the previous fiscal year. The current account balance deficit in FY 2020-21 was \$3,808 million due to strong remittance inflows, down from \$4,724 million the previous year.

Capital Market Scenario

Bangladesh's capital market has had an exciting year in 2021. The Dhaka Stock Exchange (DSE) also achieved a decade-high daily turnover value in 2021, as well as an increase in the market cap to GDP (Gross Domestic Product) ratio. An important metric, daily turnover, was at Tk 14.75 billion on average in 2021, increasing 127% year on year. The DSE witnessed the second highest-ever turnover worth above Tk 3.54 trillion, posted in 240 trading sessions - executed in the outgoing year.

Particulars	2020	2021	Change	Change (%)
DSEX (in pts)	5,402	6,757	1,355	25.08%
Daily Turnover (in BDT Bn)	6.48	14.68	8.20	126.54%
IPO Funds (in Bn)	9.62	21.80	12.18	126.61%
BO Accounts (in Mn)	2.55	2.03	(0.52)	-20.39%

Source: Dhaka Stock Exchange

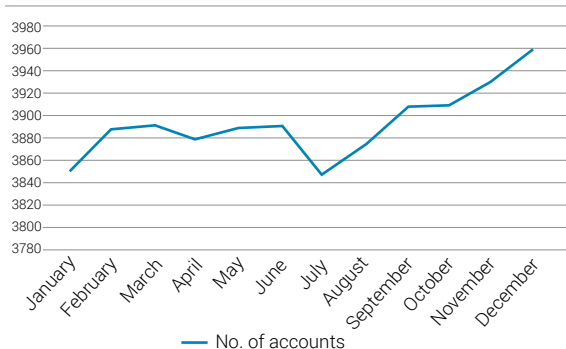


Business Review

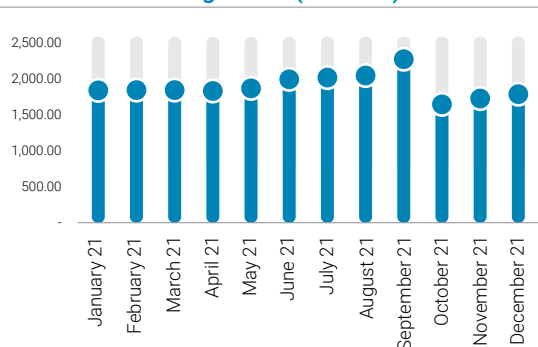
2021 was a challenging year for BEIL faced by various external shocks to the macro economy, world economy and the industry as a whole. The world is still in recovery mode from the COVID-19 pandemic. While the year started off well, the second and third wave of the coronavirus affected the country. Despite the adversities faced during the year, BEIL performed well during 2021. The company continued to service its customers with Cap Cash, Cap Edge, and Managed Cap Edge accounts. A relentless customer acquisition effort resulted in a 6 percent increase in customer numbers. Asset under Management (AuM) at the company stood at BDT 1,684,28 million.

BEIL acted as the issue manager an issue manager of the initial public offering of Union Bank Limited - largest IPO (of BDT 4280 Mn) in terms of size among the banks and the fourth largest in Bangladesh's capital market.

No. of accounts in 2021



Asset Under Management (millions)

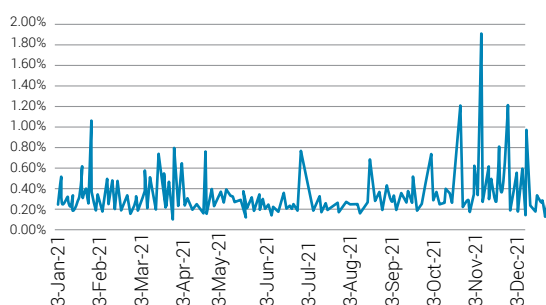


Operating Results

BEIL reported a staggering top line growth in 2021. The company's interest income was BDT 391.83 million, a whopping 2471 percent higher than that of previous years. Management income increased by 301 percent during 2021 compared to last year and stood at BDT 127.06 million. The company's operating cash flow returned to positive in 2021, thus it required to borrow less amount of money from banks. This decreased the company's interest expense, and reduced the average cost of borrowing to around 8.25 percent. All of these contributed to the 458 percent increase in net profit after tax, which stood at BDT 246.95 million.

BEIL has maintained decent trade volumes in relation to the market throughout the year, as depicted below:

BEIL's Share of DSE's Trade Volume



The company's operating expense had increased by 17.78 percent due to the increase in the number of employees, and an increase in fuel prices and other administrative expenses. BEIL had returned to profitability in 2020 after several years of consecutive losses. 2021 has been an even better year for the company and thus, BEIL is expanding its operations.

The company's operating profit stood at BDT 331.03 million, 584 percent higher than that of previous year. Net profit before tax stood at BDT 33.52 million. The company's net profit after tax for the year 2021 saw a whopping 458 percent growth, and stood at BDT 246.95 million.

Balance Sheet Performance

Total assets of the company stood at Tk. 1,824 million on 31 December 2021. Out of which, BEIL's investment in quoted securities position stands at BDT 1,018.8 million as of the same date. The company invests in quoted securities, traded on the secondary capital market in Bangladesh. At the reporting date these are recognized at market value on aggregate basis.

The company borrowed up to Tk. 590.71 million in short term loans and overdrafts on which the average borrowing rate during the year was 8.25% per annum.

Customer deposits value of Tk. 154.17 million represent disinvest funds lying in the Company's account at the reporting date. The company does not pay any interest on such idle funds.

The Asset under Management of the company stood at approximately 1,684,28 million (at market value) at the end of 2021 which comprises of customer's equity and margin loans used to purchase securities.

Corporate Tax

During the year the company incurred a corporate income tax liability of Tk. 7.7 million on its profit. The Company deducts tax and VAT at the time of making payments for goods and services along with paying income tax on its earnings.

Financial Highlights for 2021

BRAC EPL Investments Limited has taken a number of steps to rationalize cost and effective and efficient management of its businesses.

- The Operating Profit for the year ended 31 December 2021 was BDT 331.03 million as against profit of BDT 48.42 million for the year ended 31 December 2020.
- BEIL borrowed on an average BDT 590 million in short term loans and overdrafts at an average rate of 8.25% per annum in 2021 which was 9.91% per annum in 2020.
- The Net Profit for the year ended 31 December 2021 was BDT 246.95 million as against profit

of BDT 44.22 million for the year ended 31 December 2020.

The Board would like to express my appreciation to the entire BRAC EPL Investments Limited's team. It would be remiss if we do not acknowledge the exceptional efforts of our employees who worked in collaboration to meet many challenges throughout a difficult year. They were called upon to embrace some major challenges while at the same time maintaining the highest standards of service to our clients.

Finally, the Directors would like to thank our clients and respected shareholders for their continued support to BEIL. Taking this opportunity, the members of the Board would also like to thank the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange and Central Depository Bangladesh Limited.

For and on behalf of the Board of Directors



Chairman

Independent Auditor's Report

To the shareholders of BRAC EPL Investments Limited

Report on the Audit of the Financial Statements

Opinion

"We have audited the financial statements of BRAC EPL Investments Limited ("the Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company as at and for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 22 March 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

"Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- d) the expenditure incurred was for the purposes of the Company's business.



Auditor

Ali Ashfaq, Partner, Enrolment Number: 509
 Rahman Rahman Huq, Chartered Accountants
 Firm Registration Number: [N/A]

Dhaka: 13 Mar 2022
 DVC : 2203200509AS335408

Statement of financial position

In Taka	Note	31 December 2021	31 December 2020
Assets			
Property, plant and equipment	5	9,527,894	9,122,579
Intangible assets	6	-	200,029
Right-of-use assets	7	3,094,166	6,520,810
Deferred tax assets	8	207,934,376	283,711,094
Non current assets		220,556,436	299,554,512
Account receivables	9	28,764,319	27,660,186
Intercompany receivables	10	-	267,439
Investments securities	11	1,018,842,981	1,048,344,047
Current tax assets	12	26,478,858	26,235,106
Loans and advances to customers	13	289,309,374	638,535,533
Accrued interest and management fees receivables	14	22,064,675	306,655,209
Advances, deposits and prepayments	15	1,760,762	1,914,046
Cash and cash equivalents	16	215,983,749	14,440,818
Current assets		1,603,204,718	2,064,052,384
Total assets		1,823,761,154	2,363,606,896
Equity			
Share capital	17	2,585,000,000	2,585,000,000
Share premium		436,825,951	436,825,951
Retained earnings		(1,984,938,405)	(2,231,889,285)
Total equity		1,036,887,546	789,936,666
Liabilities			
Lease Liabilities	18	3,143,081	3,781,320
Non current liabilities		3,143,081	3,781,320
Liabilities			
Customer deposits	19	154,173,011	79,536,443
Bank overdrafts	20	590,713,887	798,660,711
Short term loans	21	-	640,000,000
Account payables	22	6,698,571	18,809,802
Other liabilities	23	31,401,658	29,024,754
Lease liabilities		743,400	3,353,677
Intercompany payables	24	-	503,523
Current liabilities		783,730,527	1,569,888,910
Total liabilities		786,873,608	1,573,670,230
Total equity and liabilities		1,823,761,154	2,363,606,896

The notes on pages 7 to 30 are an integral part of these financial statements.



Chief Executive Officer



Director



Chairperson

As per our report of same date.

Dhaka: 13 Mar 2022



Auditor

Ali Ashfaq, Partner, Enrolment Number: 509
 Rahman Rahman Huq, Chartered Accountants
 KPMG in Bangladesh
 Firm Registration Number: N/A
 DVC : 2203200509AS335408

BRAC EPL Investments Limited

Statement of profit or loss and other comprehensive income

For the year ended 31 December

In Taka	Note	2021	2020
Revenue	25	641,475,831	247,278,427
Direct expenses	26	(92,860,345)	(149,998,209)
Gross Profit		548,615,486	97,280,218
Operating expenses	27	(217,800,965)	(49,036,204)
Other Income	28	215,448	176,499
Operating Profit		331,029,969	48,420,513
Finance income		446,013	47,013
Finance costs		(955,040)	(942,229)
Net finance costs	29	(509,027)	(895,216)
Profit before tax		330,520,942	47,525,297
Income tax expense	30	(83,570,062)	(3,303,507)
Profit for the year		246,950,880	44,221,790

The notes on pages 7 to 30 are an integral part of these financial statements.



Chief Executive Officer



Director



Chairperson

As per our report of same date.

Dhaka: 13 Mar 2022



Auditor

Ali Ashfaq, Partner
Enrolment Number: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC : 2203200509AS335408

Statement of changes in equity

For the year ended 31 December 2021

In Taka	Attributable to the owner's of the company			
	Share capital	Share premium	Retained earnings	Total
Balance as at 01 January 2020	2,585,000,000	436,825,951	(2,276,111,075)	745,714,876
Total comprehensive income				
Profit for the year	-	-	44,221,790	44,221,790
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	44,221,790	44,221,790
Transactions with owners of the Company				
Contributions and distributions				
Issue of ordinary shares	-	-	-	-
Dividends	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
Balance at 31 December 2020	2,585,000,000	436,825,951	(2,231,889,285)	789,936,666
Balance at 1 January 2021	2,585,000,000	436,825,951	(2,231,889,285)	789,936,666
Total comprehensive income				
Profit for the year	-	-	246,950,880	246,950,880
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	246,950,880	246,950,880
Transactions with owners of the Company				
Contributions and distributions				
Issue of ordinary shares	-	-	-	-
Dividends	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
Balance at 31 December 2021	2,585,000,000	436,825,951	(1,984,938,405)	1,036,887,546

The notes on pages 7 to 30 are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December

In Taka	Note	2021	2020
Cash flows from operating activities			
Profit before tax		330,520,942	47,525,297
Adjustments for:			
Depreciation	5	2,474,776	2,396,982
Amortisation of intangible assets	6	200,029	316,204
Disposal (gain)/loss of fixed assets	28	(46,248)	(152,499)
Depreciation of right-of-use assets	7	3,426,644	6,158,365
Interest expense	18.1	587,184	765,137
Fair value adjustments for fall in values of investment in securities	25.2.1	(209,675,163)	(168,122,345)
		(203,032,778)	(158,638,156)
Changes in:			
Loans and advances to customers	13	349,226,159	(3,971,474)
Accrued interests and management fees receivables	14	284,590,534	7,223,926
Account receivables	9	(1,104,133)	(9,563,760)
Advances, deposits and prepayments	15	153,284	(30,244,906)
Intercompany receivables	10	267,439	(131,373)
Customer deposits	19	74,636,568	(5,318,130)
Account payables	22	(12,111,231)	12,022,518
Intercompany payables	24	(503,523)	(590,392)
Other liabilities	23	2,376,904	16,008,249
Cash generated from operating activities		697,532,001	(14,565,342)
Income taxes paid	12	(8,037,094)	(5,148,755)
Net cash from/(used in) operating activities		816,983,071	(130,826,956)
Cash flows from investing activities			
Acquisition of property, plant and equipment	5	(2,880,091)	(5,039,782)
Proceeds from sale of property, plant and equipment		46,248	152,499
Sale/(purchase) of investment securities		239,176,229	44,941,268
Net cash used in investing activities		236,342,386	40,053,985
Cash flows from financing activities			
Payment for lease liabilities	18	(3,835,701)	(6,057,308)
Receipt/(repayment) of bank overdraft	20	(207,946,824)	255,355
Receipt/(repayment) of short term loans	21	(640,000,000)	100,000,000
Net cash from/(used) in financing activities		(851,782,525)	94,198,047
Net increase in cash and cash equivalents		201,542,932	3,425,077
Cash and cash equivalents at 1 January		14,440,817	11,015,740
Cash and cash equivalents at 31 December	16	215,983,749	14,440,817

The notes on pages 7 to 30 are an integral part of these financial statements.

BRAC EPL Stock Brokerage Limited

About us

BRAC EPL Stock Brokerage Limited (BESL) is the 6th largest stock brokerage house among 250 brokers in Bangladesh, closing the year 2021 with a 2.8% market share of the DSE. Further, BESL has a dominant market share of over 55% in the foreign portfolio investment execution segment.

The company offers brokerage services to its 20,000+ clients, which includes local institutions, retail clients, non-resident Bangladeshis (NRBs) and 60 foreign institutional clients through 8 branches and 106 employees.

Product and services

BESL offers stock brokerage services to all Bangladeshi and international capital market investors.

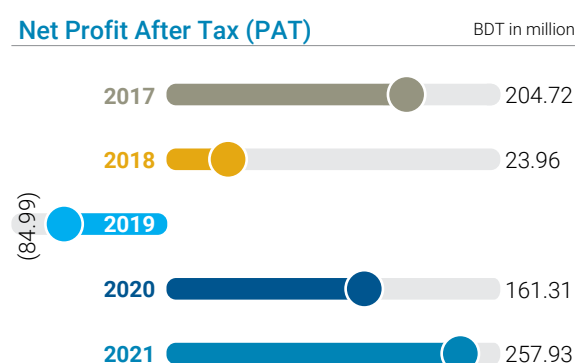
Investment research and advisory services

BESL pioneered the investment research industry in Bangladesh. Currently, the company's research department (equipped with 4 analysts, including 1 CFA Charter-holder and 1 CFA Level-3 candidate), has broader investment research and investment advisory mandates. The team has research partnership with Bloomberg, Thomson Reuters, S&P Capital IQ, RSRCHX and Fact Set.

Following are some of the key achievements of the team in recent time:

1. Arrangement of a virtual investor conference for international clients in May 2021, connecting investible listed companies with institutional investors from Europe, North America and Asia Pacific
2. Forged partnership with RSRCHX, a global platform providing unbundled financial research to global asset management companies
3. Continued to generate direct foreign income from sell-side research services to international investors
4. Awarded as the "Best Research House in Bangladesh" in 2019 by International Finance Publications

Financial performance



Financial highlights (BDT Mn)

Particulars	2021	2020	2019	2018	2017
Total revenue	590.45	423.46	322.32	481.93	699.31
Profit before tax	379.41	223.98	(20.64)	101.71	294.76
Net profit after tax	257.93	161.31	(84.99)	23.96	204.72
EBITDA	411.72	261.68	25.48	118.89	283.35
Total assets	2,425.63	2,019.97	1,986.63	2,017.12	3,101.52
Contribution to exchequer	112.41	63.35	67.52	84.87	90.04
Gross profit margin ratio	77.88%	78.95%	72.40%	71.20%	75.50%
Earnings per share, BDT	30.67	23.01	(12.13)	3.42	29.21

Way forward, 2022

At BSEL, we aim to increase our market share and secure leading position in both local and foreign market.

To attain this target, our focus in 2022 will be to nurture the retail segment. We thus plan to introduce a state-of-the-art trading software and automate customer service. Additionally, leveraging the roadshows arranged by Bangladesh Securities & Exchange Commission (BSEC), we are planning to attract NRBs into the ecosystem.

We are also planning to focus on the corporate business wing to ramp-up their capital market investments. We intend to grab further market share in the foreign segment as well. Our corporate access desk is one of the most active in the country, having managed 50+ client roadshows since inception, and we aim to harness our position to better serve our clients.

We will also prioritise client service through superior trade flow management, better execution and increased customer engagement through sales call in collaboration with our research team.

Capital market outlook

Bangladesh's equity markets yet again closed on a top note in 2021, with the benchmark index, DSEX, finishing at 6,757 points on December 30, 2021, gaining 1,355 points (+25.1% YoY) during the year. Since the bottom hit on March 18, 2020, this journey marks a total rally of 3,154 points.

Higher systemic liquidity and recovery-driven earnings rebound allowed stocks to book record gains in 2021, adding BDT 2,548 bn to the market cap. Bonds gained popularity among corporates as an alternative funding avenue, owing to attractive interest rate environment and favourable regulatory support. Regulatory initiatives, such as strengthening corporate governance of listed companies, opening of SME board, bringing OTC (over-the-counter) companies back to the market, and several others made a major impact on the overall market development.

The primary market (IPOs) performed remarkably well in 2021, as 11 companies raised a record BDT 6.1 bn, while five companies raised BDT 9.5 bn from the market through bonds issue. Following debut, 13 IPO scrips cumulatively gained 43.6% from their initial debut trading date. Moreover, market capitalisation of four scrips that have been upgraded from OTC market gained a stunning 6.55x during 2021. Investors also welcomed new instruments, like Sukuk, perpetual sub-bonds etc., which are expected to diversify offerings and increase market depth. AMCs also launched several fixed income funds to add diversified investment choices to investors.

The daily average turnover in 2021 reached BDT 14.75 bn (+127.3% YoY), which was BDT 6.49 bn in 2020. The equity market of Bangladesh traded at 16.8x PE ratio, 1.9x PBV ratio and 11.37% ROE on a trailing basis at the end of Dec'21.

Directors' Report to the Shareholders of BRAC EPL Stock Brokerage Limited (BESL)

Dear Shareholders,

The Board of Directors of BRAC EPL Stock Brokerage Limited (BESL) is pleased to present before you the Directors' Report on the operational and financial activities of your Company together with the Audited Financial Statements for the year ended 31 December 2021 for your valued consideration, approval and adoption. The Directors' Report has been prepared in compliance with Section 184 of the Companies Act, 1994 and the requirements mandated by the regulatory bodies.

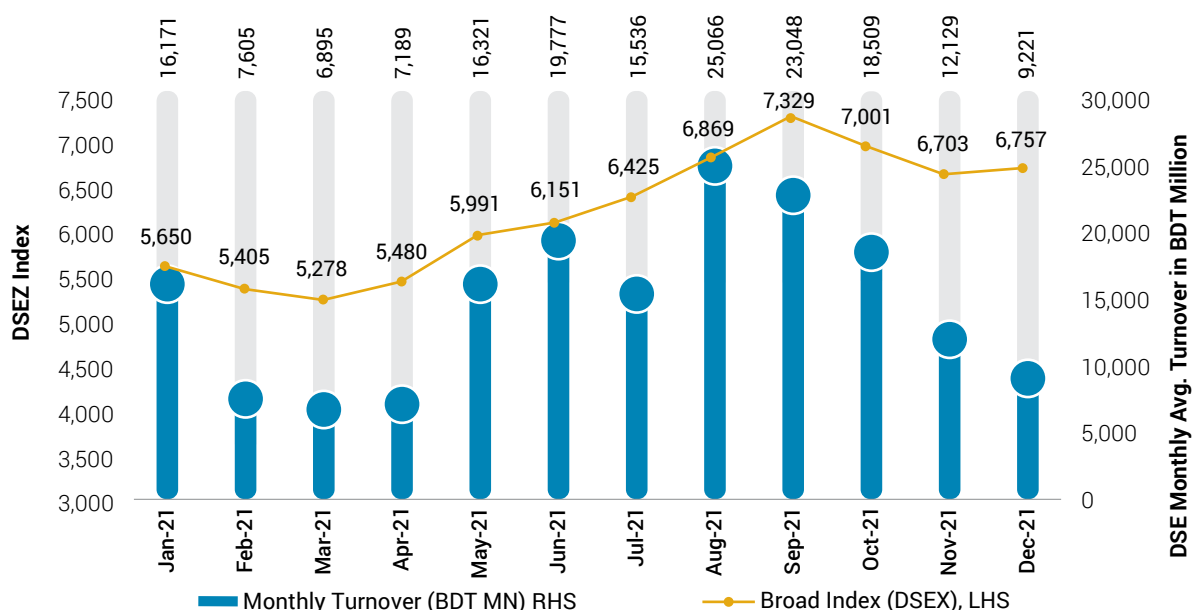
Capital Market Review 2021

Bangladesh Equity Market closed another high this year, after a good year in 2020. The benchmark index, DSEX, finished at 6,757 points on Dec 30, 2021, adding 1,355 points (+25.1% YoY) in 2021. Since the bottom of Mar 18, 2020, this marks a total rally of 3,154 points. Thanks to higher liquidity in the system and recovery driven earnings rebounds coming up across 2021, stocks booked record gains in 2021, adding BDT 2,548 bn to market cap. Alongside, owing to lucrative interest rate environment and good regulatory support, Bonds were gaining popularity

among corporates as an alternative funding avenue. On top, strengthening corporate governance of listed companies, opening of SME board, bringing OTC companies back to the market, and several other regulatory initiatives made major impact in overall market development.

The IPOs performed exceptionally well in 2021. A total of 13 IPO scrips cumulatively gained 43.6% from their initial debut trading date. Moreover, market cap (MCAP) of 4 scrips that have upgraded from OTC market gained 6.55x during 2021. 11 IPOs raised BDT 6.1 billion by issuing new equity shares, 5 Bonds raised BDT 9.5 billion from the market. Introduction of newer instruments like sukuk, perpetual sub-bonds etc. was well appreciated by the investors. Several fixed income funds were launched by AMCs to add diversified investment choices to investors.

The daily average turnover in 2021 was BDT 14.75 billion (+127.3% YoY up) against BDT 6.49 billion of 2020. The equity market of Bangladesh is now trading at 16.8x PE ratio, 1.9x PBV ratio and 11.37% ROE on a trailing basis.

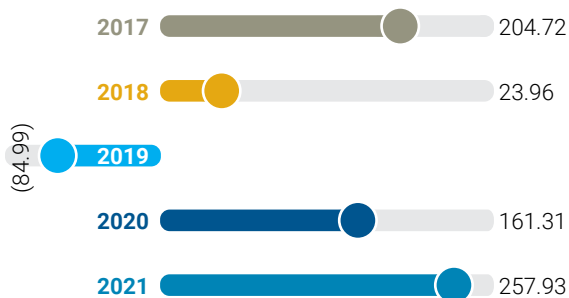


BRAC EPL Stock Brokerage Ltd. (BESL)

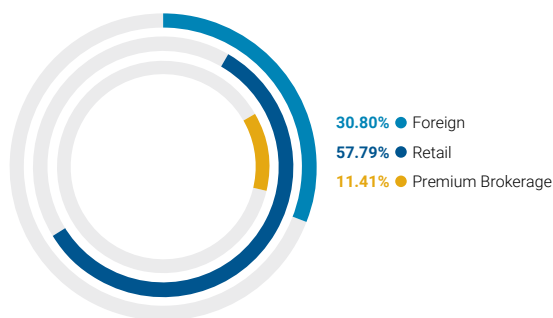
BRAC EPL Stock Brokerage Limited (BESL) is the 6th largest stock brokerage house among 250 brokers in the country with a 2.8% market share of DSE as of December 2021. BESL has a dominant market share of 56% in the foreign portfolio investment execution segment. The company also offers brokerage services to its 20,000 local clients which includes local institutions, retail clients, non-resident Bangladeshis (NRBs) and 60 foreign institutional clients through 8 branches and 113 employees.

Net Profit After Tax (PAT)

BDT in million



Turnover Composition in 2021



Among the major three verticals, contribution from Foreign business was 30.80% of total turnover in 2021 compared to 45.98% in 2020. Thus, there was a 33% YoY increase in turnover growth in Foreign business.

The Retail business is strengthening through more contribution. The segment contributed 57.79% of revenue in 2021. Thus, there was a 146% YoY increase in turnover growth in the Retail business.

Our corporate business contributed 11.41% revenue to the company in 2021. Thus, there was a 205% increase in turnover growth in the Premium Brokerage business.

Product and Services

BRAC EPL Stock Brokerage Limited offers stock brokerage services to all Bangladeshi and International Capital Market Investors.

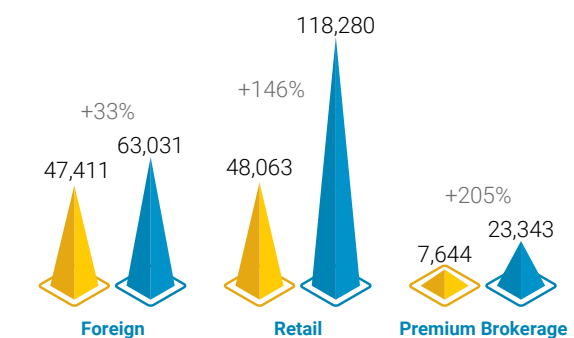
Financial Performance

BRAC EPL Stock Brokerage Limited (BESL) was in 6th place amongst the 250 brokers with a 2.8% market share in 2021. BESL hold 56% market share in DSE's Foreign trade.

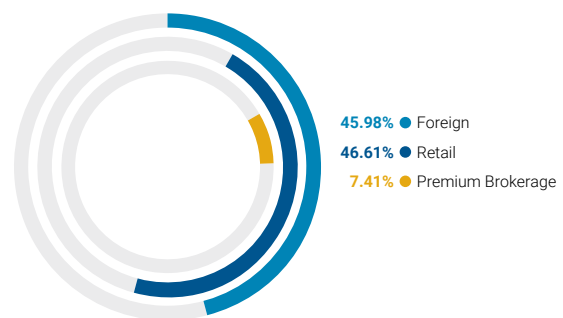
The bottom line of BESL registered a net profit of BDT 257.93 million in 2021 against BDT 161.31 million in 2020.

YoY Turnover Growth

BDT in million



Turnover Composition in 2020



YoY increase in turnover growth. However, with the new team and the strategies in place we expect this segment to be a sizeable portion of the company in the coming years.

Future Outlook of Industry

Bangladesh equity market performed exceptional in 2021, riding on positive momentum created in 2020 and additional support from favorable liquidity and recovery progresses. In addition to a well-managed pandemic, earnings reversal in a number of stocks, liquidity with low interest rates, market promoting

initiatives by the regulator like mandatory 30% director holding, increasing float etc. helped keep up investor sentiment & participation, and acted as catalysts for back-to-back positive close.

The Dhaka Stock Exchange Broad Index (DSEX Index), the benchmark free-float weighted market index, gained 25.1% in 2021, following a 21.3% return in 2020 and negative 17.3% return in 2019. Average Daily Turnover Value (ADTV) significantly increased in 2021 (+127.3% YoY), particularly during Q2'21 and Q3'21 period. ADTV was BDT 14.75 Bn in 2021, against BDT 6.49 Bn in 2020.

With commendable progress on vaccination front, resumption of domestic business, global expansion of local companies, the economy looks more promising with no major challenges ahead. On top, expected completion of several mega projects, notably the much-anticipated Padma Bridge and Dhaka Metro Rail project, are going to act as boosters for entire economy. All major international bodies including IMF (6.6% in 2022), WB (6.4% in 2022), and ADB (6.8% in 2022) have projected stronger growth for Bangladesh for 2022 as well as in upcoming years. Our government expects GDP to surpass USD 500 Bn by 2022-23. In parallel, our economy is expected to become 28th largest by 2030 and 25th largest by 2035 as per UK's Centre for Economics and Business Research (CEBR). Our resilience amid disasters and pandemic are testament to what we can achieve as a nation.

We are projecting base case DSE market return for 2022 to hover around 10-12%. In a continuation of bull run scenario, Market return can accommodate 15-17%. However, stocks with strong fundamentals are more likely to stand out in a post pandemic scene, and we expect to see better valuations for such

stocks from earnings rebounds, strong financials, and expansion in multiples. Considering a potential increase in both public and private sector credit demand, some drag over liquidity is expected. Hence, we are expecting turnover to stay at roughly close to 2021, around 12.0 Bn for the DSE equity market.

Appreciation

I would like to thank my colleagues on the board for their continued support and on their behalf, I would like to express my heartiest thanks to the entire BRAC EPL Stock Brokerage team. It would be unfair if we do not acknowledge the exceptional efforts of our employees who worked in partnership to meet many challenges of a difficult year. They were called upon to embrace some major challenges while at the same time maintaining the highest standards of service to our clients. They met the challenges, and we thank each of them for their extraordinary performance.

Finally, on behalf of the Board, I would like to thank our loyal clients and honorable shareholders for their continued support to the Company. Taking this opportunity, the members of the Board would also like to thank the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange, Chittagong Stock Exchange, and Central Depository Bangladesh Limited who were the partners in the growth of your company.

For and on behalf of the Board of Directors,



Chairperson

Independent Auditor's Report

To the shareholders of BRAC EPL Stock Brokerage Limited

Report on the Audit of the Financial Statements

Opinion

"We have audited the financial statements of BRAC EPL Stock Brokerage Limited ("the Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs)."

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company as at and for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 21 March 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

"Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- d) the expenditure incurred was for the purposes of the Company's business.



Auditor


Ali Ashfaq, Partner, Enrolment Number: 509
 Rahman Rahman Huq, Chartered Accountants
 Firm Registration Number: [N/A]


Dhaka: 13 Mar 2022
 DVC : 2203150509AS795162


Statement of financial position

In Taka	Note	31 December 2021	31 December 2020
Assets			
Property, plant and equipment	5	21,627,263	22,874,434
Intangible assets	6	765,648	177,110
Right-of-use assets	7	68,906,307	22,429,091
Investment in exchanges	8	96,986,595	96,986,595
Deferred tax assets	9	9,252,825	-
Non-current assets		197,538,638	142,467,230
Investment in shares	10	415,104,230	406,964,550
Account receivables	11	57,632,461	185,364,830
Intercompany receivables	12	-	885,957
Margin loan receivables	13	268,435,995	162,686,891
Advances, deposits and prepayments	14	20,826,988	15,402,064
Other receivables	15	3,435,361	1,534,916
Cash and cash equivalents	16	1,462,583,457	1,104,663,892
Current assets		2,228,018,492	1,877,503,100
Total assets		2,425,557,130	2,019,970,330
Equity			
Share capital	17	841,144,600	700,953,800
Retained earnings		450,948,202	333,213,071
Revaluation reserve for TREC license	18	87,688,970	87,688,970
Total equity		1,379,781,772	1,121,855,841
Liabilities			
Lease liabilities	19	59,531,199	7,850,139
Non-current liabilities		59,531,199	7,850,139
Liabilities			
Lease liabilities	19	11,905,599	14,504,475
Account payables	20	881,544,714	806,745,322
Intercompany payables	21	-	318,029
Liability for expenses	22	58,780,135	53,010,789
Current tax liabilities	23	34,013,711	15,685,735
Current liabilities		986,244,159	890,264,350
Total liabilities		1,045,775,358	898,114,489
Total equity and liabilities		2,425,557,130	2,019,970,330

The notes on pages 7 to 34 are an integral part of these financial statements.



Chief Executive Officer


Director


Chairperson

As per our report of same date.

Dhaka: 13 Mar 2022


Auditor
 Ali Ashfaq, Partner
 Enrolment Number: 509
 Rahman Rahman Huq
 Chartered Accountants
 KPMG in Bangladesh
 Firm Registration Number: N/A
 DVC : 2203150509AS795162

Statement of profit or loss and other comprehensive income

For the year ended 31 December

In Taka	Note	2021	2020
Service revenue	24	714,041,853	397,427,089
Direct expenses	25	(164,509,239)	(108,092,052)
Gross Profit		549,532,614	289,335,037
Investment income	26	29,763,280	116,139,848
Other income	27	15,175	(82,515)
Operating expenses	28	(203,340,424)	(190,316,934)
Operating Profit		375,970,645	215,075,436
Finance income		11,136,669	18,068,819
Finance costs		(7,695,207)	(9,166,969)
Net finance income	29	3,441,462	8,901,850
Profit/(loss) before tax		379,412,107	223,977,286
Income tax expense	30	(121,486,176)	(62,663,943)
Profit for the year		257,925,931	161,313,343

The notes on pages 7 to 34 are an integral part of these financial statements.



Chief Executive Officer



Director



Chairperson

As per our report of same date.

Dhaka: 13 Mar 2022



Auditor

Ali Ashfaq, Partner
Enrolment Number: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC : 2203150509AS795162

Statement of changes in equity

For the year ended 31 December 2021

In Taka	Attributable to the owner's of the company			
	Share capital	Retained earnings	Revaluation reserve of TREC license	Total
Balance at 1 January 2020	700,953,800	171,899,728	87,688,970	960,542,498
Total comprehensive income				
Profit for the year	-	161,313,343	-	161,313,343
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	161,313,343	-	161,313,343
Transactions with owners of the Company				
Contributions and distributions				
Issue of ordinary shares	-	-	-	-
Dividends	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
Balance at 31 December 2020	700,953,800	333,213,071	87,688,970	1,121,855,841
Balance at 1 January 2021	700,953,800	333,213,071	87,688,970	1,121,855,841
Total comprehensive income				
Profit for the year	-	257,925,931	-	257,925,931
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	257,925,931	-	257,925,931
Transactions with owners of the Company				
Contributions and distributions				
Issue of ordinary shares- Bonus shares	140,190,800	(140,190,800)	-	-
Dividends	-	-	-	-
Total transactions with owners of the Company	140,190,800	(140,190,800)	-	-
Balance at 31 December 2021	841,144,600	450,948,202	87,688,970	1,379,781,772

The notes on pages 7 to 34 are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December

In Taka	2021	2020
Cash flows from operating activities		
Brokerage commission	672,971,031	365,317,598
Payments to creditors and other expenses	(338,258,171)	(260,365,414)
Loans and advances	92,720,243	337,302,790
Cash generated from operating activities	427,433,103	442,254,974
Bank interest income	11,136,668	18,068,818
Income from margin loan	25,704,848	20,772,472
Dividend income	12,767,561	23,197,035
Gain/(loss) on sale of shares	(26,018,096)	(21,360,537)
Other operating income	13,496,671	11,025,288
Income tax paid	(112,411,025)	(63,349,514)
Interest expense on leases	1,963,224	2,606,882
Cash used in other operating activities	(73,360,149)	(9,039,556)
Net cash flows from operating activities	354,072,954	433,215,418
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,012,072)	(1,804,060)
Acquisition of intangible assets	(787,500)	-
Sale of property, plant and equipment	72,074	1,797,493
Investment in shares	34,874,137	163,269,865
Net cash flows (used)/from investing activities	27,146,639	163,263,298
Cash flows from financing activities		
Payment for lease liabilities	(17,568,046)	(16,543,357)
Finance cost	(5,731,982)	(6,560,088)
Net cash used in financing activities	(23,300,028)	(23,103,445)
Net increase in cash and cash equivalents	357,919,565	573,375,271
Cash and cash equivalents at the beginning of the year	1,104,663,892	531,288,621
Cash and cash equivalents at the end of the year	1,462,583,457	1,104,663,892

The notes on pages 7 to 34 are an integral part of these financial statements.

bKash Limited

Year 2021 was a phenomenal one for bKash in terms of product development and market penetration, harnessing technological breakthroughs for sustaining business momentum. Despite the uniqueness of the external environment due to the coronavirus pandemic, bKash has shown resilience and its products and services have been valued by millions of customers around the country amid these difficult times.

32.8 mn

Total
customers

18.8%

YoY growth in
customers

5.86 tn

Transactions
conducted

36%

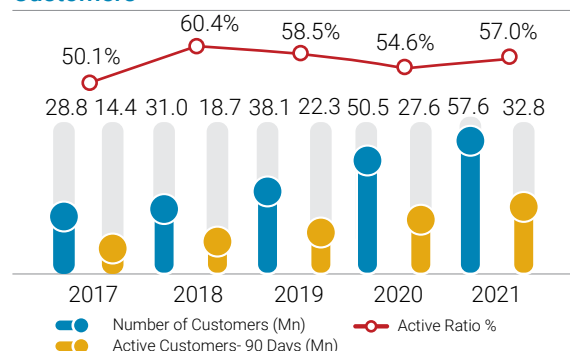
Growth in total
transaction
amount

Overview

The year 2021 charted significant milestones for bKash's growth journey in new products, technological progress and widened access in the largescale readymade garments and government payments sectors.

The company thus demonstrated strong YoY growth in gross revenue of 21.8% to Tk 31,963 mn in 2021, maintaining its robust performance growth.

Customers



days) increased by a substantive 19.1% in 2021, vs. 2020. The total active subscribers as at December 2021 was 32.8 mn.

Key achievements in 2021

The year 2021 was a challenging one due to the ongoing coronavirus pandemic, yet bKash

demonstrated resilience and pivoted business momentum on a sustainable trajectory.

Amid a curtailed environment, the company introduced new products, such as savings and nano loans and also added new utility billers to its bill pay products. Through such initiatives, it was successful in adding 7.1 mn new customers during the year.

To retain customers and enhance stickiness with the platform, bKash introduced a loyalty program. Moreover, customers could now invest their money in savings product at competitive rates through their bKash wallet. They could also apply for and avail nano loans through their wallet.

Both the savings and nano loan products are in partnership with authorised financial partners. bKash, as per directions of Bangladesh Bank, also launched a new merchant product, Personal Retail Account (PRA). PRA provides access to small businesses/vendors with a payments collection solution. These new product offerings are groundbreaking and will transform the MFS industry in the future, bringing small businesses in the ambit of digital inclusion.

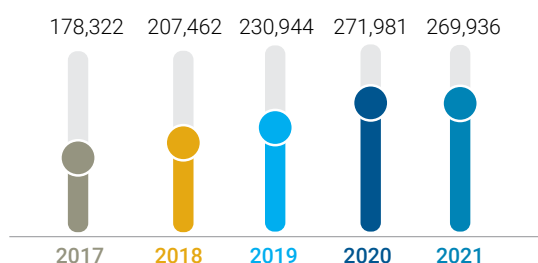
During the year, more than 5.86 trillion transactions were recorded over the platform. A 14.1% increase in customers, coupled with 2.4% growth in active customer ratio resulted in a 36% increase in the total transaction amount.

Agents

In 2021, a strategic exercise was re-adopted to remove all inactive agents from the system, resulting in a decline in the agent count during the year. This exercise had been halted since early 2020 due to the onset of the pandemic.

All agents were subjected to rigorous compliance checks throughout the year. On average, in 2021, 96.5% of the agents were active every month.

AGENTS



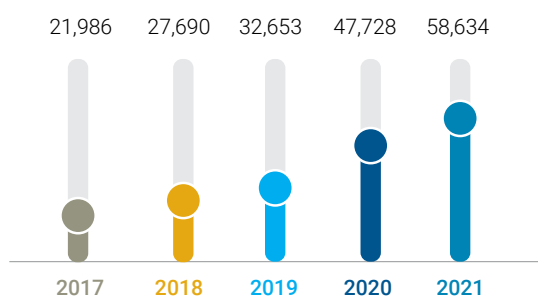
Average daily transaction count

Average daily transaction count increased by 22.4% in 2021. During the year, average daily count of transaction was 9.5 mn, vs. 7.8 mn in 2020, referencing increased MFS adoption by customers in the wake of the pandemic.

Float balance

Float balance has consistently increased over the years to reach BDT 58,634 mn as at 31 December 2021, resulting in a 22.8% YoY expansion due to growing customer base and transactions on the platform.

Float Balance (Mn)

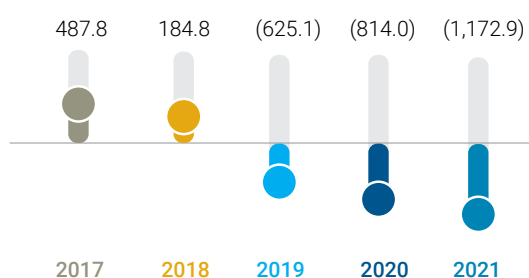


Financial performance

Net loss after tax in 2021 was BDT 1,172.9 mn, compared to loss of BDT 814 mn in 2020. This rise in loss can be attributed to the rise in agent and distributor commission, operational expenses and technology investments (in the form of depreciation and system maintenance) to support the early investment and growth stage of the company. However, consistent rise in active customers and revenue due to these investments are expected to yield higher returns in the coming years.

Despite losses incurred in the recent periods, investors have continued to exhibit their confidence in bKash's future. In Q4'21, Softbank onboarded bKash as an equity partner to further fuel the company's growth trajectory.

PROFIT AFTER TAX (MN)



Economic outlook

An increased number of customers, transactions and volumes reflect the overall economic growth and is an indication of rapid digitisation of the country's financial system.

In particular, timely decisions from the government to leverage mobile banking services for government payments and disbursements under different social schemes and RMG salary as part of pandemic fight-back plan has paved the way for a promising future for the industry. The number of app downloads also looks promising and reflects increasing habituation to technology adoption in the local economy.

bKash, with its new products and services, expects to retain its position as the market leader in the coming years as well.

Financial highlights

Particulars	Year 2021	Year 2020	Year 2019	Year 2018	Year 2017
Gross revenues (M)	31,962.8	26,245.0	24,160.8	21,791.3	17,589.5
Profit before tax (PBT) (M)	(1,524.7)	(636.8)	(633.7)	558.5	790.8
Profit after tax (PAT) (M)	(1,172.9)	(814)	(625.1)	184.8	487.8
Contribution to exchequer (M)	7,638.0	6,400.0	5,256.0	4,733.4	3,730.0
Total assets (M)	94,516.8	61,355.7	48,389.6	42,896.1	27,885.8
Float balance (M)	58,633.5	47,728.5	32,653.0	27,689.6	21,986.3
EBITDA (M)*	(187.6)	322.0	116.5	910.1	1057.9
Diluted earnings per share (BDT)	(2,151.8)	(1,732)	(1,330)	393	1,153
Earnings per share (BDT)	(3,070.7)	(2,131)	(1,637)	484	1,277
Gross profit ratio*	23.8%	27.3%	21.9%	27.1%	26.5%
Return on equity	(12.7%)	(8.1%)	(5.8%)	6.0%	18.8%

*For 2021, both EBITDA and gross profit ratio has been calculated in compliance with IFRS 15 and 16. For comparability, previous years' EBITDA and gross profit ratio has also been re-calculated in compliance with IFRS.

Operational highlights

Particulars	Year 2021	Year 2020	Year 2019	Year 2018	Year 2017
Customers	57,586,610	50,485,829	38,136,999	30,949,622	28,796,2131
Active customers (90 Day)	32,817,527	27,554,130	22,261,567	18,694,365	4,415,001
Active ratio (90 day)	57.0%	54.6%	58.6%	60.4%	50.1%
Agents	269,936	271,981	230,944	207,462	178,322
Merchant count	275,298	198,578	163,306	80,156	43,978
Average daily transactions count	9,529,947	7,786,236	6,141,542	5,309,919	4,327,308
Volume of transactions (BDT in bn)	5,862.1	4,310.6	3,332.8	2,703.1	2,173.5

Directors' Report to the Shareholders of bKash Limited

Dear Shareholders

The Board of Directors of bKash Limited (bKash) is pleased to present before you the Directors' Report on the operational and financial activities of bKash together with the Auditors' Report and the Audited Financial Statements as of and for the year ended 31 December 2021 for your kind consideration, approval and adoption. This Directors' Report has been prepared in compliance with Section 184 of the Companies Act, 1994 and the requirements mandated by the regulatory bodies.

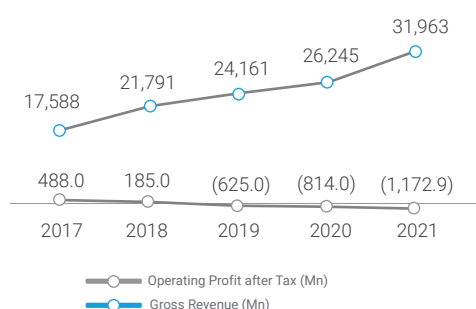
bKash Limited, the leading Mobile Financial Services (MFS) Provider in Bangladesh has continued to maintain its growth momentum with focus on financial inclusion and digitization of financial services for all in Bangladesh. The company started its journey in July 2011, as a joint venture between BRAC Bank Limited, Bangladesh and Money in Motion LLC, USA. Later on, The International Finance Corporation (IFC) of The World Bank Group and the Bill & Melinda Gates Foundation joined bKash's investments in April 2013 and April 2014 respectively. In April 2018, bKash also on boarded Ant Financial Services Group as a strategic shareholder and in December 2021, Softbank came on board as an equity partner.

Although 2021 was a challenging year due to the ongoing coronavirus pandemic, bKash has shown resilience and pivoted business growth in many aspects. The number of customers of the company increased by 14.1% to reach an impressive 57.6 million customer base despite growing competition. Gross revenue of the company had a growth of 21.8% year on year. 57% of the above customers were active (with at least 1 transaction in the last 90 days), and had transacted more than BDT 5,862.1 billion through electronic money. The company created employment opportunity for 1,433 directly hired employees in addition to employment opportunities created through 221 active distribution

houses, 269.9 thousand agents and numerous other agencies spread throughout the country. Contribution to Government Exchequer by the company in the form of direct and indirect taxes and levies also had a growth of 19.3% to reach a level of BDT 7,638 million in 2021. With the growth of the business, bKash continued to focus on social agenda like the Government's stipend program for students, disbursement of salary of RMG workers and allowances under social security net by the government at a significantly subsidized rate. In 2021, more than 10 million secondary students have received stipends in their respective bKash accounts without paying any fee/service charge to cash out the stipend amount.

To maintain the growth momentum, the company has continued to invest significantly in creating an ecosystem for diversified use of electronic money by introducing new services such as Nano Loan and Savings product, incorporating new merchant base such as Personal Retail Account (PRA), continuously developing tools (like adding new features in bKash customer & merchant App) with enhanced capability and security as well as in popularizing bKash services through various promotional activities and incentives. In 2021, bKash added new billers to its BillPay portfolio, namely Jalalabad, Karnaphuli, Sundarban, Paschimanchal Gas and added about 25 thousand merchants to its merchant base. At the end of 2021, 9.7 million customers and more than 212 thousand agents were actively using apps for their day-to-day transactions. Net loss after tax for the year 2021 was BDT 1,172.9 million, compared to net loss after tax of negative BDT 814.0 million in 2020. This rise in loss can be explained by the significant increase in investment in market development. These investments were in the form of agent and distributor commission, commercial expenses, and technology expenses (in the form of depreciation and system maintenance) to support early investment and growth stage of the company.

Gross Revenue & Profit After Tax (Mn)



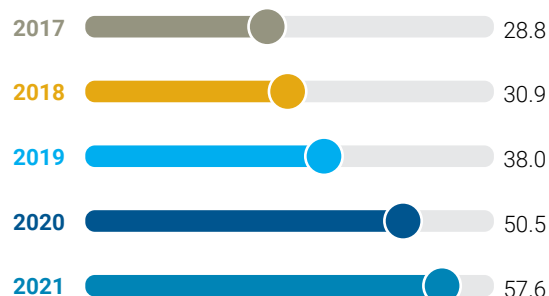
The financial statements have been prepared based on going concern concept and accrual basis of accounting in compliance with International Financial Reporting Standards, as adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act 1994 and other applicable laws of the land.

The Company's statutory auditor M/s. Rahman Rahman Huq, Chartered Accountants have completed their audit and are eligible to be reappointed as statutory auditors of the Company for the year 2022. The Board is pleased to recommend to shareholders to appoint M/s. Rahman Rahman Huq, Chartered Accountant as statutory auditor of the Company for the year 2022.

The Board would like to express appreciation to the entire bKash management. It would be remiss if we do not acknowledge the exceptional efforts of our staff, who worked in partnership to meet,

Number of Customers

in million



embrace and accomplish various challenges in order to achieve the goals of the company while simultaneously maintaining the highest standards of service to our clients.

The Board would like to thank the shareholders for their continued support to bKash. Taking this opportunity, the Board would also like to thank all regulators and government agencies for their continuous support.

Finally, We express our thanks and appreciation to all our loyal clients, whose confidence in bKash has made us the most preferred MFS provider and the top brand in the country.

For and on behalf of the Board of Directors,

Chairman

Independent Auditor's Report

To the Shareholders of bKash Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of bKash Limited ("the Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the followings:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is Ali Ashfaq.



Auditor



Ali Ashfaq, Partner, Enrolment Number: 509
 Rahman Rahman Huq, Chartered Accountants
 Firm Registration Number: [N/A]

Dhaka: 14 Mar 2022
 DVC : 2203150509AS307919

Statement of financial position


In Taka	Note	31 December 2021	31 December 2020
Assets			
Property, plant and equipment	5	2,578,896,713	2,285,406,207
Intangible assets	6	2,560,631,513	1,286,812,184
Deferred tax assets	7	877,822,622	482,538,139
Non-current assets		6,017,350,848	4,054,756,530
Operational and other receivables	8	2,101,987,475	1,242,919,916
Advances, deposits and prepayments	9	728,365,983	527,414,110
Contract assets	10	1,130,981,177	939,833,410
Current tax assets	11	651,478,571	331,727,767
Airtime balance	12	862,765,288	1,164,985,936
Trust cum settlement account and investments	13	58,633,542,114	47,728,470,067
Investment in fixed deposits	14	18,213,467,327	2,800,508,400
Cash and cash equivalents	15	6,176,857,884	2,565,167,230
Current assets		88,499,445,819	57,301,026,836
Total assets		94,516,796,667	61,355,783,366
Equity			
Ordinary shares	16	38,194,900	38,194,900
Share premium - ordinary shares		1,286,205,568	1,286,205,568
Ordinary share capital and premium		1,324,400,468	1,324,400,468
Preference shares	17	16,310,400	8,796,300
Share premium - preference shares		30,610,126,295	8,286,915,782
Preference share capital and premium		30,626,436,695	8,295,712,082
Capital Reserve		18,479,529	18,479,529
Share money deposit		-	505,162
Retained earnings		(1,542,286,625)	(369,428,518)
Total equity		30,427,030,067	9,269,668,723
Liabilities			
Operational and other payables	21	808,957,534	7,145,802
Lease liabilities	18	352,785,706	598,494,684
Non-current liabilities		1,161,743,240	605,640,486
Defined benefit plan - gratuity	19	72,241,033	299,192,243
e-money in circulation	20	58,533,439,086	47,008,492,699
Operational and other payables	21	1,389,842,139	1,422,549,750
Lease liabilities	18	125,257,891	160,048,444
Accrued expenses	22	2,807,243,211	2,590,191,021
Current liabilities		62,928,023,360	51,480,474,157
Total liabilities		64,089,766,600	52,086,114,643
Total equity and liabilities		94,516,796,667	61,355,783,366

The annexed notes 1 to 36 form an integral part of these financial statements.

 Chief Executive Officer	 Director	 Director	 Company Secretary
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As per our report of same date.


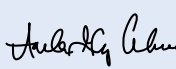


Dhaka: 14 Mar 2022
DVC : 2203150509AS307919


Auditor
 Ali Ashfaq, Partner, Enrolment Number: 509
 Rahman Rahman Huq, Chartered Accountants
 KPMG in Bangladesh
 Firm Registration Number: N/A
 DVC : 2203150509AS307919

Statement of profit or loss and other comprehensive income


In Taka	Note	For the year ended	
		31 December 2021	31 December 2020
Gross revenue		31,962,792,146	26,245,031,468
VAT		(4,017,564,204)	(3,174,178,895)
Revenue	23	27,945,227,942	23,070,852,573
Cost of services	24	(21,307,070,386)	(16,762,763,296)
Gross profit		6,638,157,556	6,308,089,277
Operating and administrative expenses	25	(5,859,421,589)	(4,822,167,997)
Commercial expenses	26	(2,372,957,814)	(2,634,670,274)
Operating loss		(1,594,221,847)	(1,148,748,994)
Net finance income	27	69,533,521	511,944,613
Loss before contribution to WPPF		(1,524,688,326)	(636,804,381)
Contribution to WPPF		-	-
Loss before tax		(1,524,688,326)	(636,804,381)
Income tax (expense)/income	28	290,487,583	(37,589,049)
Loss for the year		(1,234,200,743)	(674,393,430)
Other comprehensive income/(expense)			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan		87,632,337	(206,772,102)
Related tax		(26,289,701)	67,200,933
		61,342,636	(139,571,169)
Total comprehensive income		(1,172,858,107)	(813,964,599)

The annexed notes 1 to 36 form an integral part of these financial statements.

			
Chief Executive Officer	Director	Director	Company Secretary

As per our report of same date.

Dhaka: 14 Mar 2022



Auditor

Ali Ashfaq, Partner
Enrolment Number: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC : 2203150509AS307919

Statement of changes in equity

In Taka	Ordinary shares	Share premium - ordinary shares	Preference shares	Share premium - preference shares	Capital reserve	For the year ended 31 December 2020		
						Share money deposit	Retained earnings	Total equity
Balance at 1 January 2020	38,194,900	1,286,205,568	8,796,300	8,286,915,782	18,479,529	505,162	444,536,081	10,083,633,322
Total comprehensive income								
Loss for the year	-	-	-	-	-	-	(674,393,430)	(674,393,430)
Other comprehensive income/ (expense)	-	-	-	-	-	-	(139,571,169)	(139,571,169)
Total	-	-	-	-	-	-	(813,964,599)	(813,964,599)
Balance at 31 December 2020	38,194,900	1,286,205,568	8,796,300	8,286,915,782	18,479,529	505,162	(369,428,518)	9,269,668,723

In Taka	Ordinary shares	Share premium - ordinary shares	Preference shares	Share premium - preference shares	Capital reserve	For the year ended 31 December 2021		
						Share money deposit	Retained earnings	Total equity
Balance at 1 January 2021	38,194,900	1,286,205,568	8,796,300	8,286,915,782	18,479,529	505,162	(369,428,518)	9,269,668,723
Transaction with shareholders								
Issue of preference shares - net of issue cost	-	-	7,514,100	22,323,210,513	-	-	-	22,330,724,613
Adjustment during the year	-	-	-	-	-	(505,162)	-	(505,162)
Total comprehensive income								
Loss for the year	-	-	-	-	-	-	(1,234,200,743)	(1,234,200,743)
Other comprehensive income/ (expense)	-	-	-	-	-	-	61,342,636	61,342,636
Total	-	-	7,514,100	2,323,210,513	-	(505,162)	(1,172,858,107)	21,157,361,344
Balance at 31 December 2021	38,194,900	1,286,205,568	16,310,400	30,610,126,295	18,479,529	-	(1,542,286,625)	30,427,030,067

The annexed notes 1 to 36 form an integral part of these financial statements.

Statement of cash flows

In Taka	For the year ended	
	31 December 2021	31 December 2020
Cash flows from operating activities		
Cash receipt from customers and others	46,012,827,731	43,248,171,272
Cash paid to suppliers, employees and others	(32,217,939,338)	(27,153,281,291)
Cash generated from operating activities	13,794,888,393	16,094,889,981
Taxes paid to government exchequer	(4,431,179,487)	(3,545,326,026)
Net cash flows from operating activities	9,363,708,906	12,549,563,955
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,018,486,315)	(932,437,607)
Acquisition of intangible assets	(723,989,315)	(442,514,290)
Interest received from deposits	209,226,220	692,162,959
Encashment of/(investment in) fixed deposits	(15,412,958,927)	4,413,691,600
Net cash (used in) / generated from investing activities	(16,946,208,337)	3,730,902,662
Cash flows from financing activities		
Lease liabilities	(231,462,481)	(170,343,696)
Net proceeds from issuance of preference shares	22,330,724,613	-
Net cash (used in) / generated from financing activities	22,099,262,132	(170,343,696)
Net increase in cash and cash equivalents	14,516,762,701	16,110,122,921
Cash and cash equivalents including trust cum settlement account and investments as at 1 January	50,293,637,297	34,183,514,376
Cash and cash equivalents including trust cum settlement account and investments as at 31 December	64,810,399,998	50,293,637,297
Less: Trust cum settlement account and investments	58,633,542,114	47,728,470,067
Cash and cash equivalents as at 31 December	6,176,857,884	2,565,167,230

The annexed notes 1 to 36 form an integral part of these financial statements.

BRAC Saajan Exchange Limited

Overview

BRAC Saajan Exchange Limited (BSEL) has always driven to be one of the key remittance providers for NRBs in UK and Europe. The company provides remittance services and cross-border payment solutions for South Asian migrants living in UK and Europe. BSEL offers a wide range of payment services principally to Bangladesh and Pakistan but also to India, Sri Lanka and Nepal. Revenue is earned through a combination of transaction fees and foreign exchange margin.

The company also offers its services through a French subsidiary, based in Paris, however it should be noted that since the last quarter of 2020, following on from Brexit all non-UK business has remained suspended and is not expected to resume until suitable EU licencing arrangements are in place.

Taking into consideration EU uncertainty and the coronavirus pandemic, 2021 began in very difficult circumstances. However, any review of the year also has to take into consideration the fact that the business has been unable to trade since 26 May 2021.

On that day BSEL received a letter from HMRC cancelling its business registration with immediate effect on account of multiple alleged breaches of regulations. All transactions were immediately stopped and FCA informed accordingly.

BSEL strongly rejects the allegation of breaches and through a team of high-profile lawyers has an appeal hearing scheduled for April 2022. BSEL strongly believes that HMRC decision was un-just lacks substance and is mostly on the basis of incorrect assumptions. This view is supported by the lawyers.

BSEL does not agree with these alleged breaches based on the following facts:

1. The Company has a robust and modern governance structure in place to ensure compliance with the regulations. This consists of three lines of defence; i) Business/Operations, ii) Compliance, iii) Risk and Internal Control.

2. On top of this structure, the Company has a Risk and Audit Committee (RAC) mandated by the Board to provide assurance to the Board on the adequacy and effectiveness of the company's system of internal controls. The Committee comprises three independent advisors in addition to senior representation from the Company. The independent advisors are of high repute and experience in the AML/Compliance industry.
3. Additionally, BSEL engages external auditors to review the Anti-Money Laundering and Sanctions compliance programme and governance framework on an annual basis.
4. The above-mentioned three lines of defence structure, constitution of RAC and engagement of external auditors is not very common in the organisations of BSEL's size and capacity and is parallel to large financial institutions / banks.
5. None of these multiple compliance and control functions have identified anything to suggest the action taken by HMRC is even remotely reasonable.

Without any income since the date of cancellation, in the months following the operation was scaled down to essential activities only, for example for work involved in the appeal, dealing and liaising with FCA, reconciliation activities, liaising with partner banks, collection and recovery and other critical activities in order to remain operational.

Headcount has reduced significantly across the whole company, and all other cash expenditure curtailed. All of the remaining eight EU colleagues left the business over the course of the year. The Bangladesh operation reduced from 47 to 13 and UK headcount reduced from 26 to 11. The company has borne some exceptional costs, in particular legal fees amounting to c.£150k within the year and c.£45k on redundancy costs in UK and Italy. Legal are set to continue to ramp in the first quarter of 2022.

Prior to the cancellation, the business was on track to return to profitability following on from the difficulties of 2020. Total remittance to all receiving countries of £114.6m was achieved and this was set to

continue to grow. This included remittance from the relationships with MoneyGram and Visa Payments, all other cash based aggregator partners had been previously de-risked. However, the financial results obviously bear the consequences of the prevailing events. As such, for the full year turnover fell by 75% to c.£1.69m and although expenses were reduced by c.£2m compared to 2020 the resulting loss for the company is c.£1.6m (2020 loss: c.£0.27m).

The primary objective in the time since the cancellation has been to remain operational in order to be able to challenge the HMRC decision and any potential fines until such time the appeal hearing takes place. Together, with the support from the parent company, it is a remarkable testament that BSEL has remained operational during this period in order to prepare itself in the best way possible to achieve a positive outcome from the appeal.

Due to the fact the company has retained some key employees and maintained positive relationships with several key agencies, upon a successful appeal BSEL will be able to resume trading within a very short period of time.

The company has continued to work on enhancing its IT infrastructure during this period of closure and therefore would be well beyond best practice compliance at the moment business can resume.

No further investments would be required in order to resume operations.

BSEL believes that the future outlook for the business is still positive. Out of the c. 300 agents that were onboard at the time of closure, the business has identified c. 60-70 long established, high volume Bangladeshi agencies with whom we would re-start our relationship and from which we could reasonably expect up to an average of £15m remittance per month. Retail agencies have not been de-registered since the closure in the expectation that the business can and will resume.

The company has always had a strategic goal to spread its service to several more countries, to this end the EU is still a part of the longer-term where a significant opportunity still exists.

However, all plans aside, the immediate focus for the business is to prepare for the hearing. A clearer picture for the future of the company is completely dependent on a positive outcome. The company is confident that a positive outcome will be achieved and the Management is determined to have these alleged breaches dismissed, clear the name of BSEL and bring the company back to the market share it previously had and look to grow the business from there. BSEL remains as ambitious and optimistic as ever.

Directors' Report to the Shareholders of BRAC Saajan Exchange Limited

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of money remittance.

Branches

The company operates through overseas branches in Italy, Portugal and Spain.

Results and dividends

The results for the year are set out on statements of comprehensive income.

Ordinary dividends were paid amounting to £147,823. The directors do not recommend payment of a further dividend. This is to assist with maintaining Cash Flow and re-investing into the growing business of BRAC Saajan.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

- Mr Kazi Mahmood Sattar
- Mr Selim Reza Farhad Hussain
- Mr Abdus Salam

Auditor

The auditor, Reddy Siddiqui LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Sd/-

Chairman

Balance Sheet

As at 31 December 2021

Particulars	2021 GBP	2020 GBP
PROPERTY AND ASSETS		
Cash	1,171	3,096
Cash in hand (Including foreign currency)	1,171	3,096
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	-	-
Balance with other banks and financial institutions	1,736,786	8,208,238
Inside Bangladesh	1,044,472	1,775,391
Outside Bangladesh	692,315	6,432,847
Money at call on short notice	-	-
Investments	-	-
Government	-	-
Others	-	-
Loans and advances	-	-
Loans, cash credit, overdrafts etc.	-	-
Bills purchased & discounted	-	-
Fixed assets including premises, furniture and fixtures	495,268	733,184
Other assets	504,997	2,879,436
Non-banking assets	-	-
Total property and assets	2,738,223	11,823,954
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions & agents	2,541,667	6,229,404
Borrowings from central bank & government agencies	-	-
Money at call on short notice	-	-
Deposits and other accounts	-	-
Current accounts & other accounts	-	-
Bills payable	-	-
Savings deposits	-	-
Term deposits	-	-
Other deposits	-	-
Other liabilities	69,908	3,790,800
Total Liabilities	2,611,575	10,020,204
Capital and shareholders' equity		
Paid up capital	333,333	333,333
Share premium	249,999	249,999
Statutory reserve	-	-
Revaluation reserve on govt. securities	-	-
Surplus in profit and loss account/Retained earnings	(456,685)	1,220,418
Total shareholders' equity	126,647	1,803,750
Total liabilities and shareholders' equity	2,738,223	11,823,954

Profit and Loss Account

For the year ended 31 December 2021

Particulars	2021 GBP	2020 GBP
Interest income	4,006	5,345
Interest paid on deposits and borrowing etc.	180,839	152,842
Net interest income	(176,832)	(147,498)
Investment income	-	-
Commission, exchange and brokerage	1,691,446	6,992,773
Other operating income	153,987	245,228
Total operating income (a)	1,668,601	7,090,503
Salaries and allowances	704,962	1,152,010
Rent, taxes, insurance, electricity etc.	217,096	395,911
Legal expenses	226,564	295,646
Postage, stamps, telecommunication etc.	57,547	96,999
Stationery, printing, advertisement etc.	3,217	31,819
Chief Executive's salary and fees	106,190	141,190
Directors' fees	-	-
Auditors' fees	32,366	40,739
Depreciation and repair of the bank's assets	126,633	116,682
Other expenses	1,799,665	5,095,321
Total operating expenses (b)	3,274,242	7,366,317
Profit before provisions (c = a-b)	(1,605,640)	(275,813)
Provision for loans/Investments:		
Loans and advances	-	-
Diminution in value of investments	-	-
Off balance sheet items	-	-
Other provisions	13,639	54,041
Total provisions (d)	13,639	54,041
Total Profit/(loss) before taxes (e= c-d)	(1,619,279)	(329,854)
Provision for taxation:		
Current tax expense	-	(28,138)
Deferred tax income	-	-
Total provision for taxation (f)	-	(28,138)
Net profit after taxation (e-f)	(1,619,279)	(301,716)
Basic earnings per share	(4.86)	(0.91)

BRAC Saajan Exchange Limited

Statement of Changes in Equity

For the year ended 31 December 2021

Amount in GBP

Particulars	Paid up capital	Share premium	Retained earnings	Total
Balance as at 01 January 2021	333,333	249,999	1,220,418	1,803,750
Prior period adjustment	-	-	(57,823)	(57,823)
Net profit for the year	-	-	(1,619,279)	(1,619,279)
Statutory reserve	-	-	-	-
Balance as at 31 December 2021	333,333	249,999	(456,685)	126,647

Balance as at 01 January 2020	333,333	249,999	1,669,957	2,253,289
Net profit for the year	-	-	(301,716)	(301,716)
Dividends for the year 2019:				
Stock dividend	-	-	-	-
Cash dividend	-	-	(147,823)	(147,823)
Balance as at 31 December 2020	333,333	249,999	1,220,418	1,803,750

Cash Flow Statement

For the year ended 31 December 2021

Particulars	2021 GBP	2020 GBP
A. Cash flows from operating activities		
Interest receipts in cash	4,006	5,345
Interest payment	-	-
Dividend receipts	-	-
Fees and commission receipts in cash	1,691,446	6,992,773
Cash payments to employees	(811,152)	(1,293,200)
Cash payments to suppliers	(723,541)	(2,645,334)
Income tax paid	-	28,138
Receipts from other operating activities	153,987	245,228
Payment for other operating activities	(2,441,388)	(3,634,666)
Operating cash flow before changes in operating assets and liabilities (i)	(2,126,641)	(301,716)
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	-	-
Other assets	2,740,352	3,428,744
Deposits from other banks/borrowings	-	-
Deposits from customers	-	-
Trading liabilities	(3,720,892)	(1,203,660)
Other liabilities	-	-
Cash utilised in operating assets and liabilities (ii)	(980,540)	2,225,084
Net cash flows from operating activities (i+ii) (a)	(3,107,181)	1,923,368
B. Cash flows from investing activities		
Treasury bills	-	-
Treasury bonds	-	-
Sale/ (Investment) in shares	-	-
Sale/ (Investment) in bonds	-	-
Acquisition of fixed assets	321,542	83,626
Disposal of fixed assets	-	-
Net cash used in investing activities (b)	321,542	83,626
C. Cash flows from financing activities		
Dividend paid	-	(147,823)
Borrowings from other banks	(3,687,737)	2,461,845
Net cash flows from financing activities (c)	(3,687,737)	2,314,022
Net increase/decrease in cash (a+b+c)	(6,473,377)	4,321,016
Cash and cash equivalents at the beginning of year	8,211,334	3,890,318
Cash and cash equivalents at the end of the year	1,737,957	8,211,334
Cash and cash equivalents at the end of the year:		
Cash in hand (including foreign currency)	1,171	3,096
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	-	-
Balance with other banks and financial institutions	1,736,786	8,208,238
Money at call on short notice	-	-
	1,737,957	8,211,334

Glimpse of the 22nd Annual General Meeting

BRAC Bank held its 22nd Annual General Meeting (AGM) on a virtual platform on Thursday, May 27, 2021.

The AGM was chaired by Dr Ahsan H Mansur, Chairman of the Board of BRAC Bank. Other members of the Board - Nihad Kabir, Kazi Mahmood Sattar, Asif Saleh, Fahima Choudhury, Farzana Ahmed, Dr Zahid Hussain, Meheriar M Hasan and Shameran Abed were also present at the AGM.

BRAC Bank's Managing Director and CEO Selim R. F. Hussain, also participated in the meeting, while Acting Company Secretary M Mahbubur Rahman, FCS, moderated the session.



Branch List

Serial No.	Branch Name	Branch Address
1	AGRABAD BRANCH	C&F Tower (1 st Floor), 1712, Sk. Mujib Road, Agrabad, Chittaging.
2	ARAIHAZAR SME/KRISHI BRANCH	Shahjalal Market (1 st Floor), College Road, Araihaazar Bazar, Araihaazar,Narayangonj.
3	ASAD GATE BRANCH	House No: 01, Plot No: 01, Asad Gate, Mirpur Road, Dhaka-1207. Bangladesh
4	ASHKONA BRANCH	Ashkona Community Center & Decorator, 567/1, Ashkona, Dakhin Khan, Dhaka-1230.
5	ASHULIA BRANCH	"Abbas Shopping Complex" (1 st Floor), Jamgara, Ashulia, Savar, Dhaka-1341
6	ATI BAZAR BRANCH	Hazi Nuruddin Plaza House#13, ATI Bazar, Keranigonj, Dhaka -1312
7	BADDA SMESC	The Pearl Trade Center (PTC),Holding No: Cha- 90/3,Progoti Shoroni Road, Ward No-21,Thana-Badda,Dhaka
8	BAGERHAT SME/KRISHI BRANCH	Shaikh Mansion, Holding# 226, Main road, Ward# 05, Rahater Mor, 1 st floor, Pourashava & Thana# Bagerhat, Dist. Bagerhat
9	BAHADDERHAT SMESC	Mamtaz Tower, 4540 Arakan Road, Bahaddarhat, Chittagong.
10	BANANI - 11 BRANCH	South Breeze Center,Plot # 5, Building-G (1 st & 2 nd Floor), Road-11, Banani,Dhaka-1213
11	BANANI BRANCH	Borak Mehnoor, Holding # 51/B, Kamal Ataturk Avenue, Banani C/A, Ward: 19; Dhaka-1213, Bangladesh
12	BANDARTILA SMESC	Osman Plaza, 1 st Floor, 800/new, MA Aziz Road, Airport road, Bondortila, Chittagong.
13	BANIACHONG BRANCH	Hazi Harun Mansion, Holding No # 5, BoroBazar, Baniachong, Habigonj.
14	BARISALBRANCH	S. Rahman Market, 1 st Floor, 79 Sadar Road, Barisal-8200.
15	BARO BAZAR BRANCH	"A" Hossain Plaza 4, Sir Iqbal Road, Khulna-9100, Bangladesh
16	BARURA BRANCH	Angkur Bhuiyan Complex (Ground Floor),College Road, Barura, Comilla-3560.
17	BASHABO BRANCH	Doric Hakim Tower. Holding No 213, Road No19, Atish Dipankar Road, Ward No 4, Middle Bashabo, Sabujbag, Dhaka-1214.
18	BASHUNDHARA BRANCH	Holding: 193, Block-B, Safwan Road, Bashundhara R/A, Dhaka-1229.
19	BEANIBAZAR BRANCH	Hazi Abdus Sattar Shopping Complex(1 st Floor),Holding No # 641, Ward No # 06,BeaniBazar, Sylhet.
20	BEGUM ROKEYA SHARONI BEANCH	Holding-129, Word No-14, Senpara Parbata, Mirpur Dhaka-1216.
21	BELKUCHI BRANCH	1014, Bhuiyan Plaza, Mukunda Gati Bazar Road, Belkuchi, Sirajganj
22	BENAPOLE SME/KRISHI BRANCH	Anu Bhaban, Holding# 492, Benapole, Jessore.
23	BHADERGANJ BRANCH	Maa Plaza, Holding : 137/1, Asian Highway Road Teringer More, Ps: Bhedorgonj. Dist: Shariatpur.

Serial No.	Branch Name	Branch Address
24	BHAIRAB BRANCH	Jahanara Mansion (1 st Floor), Bangabandhu Sarani, Bhairab Bazar, Bhairab, Kishoreganj
25	BHANGA SME/KRISHI BRANCH	Bhuiyan Market (1 st floor), Holding No. - 414, Thana Road, Bhanga Bazar, Pourashava & P.S. - Bhanga, Dist. - Faridpur.
26	Bheramara BRANCH	Bheramara Marjina Complex 1 st Floor. High Road, Bheramara Kushtia
27	BHOLA BRANCH	Mahabuba Market, House No:1331-1338, Sadar Road, Bhola-8300
28	BHULTA SME/KRISHI BRANCH	Haji Shopping Complex, Ward#04, Rupgonj, Narayanganj.
29	BIJOYNAGAR SMESC	TEPA Complex, Holding- Hal-169, Shahid Swaed Nazrul Islam Sharani, Ward-36, Thana- Palton, Dist.- Dhaka.
30	BISWANATH BRANCH	Biswanath branch, Didar Shopping City (1 st Floor), Rampasha Road, Biswanath, Sylhet
31	BOARD BAZAR BRANCH	Hazi Ahammad Ali Eco Complex,Dag No 753-754,Dhaka Mymensingh Highway Road, Ward # 35,Board Bazar, Gazipur-1704
32	BOGRA BRANCH	Sheikh Mansion, 368/405 Rangpur Road, Borogola, Bogra-5800
33	BONDOR SMESC	Noor Mansion, 1458 Main Road, Laldigirpar, Ward#14, Sylhet.
34	BONOSREE BRANCH	Plot# 12, Block# C, Ground Floor, Bonosree Main Road, Bonosree, Rampura, Dhaka-1219
35	BRAHMANBARIA SME/KRISHI BRANCH	Foyaz Plaza,1116, Masjid Road, Brahmanbaria Sadar, Brahmanbaria.
36	CDA AVENUE BRANCH	Hosna Kalam Complex, Plot-3439, CDA Avenue, East Nasirabad, Chittagong, Bangladesh.
37	CHANDINA BRANCH	Jainal Abedin Shopping Mall,Moddho Bazar Thana Road,Word No: 05.,Chandina- 3510, Comilla.
38	CHANDPUR SME/KRISHI BRANCH	Shadana Plaza(1 st floor), 514/459, Shahid Muktijoddha Sarak, Chandpur Sadar, Chandpur.
39	CHAPAINAWABGONJ SME/KRISHI BRANCH	Holding No#15, Ward No#2, Islampur, Boro Indira Mor, Chapainawabganj.
40	CHARMATHA BRANCH	Sharif Market, House -3244 Dhaka- Rangpur Road, Charmatha, Bogra Sadar-5800.
41	CHAWKBAZAR BRANCH	Al-Madina Tower, (1 st Floor), College Road, Oli Kha Moszid More, Chittagong.
42	CHOKORIA SME/KRISHI BRANCH	"Jahir Market" Holding# 1136, Arakan Road, Chokoria, Cox's Bazar.
43	CHOWMUHUNI BRANCH	Rupali Bhaban,Holding No # 807,Feni Road,Chowmuhani,Begumgonj,Noakhali,Bangladesh
44	CHUADANGA SME/KRISHI BRANCH	Holding No. - 4276 (1 st floor), Court Road, Pourashava & P.S. - Chuadanga, Dist. - Chuadanga.
45	COMILLA BRANCH	Holding# 682/615, Jhawtola, comilla-3500
46	COMILLA SME/KRISHI BRANCH	Desh Jaannat Tower 2 nd & 3 rd Floor),66, Chawkbazar (Dhaka – Chattogram Trunk Road), Cumilla-3500
47	COMPANYGONJ BRANCH	Mim Plaza,Zero Point,Holding No-006-00, Bashurhat, Companyganj, Noakhali.
48	COX'S BAZAR BRANCH	An-Nahar Complex (1 st Floor), 1462 Burmise Market, Main Road, Sadar, Cox's Bazar.

Serial No.	Branch Name	Branch Address
49	DAKHIN KHAN BRANCH	Mozaffar Tower, Holding # 103, Ward # 03, Bir Mukti Joddha S.M. Mozzamel Haq Sarak, Dakhin Khan, Dhaka
50	DAULATPUR BRANCH	SS Center Shopping Mall. Holding: 1/1, WARD#6 Jessore khulna highway Road, Daulatpur, Khulna.
51	DEMRA SME/KRISHI BRANCH	Megna Plaza, Holding# 11, Ward#02, Konapara Bazar, Jatrabari, Dhaka.
52	Dhanmondi Branch	Bay Park Height, Holding Number-2 (New), Ward No-15, Mirpur Road, Dhanmondi, Dhaka
53	DHOLAIKHAL SMESC	Nahar Complex, Holding# 10/1, Ananda Mohon Basak Lan, Nayabazar, Ward# 71, Thana- Kotwali, Dist.- Dhaka.
54	DINAJPUR SME/KRISHI BRANCH	Nur Tower, Holding No-812/772, Munshipara Road, (Lilir Mor), Ward- 03, Dinajpur Pouroshova, Thana- Kotowali, District- Dinajpur
55	DOHAR BRANCH	67, Asraf Ali Chowdhury Plaza (1 st Floor), Joypara, Dohar, Dhaka-1330.
56	DONIA BRANCH	Dhaka Shopping Tower, Holding # 852, Zia Sarani Road, Donia, Kadamtoli, Ward #03, Dhaka-1236
57	ELEPHANT ROAD BRANCH	Ferdousi Plaza Bhaban, Holding#334, Dr.Kudrot-e- Khuda Road, Dhaka
58	MOHAKHALI SMESC	YOUSUF NAVANA INFINITY BUILDING, HOLDING NO-16, BIR UTTAM A. K. KHONDAKER ROAD, WARD NO-20, THANA- GULSHAN, DHAKA NORTH CITY CORPORATION
59	FARIDPUR SME/KRISHI BRANCH	Swarnamoyee Plaza (1 st floor) Holding No - 115 & 115/1, Mujib Sarak, Pourashava - Faridpur, P.S - Kotwali, Dist. - Faridpur.
60	FENI SME/KRISHI BRANCH	Kazi Center (2 nd Floor) 105/106, S. S. K Road, Feni - 3900.
61	GANAKBARI BRANCH	Neyath Solim Plaza, Bolivadra Bazar, Ganakbari, Ashulia, Savar, Dhaka-1349
62	GANDARIA BRANCH	City Group Building (Ground & 1 st Floor), Holding#119/E, Ward# 45(New), 81(Old), Distilari Road, Gandaria, Dhaka-1204.
63	GAZIPUR SME/KRISHI BRANCH	Manik Bhaban, 95, Block# G, Rajbari Road, Joydevpur, Ward# 04, Gazipur.
64	GHATAIL SME/KRISHI BRANCH	Kajim Uddin Super Market, Holding# 752, Ward# 07, Thana# Gatail, Tangail.
65	GHORASHAL BRANCH	Holding-300/1(G/F), Dakkshin Charpara, Station Road, Ghorashal, Palash, Narshingdi -1613.
66	GOALABAZAR BRANCH	Anwar Mansion, 93 North Goalabazar, Osmani Nagar, Sylhet - 3124
67	GOBINDAGONJ SME/KRISHI BRANCH	Jawad Plaza (1 st floor), Holding No. - 609, Thana Moar, Charmatha, Gobindaganj, Gaibandha.
68	GOPALGANJ SME/KRISHI BRANCH	Holding: 01, Ward: 02, Jahanara Plaza (1 st Floor), Madrasha Road, Pourashava: Gopalganj, Dist. Gopalganj
69	GOURIPUR SME/KRISHI BRANCH	Madona Twin Tower, Gouripur Homna Road, Daudkandi, Ward# 01, Gouripur.
70	GRAPHICS BUILDING BRANCH	9/G, Motijheel C/A, Dhaka-1000.
71	GULISTAN SMESC	Holding# 180, Siddique Bazar, Ward- 69, 5 no. Shahid Syed Nazrul Islam Sharani (North South Road), Thana- Kotwali, Dhaka- 1000
72	GULSHAN BRANCH	House-50 (1 st Floor), Road-03, Plot-02, Block- SW(H)-7, Gulshan Avenue, Gulshan-1, Dhaka-1212

Serial No.	Branch Name	Branch Address
73	HAJARIBAG SMESC	House-55, Nowabgonj Road (1 st Floor),Hazaribag, Lalbag, Dhaka-1211
74	HAJIGONJ BRANCH	Mokimabad, West Bazar,Hajigonj, Chandpur.
75	HALISHAHAR BRANCH	House#1, Road#1, Lane#1, Block#L, Haliashahar H/E, Haliashahar,Chittagong
76	HATHAZARI SME/KRISHI BRANCH	S.M Shopping Center & Noor Nahar Plaza,(1 st Floor) Near to Hathazari Madrasha. Mouza- Fatika, Union- Dewan Nagar, Thana- Hathazari, Dist.- Chittagong.
77	HEMAYATPUR BRANCH	Hazi Ashraf Shopping Complex, (Ground Floor),Holding # 251, Jadur Char, Hemayetpur Bus Stand,Hemayetpur, Savar, Dhaka-1340.
78	HOBIGONJ BRANCH	Puran Muncefi Road, Habigonj-3300.
79	IMAMGONJ Branch	1, Nandakumar Datta Road,Chawk Corner (1 st Floor), Chawk Bazar, Dhaka 1100.
80	ISHARDI BRANCH	BRAC Bank Limited, Ishwardi Branch,993, Boro Masjid, Station Road, Ishwardi, Pabna.
81	ISLAMPUR BRANCH	Bishal Hafej Sharif Market,10 Waizghat Road,(Beside Moon Complex),Islampur,Dhaka-
82	JAMALPUR BRANCH	Beauty Plaza(1 st Floor),Medical Road, Jamalpur.2000
83	JATRABARI SMESC	39, Shahid Faruk Road (opposite of Leguna Stand) Jatrabari, Dhaka
84	JESSORE BRANCH	Rawnak Chamber, M. K. Road, Jessore-7400.
85	JHALKATHI SME/KRISHI BRANCH	Holding# 67,68, Monohori Potti Road, Jhalokathi Pourashava, Jhalokathi.
86	JHENAIDAH SME/KRISHI BRANCH	House No - 23 (1 st floor), Agnibina Sarak, Jhenaidah.
87	Jiban Nagar BRANCH	Hasina Plaza(1 st floor) House No. 578, Hospital Road,Jibon Nagar, Chuadanga
88	JOYDEBPUR BRANCH	Rahamat Tower, Holding # 1034, Tangail Road, Joydebpur Chowrasta, Gazipur, Bangladesh
89	JOYPURHAT SME/KRISHI BRANCH	Shahjahan Mansion (1 st floor), Holding No. - 0554-00, Sadar Road, Joypurhat.
90	JUBILEE ROAD BRANCH	Hazi M Rahman Mansion. 184/A Enayet Bazar, Jubilee Road, Chittagong. Bangladesh.
91	KADAMTOLI SMESC	Dewan Chand Mahal (1 st & 2 nd Floor), 1277, D.T Road, Dhanialapara, Kadamtoli, Chittagong
92	KAPASIA BRANCH	Prihan tower, safaisri, Kapasia, Gazipur-1730
93	KARWANBAZAR SMESC	Ali Bhaban, Holding# 92, Kazi Nazrul Islam Avenue, Ward# 39, Thana# Tejgaon Dist.# Dhaka.
94	kasba Branch	Simanto complex-2, (1 st Floor) House No # – 561, Word No-5,Kasba, B.Barua
95	KAZIR DEWRI BRANCH	Kazir Dewri Branch, BLC,18 S.S. Khaled Road Kazir Dewri, Chittagong. Bangladesh
96	KERANIGANJ BRANCH	Century Shopping Complex (1 st Floor), Ward: 04, East Aganagar, Keraniganj, Dhaka-1310
97	KHATUNGANJ SMESC	M. K. Heights, Holding No#418, Khatunganj, Ward No#35, Kotwali, Chittagong.

Serial No.	Branch Name	Branch Address
98	KHILGAON SMESC	Plot # 926/C, Khilgaon Rehabilitation Area, Ward# 1, (South) Thana-Khilgaon, Dist.# Dhaka-1219
99	KHULNA BRANCH	The Daily Probaho Bhaban, 3, KDA Avenue, Khulna
100	KISHOREGONJ SME/KRISHI BRANCH	Azhar Bhaban, Holding# 613, Ward# 06, Borobazar, Thana & Dist.-Kishoregonj.
101	KONABARI SME/KRISHI BRANCH	"Surma Food and Industry; Plot -143,144 # Dhaka-Tangail High Way Road; Konabari, Gazipur."
102	KUSHTIA SME/KRISHI BRANCH	Tofazzel Heath Centre Bhabon (1 st Floor), Holding 42/1, N.S. Road, Ward No-3, Kushtia Pouroshova, Thana-Kushtia, Dist.-Kushtia
103	LAKSHAM BRANCH	Laksham (Pilot) Model School Market, 1449, Laksham-Chauddagram Road,Laksham, Comilla-3570.
104	LAXMIPUR SME/KRISHI BRANCH	F. K. Mansion (1 st floor), Holding No. - 1128, Mouja - Banchanagar, Godown Road, Pourashava - Lakshimpur, P.S. - Sadar, Dist. - Lakshimpur.
105	LOHAGARA SME/KRISHI BRANCH	Best Chowdhury Plaza, Busstation (Amirabad), Lohagara, Chittagong.
106	MADAMBIBIRHAT BRANCH	T K Bhaban(1 st Floor), Madambibirhat, Bhatiary, Sitakunda, Chittagong
107	MADARIPUR SME/KRISHI BRANCH	Kazi Abdur Rashid & Kazi Abdul Majid Plaza, Kazir Moar, Purana Bazar, Main Road, Madaripur.
108	MADHABDI BRANCH	236, Girls School Road, (1 st Floor) Madhabdi, Narsingdi
109	MAGURA SME/KRISHI BRANCH	Alam Complex, Holding# 164, M.R Road, Ward# 09, Magura.
110	MAIJDI SME/KRISHI BRANCH	Mofiz Plaza (1 st floor), Holding No. - 630-631, Mouja - Fakirpur, Main Road, Sadar, Pourashava - Noakhali, P.S. - Sudharam, Dist. - Noakahali.
111	MANIKGONJ BRANCH	Jinnat Plaza, Holding No. 80/1, Ward No. 06. ,Shahid Rafique Sarak, PS: Manikganj Sadar, RS Office: Manikganj, Post Code: 1800
112	MAWNA BRANCH	Takbir Super Market, Mulaid, Mawna,Sreepur,Gazipur
113	MIRPUR BRANCH	House No - 13, Road - 03, Block - A, Section - 11,Mirpur, Dhaka 1216
114	MIRPUR SECTION -1 BRANCH	B.N.S.B Bhaban, Plot# 1,2,3, Block# A, Section# 1, Ward# 12, Thana# Mirpur, Dist.# Dhaka.
115	MIRZAPUR BRANCH	Ashkobor Biponi Bitan, Holding No-01,Mirzapur Old Bus Stand, Ward No-3,Pouroshoba - Mirzapur, Thana-Mirzapur, District- Tangail
116	MITFORD BRANCH	Abdul Kadir Mansion,Holding # 139,Biren Bose Street Mitford road, Dhaka
117	MOGHBAZAR BRANCH	Nur Bhandari Domino Benvento, 217& 217/A, Outer Circular Road, (1 st & 2 nd floor) Boro Moghbazar, Dhaka 1217
118	MOHADEBPUR BRANCH	Dag No -Rs - 515,516, Khatian No - Rs 574, Mouja Mohadebpur, Union - Mohadebpur, Thana Mohadebpur, Dist - Naogaon
119	MOHAMMADPUR SMESC	H I Khan Trade Center,(2 nd Floor); Holding # Z-23 & Z-24, Tajmahal Road, Mohammadpur, Dhaka -1207
120	MOMIN ROAD BRANCH	Momin Road Branch,2no Momin Road Jamal Khan, Chittagong
121	MONOHORDI BRANCH	30 Sadar Hospital Road, Monohordi Pourashava, Monohordi, Narsingdi
122	MOTIJHEEL BRANCH	Khan Mansion, 107 MotijheelC/A. Dhaka-1000.

Serial No.	Branch Name	Branch Address
123	MOULVIBAZAR BRANCH	Julia Shopping City (1 st Floor), 111, Shantibag, Central Road, Moulvibazar.
124	MUKTAGACHA SME/KRISHI BRANCH	Holding-62, Muktagacha - Mymensing Road, Ward no# 04, Muktagacha, Mymensingh.
125	MUNSHIGONJ BRANCH	545, Jamidar Para, Ayub Ali Super Market, 1 st Floor, Munshiganj Sadar, Munshiganj.
126	MURADPUR BRANCH	Ramna Trade Center (1 st Floor) 36/7,CDA Avenue, Muradpur, Chittagong.
127	MYMENSINGH BRANCH	4/B, Shymacharan Roy Road, Notun Bazar, Mymensingh-2200
128	NAOGAON SME/KRISHI BRANCH	Ayen Molla Tower (2 nd Floor), H# 3352, Sador Road, Old Bus Stand, Naogaon
129	NARAYANGANJ BRANCH	147, B.B Road, Narayanganj.
130	NARSHINGDI BRANCH	LB Plaza, Holding No: 01/2, Moslah Uddin Bhuiyan Road Sadar, Narsingdi
131	NATORE BRANCH	Holding # 402, Mokbul Plaza, Kanaikhali, Dhaka Road, Natore-6400
132	NATUN BAZAR BRANCH	1020, Miah Bhai Plaza (1 st Floor), Natun Bazar, Vatara, Gulshan, Dhaka-1212
133	NAWABGANJ BRANCH	Isamati Plaza, Plot-415, Bagmara, Nawabgonj, Dhaka
134	NAWABPUR BRANCH	172, Nawabpur Road (1 st Floor), Dhaka-1000.
135	NETROKONA SME/KRISHI BRANCH	Hillol Market (1 st Floor), Holding# 422, Teribazar, Ward# 06, Powroshova & Thana : Netrakona Sadar, District: Netrakona
136	KARWANBAZAR BRANCH	Borak Johir Tower, Holding: 01,Kazi Nazrul Islam Avenue, Ward-26,Thana: Tejgaon, Dhaka
137	NILPHAMARY BRANCH	Toyee Uddin Plaza, Ground Floor, Holding#535,Hazi Mohshin Road, Nilphamari Sador,Nilphamari-5300.
138	NITAIGONJ SME/KRISHI BRANCH	19 R.K Das Road (1 st Floor), Netaigonj, Narayanganj-1400
139	NOAPARA BRANCH	165,Rahim Tower Station Bazar, Jessore-Khulna Road, Noapara, Abhoynagar, Jessore.
140	NOBIGONJ BRANCH	Khalique Manjil, 1 st Floor,Shantipara,Hospital Road,Nabigonj, Habigonj - 3370
141	NORTH GULSHAN BRANCH	Navana Pristine Pavilion,Plot#128,(2 nd Floor),Block#CEN (H),Ward#19,Gulshan Avenue, Gulshan-2, Dhaka-1212
142	PABNA SME/KRISHI BRANCH	JB Complex, 1310, 1311 Thana Road, Pabna Sador, Pabna.
143	PAHARTALI SMESC	Nazir Saleh Complex,Plot#512/659,Dhaka Trunk Road, D.T Road,Ward#13, Chattagram City Corporation, Pahartali, Chattagram.
144	PANCHAGAR SME/KRISHI BRANCH	1 st Floor, Alochaya Super Market, H# 644, Natun Basti, Alochaya Cinema Road, Panchagarh.
145	PANTHAPATH SMESC	Akankha Tower,57/E, East Rajabazar, Thana# Sher-E-Bangla Nagar, Panthapath, Ward# 27, Dhaka-1215
146	PATUAKHALI BRANCH	Talukder Bhaban 140, Sadar road Natun Bazar, Patuakhali-8600
147	PIROJPUR SME/KRISHI BRANCH	"Chandni Super Market", Holding# 279, Kapuria Patty Road, Ward no# 05, Pirojpur Sadar, Pirojpur.

Serial No.	Branch Name	Branch Address
148	PORADAH BRANCH	Khan Supper Market, Ground Floor, South Katdah, Poradah Bazar, Mirpur, Kushtia
149	POTIYA BRANCH	1358/Kha, Patiya Model High School Market, Patiya, Chittagong
150	RAIPUR BRANCH	384,Hazi Ali Akbar Shopping Complex,Main Road,Raipur Paurashava,Laxmipur.
151	RAJBARI SME/KRISHI BRANCH	Nazar Mawla Plaza (1 st Floor), Holding No. - 0072-09, Main Road, Pourashava - Rajbari, PS. - Sadar, Dist - Rajbari.
152	RAJSHAHI BRANCH	177, Kumarpara, ghoramara, Boalia, Rajshahi.
153	RAMPURA BRANCH	Khan Tower, 359, D. I. T Road, East Rampura,Dhaka-1219
154	RANGPUR BRANCH	City Plaza,(1st Floor),Plot# 4325 & 4328,Station Road,Rangpur.
155	Sadarghat SMESC	Rahmatullah Mansion" 8 storied comercial Building, Holding No # 5/1/1, Simpson Road,(2 nd floor) Sadarghat, Dhaka – 1100
156	SATKHIRA BRANCH	Nahar Plaza, Holding No-656, Abul Kashem Road,Ward-8, Pouroshova-Satkhira, District- Satkhira
157	SATMASJID ROAD BRANCH	Gawsia Twin Peak (2 nd floor);Holding # 42 & 43, Ward # 15, Satmasjid Road, Dhanmondi. Dhaka.
158	SAVAR BRANCH	Modern Plaza Ltd (1 st Floor), D-136, Thana Bus Stand, Talbag, Savar, Dhaka-1340
159	SHAJADPUR SME/KRISHI BRANCH	Aziz Mansion (1 st Floor), Holding No.-136,137,137/1, Monirampur Bazar, Shahjadpur, Sirajganj.
160	SHAKHIPUR BRANCH	Korban Ali Plaza, Holding No -N,109,110, Kochoua Road, Ward No - 3, Shakhipur Pourashava, Thana - Shakhipur, Dist - Tangail
161	SHANTINAGOR SMESC	Shaan Tower, 24/1 Chamilibagh, Shantinagar, Dhaka - 1217
162	SHAYMOLI BRANCH	Shaymoli Cinema complex,24/1 & 24/2, Bir Uttom A. N.M Nuruzzaman Road (2 nd Floor) Shaymoli,Dhaka
163	SHAYMPUR SME/KRISHI BRANCH	35/1 Karimullah Bagh, Shyampur, Dhaka 1204
164	SHERPUR SME/KRISHI BRANCH	Bhuiyan Plaza (1 st floor), 175, Munshi Bazar Road, Pourshava & P.S. - Sherpur, Dist. - Sherpur.
165	SHERPUR BRANCH	Mahmud Tower,Holding No: 1761-5,1761-6, Dhaka Bogura Highway,Ward -05,Pouroshova- Sherpur,Thana –Sherpur,Bogura.
166	SHIBCHAR BRANCH	Ilias Ahmed Chowdhury Poura Super Market, ShibChar Bazar Road, Ward # 03, Shibchar, Madaripur
167	SIDDIRGANJ BRANCH	Alhera Tower 1 st Floor, House No: 227 Road#8, Hirajheel Main Road, SIDDIRGANJ, Narayanganj.
168	SIRAJGONJ SME/KRISHI BRANCH	M.H Khan Plaza (1 st Floor), Holding No. 521-522, S.S Road, Sirajgonj.
169	SITAKUNDO BRANCH	Ali Market (1 st Floor), Holding # 511, D.T. Road, Sitakunda, Chittagong
170	SK MUJIB ROAD BRANCH	Johra Tower, Holdig#2525/2526/4230, 1 st Floor SK MUJIB ROAD, Double Mouring Agrabad, Chittagong
171	SONAGAZI BRANCH	Sheikh Abul Market (1 st Floor), Main Road, Sonagazi, Feni.
172	SONARGAON BRANCH	Sonargaon Shopping Complex (1 st Floor), Mograpara, Chowrasta, Sonargaon, Narayanganj

Serial No.	Branch Name	Branch Address
173	SOUTH SURMA SME/KRISHI BRANCH	1 st Floor, Jaigirdar Plaza, Proposed Holding # 2999, Varthakhola, Station Road, Sylhet.
174	SREENAGOR BRANCH	M. Rahman Complex(First Floor),Bhagyakul Road, Sreenagar Bazar, Sreenagar, Munshiganj.
175	SUNAMGONJ BRANCH	Ahasan Mansion, Holding no: 885,Alfat Square(Traffic Point) Road, Sunamganj -3000
176	SWARUPKHATHI SME/KRISHI BRANCH	Haque Mansion (1 st Floor), Nuton Road, Miarhat, Kowrikhara, Nesarabad, Swarupkathi, Pirojpur.
177	SYEDPUR BRANCH	81, Sher-E-Bangla Road, Sayedpur Plaza, Sayedpur, Nilphamari.
178	SYLHET BRANCH	Pallabi Trade Center (Gr & 1 st Floor), Sunamganj Road, Subid Bazar, Sylhet-3100
179	SYLHET UPOSHAHAR BRANCH	3/3 Uposhahar Main Road, Block-D, Shahjalal Uposhahar,Sylhet (1 st Floor)
180	TANGAIL BRANCH	Tangail Tower, Holding #541,542 & 544,Main Road, Tangail
181	THAKURGAON SME/KRISHI BRANCH	Nurjahan Plaza, Holding# 1322, Shahid Mohammad Ali Sharak, Thakurgaon.
182	TONGI BRANCH	Nasir Uddin Sarker Tower,2 No Mymensingh Road, Tongi, Gazipur-1700
183	UTTARA BRANCH	Atlanta Trade Center(Floor), House: 1/A, Road:1, Sector: 04,Uttara,Dhaka-1230
184	UTTARA JASHIM UDDIN AVENUE BRANCH	Giant Business Tower, Plot-3 & 3/A,Sector-3, Uttara, Dhaka-1230
185	UTTARA SMESC	Doel Center, Holding #15, Sonargaon Janapath, Ward # 51 Sector # 13, Uttara, Dhaka.
186	ZINDABAZAR BRANCH	Symphony Heights,Baruthkhana Point,East Zindabazar Sylhet-3100.
187	ZINZIRA BRANCH	Mona Trade City(1 st Floor),Dakpara,Zinzira High Way,Keraniganj,Dhaka-1310

Abbreviations

BAC	Board Audit Committee
BAS	Bangladesh Accounting Standards
BB	Bangladesh Bank
BBL	BRAC Bank Limited
BCP	Business Continuity Plan
BFRS	Bangladesh Financial Reporting Standards
biTS	BRAC IT Service
BSEC	Bangladesh Securities and Exchange Commission
CDBL	Central Depository Bangladesh Limited
CRAB	Credit Rating Agency of Bangladesh
CRAR	Capital to Risk Weighted Assets Ratio
CRM	Credit Risk Management
CRR	Cash Reserve Requirement
CSE	Chittagong Stock Exchange
CSR	Corporate Social Responsibility
DSE	Dhaka Stock Exchange
DTA	Deferred Tax Assets
EPL	Equity Partners Limited
EPS	Earnings per Share
ERM	Enterprise Risk Management
ERMC	Enterprise Risk Management Committee
EVA	Economic Value Added
FCY	Foreign Currency
FDI	Foreign Direct Investment
FI	Financial Institution
FUM	Fund under Management
FY	Financial Year

GABV	Global Alliance on Banking for Values
GDP	Gross Domestic Products
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
KRI	Key Risk Indicator
MANCOM	Management Committee
MICR	Magnetic Ink Character Recognition
NAV	Net Assets Value
NBFI	Non-banking Financial Institutions
NCI	Non controlling interest
NII	Net Interest Income
NPL	Non Performing Loan
OBU	Off Shore Banking Unit
PAT	Profit after Tax
PBT	Profit before Tax
PPG	Product Program Guideline
ROA	Return on Assets
ROC	Regional Operating Centre
ROE	Return on Equity
ROI	Return on Investment
RWA	Risk Weighted Assets
SAM	Special Asset Management
SLR	Statutory Liquidity Ratio
SME	Small & Medium Enterprises
TAT	Turnaround Time
VAS	Value Added Service
WHT	Withholding Tax
YoY	Year on year



Registered Office: Anik Tower, 220/B, Tejgaon-Gulshan Link Road, Tejgaon I/A, Dhaka-1208, Bangladesh
Share Office: Anik Tower, (Ground floor) 220/B, Tejgaon-Gulshan Link Road, Tejgaon I/A, Dhaka-1208, Bangladesh

PROXY FORM

I/We of
..... being a member of BRAC Bank Limited and entitled to
vote, do hereby appoint Mr. /Ms..... of
.....
..... as my proxy to attend and vote for me on my/our behalf at the 23rd Annual
General Meeting of the Company to be held on April 28, 2022 at 11.00 a.m. via live webcast by using digital
platform.

Signed this day of (Month) 2022
Signature of proxy
Signature of shareholder

Affix Revenue
Stamp of
TK. 20.00

BO ID of Member:

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No. of shares held on Record date (April 06, 2022):

Note: The scanned copy of the "Proxy Form", duly signed and affixed with BDT 20 Revenue Stamp must be sent through email to BRAC Bank Share Office at sharedept@bracbank.com no later than 72 hours before the commencement of the AGM. Signature of the shareholder/s should agree with the specimen signature registered with the Company/Depository Participant(s).

Gratitude

Thanks for being with us!

For any services, please contact with us:

E-mail: enquiry@bracbank.com

24 Hour Call Center: 16221

For Overseas Callers: +880255668055-6, +8809611223344

Phone: +88 02 8801301-32; 09677551001-31

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Mobile App '**Astha**'



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Annual Report 2021



BRAC Bank Limited

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