

BRAC Bank PLC.

Independent Auditor's Report and Consolidated
& Separate Financial Statements
as at and for the year ended 31 December 2023

Hoda Vasi Chowdhury & Co

Chartered Accountants

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

Opinion

We have audited the consolidated financial statements of BRAC Bank PLC and its subsidiaries (the "Group") as well as the separate financial statements of BRAC Bank PLC (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2023 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 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

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

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

<p>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 520,288 million (2022: BDT 412,085 million) and provision for loans and advances of BDT 17,495 million (2022: BDT 15,387 million).</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>The Bank has calculated required provision as per Bangladesh Bank letter DBI- 4/115/2024-459 dated 28 March 2024.</p>
See note # 8 and 17.1 to the financial statements	

Risk	Our response to the risk
<p>Interest income recognition</p> <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>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 # 27 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 Act 2023 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 2023 the Bank reported income tax provision net off AIT of Tk 4,227 million (2022: BDT 4,144 million) and corresponding current income tax charges of Tk 4,641 million (2022: BDT 3,766 million). In addition, total deferred tax assets of BDT 5,630 million (2022: BDT 4,770 million) and deferred tax income of BDT 932 million (2022: BDT 590 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 10.4, 17.9, 43 to the financial statements	

Risk	Our response to the risk
Valuation of treasury bill and bond and unquoted corporate bond	
<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>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>Furthermore, we have checked Bank's treatment of new circular related to MTM of HTM as per DOS Circular Letter No. 27 dated 4 December 2023.</p>

<p>HTM securities which have not matured as at the balance sheet date are amortised at the year end and changes in amortisation are recognised in other reserves as a part of equity. However, new circular has been issued DOS circular letter no. 27 dated 04 December 2023, where amortization on HTM securities can be taken into profit and loss account before maturity.</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 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>
<p>See note # 7 to the financial statements</p>	

Risk	Our response to the risk
<p>Impairment of goodwill in consolidated financial statements of the Group and fair value of investments in standalone financial statements of the Bank</p>	
<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 2023 the carrying amount was BDT 13,906 million (2022: BDT 13,604 million).</p> <p>Similarly, the Group has recognised goodwill of BDT 1,373 million (2022: BDT 1,373 million) which were arisen from acquisition of BRAC EPL Stock Brokerage Limited, BRAC EPL Investments 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</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>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>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>
<p>See notes 10.2, 12 and 38 to the financial statements</p>	

Risk	Our response to the risk
<p>Legal and regulatory matters</p>	
<p>We focused on this area because the Bank and its subsidiaries (the “Group”) operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank’s key controls over compliance with various regulatory directives and process to create provision, if any.</p>
<p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p>	<p>We enquired to those charged with governance to obtain their view on compliance status of all regulatory matters.</p>
<p>Pursuant to BRPD Circular Letter No. 28 dated 26 July 2022 and BRPD Circular Letter No. 30 dated 27 July 2022, all schedule banks of Bangladesh are instructed to reduce certain expenses at specific percentage from the allocated amount.</p>	<p>We enquired of the Bank’s internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p>
	<p>We are informed that the Bank has taken several initiatives such as rationalizing the usage of office space to reduce electricity cost, restricting entertainment expenses and travelling, reducing and deferring the expenses on computer and accessories which are not urgently required etc. are disclosed in the financial statements.</p>
	<p>We also assessed the Bank’s provisions and contingent liabilities disclosure.</p>

Risk	Our response to the risk
IT systems and controls	
<p>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.</p> <p>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.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>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.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should 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 2023 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 has been audited by A. Qasem & 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, 2 April 2024

DVC No: 2404020770 AS661671



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

BRAC Bank PLC. and its subsidiaries
Consolidated Balance Sheet
As at 31 December 2023

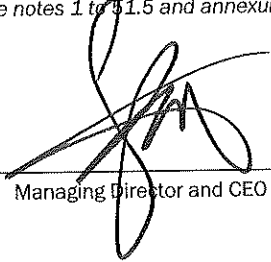
Particulars	Note	2023 Taka	2022 Taka
PROPERTY AND ASSETS			
Cash	4	39,567,393,814	31,871,548,949
Cash in hand (Including foreign currency)		11,416,440,336	11,918,023,476
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		28,150,953,478	19,953,525,473
Balance with other banks and financial institutions	5	34,928,586,993	52,950,426,764
Inside Bangladesh		28,059,887,006	47,798,974,745
Outside Bangladesh		6,868,699,987	5,151,452,019
Money at call on short notice	6	3,000,000,000	6,826,376,000
Investments	7	191,144,171,435	116,551,993,858
Government		181,372,719,817	107,319,008,486
Others		9,771,451,618	9,232,985,372
Loans and advances	8	520,287,630,605	412,084,750,584
Loans, cash credit, overdrafts etc.		285,203,753,699	222,711,877,598
Small and medium enterprises		232,338,801,248	187,247,111,913
Bills purchased and discounted		2,745,075,658	2,125,761,073
Fixed assets including premises, furniture and fixtures	9	13,018,659,233	13,462,730,429
Other assets	10	33,816,037,500	20,818,534,774
Non-banking assets	11	10,141,700	11,341,700
Goodwill	12	1,372,563,393	1,372,563,393
Total property and assets		837,145,184,673	655,950,266,450
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	13	41,923,370,755	38,909,562,251
Borrowings from central bank & government agencies	14	61,430,274,796	42,184,501,809
Affordable housing bond	15	4,751,000,000	4,751,000,000
Money at call on short notice		550,000,000	-
Deposits and other accounts	16	588,430,345,153	447,057,995,909
Current accounts and other accounts		232,223,892,907	187,854,787,905
Bills payable		2,716,819,155	1,739,503,614
Savings deposits		79,097,018,100	71,890,957,598
Term deposits		260,827,011,296	182,973,780,522
Other deposits		13,565,603,695	2,598,966,270
Other liabilities	17	53,039,790,814	41,983,017,316
Total liabilities		750,124,781,519	574,886,077,284
Capital and shareholders' equity			
Paid up capital	18.2	16,088,292,270	14,965,853,280
Share premium	18.7	3,853,767,032	3,853,767,032
Statutory reserve	19	12,312,787,273	11,148,169,834
Dividend equalization fund	20	355,218,455	355,218,455
Revaluation reserve on govt. securities	21	183,523,000	1,337,245,165
Fair value reserve		70,197,708	78,920,073
Foreign currency translation reserve	23	480,002,180	342,065,555
Surplus in profit and loss account/Retained earnings	24.1	33,197,686,658	29,104,805,732
Total shareholders' equity		66,541,474,577	61,186,045,126
Non-controlling interest	24.2	20,478,928,578	19,878,144,040
Total equity		87,020,403,154	81,064,189,166
Total liabilities and equity		837,145,184,673	655,950,266,450



BRAC Bank PLC. and its subsidiaries
Consolidated Balance Sheet
As at 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
Off balance sheet items			
Contingent liabilities			
Acceptances and endorsements	25	39,094,045,121	46,851,368,815
Irrevocable letters of credit	25	47,275,839,538	27,451,963,219
Letter of guarantees	25.2	23,228,326,078	18,607,062,875
Bills for collection	25.3	27,660,068,037	21,612,714,770
		<u>137,258,278,773</u>	<u>114,523,109,679</u>
Other commitments			
Swap deals with banks and customers	25.4	31,645,244,971	13,070,011,143
Spot and forward deals with banks and customers	25.4	13,684,188,442	2,074,308,915
		<u>45,329,433,413</u>	<u>15,144,320,058</u>
Total off balance sheet items		<u>182,587,712,186</u>	<u>129,667,429,737</u>
Net asset value (NAV) per share	49	<u>41.36</u>	<u>38.03</u>

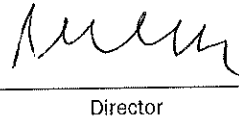
The notes 1 to 1.5 and annexures A to J form an integral part of these financial statements.



Managing Director and CEO



Director



Director



Chairman

As per our report of same date.

Dhaka, 02 April 2024
DVC No:

2404020770 AS661671



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



BRAC Bank PLC. and its subsidiaries
Consolidated Profit and Loss Account
For the year ended 31 December 2023

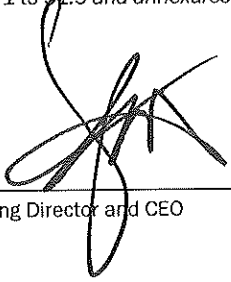
Particulars	Note	2023 Taka	2022 Taka
Interest income	27	41,863,962,190	31,370,219,731
Interest paid on deposits and borrowing etc.	28	21,315,015,978	12,953,873,731
Net interest income		20,548,946,212	18,416,346,000
Investment income	29	12,686,698,490	7,585,930,404
Commission, exchange and brokerage	30	13,038,891,842	11,522,086,777
Other operating income	31	172,424,955	332,351,076
Total operating income (a)		46,446,961,499	37,856,714,257
Salaries and allowances		14,513,613,225	12,519,270,169
Rent, taxes, insurance, electricity etc.	32	818,310,310	695,793,870
Legal expenses		48,644,306	65,119,247
Postage, stamps, telecommunication etc.		408,781,265	411,000,956
Stationery, printing, advertisement etc.	33	4,185,699,523	3,224,031,540
Chief Executive's salary and fees	34	24,471,250	24,471,250
Directors' fees	35	4,626,142	4,534,312
Auditors' fees	36	7,871,545	6,729,906
Impairment of goodwill	37	-	54,905,518
Depreciation and repair of the bank's assets	38	6,400,036,242	5,383,326,638
Other expenses	39	4,308,309,734	4,002,904,043
Total operating expenses (b)		30,720,363,541	26,392,087,449
Profit before provisions (c = a-b)		15,726,597,958	11,464,626,808
Share of profit of associates	40	18,630,757	4,860,182
Gain on disposal of associates		-	2,049,419
Profit/(loss) before provisions (d)		15,745,228,715	11,471,536,409
Provision for loans/investments:			
Loans and advances		2,714,391,075	1,938,266,664
Diminution in value of investments		21,830,293	20,539,430
Off balance sheet items		168,284,002	204,740,420
Other provisions		17,851,857	25,072,342
Total provisions (e)	41	2,922,357,227	2,188,618,856
Total profit/(loss) before taxes (f= d-e)		12,822,871,488	9,282,917,553
Provision for taxation:			
Current tax expense		6,374,635,200	4,279,554,349
Deferred tax expense/(income)		(1,826,814,281)	(1,138,637,890)
Total provision for taxation (g)	42	4,547,820,919	3,140,916,459
Net profit/(loss) after taxation (f-g)		8,275,050,569	6,142,001,094
Attributable to:			
Equity holders of BRAC Bank PLC.		7,610,095,780	6,032,726,977
Non controlling interest	23	664,954,789	109,274,117
		8,275,050,569	6,142,001,094
Retained earnings brought forward from previous year		29,104,805,727	26,402,962,532
Net profit attributable to the equity holders of the Bank		7,610,095,780	6,032,726,977
Net effect of all items directly recognised in equity/retained earnings	24	(34,683,376)	(104,780,581)
Profit available for appropriation		36,680,218,131	32,330,908,928



BRAC Bank PLC. and its subsidiaries
Consolidated Profit and Loss Account
For the year ended 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
Appropriations:			
Statutory reserve		1,164,617,439	1,080,212,876
General reserve		-	-
Dividend		2,244,877,986	2,088,258,589
Start-up Fund		73,036,047	57,631,736
		<u>3,482,531,472</u>	<u>3,226,103,201</u>
Retained surplus		<u>33,197,686,659</u>	<u>29,104,805,727</u>
Earnings per share (EPS) [previous year's figure restated]	48	<u>4.73</u>	<u>3.75</u>

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



Managing Director and CEO



Director



Director




Chairman

As per our report of same date.

Dhaka, 02 April 2024

DVC No:

2404020770 AS661671



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



BRAC Bank PLC. and its subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

Particulars	Amount in Taka									
	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Fair value reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2023	14,965,853,280	3,853,767,032	11,148,169,834	355,218,455	1,337,245,165	78,920,074	342,065,554	29,104,805,731	19,876,144,040	81,064,189,165
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	(1,153,722,165)	-	-	-	-	(1,153,722,165)
Sale of shares to strategic investor by BRAC EPSL	-	-	-	-	-	(8,722,366)	-	-	(969,152)	(9,691,518)
Changes in foreign currency translation reserve	-	-	-	-	-	-	137,936,626	-	98,637	138,035,263
Gain on disposal of Non Banking Asset	-	-	-	-	-	-	-	522,000	-	522,000
Remeasurements of defined benefits liability (assets)	-	-	-	-	-	-	-	(19,175,684)	(34,478,129)	(53,653,813)
Share issue cost due to issuance of bonus share	-	-	-	-	-	-	-	(16,029,696)	(28,821,607)	(44,851,303)
Sub total	14,965,853,280	3,853,767,032	11,148,169,834	355,218,455	183,523,000	70,197,708	480,002,180	29,070,122,351	19,813,973,789	79,940,827,628
Net profit for the year	-	-	-	-	-	-	-	7,610,095,780	664,954,789	8,275,050,569
Dividend for the year 2022:	-	-	-	-	-	-	-	-	-	-
Stock dividend	1,122,438,990	-	-	-	-	-	-	(1,122,438,990)	-	(1,122,438,990)
Cash dividend	-	-	-	-	-	-	-	(73,036,047)	-	(73,036,047)
Start-up Fund	-	-	-	-	-	-	-	(1,164,617,439)	-	(1,164,617,439)
Statutory reserve	-	-	1,164,617,439	-	-	-	-	-	-	1,164,617,439
Balance as at 31 December 2023	16,088,292,270	3,853,767,032	12,312,787,273	355,218,455	183,523,000	70,197,708	480,002,180	33,197,686,658	20,478,928,578	87,020,403,154

For the year ended 31 December 2022

Particulars	Amount in Taka									
	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Fair value reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2022	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	78,920,074	16,632,362	26,402,962,536	19,760,616,148	76,948,090,502
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	(1,153,047,762)	-	-	-	-	(1,153,047,762)
Changes in foreign currency translation reserve	-	-	-	-	-	-	325,433,172	-	1,160,015	326,593,187
Remeasurements of defined benefits liability (assets)	-	-	-	-	-	-	-	(102,935,836)	2,059,119	(100,876,717)
Sub total	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	1,337,245,165	78,920,074	342,065,554	26,300,026,700	19,763,835,282	76,020,759,210
Net profit for the year	-	-	-	-	-	-	-	6,032,726,977	109,274,117	6,142,001,094
Dividend for the year 2021:	-	-	-	-	-	-	-	-	-	-
Stock dividend	1,044,129,290	-	-	-	-	-	-	(1,044,129,290)	-	(1,044,129,290)
Cash dividend	-	-	-	-	-	-	-	(1,044,129,299)	-	(1,044,129,299)
Dividend equalization fund	-	-	-	-	-	-	-	(1,844,745)	5,034,641	3,189,896
Adjustment for subsidiaries holdings change	-	-	-	-	-	-	-	(57,631,736)	-	(57,631,736)
Start-up Fund	-	-	1,080,212,876	-	-	-	-	(1,080,212,876)	-	-
Statutory reserve	-	-	1,080,212,876	-	-	-	-	-	-	1,080,212,876
Balance as at 31 December 2022	14,965,853,280	3,853,767,032	11,148,169,834	355,218,455	1,337,245,165	78,920,074	342,065,554	29,104,805,731	19,878,144,040	81,064,189,165

The notes 1 to 5.1.5 and annexures A to J form an integral part of these financial statements.



BRAC Bank PLC. and its subsidiaries
Consolidated Cash Flow Statement
For the year ended 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
A. Cash flows from operating activities			
Interest receipts in cash		51,327,498,172	37,027,404,412
Interest payment		(19,250,808,417)	(10,349,004,887)
Dividend receipts		182,884,668	294,041,064
Fees and commission receipts in cash		52,084,822,417	44,272,347,942
Recoveries on loans previously written off		844,444,215	809,572,845
Cash payments to employees		(14,192,779,239)	(11,662,291,298)
Cash payments to suppliers		(38,724,756,653)	(34,548,797,836)
Income tax paid		(5,623,973,023)	(10,349,688,767)
Receipts from other operating activities	45	1,673,704,264	974,319,835
Payment for other operating activities	46	(6,101,211,508)	(5,719,985,459)
Operating cash flow before changes in operating assets and liabilities (i)		22,219,824,896	10,747,917,851
Increase/(decrease) in operating assets and liabilities			
Loans and advances		(108,143,716,294)	(90,450,491,062)
Other assets		(7,362,398,987)	(489,446,171)
Borrowings from other banks and financial institutions		23,066,183,302	33,868,200,314
Proceeds from issuance of affordable housing bond		-	4,751,000,000
Deposits from customers		139,740,992,457	80,144,248,765
Other liabilities		(3,949,721,724)	(946,110,206)
Cash utilised in operating assets and liabilities (ii)		43,351,338,754	26,877,401,640
Net cash flows from operating activities (i+ii) (a)		65,571,163,650	37,625,319,491
B. Cash flows from investing activities			
Treasury bills		(98,452,930,349)	1,155,677,121
Treasury bonds		23,257,735,239	(48,629,090,534)
Investment in shares		(1,026,840,637)	(615,054,764)
Sale/ (Investment) in bonds		490,000,000	410,000,000
Acquisition of fixed assets		(3,847,205,997)	(3,541,043,054)
Disposal of fixed assets		54,889,381	17,736,063
Net cash used in investing activities (b)		(79,524,352,363)	(51,201,775,168)
C. Cash flows from financing activities			
Proceeds from issue of convertible preference shares		(44,851,300)	-
Proceeds from issue of ordinary shares		-	112,140,000
Cash dividend paid		(1,118,549,337)	(1,042,217,221)
Net cash flows from financing activities (c)		(1,163,400,637)	(930,077,221)
Net increase/(decrease) in cash (a+b+c)		(15,116,589,350)	(14,506,532,898)
Cash and cash equivalents at the beginning of the year		91,649,879,612	105,222,018,140
Effect of exchange rate changes on cash and cash equivalent		964,635,545	934,394,370
Cash and cash equivalents at the end of the year	44	77,497,925,807	91,649,879,612
Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currency)		11,416,440,336	11,918,023,476
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		28,150,953,478	19,953,525,473
Balance with other banks and financial institutions		34,928,586,993	52,950,426,764
Money at call on short notice		3,000,000,000	6,826,376,000
Prize Bond		1,945,000	1,527,900
		77,497,925,807	91,649,879,612
Net operating cash flow per share (NOCFPS)	50	40.76	23.39

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



BRAC Bank PLC. and its subsidiaries
Consolidated Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2023

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	21,181,931,085	-	-	-	18,385,462,729	39,567,393,814
Balance with other banks and financial institutions (including foreign currencies)	16,144,996,166	18,292,597,948	490,992,880	-	-	34,928,586,993
Money at call and short notice	3,000,000,000	-	-	-	-	3,000,000,000
Investments	20,218,880,305	33,606,348,367	60,665,196,209	26,991,263,254	49,662,483,300	191,144,171,436
Loans and advances	47,134,039,715	89,207,975,342	215,793,986,344	144,575,708,159	23,575,921,044	520,287,630,604
Fixed assets including premises, furniture and fixtures	-	-	-	12,482,440,755	536,218,478	13,018,659,233
Other assets	15,907,691,206	96,149,851	8,298,500,709	3,302,222,302	6,211,473,432	33,816,037,500
Non - banking assets	-	-	-	-	10,141,700	10,141,700
Goodwill	-	-	-	-	1,372,563,393	1,372,563,393
Total Assets	123,587,538,477	141,203,071,507	285,248,676,142	187,351,634,470	99,754,264,076	837,145,184,672
Liabilities						
Borrowings from other banks, financial institutions & agents	1,327,628,997	8,108,091,844	11,414,967,804	15,456,602,856	5,616,079,254	41,923,370,755
Borrowings from central bank & government agencies	6,872,668,678	6,614,943,813	21,201,721,515	26,728,745,790	12,195,000	61,430,274,796
Affordable housing bond	-	-	-	4,751,000,000	-	4,751,000,000
Money at call and short notice	550,000,000	-	-	-	-	550,000,000
Deposits and other accounts	83,375,135,981	99,402,033,051	182,871,824,899	195,273,700,242	27,507,650,979	588,430,345,153
Other liabilities	3,848,328,971	6,800,558,877	16,179,691,872	4,537,679,013	21,673,532,082	53,039,790,815
Total Liabilities	95,973,762,627	120,925,627,586	231,668,206,090	246,747,727,901	54,809,457,316	750,124,781,520
Net Liquidity Gap	27,613,775,849	20,277,443,921	53,580,470,052	(59,396,093,430)	44,944,806,760	87,020,403,152

The notes 1 to 5.1.5 and annexures A to J form an integral part of these financial statements.



BRAC Bank PLC.
Balance Sheet
As at 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
PROPERTY AND ASSETS			
Cash	4	39,349,037,573	31,776,214,097
Cash in hand (Including foreign currency)		11,198,084,095	11,822,688,624
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		28,150,953,478	19,953,525,473
Balance with other banks and financial institutions	5	6,955,076,500	16,255,534,724
Inside Bangladesh		211,111,723	11,127,982,840
Outside Bangladesh		6,743,964,777	5,127,551,884
Money at call on short notice	6	3,000,000,000	6,826,376,000
Investments	7	115,657,479,057	64,287,682,264
Government		107,556,755,200	56,637,669,673
Others		8,100,723,857	7,650,012,591
Loans and advances	8	519,451,995,812	410,676,406,960
Loans, cash credit, overdrafts etc.		284,368,118,906	221,303,533,974
Small and medium enterprises		232,338,801,248	187,247,111,913
Bills purchased & discounted		2,745,075,658	2,125,761,073
Fixed assets including premises, furniture and fixtures	9	7,627,179,153	7,779,346,693
Other assets	10	34,672,366,065	25,658,493,269
Non-banking assets	11	10,141,700	11,341,700
Total property and assets		726,723,275,859	563,271,395,707
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	13	41,716,714,285	38,685,377,271
Borrowings from central bank & government agencies	14	61,430,274,796	42,184,501,809
Affordable housing bond	15	4,751,000,000	4,751,000,000
Money at call on short notice		550,000,000	-
Deposits and other accounts	16	513,909,000,086	384,466,775,242
Current accounts & other accounts		157,581,037,835	123,148,401,399
Bills payable		2,716,819,155	1,739,503,614
Savings deposits		79,097,018,100	71,890,957,598
Term deposits		260,948,521,301	185,088,946,361
Other deposits		13,565,603,695	2,598,966,270
Other liabilities	17	40,584,257,402	34,765,631,817
Total Liabilities		662,941,246,569	504,853,286,139
Capital and shareholders' equity			
Paid up capital	18.2	16,088,292,270	14,965,853,280
Share premium	18.7	3,853,767,032	3,853,767,032
Statutory reserve	19	12,234,525,238	11,112,086,248
Dividend equalization fund	20	355,218,455	355,218,455
Revaluation reserve on govt. securities	21	183,523,000	1,337,245,165
Fair value gain/(loss) on equity investment	22	7,944,001,202	7,671,468,018
Foreign currency translation reserve	23	459,993,992	323,536,914
Surplus in profit and loss account/Retained earnings	24	22,662,708,101	18,798,934,456
Total shareholders' equity		63,782,029,290	58,418,109,568
Total liabilities and shareholders' equity		726,723,275,859	563,271,395,707



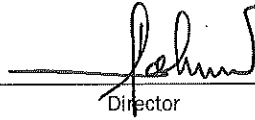
BRAC Bank PLC.
Balance Sheet
As at 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
Off balance sheet items			
Contingent liabilities			
Acceptances and endorsements	25	39,094,045,121	46,851,368,815
Irrevocable letters of credit	25	47,275,839,538	27,451,963,219
Letter of guarantees	25.2	23,228,326,078	18,607,062,875
Bills for collection	25.3	27,660,068,037	21,612,714,770
		<u>137,258,278,773</u>	<u>114,523,109,679</u>
Other Commitments			
Swap deals with banks and customers	25.4	31,645,244,971	13,070,011,143
Spot and forward deals with banks and customers	25.4	13,684,188,442	2,074,308,915
		<u>45,329,433,413</u>	<u>15,144,320,058</u>
Total off balance sheet items		<u>182,587,712,186</u>	<u>129,667,429,737</u>
Net asset value (NAV) per share	49	<u>39.64</u>	<u>36.31</u>

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



Managing Director and CEO



Director



Director




Chairman

As per our report of same date.

Dhaka, 02 April 2024
DVC No:

2404020770 AS661671



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



BRAC Bank PLC.
Profit and Loss Account
For the year ended 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
Interest income	27	39,085,506,990	28,462,101,118
Interest paid on deposits and borrowing etc.	28	21,367,306,733	13,227,359,203
Net interest income		17,718,200,257	15,234,741,915
Investment income	29	7,575,677,526	5,184,549,425
Commission, exchange and brokerage	30	6,171,836,080	5,884,319,986
Other operating income	31	144,756,155	267,298,708
Total operating income (a)		31,610,470,017	26,570,910,034
Salaries and allowances		10,129,813,829	8,626,660,982
Rent, taxes, insurance, electricity etc.	32	576,282,623	507,158,511
Legal expenses		19,194,962	30,384,953
Postage, stamps, telecommunication etc.	33	297,625,871	308,505,338
Stationery, printing, advertisement etc.	34	602,519,872	396,662,334
Chief Executive's salary and fees	35	24,471,250	24,471,250
Directors' fees	36	2,138,400	2,552,000
Auditors' fees	37	2,070,000	1,840,000
Depreciation and repair of the bank's assets	39	2,483,790,344	2,304,559,343
Other expenses	40	3,542,298,152	3,238,866,402
Total operating expenses (b)		17,680,205,302	15,441,661,113
Profit before provisions (c = a-b)		13,930,264,715	11,129,248,921
Provision for loans/Investments:			
Loans and advances		2,714,391,075	1,945,536,063
Diminution in value of investments		21,830,293	20,539,430
Off balance sheet items		168,284,002	204,740,420
Other provisions		13,008,797	19,572,571
Total provisions (d)	42	2,917,514,167	2,190,388,484
Total profit/(loss) before taxes (e = c-d)		11,012,750,548	8,938,860,437
Provision for taxation:			
Current tax expense		4,641,475,773	3,765,699,754
Deferred tax expense/(income)		(932,329,894)	(590,012,891)
Total provision for taxation (f)	43	3,709,145,880	3,175,686,863
Net profit after taxation (e-f)		7,303,604,668	5,763,173,574
Retained earnings brought forward from previous year		18,798,934,456	16,329,861,552
Net effect of all items directly recognised in equity/retained earnings		522,000	(104,081,055)
Profit available for appropriation		26,103,061,124	21,988,954,071



BRAC Bank PLC.
Profit and Loss Account
For the year ended 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
Appropriations:			
Statutory reserve		1,122,438,990	1,044,129,290
General reserve		-	-
Dividend		2,244,877,986	2,088,258,589
Start-up Fund		73,036,047	57,631,736
		3,440,353,023	3,190,019,615
Retained Surplus		22,662,708,101	18,798,934,456
Earnings per share (EPS) [previous year's figure restated]	48	4.54	3.58

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



Managing Director and CEO



Director



Director



Chairman

As per our report of same date.

Dhaka, 02 April 2024

DVC No:

2404020770 AS661671



Sabbir Ahmed FCA, Partner

Enrolment No: 770

Hoda Vasi Chowdhury & Co

Chartered Accountants

BRAC Bank PLC.
Statement of Changes in Equity
For the year ended 31 December 2023

Particulars	Amount in Taka							Total	
	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Foreign currency translation reserve	Fair value gain/(loss) on equity investment*		Retained earnings
Balance as at 01 January 2023	14,965,853,280	3,853,767,032	11,112,086,248	355,218,455	1,337,245,165 (1,153,722,165)	323,536,914	7,671,468,018	18,798,934,456	58,418,109,568 (1,153,722,165)
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	136,457,078
Changes in translation reserve	-	-	-	-	-	136,457,078	-	-	272,533,184
Changes in OCI reserve for investment in subsidiaries and associates	-	-	-	-	-	-	272,533,184	-	522,000
Gain on disposal of NBA	-	-	-	-	183,523,000	459,993,992	7,944,001,202	18,799,456,456	57,673,899,865
Sub total	14,965,853,280	3,853,767,032	11,112,086,248	355,218,455	183,523,000	459,993,992	7,944,001,202	7,303,604,668	7,303,604,668
Net profit for the year	-	-	-	-	-	-	-	(1,122,438,990)	-
Dividends for the year 2023:	-	-	-	-	-	-	-	(1,122,438,996)	(1,122,438,996)
Stock dividend	1,122,438,990	-	-	-	-	-	-	(73,036,047)	(73,036,047)
Cash dividend	-	-	-	-	-	-	-	(1,122,438,990)	-
Start-up Fund	-	-	1,122,438,990	-	-	-	-	-	-
Statutory reserve	-	-	1,122,438,990	-	-	-	-	-	-
Balance as at 31 December 2023	16,088,292,270	3,853,767,032	12,234,525,238	355,218,455	183,523,000	459,993,992	7,944,001,202	22,662,708,101	63,782,029,290

For the year ended 31 December 2022

Particulars	Amount in Taka							Total	
	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Foreign currency translation reserve	Fair value gain/(loss) on equity investment		Retained earnings
Balance as at 01 January 2022	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	15,729,653	7,384,920,564	16,329,861,552	54,419,471,131
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927 (1,153,047,762)	15,729,653	7,384,920,564	16,329,861,552	54,419,471,131
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	307,807,261	-	-	307,807,261
Changes in translation reserve	-	-	-	-	-	-	286,547,454	-	286,547,454
Changes in OCI reserve for investment in subsidiaries and associates	-	-	-	-	-	-	-	(104,081,055)	(104,081,055)
Actuarial gain/(loss)	-	-	-	-	-	-	-	5,763,173,574	5,763,173,574
Sub total	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	1,337,245,165	323,536,914	7,671,468,018	16,225,780,497	53,756,697,029
Net profit for the year	-	-	-	-	-	-	-	(1,044,129,290)	-
Dividends for the year 2022:	-	-	-	-	-	-	-	(1,044,129,299)	(1,044,129,299)
Stock dividend	1,044,129,290	-	-	-	-	-	-	(57,631,736)	(57,631,736)
Cash dividend	-	-	-	-	-	-	-	(1,044,129,290)	-
Start-up Fund	-	-	1,044,129,290	-	-	-	-	-	-
Statutory reserve	-	-	1,044,129,290	-	-	-	-	-	-
Balance as at 31 December 2022	14,965,853,280	3,853,767,032	11,112,086,248	355,218,455	1,337,245,165	323,536,914	7,671,468,018	18,798,934,456	58,418,109,568

* Detail of fair value gain/(loss) on equity investments has been provided at Note-10 and Note-22.
The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.



BRAC Bank PLC.
Cash Flow Statement
For the year ended 31 December 2023

Particulars	Note	2023 Taka	2022 Taka
A. Cash flows from operating activities			
Interest receipts in cash		44,346,165,175	31,508,895,124
Interest payment		(19,298,835,439)	(10,508,367,195)
Dividend receipts		133,269,026	232,498,460
Fees and commission receipts in cash		6,171,836,080	5,884,319,987
Recoveries on loans previously written off		844,444,215	809,572,845
Cash payments to employees		(9,983,842,876)	(8,135,922,799)
Cash payments to suppliers		(881,509,543)	(680,215,058)
Income tax paid		(4,559,230,752)	(4,642,899,233)
Receipts from other operating activities	45	1,659,318,461	1,033,184,962
Payment for other operating activities	46	(5,779,948,840)	(5,385,487,007)
Operating cash flow before changes in operating assets and liabilities (i)		12,651,665,507	10,115,580,086
Increase/decrease in operating assets and liabilities			
Loans and advances		(108,775,588,852)	(89,464,175,973)
Other assets		(7,183,833,762)	(524,779,722)
Borrowings from other banks and financial institutions		22,827,110,001	33,559,411,231
Proceeds from Issuance of affordable housing bond		-	4,751,000,000
Deposits from customers		127,810,868,058	67,558,949,157
Other liabilities		1,550,391,974	(996,961,563)
Cash utilised in operating assets and liabilities (ii)		36,228,947,420	14,883,443,130
Net cash flows from operating activities (i+ii) (a)		48,880,612,927	24,999,023,216
B. Cash flows from investing activities			
Treasury bills		(81,394,427,080)	(422,721,002)
Treasury bonds		29,321,619,388	(13,316,198,255)
Sale/ (Investment) in shares		(940,711,266)	(520,995,927)
Sale/ (Investment) in bonds		490,000,000	410,000,000
Acquisition of fixed assets		(1,794,726,782)	(2,118,856,350)
Disposal of fixed assets		47,846,284	17,653,002
Net cash used in investing activities (b)		(54,270,399,456)	(15,951,118,532)
C. Cash flows from financing activities			
Dividend paid		(1,118,549,337)	(1,042,217,221)
Net cash flows from financing activities (c)		(1,118,549,337)	(1,042,217,221)
Net increase/decrease in cash (a+b+c)		(6,508,335,866)	8,005,687,463
Cash and cash equivalents at the beginning of year		54,859,652,721	46,059,175,412
Effect of exchange rate changes on cash and cash equivalent		954,742,218	794,789,846
Cash and cash equivalents at the end of the year	44	49,306,059,073	54,859,652,721
Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currency)		11,198,084,095	11,822,688,624
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		28,150,953,478	19,953,525,473
Balance with other banks and financial institutions		6,955,076,500	16,255,534,724
Money at call on short notice		3,000,000,000	6,826,376,000
Prize Bond		1,945,000	1,527,900
		49,306,059,073	54,859,652,721
Net operating cash flow per share (NOCFPS)	50	30.38	15.54

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

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



BRAC Bank PLC.
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2023

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	20,963,574,844	-	-	-	18,385,462,729	39,349,037,573
Balance with other banks and financial institutions (including foreign currencies)	6,855,076,500	100,000,000	-	-	-	6,955,076,500
Money at call and short notice	3,000,000,000	-	-	-	-	3,000,000,000
Investments	11,402,668,830	24,717,179,561	53,126,692,126	17,453,193,259	8,957,745,281	115,657,479,058
Loans and advances	48,394,553,575	89,207,975,342	213,708,219,298	144,565,326,552	23,575,921,044	519,451,995,811
Fixed assets including premises, furniture and fixtures	-	-	-	7,096,994,326	530,184,827	7,627,179,153
Other assets	13,928,002,893	42,983,213	42,652,037	943,081,687	19,715,646,235	34,672,366,065
Non-banking assets	-	-	-	-	10,141,700	10,141,700
Total Assets	104,543,876,642	114,068,138,116	266,877,563,462	170,058,595,824	71,175,101,816	726,723,275,859
Liabilities						
Borrowings from other banks, financial institutions & agents	2,588,142,857	7,700,000,000	10,371,428,572	15,456,602,856	5,600,540,000	41,716,714,285
Borrowings from central bank & government agencies	6,872,668,678	6,614,943,813	21,201,721,515	26,728,745,790	12,195,000	61,430,274,796
Affordable housing bond	-	-	-	4,751,000,000	-	4,751,000,000
Money at call and short notice	550,000,000	-	-	-	-	550,000,000
Deposits and other accounts	76,268,816,220	86,168,317,825	178,479,195,563	171,395,570,656	1,597,099,821	513,909,000,086
Other liabilities	2,842,611,733	5,617,619,763	4,822,735,127	4,226,604,046	23,074,686,734	40,584,257,403
Total Liabilities	89,122,239,488	106,100,881,402	214,875,080,776	222,558,523,348	30,284,521,556	662,941,246,570
Net Liquidity Gap	15,421,637,154	7,967,256,714	52,002,482,685	(52,499,927,524)	40,890,580,261	63,782,029,290

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



1 THE BANK AND ITS ACTIVITIES**1.1 BRAC Bank PLC.**

BRAC Bank PLC. (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 (2022: 187 branches), 40 sub-branches (2022: 11 sub-branches), 198 Area offices (2022: 198 Area offices), 457 SME unit offices (2022: 457 SME unit offices), 1,094 agent banking outlets (2022: 1000 agent outlets), 329 ATMs (2022: 324 ATMs) and 68 RCDMs (2022: 39 RCDMs) and spread across the country. The registered address of the bank is: Anik Tower, 220/B Tejgaon Gulshan Link Road, Tejgaon, Dhaka-1208. BRAC Bank was listed on the Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly traded company on 28 January 2007 and on 24 January 2007 respectively. The Bank has four subsidiaries and one associate companies in related operations. A brief description of the subsidiaries and associates of the Bank has been provided in Note 1.6

1.2 Principal activities and nature of operations

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

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

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

1.3 Off-shore banking unit (OBU)

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

1.4 Custodian Service

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

1.5 Agent banking

BRAC Bank obtained permission from Bangladesh Bank on 11 March 2018, vide reference no. BRPD(P-3)745/(50)2018-1806, to commence agent banking outlets and subsequently started commercial operations on 11 September 2018. Till 31 December 2023, the bank has already opened 1,094 agent banking outlets in 64 districts across the country. Services that are currently being dispensed include account opening (current, savings & term deposit), cash deposit and withdrawal, instant fund transfer within BRAC Bank and outside BRAC Bank accounts through BEFTN, SME loan disbursement & repayment collection, foreign remittance disbursement, corporate bill/distributor fee collection, retail loan and credit card lead generation, credit card bill collection, insurance premium collection, utility bill collection, cheque book & debit card request process & delivery, internet and SMS banking and balance inquiry etc.

1.6 Subsidiaries and associates of BRAC Bank PLC.

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

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

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



Summary of shareholding in subsidiaries and associates

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

Name of subsidiaries and associates	Face value per share	Nature of business	Total no. of ordinary shares		No. of ordinary shares held by BRAC Bank PLC.		BRAC Bank's percentage of shareholding	
			2023	2022	2023	2022	2023	2022
BRAC EPL Investments Ltd.	BDT 10	Merchant banking	258,500,000	258,500,000	258,358,734	258,358,734	99.95%	99.95%
BRAC EPL Stock Brokerage Ltd.	BDT 100	Stock brokerage	11,103,109	10,093,735	9,992,729	9,084,299	90.00%	90.00%
bKash Ltd.	BDT 100	Mobile financial services (MFS)	2,238,973,146	381,949	1,141,911,535	194,800	51.00%	51.00%
BRAC SAAJAN Exchange Ltd.	GBP 1	Remittance & exchange services	1,333,333	1,333,333	1,250,000	1,250,000	93.75%	93.75%
BRAC IT Services Ltd.	BDT 1,000	IT services	233,729	233,729	23,372	23,372	10.00%	10.00%

1.6.1 BRAC EPL Investments Limited (subsidiary)

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

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

1.6.2 BRAC EPL Stock Brokerage Limited (subsidiary)

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

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

1.6.3 bKash Limited (subsidiary)

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

With the consent of all existing shareholders, in 2014 Bill & Melinda Gates Foundation (B&M), in 2018 Alipay Singapore E-Commerce Private Limited ("Alipay") and in 2021 SoftBank further invested in bKash Limited in the form of convertible preference shares. As on 31 December 2023, out of the total 956,110,570 convertible preference shares, B&M holds 132,040,849 shares, Alipay holds 324,946,520 shares and SoftBank holds 499,123,201 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.

During the year 2023, the Company has increased the authorised share capital to Tk. 35,000,000,000 (Taka three thousand five hundred crore) from Tk. 500,000,000 (Taka fifty crore) divided into 2,240,000,000 (Two hundred and twenty four crore) ordinary shares of Tk. 10 each and 1,260,000,000 (One hundred and twenty six crore) preference shares of Tk. 10 each. The Company has also changed the nominal value of each share to Tk. 10 from Tk. 100.

Pursuant to section 57 (2) of the Companies Act 1994, the company has issued bonus shares from "Share premium account" to its existing ordinary and preference shareholders in proportion to the existing shareholding structure. Incremental costs directly attributable to the issue of shares, net of any tax effects, are recognised as a deduction from equity.

1.6.4 BRAC SAAJAN Exchange Limited (subsidiary)

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

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

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



1.6.5 BRAC IT Services Limited (biTS) (associate)

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

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**2.1 Preparation of consolidated and separate financial statements**

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

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

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

2.2 Statement of compliance with applicable laws, regulations and standards

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

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

- i) The Bank Company Act, 1991, and amendment thereon;
- ii) The Companies Act, 1994;
- iii) Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
- iv) Bangladesh Securities and Exchange Rules, 2020; Bangladesh Securities and Exchange Ordinance, 1969; Bangladesh Securities and Exchange Act, 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 and amendments thereon;
- v) The Income Tax Act 2023, and amendments thereon;
- vi) The Value Added Tax Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;
- vii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and
- viii) Financial Reporting Act, 2015.

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

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

i) Investment in equity instruments except investment in subsidiaries and associates	
Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
As per requirements of IFRS 9: Classification and measurement of investment in equity instruments depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors, it would generally fall either under 'at fair value through profit and loss account' or under 'at fair value through other comprehensive income' where any change in the fair value (measured in accordance with IFRS 13) at the year-end is taken to the profit and loss account or other comprehensive income, respectively.	As per Banking Regulation and Policy Department (BRPD) circular no. 14, dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the year-end at market price and as per the book value of the last audited balance sheet, respectively. Provisions should be made for any loss arising from diminution in value of investments; otherwise investments are recognised at cost.
ii) Subsequent measurement of Government securities	
Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
Government securities refer primarily to various debt instruments which include both bonds and bills. As per requirements of IFRS 9: Financial Instruments, these investments can be categorised as "Amortised Cost (AC)", or "Fair Value Through Profit or Loss (FVTPL)", or "Fair Value through Other Comprehensive Income (FVOCI)". Investments designated as Amortised Cost are measured at amortised cost method, and interest income is recognised through profit and loss account. Any changes in fair value of investments designated as FVTPL is recognised in the profit and loss account. Any changes in fair value of investments designated as FVOCI is recognised in other reserves, as a part of equity.	As per DOS Circular no. 05, dated 26 May 2008, and subsequent clarification in DOS Circular no. 05, dated 28 January 2009, Government securities/bills are classified into Held for Trading (HFT) and Held to Maturity (HTM). HFT securities are revalued on the basis of mark-to-market and at year-end, any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity. Any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities, including amortisation of discount, are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at year-end, and gains or losses on amortization are recognised in other reserves as part of equity.



iii) Provision on loans and advances	
Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
<p>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.</p>	<p>As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular No. 12 dated 20 August 2017, BRPD circular No. 15 dated 27 September 2017, BRPD circular no. 1 dated 20 February 2018, BRPD Circular no. 07 dated 21 June 2018, BRPD Circular no 13 dated 18 October 2018, BRPD circular no. 3 dated 21 April 2019, BRPD circular no. 16 Dated 21 July 2020, BRPD circular no. 52 Dated 20 October 2020, BRPD circular no. 19 dated 26 August 2021, BRPD circular no. 51 dated 29 December 2021, BRPD circular no. 52 dated 29 December 2021, BRPD circular no. 03 dated 20 January 2022, BRPD circular no. 09 dated 7 April 2022, BRPD circular no. 07 dated 27 April 2022, BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022, the general provision at 0.25% to 2% under different categories of unclassified loans (good/standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also, provision for different categories of classified loans (sub-standard, doubtful and bad and loss loans) has to be provided at 20%, 50% and 100%, respectively, for loans and advances depending on time past due.</p> <p>Furthermore, as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 07 dated 21 June 2018, a general provision at 1% is required to be provided for all off-balance sheet exposures except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by multilateral development bank (MDB)/international bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks, in line with Basel-III).</p> <p>As per BRPD circular no. 16 dated 21 July 2020, provision @ 5%, 20% on SMEF financing on SS and DF except medium enterprise has to be maintained. Such provision policies are not specifically in line with those prescribed by IFRS 9. Such provision policies are not specifically in line with those prescribed by IFRS 9.</p>
iv) Other comprehensive Income	
Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
<p>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.</p>	<p>Bangladesh Bank has issued templates for financial statements which is followed by all banks. The templates of financial statements issued by Bangladesh Bank neither include Other Comprehensive Income nor the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) statement. As such, the bank does not prepare Other Comprehensive Income statement. However, elements of OCI, if any, are shown in the Statement of Changes in Equity</p>
v) Financial Instruments - presentation and disclosure	
Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
<p>some disclosure and presentation requirements of IFRS 7 Financial Instruments: Disclosures and IAS 32 Financial Instruments: Presentation cannot be made in the financial statements.</p>	<p>In several cases, Bangladesh Bank guideline categorize, recognise, measure and present financial instruments differently from those prescribed in IFRS 9: Financial Instruments.</p>
vi) Repo and reverse repo transactions	
Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
<p>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).</p>	<p>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.</p> <p>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.</p>



vii) Financial guarantees		
	Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
	As per IFRS 9: Financial Instruments, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs if a specified debtor fails to make payment when due, in accordance with the term of debt instruments. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount, and the loss allowance determined as expected credit loss under IFRS 9. Financial guarantees are prescribed to be included within other liabilities.	As per BRPD circular no. 14, dated 25 June 2003, financial guarantees, such as Letter of Credit and Letter of Guarantee should be treated as off balance sheet items. No liability is recognised for the guarantee, except the cash margin.
viii) Cash and cash equivalents		
	Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
	Cash and cash equivalent items should be reported as cash item as per IAS 7: Statement of Cash Flows.	Some cash and cash equivalent items, such as money at call and on short notice, treasury bills, Bangladesh Bank bills and prize bonds are not shown as cash and cash equivalents. Money at call and on short notice is shown separately in the balance sheet. Treasury bills, Bangladesh Bank bills and prize bonds are shown under investment in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash-in-hand, balance with Bangladesh Bank and other banks.
ix) Non-banking assets		
	Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
	There is no particular/specific guideline about non-banking assets in IFRS.	As per BRPD circular no. 22, dated 20 September 2021, there is a separate balance sheet item titled as non-banking asset that exists in the standard format.
x) Cash flow statement		
	Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
	As per IAS 7: Statement of Cash Flows, cash flow statement can be prepared either in direct method or indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per BRPD circular no. 14, dated 25 June 2003, the cash flow statement is a mix of both the direct and indirect methods.
xi) Balance with Bangladesh Bank		
	Balance with Bangladesh Bank should be treated as other asset, as it is not available for use in day to day operations, as per IAS 7: Statement of Cash Flows.	Balance with Bangladesh Bank is treated as cash and cash equivalents.
xii) Presentation of Intangible asset		
	Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
	Intangible assets must be identified and recognised, and the disclosure must be given as per IAS 38: Intangible Assets.	Intangible assets are shown in fixed assets, including premises and furniture and fixtures, as there is no specific regulation for intangible assets in BRPD circular no. 14, dated 25 June 2003.
xiii) Off balance sheet items		
	Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
	As per IFRS, there is no requirement for disclosure of off balance sheet items on the face of the balance sheet.	As per BRPD circular no. 14, dated 25 June 2003, off balance sheet items, e.g. Letter of Credit, Letter of Guarantee and Acceptance must be disclosed separately on the face of the balance sheet.
xiv) Disclosure of appropriation of profit		
	Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
	There is no requirement to show appropriation of profit on the face of statement of comprehensive income.	As per BRPD circular no. 14, dated 25 June 2003, appropriation of profit should be disclosed on the face of profit and loss account.
xv) Loans and advances/investments net of provision		
	Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
	As per IFRS 9, loans and advances/investments should be presented net of provision.	As per BRPD circular no. 14, dated 25 June 2003, provision on loans and advances/investments are presented separately as liability and cannot be netted-off against loans and advances.
xvi) Recognition of Interest in suspense		
	Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
	Loans and advances to customers are generally classified at amortised cost as per IFRS 9, and interest income is recognised in the profit and loss account by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently becomes credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.	As per BRPD circular no. 14, dated 23 September 2012, once a loan is classified as Sub-standard, Doubtful BL (special reason), interest accrued on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account which is presented as other liability in the balance sheet.



xvii) Provision on undrawn loan commitments		
	Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
	As per IFRS 9, the bank shall recognise credit losses on undrawn loan commitments, such as Letter of Credit (L/C), Letter of Guarantee (L/G), etc., as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that the bank expects to receive.	As per BRPD Circular no. 07, dated 21 June 2018, and BRPD Circular no. 14, dated 23 September 2012, the bank is required to maintain a provision at 1% rate against off balance sheet exposures (which includes all types of undrawn loan commitments).
xviii) Name of the financial statements		
	Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
	As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes, comprising significant accounting policies and other explanatory information.	The forms of financial statements and directives for preparation thereof of the bank companies in Bangladesh are guided by BRPD Circular no. 14, dated 25 June 2003 and subsequent amendments thereof from time to time. BRPD circular no. 14 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.

2.2.2 Summary statement of compliance with IFRSs

Ref.	Name of the standards	Status
IFRS-1	First-Time Adoption of international Financial Reporting Standards	Not applicable
IFRS-2	Share-based Payment	Not applicable
IFRS-3	Business Combinations	Complied
IFRS-4	Insurance Contracts	Not applicable
IFRS-5	Non-current assets Held for Sale and Discounted Operations	Not applicable
IFRS-6	Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS-7	Financial Instruments: Disclosures	Complied *
IFRS-8	Operating Segments	Complied *
IFRS-9	Financial Instruments	Complied *
IFRS-10	Consolidated Financial Statements	Complied
IFRS-11	Joint Arrangements	Not applicable
IFRS-12	Disclosure of Interests in Other Entities	Complied
IFRS-13	Fair Value Measurement	Complied
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 Exchange Rates.	Complied
IAS-23	Borrowing Cost	Complied
IAS-24	Related Party Disclosures	Complied
IAS-26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS-27	Separate Financial Statements	Complied
IAS-28	Investment in Associates and Joint Venture	Complied
IAS-29	Financial Reporting in Hyperinflationary Economies	Not applicable
IAS-32	Financial Instruments: Presentation	Complied *
IAS-33	Earnings Per Share	Complied
IAS-34	Interim Financial Reporting	Complied
IAS-36	Impairment of Assets	Complied
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS-38	Intangible Assets	Complied *
IAS-40	Investment Property	Not applicable
IAS-41	Agriculture	Not applicable

* Complied to the extent possible subject to compliance to Bangladesh Bank guidelines in this respect.

** Complied in the preparation of interim financial reports of the Bank.

2.2.3 Standards issued but not yet effective

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

- A) Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)
- B) Other standards: The following new and amended standards are not expected to have a significant impact on the bank's standalone and consolidated financial statements:
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
 - IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
 - Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
 - Definition of Accounting Estimates (Amendments to IAS 8)
 - Lease liability in sale and leaseback (Amendments to IFRS 16)



2.3 Going concern

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

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

2.4 Materiality and aggregation

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

2.5 Comparative information

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

2.6 Functional and presentation currency

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

2.7 Reporting period

These financial statements cover one calendar year - from 01 January to 31 December 2023.

2.8 Basis of measurement of elements of financial statements

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

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

2.9 Use of estimates and judgments

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

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

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

2.10 Foreign currency transactions**Mark-to-market valuation of foreign currency transaction**

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

Translation of foreign currency operations

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

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



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

Exchange rates

The assets and liabilities as at 31 December 2023 in foreign currencies have been converted to BDT at the following rates:

Name of Currencies	2023	2022
USD 1= BDT USD	110.00	103.30
SGD 1= BDT SGD	83.55	76.60
GBP 1= BDT GBP	140.82	124.43
AUD 1= BDT AUD	75.23	69.44
EUR 1= BDT EUR	122.42	110.01
CHF 1= BDT CHF	131.59	111.74
JPY 1= BDT JPY	0.78	0.77
CAD 1= BDT CAD	83.21	75.97
AED 1= BDT AED	29.95	28.13
CNY 1= BDT CNY	15.49	14.84

Translation reserve In separate financial statements

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

Translation reserve In consolidated financial statements

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

2.11 Provisions, contingent liabilities and contingent assets

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

- 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
- Any present obligation that arises from past events but is not recognised because-
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - A reliable estimate of the amount of obligation cannot be made.

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

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

2.12 Statement of changes in equity

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

2.13 Cash flow statement

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

2.14 Basis of preparation of liquidity statement

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

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

2.14 Changes in accounting policies, estimates and errors

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

3. SIGNIFICANT ACCOUNTING POLICIES

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



3.1 Assets and the basis of their valuation**3.1.1 Cash and Cash Equivalents**

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

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.

3.1.2 Investments (Categorized and reported as per Bangladesh Bank)**Investment in securities**

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

Held To Maturity (HTM)

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

Held For Trading (HFT)

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

Revaluation of government securities

According to DOS Circular no. 05, dated 26 May 2008, DOS Circular no. 05, dated 28 January 2009 and DOS Circular no. 02, dated 19 January 2012, HFT securities are revalued once each week using marking-to-market concept, and the HTM securities are amortised once a year according to Bangladesh Bank guidelines. HTM securities are also revalued if they are reclassified to HFT category with the Board's approval. Moreover, as per DOS circular letter no. 27 dated 04 December 2023, amortization on HTM securities can be taken into profit and loss account before maturity. Gains arising from revaluation of HFT securities on 'Marking to Market' basis are recognised in revaluation reserve account while losses from revaluation of the same securities are recognised in profit and loss account.

Investment in quoted securities

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

Investment in mutual funds

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

Investment in unquoted securities

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

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

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

Investment Class	Initial Recognition	Measurement after Recognition	Recording of changes
Government Treasury Bills (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss A/C, gain to revaluation reserve
Government Treasury Bills (HTM)	Cost	Amortised cost	Amortised gain to revaluation reserve and loss to profit and loss
Government Treasury Bonds (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss A/C, gain to revaluation reserve
Government Treasury Bonds (HTM)	Cost	Amortised cost	Amortised gain to revaluation reserve and loss to profit and loss
Zero Coupon Bond	Cost	Cost	N/A
Prize Bond and Other Bond	Cost	Cost	N/A
Debentures	Cost	Cost	Profit and Loss Account
Un-quoted Shares (ordinary)	Cost	Lower of cost or NAV of last audited account	Profit and Loss Account
Quoted Shares (ordinary)	Cost	Lower of cost or market price at balance sheet date	Loss (net off gain) to Profit and Loss Account but no unrealized gain
Mutual Fund (open-end)	Cost	Lower of cost or 95% of NAV	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking

Mutual Fund (closed-end)	Cost	Lower of cost or (higher of market value or 85% of NAV)	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.
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3.1.3 Loans and advances

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

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

- c) Interest on classified loans and advances is kept in a suspense account as per BRPD circular no. 27, dated 31 August 2010 and recognised as income on realisation, as per BRPD circular no. 14 and 15, dated 23 September 2012. Interest is not charged on bad and loss loans as per the guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate accounts.
- d) **Write off Loans and Advance:** Loans and advances are written-off to the extent that (i) there is no realistic prospect of recovery and (ii) against which legal cases are filed and classified as bad and loss, as per BRPD circular no. 02, dated 13 January 2003 and 13, dated 07 November 2013. These write-offs however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write-off accounts are meticulously maintained and followed up.

3.1.4 Fixed assets including premises, furniture and fixtures**A. Property, plant and equipment (PPE)**

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

Recognition and measurement

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

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

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

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

Subsequent costs

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



Depreciation of PPE

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

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

The consolidated financial statements of BRAC Bank for the year ended 31 December 2023 have been prepared applying uniform depreciation policy in compliance with IFRS 10 "Consolidated Financial Statements".

Gain or loss on disposal of PPE

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

Impairment of PPE

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

B. Intangible assets**Software**

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

License

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

Goodwill

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

Impairment of intangible assets

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

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

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

Right-of-use assets

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

Lease liabilities

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

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



Short-term leases and leases of low value assets

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

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

Accounting of lease modification

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

Gain or loss on termination of lease agreements

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

D. Capital work-in-progress (CWIP)

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

E. Investment properties

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

3.1.5 Other assets and basis of their measurement

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

a. Interest receivables

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

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

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

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

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

Accordingly, below cumulative fair value gain/(loss) has been directly recognised in equity in the separate financial statements of the bank till to date 31 December 2023.

Name of the subsidiaries and associates	BRAC Bank's investment at cost	Net asset value of Investee	BRAC Bank's share of net asset	Gross fair value gain/(loss)	Gain/(loss) net of deferred tax
BRAC EPL Investments Ltd.	2,891,704,014	1,293,414,099	1,292,707,269	(1,598,996,745)	(1,359,147,233)
BRAC EPL Stock Brokerage Ltd.	1,344,147,500	1,488,526,712	1,339,664,867	(4,482,633)	(3,810,238)
bKash Ltd.	168,921,800	31,542,977,817	11,273,347,884	11,104,426,084	9,438,762,172
BRAC Saajan Exchange Ltd.	171,528,531	-	-	(171,528,531)	(145,799,251)
BRAC IT Services Ltd. (biTS)	23,372,000	398,391,260	39,837,592	16,465,592	13,995,753
Total	4,599,673,845	34,723,309,888	13,945,557,613	9,345,883,768	7,944,001,202

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

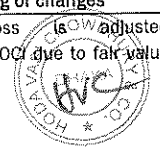
c. Reporting investment in subsidiaries and associates in consolidated financial statements

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

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

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

Investment class	Initial recognition	Measurement after recognition	Recording of changes
		Fair value through other comprehensive income in separate financial statements and	impairment loss (as adjusted automatically in OCI due to fair value



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

3.2 Liabilities and provisions

3.2.1 Borrowings from other banks, financial institutions and agents

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

3.2.2 Deposits and other accounts

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

3.2.3 Other liabilities

Other liabilities comprise items such as provision for loans and advances, provision for interest receivables, provision for taxes, interest suspense, accrued expenses. Other liability is recognised in the balance sheet according to the guideline of Bangladesh Bank, IAS and IFRS, Income Tax Act 2023 and internal policies of the Bank. Provisions and accrued expenses are recognised in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

a. Provision for loans and advances

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

b. Provision for other assets

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

c. Provision for diminution in value of investments

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

d. Provisions for off balance sheet items

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

e. Provisions for nostro accounts

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

f. Interest suspense

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

3.2.4 Share capital and shareholders' equity

Capital Management

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

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



a. Authorized capital

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

b. Issued, Subscribed and Paid up capital

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

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

c. Share Premium

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

d. Statutory reserve

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

e. Dividend Equalization Fund

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

f. Revaluation reserve on govt. securities

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

g. Remeasurements gain/(loss) of defined benefits liability (assets)

Remeasurement gain/loss arises from the actuarial valuation report carried out by professional actuary time to time on BRAC Bank Employees' Gratuity Fund. The last actuarial valuation were carried out based on 31 December 2023. Generally actuarial gain/loss are recognised in equity as a component of equity net of any deferred tax impact. However, during 2023, there is excess net plan asset over defined benefit obligation, for which remeasurement gain that is not considered for current year.

h. Non Controlling Interest

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

3.2.5 Off-balance sheet exposures and other commitments

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

3.2.6 Revenue and expense recognition**Interest Income**

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

a. Interest and fees receivable on credit cards

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

b. Income on Bills purchased and discounted

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

Interest paid on deposits and borrowings etc.

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

Investment Income

Income on investments is recognised on an accruals basis. Investment income includes interest on treasury bills, treasury bonds, zero coupon, shares, debentures etc. Moreover, as per DOS circular letter no. 27 dated 04 December 2023, amortization on HTM securities can be taken into profit and loss account before maturity. However, amortization of HTM securities before maturity has been taken into equity in consistent with earlier years. However, amortization of HTM securities before maturity has been taken equity in consistent with earlier years.

Dividend Income on Shares

Dividend income from investment in shares is recognised when the right to receive the dividend is established. It is recognised when:

- 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.

Commission, exchange and brokerage

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

Other operating income

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

3.2.7 Employee benefits

a. Provident Fund (Defined Contribution Plan)

A "Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. Provident Fund benefits are given to the staff of the Bank in accordance with the registered Provident Fund Rules. The commissioner of Income Tax, Large Tax Payers Unit, Dhaka has approved the Provident Fund as a recognized fund within the meaning of section 2(90) read with the provisions of part-3 of the 2nd Schedule of Income Tax Act 2023. The fund is operated by a Board of Trustees consisting of employees of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount of the employees' contribution to the fund. In addition, there will be an option for a voluntary contribution of a maximum of 10% (at a multiple of 5%) from the monthly basic salary of the employee at the time of payment thereof and will be paid to the Trustees account mentioned in Rule -13. Upon completion of 1 year of service length after confirmation employees are entitled to 100% of employer's contribution along with his/her own contribution. Interest earned from the investments is credited to the members' account on half yearly basis.

b. Gratuity Fund (Defined Benefit Plan)

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

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

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

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

c. Worker's Profit Participation Fund (WPPF)

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

d. Life Insurance

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

e. Welfare Fund

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

f. Hospitalization Insurance

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

g. Performance bonus

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

h. Staff leave facilities

Annual leave

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

Casual leave

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

Sick leave

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

Paternity leave

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

Maternity leave

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

I. Subsidized Scheme - Staff Loan

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

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

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

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

3.2.8 Taxation

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

a. Current Tax

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

b. Deferred Tax

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

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

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

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

3.2.9 Earnings Per Share

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

a. Basic earnings

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

Weighted average number of ordinary shares outstanding during the year

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

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

b. Diluted earnings per share

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

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

3.3 Dividend policy

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

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

3.3.1 Dividend Distribution Policy of BRAC Bank

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

The BRAC Bank PLC. shall propose and declare dividend by ensuring compliance with the regulatory guidelines on dividend declaration and other

directives from Bangladesh Securities and exchange commission (BSEC), DSE, CSE, Bangladesh Bank, NBR and other applicable regulatory requirements as well as aligned with company's business strategy.

3.4 Reconciliation of Inter-bank/Inter-branch account

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

3.5 Statement of Segment Reporting

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

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

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

There are 4 (four) operating segments (SME, Retail, Corporate, and Treasury) on standalone basis as on 31 December 2023. Each operating segment is reportable as per latest evaluation in accordance with IFRS 8: Operating segments.

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

3.6 Related party disclosures

Related Party is a party related to an entity if:

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

3.7 Events after the Balance Sheet Date

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

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

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

3.8 Risk management

Risk management serves as a fundamental discipline embedded within the core of every organization, encompassing all endeavors that influence its risk profile and ensures a safety in conducting its business. Globally recognized and accepted standards, such as those articulated by the Bank for International Settlements (BIS) and notably, the Basel Committee on Banking Supervision (BCBS), have been embraced by regulatory bodies worldwide, shaping the risk management practices of financial institutions. In line with this, the Central Bank of Bangladesh, Bangladesh Bank, released updated risk management guidelines in October 2018. These guidelines form the cornerstone of risk management for all scheduled banks operating in Bangladesh and underscore the commitment to maintaining a robust risk framework. BRAC Bank adheres to international and national standards, ensuring a comprehensive approach to risk management.

To align with regulatory mandates and enhance its risk management function, BRAC bank has instituted comprehensive risk management guidelines, duly approved by the Board of Directors. Risk Management in BRAC Bank starts with an integrated and bank-wide risk culture from the top, based on a full understanding of the risks in consideration with risk tolerance and appetite, furthered through policies, process, risk awareness campaign/communication and training of staff regarding their responsibilities for risk management. A robust risk management framework is followed across the organization and across all risk types, stemmed from our culture and values where we follow the three lines of defense model. Within BRAC Bank's comprehensive governance framework, each of the three lines of defense assumes distinct roles. The bank's enterprise-wide risk management framework comprises of policies, procedures, limits, and controls in its foundation which paves the way for timely, and continuous identification, assessment, measurement, monitoring, mitigation, reporting & assurance of risks posed at the business line and bank-wide levels. The bank is continuing to improve its risk management systems, introducing numerous data-driven proactive risk management tools to achieve superior risk-adjusted returns and optimal capital use while upholding the organization's business objectives.

A. Operating Environment

In 2023, banks faced a dynamic operating environment shaped by a convergence of technological advancements, evolving customer expectations, regulatory pressures, Foreign exchange crisis and economic uncertainties. The rapid digitization of financial services continued to reshape traditional banking models, compelling institutions to prioritize digital transformation initiatives to enhance customer experiences and streamline operations. Moreover, increase in fuel and commodity prices, strengthening of US Dollars, etc. Most of these events also had significant impact on the local economic environment affecting the Bank's operations. Amidst geopolitical tensions and economic fluctuations, banks navigated through market volatility, focusing on resilience and agility to adapt to changing economic landscapes. Overall, 2023 marked a pivotal year for bank, characterized by a relentless pursuit of innovation, regulatory compliance, and strategic adaptation to thrive in an increasingly complex operating environment.

B. Credit risk management

Effective credit risk management is a vital component of a comprehensive risk management strategy and critical to any bank's long-term sustainability. Considering key elements of credit risk, the bank has separate divisions for Corporate, SME, Retail and Credit Cards are entrusted with the responsibility of maintaining effective relationship with customers, marketing credit products, exploring new business opportunities, etc. For

transparency in operations during the entire credit process, teams for i. Credit Approval, ii. Asset Operations, iii. Recovery Unit and Special Asset Management have been set up.

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

To ensure sound practices in credit risk management, including taking calculated risk and maintaining asset portfolio quality, BRAC Bank follows well-established Credit Policy Guidelines, as approved by the Board of Directors and prepared in line with internationally-accepted risk management principles and best practices. The guidelines are also aligned with the 'Guidelines on Credit Risk Management (CRM) for Banks' (March, 2016) by Bangladesh Bank, the Bank Company Act, 1991 (Amended in 2013 and 2023), Risk Management Guidelines for Banks (October, 2018) and credit-related circulars and instructions of Bangladesh Bank circulated from time to time. In 2023, BRAC Bank has updated its credit policy in line with the instructions issued by Bangladesh Bank for the loan accounts at the time of sanctioning or renewal, where applicable.

In 2023, BRAC Bank has complied with the instructions given by Bangladesh Bank time to time, where applicable.

C. Foreign exchange risk management

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

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

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

D. Asset liability management

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

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

E. Operational Risk

Operational risk is the risk of direct or indirect loss resulting a wide variety of causes associated inadequate or failed internal processes, people or technology or the impact of external events such as employee, customer or third party frauds, natural disasters, technology failures, process breakdowns, unethical business practices etc. Operational risk is an integral part of any banking activity which is inherent in all banking products, activities, processes and systems and as with other core risks it is managed through an overall framework with checks and balances that include implementation of three line of defense, and a comprehensive framework for identifying, assessing, managing, monitoring, and reporting operational risks.

BRAC Bank has prepared an Operational Risk Management (ORM) policy incorporating regulatory directives and international best practices with the aim to provide a framework for robust management of operational risks. The operational risk policy outlines the core governing principles for operational risk upon which a holistic framework is designed for identifying, assessing, managing, monitoring, and reporting operational risks to ensure that the bank operates in a safe and sound manner, protecting the bank's assets, reputation, and customers. The framework is developed encompassing integration, design, implementation, evaluation and improvement of risk management across the organization, where each business area is responsible to identify its key operational risks as well as the controls established through a defined operational risk appetite to mitigate those risks and to ensure compliance with laws, regulations, regulatory administrative actions and the Bank's policies.

F. Equity Risk

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

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

BRAC Bank PLC has instilled a strong governance framework and thrives to manage different types of risk to ensure best of banking services to its customers. Likewise it has taken necessary measures in line with regulatory directives and international best practices to combat Money Laundering (ML) and Terrorist Financing (TF). The Board and the Management Committee of the bank are firmly committed towards prevention of ML/TF and have implemented related policies and procedures to protect the bank being used as a channel for such financial crimes.

In line with the regulatory directives, the bank has established an Anti-Money Laundering Division (AML/D) with adequate resources to manage and monitor risks associated with ML & TF. The bank has implemented comprehensive policy framework aligned with all applicable regulations covering all lines of businesses and functions to ensure Anti-Money Laundering (AML)/ Combating Financing of Terrorism (CFT) compliance. The bank has



enhanced its monitoring capacity through technological solution which helps in identifying and submitting relevant Suspicious Transaction Report (STR)/ Suspicious Activity Report (SAR) and also increased the review capacity to detect any control weakness within the process. In order to improve AML/CFT controls at branch level, Branch Compliance Officers have been appointed at large branches. All regulatory reporting to Bangladesh Financial Intelligence Unit (BFIU) are being done duly in a timely manner. During 2023, AML Assurance Reviews have been conducted for 90 Branches, 25 Agent Outlets, 15 SME Service Centers and 10 Sub-Branched. An e-Learning module has been implemented covering the basics of AML & CFT for all staff members of the bank. In addition specialized training sessions have been conducted to increase greater awareness & expertise amongst the staff members.

The Board and the Management Committee of the bank have given strong message to all the staff members of the bank to ensure proper regulatory compliance at all stages.

H. Internal Control and Compliance (ICC)

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

The main objectives of internal control are as follows:

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

The bank has established an effective internal control system whose primary aim is to ensure that the bank operates in a sound and effective manner, adheres to regulatory requirements, and mitigates risks. It has been designed to develop a high level of compliance culture among our people, establish efficient and effective operating standards, ensure reliability of internal and external information, including financial and other information, secure the bank's operations and assets, and comply with laws, regulatory requirements and internal policies.

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

- a) Various committees are established by the Board to assist it in ensuring the effectiveness of the bank's daily operations are in accordance with the corporate objectives and strategies as well as approved policies and business directions.
- b) The Audit Department of the Bank conduct regular audits to assess compliance with policies and procedures and the effectiveness of the internal control systems on an ongoing basis using risk based audit methodology and highlights significant findings in respect of any non-compliance.
- c) Audits are carried out on various departments/divisions, branches, business functions, support functions, subsidiaries in accordance with the annual audit plan, approved by the Audit Committee of the Board. Findings of the 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 Audit Department, Bangladesh Bank, External Auditors and the management, and evaluates the adequacy and effectiveness of the risk management and internal control systems. The minutes of the Audit Committee meetings of the Board are tabled at the meetings of the Board of Directors of the bank on a periodic basis.
- e) Self-assessment of anti-fraud internal controls is carried out on a semi-annual basis and is sent to Bangladesh Bank, as per requirements of DOS Circular Letter No. 10, dated 09 May 2017, issued by Bangladesh Bank.
- f) In assessing the internal control system, responsible officers of the bank continued to review and update all procedures and controls that are connected with significant accounts and disclosures of the financial statements of the bank.

I. Information and communication technology (ICT) security

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

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

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

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

J. Implementation of BASEL- III

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

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



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

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

K. Disclosure on country risk exposure

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

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

L. Disclosure on credit rating information

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

Rating agency	Long-term rating	Short-term rating	Outlook	Valid up to
Credit Rating Agency of Bangladesh (CRAB)	AAA	ST-1	Stable	30 June 2024
Emerging Credit Rating Ltd (ECRL)	AAA	ST-1	Stable	30 June 2024
S&P global Ratings	B+	B	Stable	December, 2023
Moody's	B1	NP	Stable	June, 2024

3.9 Director's and management's responsibilities on statement

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

3.10 Approval of the financial statements

The financial statements have been approved by the Board of Directors on 02 April 2024.

3.11 General

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



Notes to the financial statements as at and for the year ended 31 December 2023

	Particulars	Note	Amount in Taka				
			Consolidated		BRAC Bank PLC.		
			2023	2022	2023	2022	
4	Cash						
	Cash in hand (Including foreign currency)	4.1	11,416,440,336	11,918,023,476	11,198,084,095	11,822,688,624	
	Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	4.2	28,150,953,478 39,567,393,814	19,953,525,473 31,871,548,949	28,150,953,478 39,349,037,573	19,953,525,473 31,776,214,097	
4.1	Cash in hand (Including foreign currency)						
	Local currency		11,217,036,108	11,836,174,527	10,998,679,867	11,740,839,675	
	Foreign currency		199,404,228	81,848,949	199,404,228	81,848,949	
			11,416,440,336	11,918,023,476	11,198,084,095	11,822,688,624	
4.2	Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)						
	Local currency		24,564,644,839	17,384,764,667	24,564,644,839	17,384,764,667	
	Foreign currency		2,430,645,911	1,611,159,007	2,430,645,911	1,611,159,007	
			26,995,290,749	18,995,923,674	26,995,290,749	18,995,923,674	
	Sonali Bank as an agent of Bangladesh Bank (local currency)		1,155,662,729	957,601,799	1,155,662,729	957,601,799	
			28,150,953,478	19,953,525,473	28,150,953,478	19,953,525,473	
4.3	Cash reserve ratio (CRR) (Bank only)						
	As per section 33 of Bank Company Act, 1991 (amended up to 2013), MPD circular No. 03 dated 09 April 2020 for Domestic Banking Operation (DBO) & BRPD circular No. 31 dated 18 June 2020 for Offshore Banking Operation (OBO) issued by Bangladesh Bank, BRAC Bank PLC. 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 2023 is maintained on the basis of weekly ATDTL of October 2023), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.						
	Daily basis						
	Reserves maintained by the bank as at 31 December are as follows:						
	Average total demand and time liabilities of October 2023 and October 2022						
	DBU		472,213,489,283		377,372,496,754		
	OBU		46,819,085,783		31,435,723,645		
			519,032,575,066		408,808,220,399		
	Required reserve						
	DBU (2023: 3.5% and 2022: 3.5%)		16,527,472,125		13,208,037,386		
	OBU (2023: 1.5% and 2022: 1.5%)		702,286,287		471,535,855		
			17,229,758,412		13,679,573,241		
	Actual reserve maintained as per Bangladesh Bank statement		22,191,556,583		18,014,672,220		
	Surplus		4,961,798,171		4,335,098,979		



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
		Amount in Taka			
Bi-weekly basis					
The Bank maintained excess cash reserve of Tk. 5,372,768,676 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 2023.					
4.4 Statutory liquidity ratio (SLR) (Bank only)					
As per section 33 of the Bank Company Act 1991 (amended up to 2013) & MPD circular no. 2 dated 10 December 2013 issued by Bangladesh Bank (effective from 1 February 2014), BRAC Bank PLC. 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 2023 is based on weekly ATDTL of October 2023), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.					
Required reserve (13% of ATDTL)				67,474,234,759	53,145,068,652
Actual reserve maintained (2023: 18.19%, 2022: 17.54%)	4.4.1			122,276,024,909	71,708,187,223
Surplus				<u>54,801,790,150</u>	<u>18,563,118,571</u>
4.4.1 Actual reserve maintained					
Cash in hand				11,198,084,095	11,822,688,624
Balance with Sonali Bank as per statement				1,154,550,319	956,771,049
Daily excess reserve				2,366,635,296	2,291,057,877
Un-encumbered approved securities (HFT)				80,719,770,229	27,931,292,483
Un-encumbered approved securities (HTM)				26,835,039,971	28,704,849,290
Un-encumbered approved securities (other eligible)				1,945,000	1,527,900
				<u>122,276,024,909</u>	<u>71,708,187,223</u>
5 Balance with other Banks and Financial Institutions					
Inside Bangladesh	5.1	28,059,887,006	47,798,974,745	211,111,723	11,127,982,840
Outside Bangladesh	5.2	6,868,699,987	5,151,452,019	6,743,964,777	5,127,551,884
		<u>34,928,586,993</u>	<u>52,950,426,764</u>	<u>6,955,076,500</u>	<u>16,255,534,724</u>
5.1 Balance inside Bangladesh					
In current deposit accounts with:					
Banks		26,745,965,199	17,897,541,426	111,111,723	127,982,840
Less: Inter unit/company elimination	5.1.1	4,443,204,328	3,744,044,877	111,111,723	127,982,840
		<u>22,302,760,871</u>	<u>14,153,496,549</u>		
In Term deposit accounts with:					
Banks		5,778,636,140	32,060,644,035		7,300,000,000
Non-banking financial institutions (NBFIs)	5.1.1	100,000,000	3,700,000,000	100,000,000	3,700,000,000
Less: Inter unit/company elimination		5,878,636,140	35,760,644,035	100,000,000	11,000,000,000
		<u>121,510,005</u>	<u>2,115,165,839</u>		
		<u>5,757,126,135</u>	<u>33,645,478,196</u>	<u>100,000,000</u>	<u>11,000,000,000</u>
Total balance at the end of the year		28,059,887,006	47,798,974,745	211,111,723	11,127,982,840



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	Amount in Taka			
		Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
5.1.1 Balance with other banks and financial institutions (Inside Bangladesh)					
Current accounts					
Standard Chartered Bank		264,695,969	164,681,276	25,508,685	34,701,716
Southeast Bank PLC		953,574,775	213,506,987	-	-
Jamuna Bank PLC		343,606,622	646,577,801	-	-
Prime Bank PLC		1,002,527	2,000,553,679	851,302	544,797
Global Islami Bank PLC		1,200,000	1,200,000	1,200,000	1,200,000
Midland Bank Limited		1,592,540	1,593,230	1,500,000	1,500,000
Mutual Trust Bank PLC		910,409,097	361,222,986	-	-
Pubali Bank PLC		1,669,897,684	284,921,853	13,615,722	8,400,689
Janata Bank PLC		236,879	607,165	204,696	599,333
Bangladesh Krishi Bank		1,051,358	36,252,238	1,051,358	36,252,238
City Bank PLC		1,692,517,517	1,409,117,412	215,067	214,674
Agrani Bank PLC		29,166,607	25,254,003	27,435,829	4,418,575
Islami Bank Bangladesh PLC		450,704,696	128,408,017	1,373,205	435,579
United Commercial Bank PLC		3,341,593,844	1,780,889,910	302,782	201,488
National Bank Limited		296,809	297,736	296,809	297,736
Sonali Bank PLC		117,158,125	125,360,900	4,603,773	5,781,430
Dutch-Bangla Bank PLC		10,731,127	11,486,431	10,731,127	11,486,431
IFIC Bank PLC		4,784,507	1,980,619	-	-
Rupali Bank PLC		4,618,562	9,331,397	2,385,569	425,233
Social Islami Bank PLC		1,462,284	1,325,580	-	-
First Security Islami Bank PLC		6,316,559	5,142,716	3,659,422	3,599,617
EXIM Bank Limited		11,377,758	11,281,895	11,377,758	11,281,895
BASIC Bank Limited		859,946	837,662	859,946	837,662
Bank Asia Limited		2,114,340	1,624,782	-	-
Standard Bank PLC.		500,000	502,149	500,000	500,000
One Bank PLC		299,036,910	1,066,909,962	505,140	2,370,212
Mercantile Bank PLC		3,959,537,386	1,165,240,429	2,433,535	2,433,535
Union Bank PLC		500,000	500,000	500,000	500,000
Trust Bank Limited		2,341,943,963	301,149,089	-	-
Eastern Bank PLC		3,397,517,293	2,122,017,483	-	-
Dhaka Bank PLC		1,166,563,661	1,121,909,428	-	-
National Credit & Commerce Bank PLC		1,308,421,502	1,147,116,208	-	-
Habib Bank Ltd.		16,811	8,208	-	-
NRBC Bank PLC		-	525,119	-	-
NRB Bank Limited		(1)	9,022	-	-
The Premier Bank PLC		2,577,209	1,131,603	-	-



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	Amount in Taka			
		Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
AB Bank PLC		2,904,628	1,493,877	-	-
Uttara Bank PLC		2,225,484	1,527,697	-	-
Meghna Bank PLC.		241	-	-	-
Community Bank Bangladesh Limited		45,652	-	-	-
		22,302,760,871	14,153,496,549	111,111,723	127,982,840
Fixed deposit with banks					
Mutual Trust Bank PLC		-	3,100,000,000	-	-
National Credit & Commerce Bank PLC		10,000,000	8,010,000,000	-	3,000,000,000
Jamuna Bank PLC		114,677,646	114,208,772	-	-
United Commercial Bank PLC		4,900,000,000	3,600,000,000	-	2,000,000,000
Mercantile Bank PLC		288,822,759	5,578,267,327	-	1,500,000,000
Standard Chartered Bank		30,095,870	30,083,669	-	-
Standard Bank PLC.		-	800,000,000	-	800,000,000
Eastern Bank PLC		-	200,000,000	-	-
Sonali Bank PLC		200,000,000	1,000,000,000	-	-
Pubali Bank PLC		-	1,000,000,000	-	-
Bank Asia Limited		100,000,000	-	-	-
Trust Bank Limited		2,000,000	6,502,000,000	-	-
Padma Bank Limited		11,529,860	10,918,428	-	-
		5,657,126,135	29,945,478,196	-	7,300,000,000
Fixed deposit with financial institutions					
Industrial and Infrastructure Development Finance Co. Limited		100,000,000	-	100,000,000	-
United Finance Limited		-	700,000,000	-	700,000,000
IPDC Finance Limited		-	3,000,000,000	-	3,000,000,000
		100,000,000	3,700,000,000	100,000,000	3,700,000,000
		5,757,126,135	33,645,478,196	100,000,000	11,000,000,000
		28,059,887,006	47,798,974,745	211,111,723	11,127,982,840
There are some unreconciled entries as on 31 December 2022 and status of unreconciled entries has been presented in Annexure-B-2.					
5.2 Balance outside Bangladesh					
On shore balance	5.2.1	19,604,370,175	10,298,059,779	19,479,634,964	10,274,159,644
Off shore balance	5.2.1	965,494,681	2,382,125,360	965,494,681	2,382,125,360
		20,569,864,856	12,680,185,139	20,445,129,645	12,656,285,004
		13,701,164,868	7,528,733,120	13,701,164,868	7,528,733,120
Less: On shore to BRAC Bank off-shore placement		6,868,699,987	5,151,452,019	6,743,964,777	5,127,551,884



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	Amount in Taka			
		Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
5.2.1 Balance with other banks and financial institutions (outside Bangladesh)					
On shore balance					
Standard Chartered Bank, New York, USA		757,284,025	648,185,631	757,284,025	648,185,631
Standard Chartered Bank, United Kingdom		390,305,803	107,923,960	390,305,803	107,923,960
Standard Chartered Bank, Frankfurt, Germany		2,034,010,737	368,010,970	2,034,010,737	368,010,970
Mashreq Bank, New York, USA		716,261,852	149,848,892	716,261,852	149,848,892
Bank of Tokyo Mitsubishi UFJ Ltd		23,772,929	20,512,994	23,772,929	20,512,994
ICICI Bank Limited, Mumbai, India		138,881,573	74,637,602	138,881,573	74,637,602
Zuercher Kantonal Bank, Switzerland		33,022,484	13,630,753	33,022,484	13,630,753
Commerz Bank AG, Germany (USD)		2,669,893	6,466,957	2,669,893	6,466,957
Commerz Bank AG, Germany (EURO)		27,709,237	14,920,292	27,709,237	14,920,292
Commerz Bank, Frankfurt, Germany (GBP)		7,077	6,254	7,077	6,254
JP Morgan Chase Bank, New York, USA		719,835,681	711,997,619	719,835,681	711,997,619
HDFC Bank Limited, India		152,811,687	257,249,753	152,811,687	257,249,753
JP Morgan Chase Bank, Sydney (AUD)		29,394,916	8,273,641	29,394,916	8,273,641
AB Bank Limited, Mumbai, India		49,488,595	44,940,238	49,488,595	44,940,238
AXIS Bank Limited, Kolkata (ACU)		44,661,350	57,087,322	44,661,350	57,087,322
Abu Dhabi Commercial Bank (AED)		491,369,637	5,194,973	491,369,637	5,194,973
Kookmin Bank, Seoul, South Korea (USD)		5,972,056	6,039,326	5,972,056	6,039,326
Citi Bank N.A., New York, USA		40,266,018	41,089,752	40,266,018	41,089,752
Shanghai Pudong Development Bank Co. Ltd, China (CNY)		11,610,173	2,011,473	11,610,173	2,011,473
DBS Bank Ltd, Singapore (SGD)		21,181,183	17,357,195	21,181,183	17,357,195
Punjab National Bank, Kolkata (USD)		58,825,576	115,867,928	58,825,576	115,867,928
Al Rajhi Bank, Riyadh (SAR)		3,002,125	3,187,340	3,002,125	3,187,340
Meezan Bank Limited, Gtb Karachi, ACU (USD)		26,125,490	70,985,659	26,125,490	70,985,659
Balance with different banks maintained by BRAC SAAJAN Exchange Ltd.		124,735,211	23,900,135	-	-
Add: On shore to off shore placement		5,903,205,307	2,769,326,659	5,778,470,096	2,745,426,524
Total on shore balance		13,701,164,868	7,528,733,120	13,701,164,868	7,528,733,120
		19,604,370,175	10,298,059,779	19,479,634,964	10,274,159,644
Off shore balance					
JP Morgan Chase Bank, New York		874,682,333	702,418,166	874,682,333	702,418,166
JP Morgan AG, Frankfurt, Germany		34,112,814	25,564,908	34,112,814	25,564,908
JP Morgan Chase Bank, NA, London		56,699,534	1,390,286	56,699,534	1,390,286
BRAC Bank OBU to Other Bank OBU placement		-	1,652,752,000	-	1,652,752,000
Total off shore balance		965,494,681	2,382,125,360	965,494,681	2,382,125,360
		20,569,864,856	12,680,185,139	20,445,129,645	12,656,285,004
		13,701,164,868	7,528,733,120	13,701,164,868	7,528,733,120
Less: On shore to BRAC Bank off-shore placement		6,868,699,987	5,151,452,019	6,743,964,777	5,127,551,884



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	Amount in Taka			
		Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
There are some unreconciled entries as on 31 December 2023 and status of unreconciled entries has been presented in Annexure-B-1 and detail balance has been presented in Annexure - C except BRAC Bank OBU to Other Bank OBU placement.					
5.3 Maturity grouping of balance with other banks and financial institutions					
On Demand		6,855,076,500	3,602,782,724	6,855,076,500	3,602,782,724
Up to 1 month		9,289,919,666	9,553,900,899	-	2,402,752,000
More than 1 month but not more than 3 months		18,292,597,948	24,335,099,107	100,000,000	10,250,000,000
More than 3 months but not more than 1 year		490,992,880	15,458,644,034	-	-
More than 1 year but not more than 5 years		-	-	-	-
More than 5 years		-	-	-	-
		34,928,586,993	52,950,426,764	6,955,076,500	16,255,534,724
6 Money at call on short notice					
IDLC Finance Limited		1,000,000,000	3,000,000,000	1,000,000,000	3,000,000,000
Delta BRAC Housing Finance Corporation Limited		2,000,000,000	3,000,000,000	2,000,000,000	3,000,000,000
Pubail Bank PLC		-	826,376,000	-	826,376,000
		3,000,000,000	6,826,376,000	3,000,000,000	6,826,376,000
7 Investments					
Government	7.1	181,372,719,817	107,319,008,486	107,556,755,200	56,637,669,673
Others	7.2	9,771,451,618	9,232,985,372	8,100,723,857	7,650,012,591
		191,144,171,435	116,551,993,858	115,657,479,057	64,287,682,264
7.1 Government (investment in Govt. securities)					
Treasury bills	7.1.1	95,214,819,310	502,645,248	78,153,872,327.9	502,645,248
Treasury bonds	7.1.2	86,155,955,507	106,814,835,338	29,400,937,872	56,133,496,525
Prize bonds		1,945,000	1,527,900	1,945,000	1,527,900
		181,372,719,817	107,319,008,486	107,556,755,200	56,637,669,673
7.1.1 Treasury bills					
Treasury bills (91 Days)		39,512,535,500	-	35,057,629,995	-
Treasury bills (182 Days)		11,730,706,828	-	3,810,932,000	-
Treasury bills (364 Days)		43,971,576,981	502,645,248	39,285,310,333	502,645,248
		95,214,819,310	502,645,248	78,153,872,328	502,645,248



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Amount in Taka			
	Consolidated		BRAC Bank PLC.	
	2023	2022	2023	2022
7.1.2 Treasury Bonds				
Treasury bonds (2 years BGTB)	17,110,180,091	15,126,121,903	5,011,424,474	7,037,969,509
Treasury bonds (5 years BGTB)	18,842,919,946	26,035,244,848	14,891,962,870	24,087,842,247
Treasury bonds (10 years BGTB)	15,041,049,681	17,697,865,069	7,082,197,997	9,737,871,279
Treasury bonds (15 years BGTB)	8,191,862,080	8,490,777,069	741,595,022	1,100,623,840
Treasury bonds (20 years BGTB)	26,969,943,709	26,973,511,049	1,673,757,509	1,677,874,250
Reverse REPO		12,491,315,400	-	12,491,315,400
	86,155,955,507	106,814,835,338	29,400,937,872	56,133,496,525
7.1.3 BB category wise investment				
Held for trading (HFT)	80,728,997,979	27,931,292,483	80,719,770,229	27,931,292,483
Held to maturity (HTM)	100,641,776,838	79,386,188,103	26,835,039,971	28,704,849,290
Other securities	1,945,000	1,527,900	1,945,000	1,527,900
	181,372,719,817	107,319,008,486	107,556,755,200	56,637,669,673
7.2 Others (investment in other than Govt. securities)				
Corporate bonds- unquoted and quoted	1,991,232,500	2,480,000,000	1,984,310,000	2,480,000,000
Ordinary shares and mutual funds (MFs) - unquoted and quoted	7,780,219,118	6,750,485,372	6,116,413,857	5,167,512,591
Preference shares		2,500,000		2,500,000
	9,771,451,618	9,232,985,372	8,100,723,857	7,650,012,591
* Investment in shares, mutual funds and preference shares are detailed in Annexure-D.				
7.2.1 Corporate bonds- unquoted and quoted				
Unquoted				
North West Power Generation Company Limited Coupon Bearing Bond	900,000,000	1,200,000,000	900,000,000	1,200,000,000
Jamuna Bank II Floating Rate Subordinated Bond	90,000,000	180,000,000	90,000,000	180,000,000
MTBL Floating Rate Subordinated Bond IV	320,000,000	400,000,000	320,000,000	400,000,000
Meghna Bank 1st Subordinate Coupon Bearing Bond	180,000,000	200,000,000	180,000,000	200,000,000
	1,490,000,000	1,980,000,000	1,490,000,000	1,980,000,000
Quoted				
Beximco Green Sukuk Al Istisna'a	1,657,500	-	-	-
IBBL Mudaraba Perpetual Bond	5,265,000	-	-	-
Ashugarij Power Station Company Limited Bond	494,310,000	500,000,000	494,310,000	500,000,000
	501,232,500	500,000,000	494,310,000	500,000,000
	1,991,232,500	2,480,000,000	1,984,310,000	2,480,000,000



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	Amount in Taka			
		Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
7.2.2 Ordinary shares and mutual funds (MFs) - unquoted and quoted					
Unquoted					
Industrial and Infrastructure Development Finance Company Ltd (IIDFC)		29,683,820	29,683,820	29,683,820	29,683,820
Bangladesh Rating Agency Limited (BDRAL)		10,671,700	10,671,700	10,671,700	10,671,700
Central Depository Bangladesh Limited (CDBL)		6,277,770	6,277,770	6,277,770	6,277,770
Investment in non-publicly traded mutual fund		481,194,220	441,872,220	481,194,220	441,872,220
Investment in share - IPO		18,955,000	46,637,763	-	-
Investment in DSE & CSE		86,268,265	96,986,595	-	-
		633,050,775	632,129,868	527,827,510	488,505,510
Quoted					
Investment in secondary market		7,147,168,343	6,118,355,504	5,588,586,347	4,679,007,081
		7,147,168,343	6,118,355,504	5,588,586,347	4,679,007,081
		7,780,219,118	6,750,485,372	6,116,413,857	5,167,512,591
7.2.3 Preference shares					
Union Capital Preference Share		-	2,500,000	-	2,500,000
		-	2,500,000	-	2,500,000
7.3 Maturity wise grouping of investment					
On demand		1,945,000	5,417,713,320	1,945,000	5,417,713,320
Up to 1 month		20,216,935,305	8,770,742,464	11,400,723,830	7,284,756,278
More than 1 month but not more than 3 months		33,606,348,367	1,579,926,666	24,717,179,561	1,579,926,666
More than 3 months but not more than 1 year		60,665,196,209	14,536,811,309	53,126,692,126	13,033,778,937
More than 1 year but not more than 5 years		26,991,263,254	36,654,461,496	17,453,193,259	28,024,952,278
More than 5 years		49,662,483,299	49,592,338,603	8,957,745,280	8,946,554,785
		191,144,171,435	116,551,993,858	115,657,479,056	64,287,682,264
8 Loans and advances					
Loans, cash credit, overdrafts etc.	8.1.1	285,203,753,699	222,711,877,598	284,368,118,906	221,303,533,974
Small and medium enterprises	8.1.2	232,338,801,248	187,247,111,913	232,338,801,248	187,247,111,913
Bills purchased and discounted*	8.2	2,745,075,658	2,125,761,073	2,745,075,658	2,125,761,073
		520,287,630,605	412,084,750,584	519,451,995,812	410,676,406,960

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



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	Amount in Taka			
		Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
8.1.1 Loans, cash credit, overdrafts etc.					
Overdrafts		25,431,612,843	14,264,660,532	25,431,612,843	14,264,660,532
Demand loans		125,993,007,565	93,550,846,726	125,993,007,565	93,550,846,726
Term loans		118,465,251,374	101,066,162,683	118,465,251,374	101,066,162,683
Lease receivables		381,836,306	488,267,689	381,836,306	488,267,689
Credit Cards		12,894,325,021	10,794,068,205	12,894,325,021	10,794,068,205
Staff loans		1,212,467,405	1,152,911,527	1,202,085,797	1,139,528,139
Margin loan		2,085,767,046	2,383,856,084	-	-
		286,464,267,559	223,700,773,446	284,368,118,906	221,303,533,974
Less: Inter company elimination		1,260,513,860	988,895,848	-	-
		285,203,753,699	222,711,877,598	284,368,118,906	221,303,533,974
8.1.2 Small and medium enterprises					
Overdrafts		11,845,706,532	12,992,885,904	11,845,706,532	12,992,885,904
Demand loans		18,412,632,107	13,789,378,536	18,412,632,107	13,789,378,536
Term loans		201,964,416,265	160,407,248,749	201,964,416,265	160,407,248,749
Lease receivables		3,904,457	3,904,457	3,904,457	3,904,457
Bills purchased and discounted (SME)		116,046,343	53,694,267	116,046,343	53,694,267
		232,338,801,248	187,247,111,913	232,338,801,248	187,247,111,913
8.2 Bills purchased and discounted					
Bills purchased and discounted (except SME)		2,745,075,658	2,125,761,073	2,745,075,658	2,125,761,073
Bills purchased and discounted (SME)		116,046,343	53,694,267	116,046,343	53,694,267
		2,861,122,001	2,179,455,340	2,861,122,001	2,179,455,340
8.3 Net loans and advances					
Gross loans and advances		520,287,630,605	412,084,750,584	519,451,995,812	410,676,406,960
Less: Interest suspense	17.6	1,988,749,599	1,710,681,546	1,988,749,599	1,710,681,546
Less: Provision for loans and advances including Covid special provision	17.1	17,960,360,464	15,386,996,797	16,748,524,693	14,175,161,027
		500,338,520,542	394,987,072,241	500,714,721,519	394,790,564,387
8.4 Loans and advances under the following broad categories					
Inside Bangladesh:					
Loans		482,602,219,386	384,754,942,424	481,766,584,593	383,346,598,800
Overdrafts		37,277,319,374	27,257,546,436	37,277,319,374	27,257,546,436
		519,879,538,761	412,012,488,860	519,043,903,968	410,604,145,236
Outside Bangladesh:					
Overdrafts		408,091,844	72,261,724	408,091,844	72,261,724
		408,091,844	72,261,724	408,091,844	72,261,724
		520,287,630,605	412,084,750,584	519,451,995,812	410,676,406,960

Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
		Amount in Taka			
8.5 Geographical location wise portfolio grouping					
Inside Bangladesh: Rural					
Dhaka Division		28,007,074,756	21,801,834,985	28,007,074,756	21,801,834,985
Chattogram Division		6,929,824,563	7,748,731,551	6,929,824,563	7,748,731,551
Khulna Division		2,464,931,664	2,135,336,810	2,464,931,664	2,135,336,810
Sylhet Division		833,935,433	684,612,772	833,935,433	684,612,772
Barisal Division		1,050,450,833	2,676,094,860	1,050,450,833	2,676,094,860
Rajshahi Division		1,312,694,766	-	1,312,694,765.63	-
		40,598,912,015	35,046,610,978	40,598,912,015	35,046,610,978
Inside Bangladesh: Urban					
Dhaka Division		348,695,613,019	271,970,483,868	347,859,978,225	270,562,140,244
Chattogram Division		49,275,451,509	36,572,748,273	49,275,451,509	36,572,748,273
Khulna Division		22,157,808,450	19,220,934,984	22,157,808,450	19,220,934,984
Sylhet Division		8,364,428,791	6,997,893,761	8,364,428,791	6,997,893,761
Barisal Division		7,125,300,196	17,773,535,883	7,125,300,196	17,773,535,883
Rajshahi Division		22,454,998,201	6,891,514,015	22,454,998,201	6,891,514,015
Rangpur Division		15,456,925,787	12,180,549,220	15,456,925,787	12,180,549,220
Mymensingh Division		5,750,100,792	5,358,217,878	5,750,100,792	5,358,217,878
		479,280,626,745	376,965,877,882	478,444,991,952	375,557,534,258
Outside Bangladesh		408,091,844	72,261,724	408,091,844	72,261,724
		520,287,630,605	412,084,750,584	519,451,995,811	410,676,406,960
8.6 Loans and advances on the basis of significant concentration					
8.6.1 Loans and advances to directors, executives and others					
Directors, subsidiaries and others		1,261,330,848	989,873,937	1,261,330,848	989,873,937
Staffs:					
Senior executives		136,106,998	127,336,202	125,725,390	113,952,814
Other executives and staffs		1,076,360,407	1,025,575,325	1,076,360,407	1,025,575,325
		1,212,467,405	1,152,911,527	1,202,085,797	1,139,528,139
Industries:					
Agro-based		23,842,264,116	18,197,184,243	23,842,264,116	18,197,184,243
Large and medium		116,219,209,659	96,137,380,399	116,219,209,659	96,137,380,399
Small and cottage		56,641,946,842	28,146,418,322	56,641,946,842	28,146,418,322
Service industry		35,728,328,610	25,376,563,870	35,728,328,610	25,376,563,870
		232,431,749,226	167,857,546,834	232,431,749,226	167,857,546,834
Agricultural		7,068,082,945	5,687,724,141	7,068,082,945	5,687,724,141
Consumers		83,230,662,883	75,941,549,558	83,230,662,883	75,941,549,558
Trade and commercial		175,322,042,858	143,656,845,308	174,496,789,672	142,261,885,072
Others		19,761,294,440	16,798,299,279	19,761,294,440	16,798,299,279
		520,287,630,605	412,084,750,584	519,451,995,811	410,676,406,960



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Amount in Taka			
	Consolidated		BRAC Bank PLC.	
	2023	2022	2023	2022
8.6.2 Staff loan				
Personal loan	53,646,679	48,030,769	43,265,071	34,647,381
Car and motorcycle loan	546,709,158	567,667,332	546,709,158	567,667,332
House building loan	612,111,569	537,213,426	612,111,569	537,213,426
	1,212,467,405	1,152,911,527	1,202,085,797	1,139,528,139
8.7 Overall Sector wise concentration of loans and advance				
Agriculture	6,542,864,409	5,687,724,141	6,542,864,409	5,687,724,141
Communication	3,330,260,206	3,287,943,562	3,330,260,206	3,287,943,562
Construction	4,256,676,102	1,671,888,713	4,256,676,102	1,671,888,713
Consumer credit	84,433,706,127	77,082,055,787	84,433,706,127	77,082,055,787
Other manufacturing industries	137,908,488,315	84,860,249,089	137,908,488,315	84,860,249,089
Power, Gas	1,944,689,525	1,034,096,725	1,944,689,525	1,034,096,725
Readymade garments	30,250,867,154	27,869,772,720	30,250,867,154	27,869,772,720
Residential real estate financing	572,501,970	574,576,479	572,501,970	574,576,479
Service Industries	32,983,595,147	24,825,639,412	32,983,595,147	24,825,639,412
Textile	6,197,608,090	6,489,929,560	6,197,608,090	6,489,929,560
Trade Service	178,164,782,000	146,335,501,431	178,164,782,000	146,335,501,431
Ship Building	83,071,309	70,285,749	83,071,309	70,285,749
Others	33,618,520,251	32,295,087,216	32,782,885,457	30,886,743,592
	520,287,630,605	412,084,750,584	519,451,995,811	410,676,406,960
8.8 Securities wise loans and advances including bills purchased and discounted				
Collateral of moveable/immovable assets	80,031,808,133	126,686,442,834	80,031,808,133	126,686,442,834
Fixed deposit receipts (FDR)	179,982,701,726	6,748,674,909	179,982,701,726	6,748,674,909
Personal guarantee and other securities	258,245,781,762	277,021,246,522	258,235,400,155	277,007,863,134
Other securities	2,027,338,983	1,628,386,319	1,202,085,797	233,426,083
	520,287,630,605	412,084,750,584	519,451,995,811	410,676,406,960
8.9 Classified and unclassified loans and advances				
Unclassified				
Standard (including staff loan)	500,917,936,588	394,160,085,673	501,294,137,564	393,963,577,819
Special Mention Accounts (SMA)	623,916,783	1,444,198,040	623,916,783	1,444,198,040
	501,541,853,370	395,604,283,713	501,918,054,347	395,407,775,859
Classified				
Sub-standard	2,474,633,215	3,376,237,529	2,474,633,215	3,376,237,529
Doubtful	2,204,897,314	2,535,948,774	2,204,897,314	2,535,948,774
Bad/Loss	14,066,246,705	10,568,280,569	12,854,410,935	9,356,444,799
	18,745,777,234	16,480,466,872	17,533,941,465	15,268,631,102
	520,287,630,605	412,084,750,584	519,451,995,811	410,676,406,960



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Amount in Taka			
	Consolidated		BRAC Bank PLC.	
	2023	2022	2023	2022
8.9.1 Business segment wise concentration of classified loans and advances/ NPL of the Bank				
Corporate	8,786,517,503	6,621,370,896	8,786,517,503	6,621,370,896
Retail	3,564,629,355	3,106,052,564	2,352,793,585	1,894,216,794
Small and medium enterprises	6,394,630,377	6,753,043,412	6,394,630,377	6,753,043,412
	18,745,777,234	16,480,466,872	17,533,941,465	15,268,631,102
8.9.2 Sector wise concentration of classified loans and advances/ NPL of the Bank				
Agriculture	39,007,129	52,630,207	39,007,129	52,630,207
Communication	77,951,048	-	77,951,048	-
Construction	-	2,497,490	-	2,497,490
Consumer credit	2,352,814,705	1,894,219,834	2,352,814,705	1,894,219,834
Other manufacturing industries	6,114,864,822	4,515,403,972	6,114,864,822	4,515,403,972
Power, Gas	61,704,648	-	61,704,648	-
Readymade garments	2,880,654,205	1,793,914,272	2,880,654,205	1,793,914,272
Service industries	470,172,930	316,325,077	470,172,930	316,325,077
Textile	600,364,376	805,904,806	600,364,376	805,904,806
Trade service	6,036,192,098	6,657,617,457	4,824,356,328	5,445,781,687
Others	112,051,274	441,953,757	112,051,274	441,953,757
	18,745,777,234	16,480,466,872	17,533,941,465	15,268,631,102
8.9.3 Movements of classified loans and advances				
Opening balance	16,480,466,872	13,747,867,323	15,268,631,102	12,522,560,419
Additions during the year	5,620,828,562	6,324,236,743	5,620,828,562	6,324,236,743
Released during the year	(3,355,518,200)	(3,591,637,194)	(3,355,518,200)	(3,578,166,060)
	18,745,777,234	16,480,466,872	17,533,941,465	15,268,631,102
8.9.4 Loan type wise classified loans and advances				
Overdraft	2,702,508,976	2,280,501,223	2,702,508,976	2,280,501,223
Demand loan	3,875,781,595	3,301,376,505	3,875,781,595	3,301,376,505
Term loan	10,123,926,642	9,129,361,188	10,123,926,642	9,129,361,188
Lease finance	29,873,780	29,873,780	29,873,780	29,873,780
Credit cards	801,850,471	527,518,406	801,850,471	527,518,406
Margin loan	1,211,835,770	1,211,835,770	-	-
	18,745,777,234	16,480,466,872	17,533,941,465	15,268,631,102



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	Consolidated		Amount in Taka	
		2023	2022	2023	2022

8.10 Details of large loan (Standalone basis)

Large loan clients are those to whom loans and advances sanctioned are 10% or more of the total regulatory capital of the Bank. Total capital of the Bank was Taka 55,558,116,649 as at 31 December 2023 and taka 49,118,601,215 as at 31 December 2022. Client wise details of large loans have been presented in below:

Number of clients 26
 Amount of outstanding loans and advances 117,170,634,292
 Amount of classified loans and advances NIL

Client wise break-up is as follows:

SL	Name of clients	Funded	Non-funded	Total Outstanding
1	ABUL KHAIR GROUP	5,844,525,925	2,303,358,336	8,147,884,261
2	AKU GROUP	4,658,387,698	626,441,564	5,284,829,262
3	AXIATA GROUP BERHAD, MALAYSIA GROUP	1,640,462,682	1,094,091,344	2,734,554,026
4	BADSHA GROUP	5,830,781,564	889,023,132	6,719,804,696
5	BITOPI GROUP	3,832,780,070	1,146,987,998	4,979,768,068
6	BRAC GROUP	5,174,041,327	568,363,095	5,742,404,422
7	BSRM GROUP	5,555,995,270	1,120,918,861	6,676,914,131
8	CITY GROUP	5,163,771,431	2,504,335,067	7,668,106,498
9	CONFIDENCE GROUP OF INDUSTRIES GROUP	4,382,420,196	828,125,798	5,210,545,993
10	EAST COAST GROUP	1,098,269,700	172,319,552	1,270,589,252
11	Meghna GROUP	3,583,577,521	2,511,748,126	6,095,325,647
12	MEGHNA (CYCLE) GROUP	3,036,762,138	878,777,424	3,915,539,562
13	MIR GROUP OF INDUSTRIES GROUP	3,362,939,984	2,004,885,724	5,367,825,708
14	MONDOL GROUP	1,169,443,483	250,437,446	1,419,880,929
15	NZ TEX GROUP	1,745,657,044	509,981,108	2,255,638,152
16	PARAGON GROUP	2,152,714,683	656,788,192	2,809,502,876
17	PRAN-RFL GROUP	5,314,090,486	382,358,093	5,696,448,579
18	RENATA GROUP	5,279,085,487	370,891,153	5,649,976,640
19	SAMUDA GROUP	3,605,825,156	681,949,702	4,287,774,857
20	SQUARE GROUP	2,438,079,643	3,266,248,059	5,704,327,702
21	SUMMIT GROUP	4,985,143,828	2,001,552,315	6,986,696,142
22	TELENER GROUP AND GRAMEEN TELECOM GROUP	643,929,778	700,878,317	1,344,808,094
23	UNILEVER GROUP	1,121,124,868	199,724,320	1,320,849,188
24	URMI GROUP	1,070,832,880	1,516,568,623	2,587,401,504
25	VEON GROUP	958,679,348	2,179,213,803	3,137,893,151
26	WALTON GROUP	3,510,657,031	644,687,921	4,155,344,952
	Grand Total	87,159,979,220	30,010,655,074	117,170,634,292

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



Notes to the financial statements as at and for the year ended 31 December 2023

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

Status	Outstanding loans and advances 2023	Base for provision	Percentage (%) of required provision	Amount in Taka	
				Required provision 2023	Required provision 2022
Unclassified					
All unclassified loans (Other than Small and Medium Enterprise Financing, Consumer Financing, BHs/MBs/SDs, Housing and loans for professional*)	192,926,157,549	190,318,196,778	1%	1,903,181,968	1,778,829,266
Small and Medium Enterprise Financing	221,906,259,563	221,862,015,835	0.25%	554,655,040	440,770,777
Loans to BHs/MBs/SDs against share etc. *	997,578,274	997,578,274	1%	9,975,783	22,810,966
Housing Finance	11,742,128,482	11,742,128,482	1%	117,421,285	121,351,537
Loans for professionals to Set up business (LP)	5,389,385,275	5,389,385,275	2%	107,787,706	108,054,275
Consumer finance	51,624,073,547	51,624,073,547	2%	1,032,481,471	924,264,105
Consumer finance (Credit Card)	12,092,474,550	12,092,474,550	2%	241,849,491	205,330,996
Short Term Agricultural and Micro Credit	4,037,911,308	4,037,911,308	1%	40,379,113	41,857,576
Staff Loan	1,202,085,797	-	1%	-	-
Additional General Provision (as advised by BB)				18,246,765	-
	501,918,054,347	498,063,764,050		4,025,978,621	3,643,269,498
Classified - Specific provision					
Sub-standard	2,474,633,215	4,093,872,030	20%**	1,391,525,871	439,033,298
Doubtful	2,204,897,314	1,772,293,926	50%***	462,195,710	499,174,067
Bad/Loss	12,854,410,935	9,701,713,322	100%****	9,813,267,322	7,065,798,541
	17,533,941,465	15,567,879,279		11,666,988,903	8,004,005,906
	519,451,995,811	513,631,643,329			
Special General Provision Covid-19					
Special general provision Covid-19 for 2020			1%	278,796,852	385,747,960
Special general provision Covid-19 for 2021			1.5%, 2%	154,527,040	179,414,701
Special general provision Covid-19 for 2022			1% & 2%	14,274,981	17,320,997
				447,598,873	582,483,659
				16,140,566,396	12,229,759,063
				16,748,524,691	14,175,161,027
				607,958,295	1,945,401,964

* Total required provision for loans and advances

Total provision maintained (Note 17.1)

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 and for small, micro & cottage enterprises under CMSME financing, provision requirement is 5% for

sub-standard classification as per BRPD

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

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



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Amount in Taka	
	2023 Taka	2022 Taka
8.12 Particulars of loans and advances (Bank only)		
i) Loans considered good in respect of which Bank is fully secured	28,571,041,778	82,497,853,549
ii) Loans considered good against which Bank holds no security other than the debtor's personal guarantee	489,678,868,236	327,039,025,272
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	1,202,085,797	1,139,528,139
iv) Loans adversely classified; provision not maintained there against	<u>519,451,995,811</u>	<u>410,676,406,960</u>
v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons	1,202,901,136	1,140,506,228
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	1,260,513,860	988,895,848
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	1,202,901,136	1,140,506,228
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	1,260,513,860	988,895,848
ix) Due from banking companies		
x) Information in respect of classified loans and advances		
a) Classified loan on which interest has not been charged to income	17,533,941,465	15,268,631,102
i) Increase/decrease of provision (specific)	2,265,614,159	440,870,144
ii) Amount of loans written off	1,179,075,067	2,067,242,232
iii) Amount recovered against loan previously written off	844,444,215	809,572,845
b) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet	9,813,267,322	7,065,798,541
c) Interest creditable to the Interest Suspense account	341,606,414	1,408,486,946
xi) Cumulative amount of the written off loan		
Opening balance	24,810,442,499	22,743,200,267
Amount written off during the year	1,179,075,067	2,067,242,232
	<u>25,989,517,566</u>	<u>24,810,442,499</u>
The amount of written off loans for which law suits have been filed	<u>25,030,674,716</u>	<u>22,675,202,492</u>



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	In Taka			
		Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
8.13 Write off of loans and advances (net basis)					
Balance at the beginning of the year		13,706,730,001	12,508,427,034	13,706,730,001	12,508,427,034
Add: Write off during the year		1,179,075,067	2,067,242,232	1,179,075,067	2,067,242,232
Less: written-off recovery and interest waiver		868,048,518	868,939,265	868,048,518	868,939,265
Balance at the end of the year		14,017,756,550	13,706,730,001	14,017,756,550	13,706,730,001
8.14 Bill Purchased and Discounted under the following broad categories					
Inside Bangladesh		2,861,122,001	2,179,455,340	2,861,122,001	2,179,455,340
Outside Bangladesh		2,861,122,001	2,179,455,340	2,861,122,001	2,179,455,340
8.15 Maturity wise grouping of loans and advances					
On demand		47,134,039,715	37,177,621,706	2,953,970,631	1,884,609,633
Up to 1 month		-	-	45,440,582,944	36,281,907,921
Not more than 3 months		89,207,975,342	67,860,734,336	89,207,975,342	67,860,734,336
More than 3 months but not more than 1 year		215,793,986,344	163,827,804,476	213,708,219,298	161,443,948,391
More than 1 year but not more than 5 years		144,575,708,159	122,600,813,738	144,565,326,552	122,587,430,351
More than 5 years		23,575,921,044	20,617,776,328	23,575,921,044	20,617,776,328
		520,287,630,604	412,084,750,584	519,451,995,811	410,676,406,960
8.16 Maturity wise grouping of lease receivables including SME					
On demand		913,182	913,172	913,182	913,172
Up to 1 month		364,799	512,992	364,799	512,992
Not more than 3 months		992,014	1,757,045	992,014	1,757,045
More than 3 months but not more than 1 Year		42,368,192	6,740,340	42,368,192	6,740,340
More than 1 year but not more than 5 years		337,198,118	482,248,597	337,198,118	482,248,597
More than 5 years		-	-	-	-
		381,836,306	492,172,146	381,836,306	492,172,146
8.17 Maturity wise grouping of bill purchased and discounted					
On Demand		58,735,804	9,568,998,000	58,735,804	9,568,998
Payable within 1 month		1,275,502,952	1,088,965,356	1,275,502,952	1,088,965,356
Over 1 month but less than 3 months		1,221,825,706	956,729,734	1,221,825,706	956,729,734
Over 3 months but less than 6 months		186,002,772	124,191,252	186,002,772	124,191,252
6 months or more		3,008,424	-	3,008,424	-
		2,745,075,658	2,179,455,340	2,745,075,658	2,179,455,340
8.18 Preservation of client's audit report in the loan file verification through Document Verification system (DVS)					
During approval/renewal of loan, BBPLC checks 100% DVS records with ICAB database for the submitted audited financials, where applicable					

Notes to the financial statements as at and for the year ended 31 December 2023

	Particulars	Note	In Taka				
			Consolidated		BRAC Bank PLC.		
			2023	2022	2023	2022	
9	Fixed assets including premises, furniture and fixtures						
	Land	527,275,400	527,275,400	527,275,400	527,275,400		
	Office floor space	21,009,617	20,855,926	4,034,334	4,034,334		
	Furniture and fixture	2,567,532,973	2,386,534,083	2,346,016,160	2,170,822,095		
	Office equipment	1,584,891,641	1,473,696,734	1,467,218,773	1,361,168,512		
	IT hardwares	7,871,140,298	7,029,432,768	3,424,966,157	3,275,504,031		
	Motor vehicles	688,857,818	650,117,297	442,202,195	422,497,790		
	Leasehold improvements	170,713,752	157,107,776	-	-		
	Right of use assets (ROU) as per IFRS 16	7,940,805,381	7,299,267,882	6,715,802,482	6,103,024,179		
	Capital expenditure work in progress	369,058,266	584,054,423	306,546,534	207,119,223		
	IT software (finite useful lives)	8,646,291,184	7,542,139,410	2,979,635,750	2,800,445,366		
	Total cost	30,387,576,330	27,670,481,699	18,213,697,786	16,871,890,930		
	Accumulated depreciation and amortisation	17,368,917,097	14,207,751,270	10,586,518,633	9,092,544,237		
	Written down value at 31 December	13,018,659,233	13,462,730,429	7,627,179,153	7,779,346,693		
	* Fixed assets schedules on standalone basis are shown in Annexure-E.						
10	Other assets						
	Income generating						
	Interest receivables	4,464,401,271	3,811,701,206	4,464,401,271	3,811,701,206		
	Dividend receivables	76,903,639	69,353,683	76,903,639	69,353,683		
	Investment in subsidiary	-	-	13,905,720,022	13,603,723,502		
	Investment/carrying value in associates	39,837,592	21,206,835	39,837,592	21,206,835		
	Investment in swift share	8,083,464	8,083,464	8,083,464	8,083,464		
	Prepaid interest expenses on IFFD	2	2	2	2		
	Receivables against sanchayapatra	33,836,925	22,879,838	33,836,925	22,879,838		
	Balance with BRAC EPL Stock Brokerage Limited	1,159,758	2,351,718	1,159,758	2,351,718		
	Non- Income generating						
	Stock of stamps	44,337,730	49,971,414	44,337,730	49,971,414		
	Stock of security stationery	8,341,368	40,311,581	8,341,368	40,311,581		
	Stock of printing stationery	9,146,286	14,557,854	9,146,286	14,557,854		
	Advance to staff	12,118,665	7,503,770	12,118,665	7,503,770		
	Advance to supplier	70,740,203	30,635,256	22,621,735	9,170,157		
	Advance value added tax	6,602,947	5,858,631	6,602,947	5,858,631		
	Advance to SME unit offices	1,308,690	1,308,690	1,308,690	1,308,690		
	Advance against office rent	66,412,563	72,000,795	66,412,563	72,000,795		
	Advance security deposit	17,555,370	16,571,559	13,071,963	12,103,651		
	Receivables from BITS	124,393,521	154,857,249	124,393,521	154,857,249		
	Deferred revenue expenditure	686,525,642	231,241,555	686,525,642	231,241,555		
	Deferred tax asset	8,187,103,882	6,411,981,091	5,629,848,665	4,769,561,708		
	Net plan assets - employees' gratuity fund	132,156,493	132,156,493	132,156,493	132,156,493		
	Other receivables	9,385,537,124	2,618,589,473	9,385,537,124	2,618,589,473		
	Other assets of subsidiaries	10,439,534,364	7,095,412,617	-	-		
		33,816,037,500	20,818,534,774	34,672,366,065	25,658,493,269		



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	In Taka			
	Consolidated		BRAC Bank PLC.	
	2023	2022	2023	2022
10.1 Interest receivables				
Receivable against Govt. securities	733,695,828	925,810,324	733,695,828	925,810,324
Receivable against other securities	42,758,835	49,041,453	42,758,835	49,041,453
Receivable against balance with other bank	26,011,265	153,927,383	26,011,265	153,927,383
Receivable against loans and advances	3,661,935,343	2,682,922,046	3,661,935,343	2,682,922,046
	4,464,401,271	3,811,701,206	4,464,401,271	3,811,701,206
10.2 Investment in subsidiaries				
BRAC EPL Investments Limited			1,292,707,270	1,301,639,222
BRAC EPL Stock Brokerage Limited			1,339,664,867	1,311,371,003
bKash Limited			11,273,347,884	10,937,169,476
BRAC Saajan Exchange Limited			-	53,543,801
			13,905,720,022	13,603,723,502
10.3 Investment/carrying value in associates				
BRAC IT Services Limited	39,837,592	21,206,835	39,837,592	21,206,835
	39,837,592	21,206,835	39,837,592	21,206,835
10.3.1 Carrying value of investment in associates				
BRAC IT Services Limited	21,206,835	21,115,234	21,206,835	21,115,234
Opening balance/fair value of residual interest retained	-	(4,768,581)	-	(4,768,581)
Gain/(loss) on disposal/loss of shares in associates	18,630,757	4,860,182	18,630,757	4,860,182
Share of profit/(loss) of equity in associate company	39,837,592	21,206,835	39,837,592	21,206,835



Notes to the financial statements as at and for the year ended 31 December 2023

	Particulars	Note	Consolidated		Applicable tax rate	Deferred Tax Asset/ (Liability)
			2023	2022		
In Take						
			BRAC Bank PLC.			
			2023	2022		
10.4	Deferred tax asset/(liability) (Bank only)					
	Particulars	Accounting base	Tax base	Deductible/(Taxable) temporary difference		
	Balance as at 31 December 2023	12,725,007,154	-	12,725,007,154	37.50%	4,771,877,683
	Loan loss provision including Covid-19 special provision (Note -17.1)	158,308,084	-	158,308,084	37.50%	59,365,532
	Actuarial valuation measurement loss	54,699,841	-	54,699,841	10.00%	5,469,984
	Provision against capital market (Note -17.4)	2,631,649,220	4,224,763,538	1,593,114,318	37.50%	597,417,869
	Fixed assets except RoU (Annexure - E)	4,161,707,999	673,223,384	(3,488,484,615)	37.50%	(1,308,181,731)
	Right of use assets (RoU) as per IFRS 16 (Annexure - E)	4,010,398,208	-	4,010,398,208	37.50%	1,503,899,328
	Leased Liability as per IFRS 16 (Note - 17)					<u>5,629,848,665</u>
	Deferred tax asset (a)					
	Deferred tax liability arises due to actuarial valuation gain	9,345,883,768	-	(9,345,883,768)	37.50%	(1,401,882,565)
	Deferred tax liability arises from fair value gain as per IFRS 9	733,695,828	-	(733,695,828)	37.50%	(275,135,936)
	Interest receivable from treasury bills and bonds (Note -10.1)				20.00%	
	Dividend receivables (Note -10)					<u>(1,677,018,501)</u>
	Deferred tax liability (b)					<u>3,952,830,164</u>
	Net deferred tax asset at 31 December 2023 (a+b)					<u>886,131,520</u>
	Increase of deferred tax asset recognised in profit and loss account as income					<u>46,198,373</u>
	Decrease of deferred tax liability recognised in profit and loss account as income					<u>932,329,893</u>
	Net Deferred tax income recognised in profit and loss account during the year ended 31 December 2023					<u>(48,094,091)</u>
	Net Deferred tax liability recognised in equity during the year ended 31 December 2023					
	Balance as at 31 December 2022	10,907,648,940	10,907,648,940	10,907,648,940	37.50%	4,090,368,353
	Loan loss provision including Covid-19 special provision (Note -17.1) at	158,308,084	158,308,084	158,308,084	37.50%	59,365,532
	Actuarial valuation measurement loss	34,119,549	-	34,119,549	10.00%	3,411,955
	Provision against capital market (Note -17.4)	2,858,164,885	4,060,036,190	1,201,871,305	37.50%	450,701,739
	Fixed assets except RoU (Annexure - E)	4,183,776,896	764,211,113	(3,419,565,783)	37.50%	(1,282,337,168)
	Right of use assets (RoU) as per IFRS 17 (Annexure - E)	3,861,470,125	-	3,861,470,125	37.50%	1,448,051,297
	Leased Liability as per IFRS 16 (Note -17)					<u>4,769,561,708</u>
	Deferred tax asset (a)					
	Deferred tax liability arises due to actuarial valuation gain	9,025,256,492	-	(9,025,256,492)	37.50%	(1,353,788,474)
	Deferred tax liability arises from fair value gain as per IFRS 9	925,810,324	-	(925,810,324)	37.50%	(347,178,872)
	Interest receivable from treasury bills and bonds (Note -10.1)				20.00%	
	Dividend receivables (Note -10)					<u>(1,700,967,346)</u>
	Deferred tax liability (b)					<u>3,068,594,362</u>
	Net deferred tax asset at 31 December 2022 (a+b)					<u>606,834,035</u>
	Increase of deferred tax asset recognised in profit and loss account as income					<u>(16,821,144)</u>
	Decrease/(increase) of deferred tax liability recognised in profit and loss account as income/(expense)					<u>590,012,891</u>
	Net Deferred tax income recognised in profit and loss account during the year ended 31 December 2022					<u>16,744,046</u>
	Net Deferred tax liability recognised in equity during the year ended 31 December 2022					



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Consolidated		In Taka	
	2023	2022	2023	2022
			BRAC Bank PLC.	

10.4.1

Recoverability/adjustment/reversal of deferred tax

Deferred tax on Specific provision on loans and advances

Specific provisions for loans are not tax allowable under local tax regulations. So, when calculating taxable income, the loan loss provision charged to the profit and loss account is added back to income. The loan recovery or write-off, however, will be accepted by the tax office as a legitimate tax expense. The Bank will either make a recovery or write off the loans at some point in the future; thus, this item only makes a transitory effect. According to IAS 12, the Bank recognizes the deferred tax on this particular provision, creating a deductible temporary difference to the degree that it can be applied as a credit. Once the underlying bad debt is either repaid or cancelled, the deferred tax will be reversed.

Deferred tax on Fixed assets including intangible assets

Accounting depreciation is not taken into consideration when determining the tax obligation according to local tax regulations. The tax authorities permit tax depreciation at various rates as per third schedule of ITO 1984 which is different from accounting depreciation rate in many cases. Hence transitory differences are created due to the varying depreciation rates and methodology against which the Bank recognises deferred tax. This is a common occurrence since the accounting depreciation rate and the tax depreciation rate differ from one another. The remaining amount of deferred tax will be released when the assets' useful economic life has passed, though.

Deferred tax on Provision against capital market investment

Capital market-related provisions are not deductible for tax purposes under local tax regulations. As a result, when calculating taxable income, such provision charged to the profit and loss account is added back to income. The tax office will, however, permit the release or reversal of the provision as an allowable expense through realized gains or losses as a result of the temporary difference that this item causes. According to IAS 12, the Bank recognizes the deferred tax on such a provision, creating a deductible temporary difference to the extent that it can be applied as a credit against other liabilities. As soon as the related provision is released or reversed, the deferred tax will also be released.

Deferred tax on Interest receivables on government securities

As per Tax Law, Tax is being paid on BGTB income on a cash basis, whereas the same income is accounted for on an accrual basis in the financial statement. This difference in interest income recognition has created a temporary difference on which the bank recognized the DT liability on the interest receivable on BGTB in the respective year, which will be reversed upon payment of tax on cash interest received in the subsequent years.

Deferred tax on Right of use assets (RoU) and lease liabilities as per IFRS 16

According to local tax regulations, lease payments are treated as an allowable expense, while accounting depreciation and interest on RoU assets under IFRS 16 are not. As a result, when calculating taxable profit, depreciation and interest expense were added back and the amount of the actual lease payment was subtracted. Due to the temporary differences caused by this, deferred tax is recognized. However, when the assets' economic useful lives are up, the remaining amount of deferred tax will be automatically released.

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

10.5

Net plan assets - employees' gratuity fund

Fair value of plan assets	2,862,604,508	2,800,972,413	2,140,086,266	2,140,086,266
Less: Defined benefit obligation	2,730,448,015	2,668,815,920	2,007,929,773	2,007,929,773
	<u>132,156,493</u>	<u>132,156,493</u>	<u>132,156,493</u>	<u>132,156,493</u>

10.5.1

Fair value of plan assets - gratuity fund

Fair value of plan assets as on 1 January	2,800,972,413	2,278,452,754	2,140,086,266	1,749,085,730
Interest income on plan assets	-	157,417,716	-	157,417,716
Actual employer contributions	237,876,109	545,110,544	-	409,262,679
Actual net benefits payments	-	(156,555,251)	-	(156,555,251)
Remeasurement gain/(losses) on plan assets	(176,244,014)	(23,453,350)	-	(19,124,608)
Fair value of plan assets as on 31 December*	<u>2,862,604,508</u>	<u>2,800,972,413</u>	<u>2,140,086,266</u>	<u>2,140,086,266</u>

* Fair value of plan assets as on 31 December 2023 as per actuarial valuation report 2023 is BDT 2,668,629,632.



Notes to the financial statements as at and for the year ended 31 December 2023

	Particulars	Note	Consolidated		In Take	
			2023	2022	2023	2022
10.5.2	Defined benefit obligation - gratuity fund					
	Defined benefit obligation as on 1 January		2,668,815,920	2,151,171,714	2,007,929,773	1,621,804,690
	Current service cost		163,870,855	389,580,474	-	249,312,832
	Past service cost due to amendment of gratuity benefits		-	145,962,422	-	145,962,422
	Actual net benefits payments		-	(156,555,251)	-	(156,555,251)
	Remeasurement (gain)/loss		(102,238,760)	138,656,561	-	147,405,080
	Defined benefit obligation as on 31 December*		2,730,448,015	2,668,815,920	2,007,929,773	2,007,929,773
	* Fair value of defined benefit obligation as on 31 December 2023 as per actuarial valuation report 2023 is BDT 2,483,476,304.					
10.5.3	Remeasurements gain/(loss) of defined benefits liabilities/assets					
	Opening balance		(233,325,041)	(133,663,763)	(98,942,553)	5,138,502
	Remeasurement gain/(losses) on plan assets*		(176,244,014)	(23,453,350)	-	(19,124,608)
	Remeasurement gain/(losses) on defined benefit obligation*		102,238,760	(138,656,561)	-	(147,405,080)
			(307,330,295)	(295,773,674)	(98,942,553)	(161,391,186)
	Less: Deferred tax (expense)/income		62,448,633	62,448,633	-	62,448,633
			(307,330,295)	(233,325,041)	(98,942,553)	(98,942,553)
	* As per actuarial valuation report 2023, remeasurement loss arises on plan assets is BDT 6,806,496 and remeasurement gain on defined benefit obligation is BDT 9,864,664 which results net remeasurement gain of BDT 3,058,168. This amount has not been recognised at balance sheet date due to net excess plan assets of BDT 185,153,428.					
10.6	Other Receivables					
	Receivable against remittance		4,924,334	27,644,923	4,924,334	27,644,923
	Receivable against DD		178,650,000	189,500,000	178,650,000	189,500,000
	Receivable against cards		490,136,138	111,440,750	490,136,138	111,440,750
	Receivable from merchant		669,737,494	286,156,041	669,737,494	286,156,041
	Receivable from partners		5,436,677	2,679,383	5,436,677	2,679,383
	Receivable from co-brand ATM		27,020,242	27,020,242	27,020,242	27,020,242
	Receivable against fraud and forgery/protested bill		120,605,216	119,040,216	120,605,216	119,040,216
	Receivable from NPS		470,077,000	178,437,000	470,077,000	178,437,000
	Sundry debtors*		7,411,403,618	1,471,753,211	7,411,403,618	1,471,753,211
	Receivable from BACH		5,000,000	5,000,000	5,000,000	5,000,000
	Coupon interest adjustment		(12,607,166)	(12,607,166)	(12,607,166)	(12,607,166)
	REPO interest expenditure		15,153,573	15,153,573	15,153,573	15,153,573
	Interest rate swap		9,385,537,124	2,618,589,473	9,385,537,124	2,618,589,473
	*In compliance with FRC notification no. 179/FRC/FRM/Notification/2020/2, we have already adjusted the forfeited fund previously distributed among active members of provident fund for the period from 2015 to 2021 as per the existing Fund Rules. Additionally, we have recognized other receivable of BDT 1,287,595 under sundry debtors for the forfeited fund for 2022.					



Notes to the financial statements as at and for the year ended 31 December 2023

	Particulars	Note	Consolidated		In Taka	
			2023	2022	2023	2022
10.7	Other assets of subsidiaries					
	BRAC EPL Investments Limited		138,236,172	88,878,423		
	BRAC EPL Stock Brokerage Limited		46,747,921	123,946,712		
	bKash Limited		10,092,319,864	6,919,169,697		
	BRAC Saajan Exchange Limited		186,862,420	37,669,542		
			<u>10,464,166,377</u>	<u>7,169,664,374</u>		
	Less: Inter company transactions:					
	BRAC Bank PLC.		9,283,397	5,342,818		
	BRAC EPL Stock Brokerage Limited		3,947,268			
	bKash Limited		11,401,348	68,908,939		
			<u>24,632,013</u>	<u>74,251,757</u>		
			<u>10,439,534,364</u>	<u>7,095,412,617</u>		
11	Non-banking assets	Possession date				
	M/S Macca And Modina Store*	16 January 2017	-	1,200,000		1,200,000
	M/S. Akash Auto Mobile	11 June 2018	3,041,700	3,041,700	3,041,700	3,041,700
	M/S Shawan Enterprise	12 January 2021	300,000	300,000	300,000	300,000
	M/S SB Variety Store	12 October 2022	6,800,000	6,800,000	6,800,000	6,800,000
			<u>10,141,700</u>	<u>11,341,700</u>	<u>10,141,700</u>	<u>11,341,700</u>
	*The bank auctioned and sold the non-banking asset against "M/S Macca And Modina Store" to the highest bidder for an amount of BDT 1,722,000 and booked respective gain on disposal of BDT 522,000 under Retained Earnings as per BRPD Circular No - 22, Dated 20 September 2021.					
12	Goodwill					
	(i) BRAC EPL Investments Limited		246,289,821	246,289,821		
	(ii) BRAC EPL Stock Brokerage Limited		1,126,273,572	1,126,273,572		
	(iii) BRAC Saajan Exchange Limited*					
	Total		<u>1,372,563,393</u>	<u>1,372,563,393</u>		
13	Borrowings from other banks, financial institutions and agents					
	Borrowings inside Bangladesh	13.1	191,117,216	207,944,839		
	Borrowings outside Bangladesh	13.2	41,732,253,540	38,701,617,412	41,716,714,285	38,685,377,271
			<u>41,923,370,755</u>	<u>38,909,562,251</u>	<u>41,716,714,285</u>	<u>38,685,377,271</u>
13.1	Borrowings inside Bangladesh					
	Eastern Bank PLC.		191,117,216	207,944,839		
	Woori Bank					



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	In Taka			
	Consolidated		BRAC Bank PLC.	
	2023	2022	2023	2022
13.2 Borrowings outside Bangladesh				
State Bank of India, Hong Kong	275,000,000	2,479,128,000	275,000,000	2,479,128,000
Nabil Bank Limited, Nepal	-	639,026,231	-	639,026,231
HDFC Bank Limited, India	1,100,000,000	1,549,455,000	1,100,000,000	1,549,455,000
Standard Chartered Bank, Singapore	-	516,485,000	-	516,485,000
Asian Development Bank	2,200,000,000	3,098,910,000	2,200,000,000	3,098,910,000
Caixabank S.A.	3,300,000,000	6,920,899,000	3,300,000,000	6,920,899,000
The National Bank of Ras AlKhaimah, UAE	-	5,164,850,000	-	5,164,850,000
Abu Dhabi Commercial Bank, UAE	5,500,000,000	1,549,455,000	5,500,000,000	1,549,455,000
CDC Group Plc, United Kingdom	-	886,288,260	-	886,288,260
International Finance Corporation (IFC), USA	5,500,000,000	3,098,910,000	5,500,000,000	3,098,910,000
JP Morgan Chase Bank N.A. Singapore	3,256,000,000	5,061,553,000	3,256,000,000	5,061,553,000
Bank Muscat Saog, Oman	-	1,756,049,000	-	1,756,049,000
Cargill Financial Services International	-	3,098,910,000	-	3,098,910,000
Commercial Bank of Qatar	-	1,032,970,000	-	1,032,970,000
Mizuho Bank Ltd, Singapore	2,200,000,000	1,032,970,000	2,200,000,000	1,032,970,000
Yes Bank, India	-	799,518,780	-	799,518,780
Citibank, N.A., Tokyo Branch	785,714,285	-	785,714,285	-
DEG - Deutsche Investitions	5,500,000,000	-	5,500,000,000	-
Emirates Nbd Bank Pjsc, Dubai	2,200,000,000	-	2,200,000,000	-
Japan International Cooperation Agency (JICA)	9,900,000,000	-	9,900,000,000	-
Millennium Bank, Portugal	15,539,254	16,240,141	-	-
	41,732,253,540	38,701,617,412	41,716,714,285	38,685,377,271
13.3 Security against borrowings from other banks, financial institutions and agents:				
Secured (Treasury bills)	-	-	-	-
Unsecured	41,923,370,755	38,909,562,251	41,716,714,285	38,685,377,271
	41,923,370,755	38,909,562,251	41,716,714,285	38,685,377,271



Notes to the financial statements as at and for the year ended 31 December 2023

In Taka

Particulars	Note	Consolidated	
		2023	2022
			BRAC Bank PLC.
			2023
			2022

13.4 Disclosure regarding REPO

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

(a) (i) Disclosure regarding outstanding Repo as on 31 December 2023

Counter party name	SL. no	Agreement date	Reversal date	Amount (1st leg cash consideration) outstanding on 31 December 2023	Amount (1st leg cash consideration) outstanding on 31 December 2022
Standard Chartered Bank Dhaka	i	December 27, 2023	January 2, 2024	2,272,684,500	Nil
Bangladesh Bank	ii	December 24, 2023	January 1, 2024	1,885,834,000	Nil
Bangladesh Bank	iii	December 26, 2023	January 2, 2024	2,904,359,106	Nil
Bangladesh Bank	iv	December 27, 2023	January 3, 2024	3,020,990,480	Nil
Agrani Bank Limited	vii				5,525,476,218
Agrani Bank Limited	viii				3,064,628,767
Janata Bank Limited	ix				4,079,793,226
				10,083,868,086	12,669,898,211

(a) (ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2023

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

(b) Disclosure regarding overall transaction of Repo and Reverse repo during the year 2023

Particulars	Minimum outstanding during the year 2023	Maximum outstanding during the year 2023	Daily average outstanding during the year 2023	Daily average outstanding during the year 2022
Securities sold under repo:				
i) with Bangladesh Bank	950,076,000	6,488,566,000	364,844,980	9,268,855
ii) with other banks & FIs	466,541,500	7,591,225,981	1,025,586,600	2,138,552,906
Securities purchased under reverse repo:				
i) with Bangladesh Bank	492,110,000	10,281,343,861	943,022,622	1,480,047,089
ii) with other banks & FIs				



Notes to the financial statements as at and for the year ended 31 December 2023

	Particulars	Note	In Taka				
			Consolidated		BRAC Bank PLC.		
			2023	2022	2023	2022	
13.5	Maturity wise grouping of borrowing from other bank and financial institutions						
	Repayable on demand	1,327,628,997	6,445,003,282	2,588,142,857	7,446,298,531		
	Not more than 3 months	8,108,091,844	10,637,195,266	7,700,000,000	10,536,294,000		
	More than 3 months but not more than 1 year	11,414,967,804	21,827,363,703	10,371,428,572	20,702,784,740		
	More than 1 year but not more than 5 years	15,456,602,856	-	15,456,602,856	-		
	More than 5 years	5,616,079,254	-	5,600,540,000	-		
		41,923,370,755	38,909,562,251	41,716,714,285	38,685,377,271		
14	Borrowings from central bank & government agencies						
	BB - Export development fund (EDF)	13,134,841,935	16,168,162,980	13,134,841,935	16,168,162,980		
	SME Foundation pre finance	353,885,000	506,077,187	353,885,000	506,077,187		
	BB - Long term financing facility (LTF)	689,665,225	785,064,454	689,665,225	785,064,454		
	BB - Green transformation fund (GTF)	160,965,886	232,733,347	160,965,886	232,733,347		
	BB - Stimulus fund	-	55,370,628	-	55,370,628		
	BB - Working capital stimulus fund	-	1,514,040,573	-	1,514,040,573		
	BB - PSC stimulus package	1,304,728,000	1,367,527,000	1,304,728,000	1,367,527,000		
	BB - Refinancing for green initiatives	20,000,000	30,000,000	20,000,000	30,000,000		
	BB - SME re-finance	45,508,903,750	21,370,475,640	45,508,903,750	21,370,475,640		
	Joyeeta foundation pre or re-finance	26,275,000	155,050,000	26,275,000	155,050,000		
	BB - Technology Development Fund (TDF)	149,710,000	-	149,710,000	-		
	BB - Green Transformation Fund (GTF) for Loy	81,300,000	-	81,300,000	-		
		61,430,274,796	42,184,501,809	61,430,274,796	42,184,501,809		
14.1	Maturity wise grouping of Borrowings from central bank & government agencies						
	Repayable on demand	6,872,668,678	5,631,493,289	6,872,668,678	5,631,493,289		
	Not more than 3 months	6,614,943,813	8,114,768,696	6,614,943,813	8,114,768,696		
	More than 3 months but not more than 1 year	21,201,721,515	12,381,754,222	21,201,721,515	12,381,754,222		
	More than 1 year but not more than 5 years	26,728,745,790	16,010,838,538	26,728,745,790	16,010,838,538		
	More than 5 years	12,195,000	45,647,064	12,195,000	45,647,064		
		61,430,274,796	42,184,501,809	61,430,274,796	42,184,501,809		
15	Affordable housing bond						
	In 2022, upon approval from Bangladesh Securities & Exchange Commission (BSEC) and permission from Bangladesh Bank, BRAC Bank issued unsecured Affordable Housing Bond amounting BDT 4,751,000,000. The bond has been fully subscribed by International Finance Corporation (IFC). The raised fund will be utilized to provide affordable housing loans to lower and middle income group at a highest interest rate of 7.50% or as revised by Bangladesh Bank time to time.						



Notes to the financial statements as at and for the year ended 31 December 2023

In Taka

	Particulars	Note	Consolidated		BRAC Bank PLC.	
			2023	2022	2023	2022
16	Deposits and other accounts		232,223,892,907	187,854,787,905	157,581,037,835	123,148,401,399
	Current accounts and other accounts	16.1	2,716,819,155	1,739,503,614	2,716,819,155	1,739,503,614
	Bills payable	16.2	79,097,018,100	71,890,957,598	79,097,018,100	71,890,957,598
	Savings deposits	16.3	260,827,011,296	182,973,780,522	260,948,521,301	185,088,946,361
	Term deposits*	16.4	13,565,603,695	2,598,966,270	13,565,603,695	2,598,966,270
	Other deposits	16.5	588,430,345,153	447,057,995,909	513,909,000,086	384,466,775,242
			222,841,134,175	183,410,331,638	143,755,074,774	114,959,900,255
16.1	Current accounts and other accounts		13,825,963,060	8,188,501,144	13,825,963,060	8,188,501,144
	Local currency		236,667,097,235	191,598,832,782	157,581,037,835	123,148,401,399
	Foreign currencies		4,443,204,328	3,744,044,877		
	Less: Inter unit/company elimination		232,223,892,907	187,854,787,905	157,581,037,835	123,148,401,399
16.1.1	Current accounts and other accounts		220,913,137,885	177,062,146,540	141,827,078,484	108,611,715,157
	Current deposits		15,753,959,351	14,536,686,242	15,753,959,351	14,536,686,242
	Special notice deposit		236,667,097,235	191,598,832,782	157,581,037,835	123,148,401,399
			4,443,204,328	3,744,044,877		
	Less: Inter unit/company elimination		232,223,892,907	187,854,787,905	157,581,037,835	123,148,401,399
16.2	Bills payable		2,707,792,906	1,709,235,613	2,707,792,906	1,709,235,613
	Local currency		9,026,249	30,268,001	9,026,249	30,268,001
	Foreign currencies		2,716,819,155	1,739,503,614	2,716,819,155	1,739,503,614
16.3	Savings deposits		79,097,018,100	71,890,957,598	79,097,018,100	71,890,957,598
	Local currency		79,097,018,100	71,890,957,598	79,097,018,100	71,890,957,598
	Foreign currencies					
16.4	Term deposits		253,606,456,192	181,477,648,780	253,606,456,192	181,477,648,780
	Local currency		7,342,065,110	3,611,297,581	7,342,065,110	3,611,297,581
	Foreign currencies		260,948,521,301	185,088,946,361	260,948,521,301	185,088,946,361
			121,510,005	2,115,165,839		
	Less: Inter unit/company elimination		260,827,011,296	182,973,780,522	260,948,521,301	185,088,946,361

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



Notes to the financial statements as at and for the year ended 31 December 2023

	Particulars	Note	Consolidated		BRAC Bank PLC.		
			2023	2022	2023	2022	
			In Taka				
16.5	Other deposits						
	Local currency	16.5.1	13,558,187,099	2,591,975,775	13,558,187,099	2,591,975,775	
	Foreign currencies	16.5.2	7,416,596	6,990,495	7,416,596	6,990,495	
			13,565,603,695	2,598,966,270	13,565,603,695	2,598,966,270	
	Less: Inter unit/company elimination						
			13,565,603,695	2,598,966,270	13,565,603,695	2,598,966,270	
16.5.1	Other local currency deposits						
	Security deposits		1,073,073	813,000	1,073,073	813,000	
	Security deposit from retail loan client						
	Sundry deposit	16.5.1.1	13,557,114,026	2,591,162,775	13,557,114,026	2,591,162,775	
			13,558,187,099	2,591,975,775	13,558,187,099	2,591,975,775	
16.5.1.1	Sundry deposit						
	Lease deposits						
	Payable to NPS		12,787,948,854	2,368,101,519	12,787,948,854	2,368,101,519	
	EFTN and BACH adjustments account		443,849,118	129,174,085	443,849,118	129,174,085	
	Payable against customers, loan account and others		325,316,054	93,887,171	325,316,054	93,887,171	
			13,557,114,026	2,591,162,775	13,557,114,026	2,591,162,775	
16.5.2	Other foreign currency deposits						
	Proceeds awaiting for remittance (BTB LC)		7,416,596	6,990,495	7,416,596	6,990,495	
	Remittance awaiting for disposal (RAD)						
			7,416,596	6,990,495	7,416,596	6,990,495	
16.6	Deposits concentration						
	Deposits from banks-inside Bangladesh	16.6.1	1,647,663,400	416,079,447	1,647,663,400	416,079,447	
	Other than banks		586,782,681,753	446,641,916,462	512,261,336,685	384,050,695,795	
			588,430,345,153	447,057,995,909	513,909,000,086	384,466,775,242	
16.6.1	Deposits from banks inside Bangladesh						
	Current deposits:						
	NRB Bank Limited		1,336,466	1,346,966	1,336,466	1,346,966	
	Islami Bank Bangladesh PLC		440,048	440,548	440,048	440,548	
	One Bank PLC		293,671	977,208	293,671	977,208	
	Meghna Bank PLC		519,680	409,935,258	519,680	409,935,258	
	National Credit & Commerce Bank PLC		14,727	14,727	14,727		
			2,604,591	412,699,980	2,604,591	412,699,980	



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	In Taka			
		Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
Special notice deposit:					
Dutch-Bangla Bank Mobile Banking Rocket		5,058,809	3,379,467	5,058,809	3,379,467
Term deposits from Banks:					
Probashi Kailyan Bank		40,000,000	-	40,000,000	-
Citizens Bank PLC		1,400,000,000	-	1,400,000,000	-
Rajshahi Krishi Unnayan Bank		200,000,000	-	200,000,000	-
		1,640,000,000	-	1,640,000,000	-
Total deposits from banks		1,647,663,400	416,079,447	1,647,663,400	416,079,447
Payable on demand and time deposit					
i) Demand deposit					
Current deposits		202,643,970,496	165,129,600,519	128,001,115,423	100,423,214,013
Saving deposits (9% of total saving deposits)		7,118,731,629	6,470,186,184	7,118,731,629	6,470,186,184
Foreign currency deposits		13,833,379,656	8,195,491,639	13,833,379,656	8,195,491,639
Sundry deposits		13,557,114,026	2,591,162,775	13,557,114,026	2,591,162,775
Bills payable		2,716,819,155	1,739,503,614	2,716,819,155	1,739,503,614
		239,870,014,963	184,125,944,731	165,227,159,890	119,419,558,225
ii) Time deposit					
Saving deposits (91% of total saving deposits)		71,978,286,471	65,420,771,414	71,978,286,471	65,420,771,414
Foreign currency deposits		7,342,065,110	3,611,297,581	7,342,065,110	3,611,297,581
Term deposits		231,693,643,226	160,951,254,291	231,815,153,231	163,066,420,130
Deposit pension schemes (DPS)		21,791,302,961	18,411,228,650	21,791,302,961	18,411,228,650
Special notice deposit		15,753,959,351	14,536,686,242	15,753,959,351	14,536,686,242
Security deposits		1,073,073	813,000	1,073,073	813,000
		348,560,330,190	262,932,051,178	348,681,840,195	265,047,217,917
		588,430,345,153	447,057,995,909	513,909,000,086	384,466,775,242
16.8 Maturity wise grouping of deposits and other accounts					
Repayable on demand		17,299,718,101	12,889,777,748	17,299,718,101	12,889,777,748
Repayable within 1 month		66,075,417,880	39,477,589,154	58,989,098,119	33,816,689,751
Over 1 months but within 6 months		164,268,442,478	123,692,377,070	164,268,442,478	123,692,377,070
Over 6 months but within 1 year		118,005,415,472.79	126,570,721,489	100,379,070,911	69,640,400,225
Over 1 year but within 5 years		195,273,700,242	141,455,809,394	171,395,570,656	141,455,809,394
Over 5 years but within 10 years		27,507,650,979	2,971,721,054	1,597,099,821	2,971,721,054
Over 10 years					
Total balance		588,430,345,153	447,057,995,909	513,909,000,086	384,466,775,242
Unclaimed deposits for 10 years or more		79,450,458	57,875,419	79,450,458	57,875,419



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
					In Taka
As per Bank Company Act 1991, Section 35 and BB circular letter no. BRPD 10 dated 12 September 2018, if any money or valuable asset (except deposits from Government, minor or litigation) is unclaimed for ten years or above as of 31 December every year, a three months' notice will be given to depositors concerned. Based on the response from the concerned depositors by following three months, amount will be paid to them otherwise unclaimed deposit will be deposited to Bangladesh Bank by 30 April of the following year. We reported BDT BDT 79,450,458 as 10 years and above unclaimed deposit amount as on 31 December 2023 (cut off basis) to Bangladesh Bank.					
Other liabilities					
Provision for loans and advances	17.1	17,176,153,240	14,602,789,573	15,964,317,470	13,390,953,803
Special general provision Covid-19	17.1	784,207,224	784,207,224	784,207,224	784,207,224
Provision for interest receivable from loan	17.2	31,355,296	20,676,127	31,355,296	20,676,127
Provisions for off balance sheet items	17.3	1,079,770,556	911,486,554	1,079,770,556	911,486,554
Provision for diminution in value of investments	17.4	54,699,842	34,119,549	54,699,842	34,119,549
Provision for other assets	17.5	250,326,862	247,263,926	250,326,862	247,263,926
Provision against non banking assets (NBA)		6,800,000	6,800,000	6,800,000	6,800,000
Interest suspense	17.6	1,988,749,599	1,710,681,546	1,988,749,599	1,710,681,546
Withholding tax payable	17.7	577,052,288	546,837,799	577,052,288	546,837,799
VAT payable	17.8	274,860,832	231,322,683	274,860,832	231,322,683
Excise duty payable		528,765,757	329,663,279	528,765,757	329,663,279
Provision for taxation net off AIT	17.9	7,181,157,352	5,448,621,002	4,226,604,046	4,144,359,024
Deferred tax liability	10.4	275,135,936	347,178,871	1,677,018,501	1,700,967,346
Interest payable on borrowings		1,170,238,268	733,123,758	1,170,238,268	733,123,758
Accrued expenses*		4,530,292,398	4,970,182,902	684,859,664	1,555,941,645
Share subscription - IPO (refund warrant)		291,893	273,606	291,893	273,606
Payable to off-shore banking unit		7	4	7	4
Unclaimed and undistributed dividend	17.10	15,477,955	11,588,296	15,477,955	11,588,296
Suppliers payable		117,439,983	162,427,092	117,439,983	162,427,092
Lease liabilities as per IFRS 16		4,469,656,993	4,465,075,566	4,010,398,208	3,861,470,127
Payable against exchange houses		-	60,200	-	60,200
Payable against insurances		6,217,443	6,260,997	6,217,442	6,260,996
Payable against proxy account		2,402,402	1,366,816	2,402,402	1,366,816
Payable against SWIFT charge		51,529,329	27,144,741	51,529,329	27,144,741
Start-up Fund	17.11	231,545,408	158,509,361	231,545,408	158,509,361
Other payables	17.12	6,849,328,572	4,188,126,315	6,849,328,572	4,188,126,315
Other liabilities of subsidiaries	17.13	5,386,335,381	2,037,229,529	-	-
		53,039,790,814	41,983,017,316	40,584,257,402	34,765,631,817

* BDT 38,489,909 is included as Provision for fraud and forgeries expenses under accrued expenses as advised by BB in addition to Provision for fraud and forgeries under other assets against Receivable for fraud and forgery-protested bill as reported in note 17.5.



Notes to the financial statements as at and for the year ended 31 December 2023

	Particulars	Note	Consolidated		BRAC Bank PLC.		In Taka
			2023	2022	2023	2022	
17.1	Provision for loans and advances including Covid special provision						
	A. General provision including Covid special provision						
	Provisions held at the beginning of the year		4,773,786,283	3,818,222,914	4,773,786,283	3,818,222,914	210,677,063
	Add: Transfer from specific provision		-	210,677,063	-	-	-
	Less: Transfer to specific provision		(465,330,715)	-	(465,330,715)	-	-
	Add: Special general provision Covid-19		-	-	-	-	-
	Add: Net charge to profit and loss A/C		709,645,915	575,618,832	709,645,915	575,618,832	169,267,474
	Add: Exchange difference		63,434,306	169,267,474	63,434,306	169,267,474	-
	Provisions held at the end of the year		5,081,535,788	4,773,786,283	5,081,535,788	4,773,786,283	4,773,786,283
	B. Specific provision						
	Provisions held at the beginning of the year (i)		10,613,210,514	10,179,609,769	9,401,374,744	8,960,504,600	(210,677,063)
	Less: Transfer to general provision (ii)		-	(210,677,063)	-	-	-
	Add: Transfer from general provision (iii)		465,330,715	-	465,330,715	-	-
	Less: Write off during the year (iv)		(1,122,610,295)	(1,875,687,554)	(1,122,610,295)	(1,875,687,554)	-
	Add: Provision charged for the year including special provision Covid-19 (v)		2,849,189,375	2,172,220,677	2,849,189,375	2,179,490,076	-
	Add: Recovery of written off bad debts (vi)		844,444,215	809,572,845	844,444,215	809,572,845	-
	Add: Exchange difference (vii)		73,704,363	347,744,685	73,704,363	347,744,685	-
	Net charge to profit and loss A/C (viii) = (v)-(vi)		2,004,745,160	1,362,647,832	2,004,745,160	1,369,917,231	-
	Provisions held at the end of the year (i+ii+iii+iv+v+vii)		12,878,824,673	10,613,210,514	11,666,988,903	9,401,374,744	9,401,374,744
	Total provision held at the end of the year (A+B)		17,960,360,461	15,386,996,797	16,748,524,691	14,175,161,027	14,175,161,027
17.2	Provision for interest receivable from loan						
	Provisions held at the beginning of the year		20,676,127	13,457,003	20,676,127	13,457,003	-
	Add: Net charge to profit and loss A/C		9,945,861	7,219,124	9,945,861	7,219,124	-
	Add: Exchange difference		733,308	-	733,308	-	-
	Provisions held at the end of the year		31,355,296	20,676,127	31,355,296	20,676,127	20,676,127
17.3	Provisions for off balance sheet items						
	Balance at the beginning of the year		911,486,554	706,746,134	911,486,554	706,746,134	-
	Provision made during the year		168,284,002	204,740,420	168,284,002	204,740,420	-
	Balance at the end of the year		1,079,770,556	911,486,554	1,079,770,556	911,486,554	911,486,554



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Consolidated		BRAC Bank PLC.	
	2023	2022	2023	2022

In Taka

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

Particulars	Note	2023	2022	Required provision 2023	Required provision 2022
Acceptances and endorsements (net of UPAS Loans)		39,094,045,121	1%	390,940,451.00	468,513,688
Irrevocable letters of credit		47,275,839,539	0.5%	236,379,198.00	274,519,632
Letter of guarantees		23,228,326,078	1%	232,283,261.00	186,070,629
Total required provision before considering counter guarantee				859,602,910	929,103,949
Deduction for counter guarantee				70,901,765	17,617,395
Total required provision				788,701,145	911,486,554
Total provision maintained (Note 17.3)				1,079,770,556	911,486,554
Excess/(short) provision				291,069,411	(0)

17.4 Provision for diminution in value of investments

Balance at the beginning of the year		34,119,549	13,580,119	34,119,549	13,580,119
Add: Provision made/(released) during the year		21,830,293	20,539,430	21,830,293	20,539,430
Less: Write-off of dividend receivable due to recovery of principal		1,250,000	-	1,250,000	-
Balance at the end of the year		54,699,842	34,119,549	54,699,842	34,119,549

17.5 Provision for other assets

Provisions held at the beginning of the year		247,263,926	234,820,125	247,263,926	234,820,125
Add: Net movement during the year		3,062,936	12,443,801	3,062,936	12,443,801
Provisions held at the end of the year*		250,326,862	247,263,926	250,326,862	247,263,926

*BDT 38,489,909 is provided with accrued expense in note 17 resulting a total provision of BDT 282,104,184 for other assets as advised BB Inspectors.

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

Other asset type	Other assets balance	Doubtful (50%)	Bad/Loss (100%)	Required provision 31 Dec 2023	Required provision 31 Dec 2022
Unadjusted prepaid expenses	789,836,793	6,760,157	2,694,851	9,455,008	2,859,851
Receivable for fraud and forged/protected bill	154,601,078	-	154,601,078	154,601,078	152,622,538
Receivables from customers for loans and advances	3,242,260,600	-	-	-	-
Receivables from governments/Bangladesh Bank for interest subsidy	303,583,232	-	2,630,167	2,630,167	518,135
Accrued Interest on Investment	921,187,606	-	518,135	518,135	1,250,000
Dividend receivables	76,903,639	-	-	-	-
Receivable for BSP/Bond Commission/Service Charge for Govt Stimu	85,441,958	-	-	-	-
Other Accrued Income	5,387,716	-	65,615	65,615	468,718
Advance security deposit	79,484,525	-	779,000	779,000	781,000
Receivables against sanchayapatra	33,836,925	-	-	-	-
Advances, receivables and other settlement balances	8,245,263,914	143,025	61,184,416	61,327,441	61,309,276
Other unadjusted balances	6,834,747,414	577,738	13,660,093	14,237,831	14,309,489
Total required provision for other assets				243,614,275	234,119,007
Total provision maintained				250,326,862	247,263,926
Excess/(short) provision				6,712,587	13,144,919

Notes to the financial statements as at and for the year ended 31 December 2023

	Particulars	Note	In Taka				
			Consolidated		BRAC Bank PLC.		
			2023	2022	2023	2022	
17.6	Interest suspense						
	Balance at the beginning of the year		1,637,871,114	1,710,681,546	1,710,681,546	1,710,681,546	1,637,871,114
	Add: Amount transferred to "interest suspense" account during the year		341,606,414	1,408,486,946	341,606,414	341,606,414	1,408,486,946
			2,052,287,960	3,046,358,060	2,052,287,960	3,046,358,060	3,046,358,060
	Less: Amount recovered and adjusted in "interest suspense" account during the year		7,073,589	1,144,121,836	7,073,589	1,144,121,836	1,144,121,836
	Less: Amount written off during the year		56,464,772	191,554,678	56,464,772	191,554,678	191,554,678
	Balance at the end of the year		1,988,749,599	1,710,681,546	1,988,749,599	1,710,681,546	1,710,681,546
17.7	Withholding tax payable						
	Payable on Interest		362,577,161	324,275,459	362,577,161	324,275,459	324,275,459
	Payable (suppliers)		6,887,948	10,450,449	6,887,948	10,450,449	10,450,449
	Payable (staff salaries and allowance)		26,196,976	21,993,118	26,196,976	21,993,118	21,993,118
	Payable (rent)		5,234,628	4,707,295	5,234,628	4,707,295	4,707,295
	Payable (export)		88,961,297	106,535,195	88,961,297	106,535,195	106,535,195
	Payable on commission paid		20,659,754	31,152,002	20,659,754	31,152,002	31,152,002
	Payable on professional services		7,180,594	8,645,651	7,180,594	8,645,651	8,645,651
	Payable on export cash subsidy		10,537,691	-	10,537,691	-	297,114
	Payable on local LC		2,132,884	297,114	2,132,884	297,114	297,114
	Payable on foreign buyer agent		29,791,267	18,633,996	29,791,267	18,633,996	18,633,996
	Freight forward agency commission		849,441	731,720	849,441	731,720	731,720
	Payable on IGW services		3,815,561	3,446,146	3,815,561	3,446,146	3,446,146
	Payable on others		12,227,086	15,969,654	12,227,086	15,969,654	15,969,654
			577,052,288	546,837,799	577,052,288	546,837,799	546,837,799
17.8	VAT Payable						
	Payable on banking service		104,142,835	78,280,195	104,142,835	78,280,195	78,280,195
	Payable - supplier		93,780,142	64,361,016	93,780,142	64,361,016	64,361,016
	Payable - rent		13,958,440	13,554,752	13,958,440	13,554,752	13,554,752
	Payable - DPDC, DESCO, BPDB & REB		62,979,415	75,126,720	62,979,415	75,126,720	75,126,720
			274,860,832	231,322,683	274,860,832	231,322,683	231,322,683
17.9	Provision for taxation net off AIT (BRAC Bank only)						
	A. Provision for tax:						
	Balance at the beginning of the year						
	Less: Adjusted during the year						
	Net addition during the year						
	Balance at the end of the year		31,267,764,084	(13,580,581,446)	31,267,764,084	(13,580,581,446)	27,502,064,330
	B. Advance income tax:						
	Balance at the beginning of the year						
	Less: Adjusted during the year						
	Add: Paid during the year						
	Balance at the end of the year		22,328,658,411	3,792,427,902	22,328,658,411	3,792,427,902	3,765,699,754
	Balance at the end of the year		27,123,405,060	(12,813,778,596)	27,123,405,060	(12,813,778,596)	22,480,505,827
	Provision for taxation (A-B)		18,102,054,366	3,792,427,902	18,102,054,366	3,792,427,902	4,642,899,233
	Corporate tax position of the Bank has been presented in Annexure F.		4,226,604,046	4,226,604,046	4,226,604,046	4,226,604,046	4,144,359,024



Notes to the financial statements as at and for the year ended 31 December 2023

Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022

In Taka

17.10	<p>Unclaimed and undistributed dividend</p> <p>As on 31 December 2023, the unclaimed/undistributed dividend was BDT 15,477,955/- Further to above, in pursuant to SEC/SRMIC/165-2020/part-1/182, dated July 19, 2021 and Capital Market Stabilization Fund, Rules 2021 issued by Bangladesh Securities and Exchange Commission (BSEC) regarding transfer the amount held against unclaimed dividend/undistributed /unsettled public subscription money for the period of more than 3 (three) years; we have transferred the amount BDT 60,840,320 to the Capital Market Stabilization Fund (CMSF).</p>				
17.11	<p>Start-up fund (Bank Only)</p> <p>As per SMESPD circular 04 dated March 29, 2021 and SMESPD circular letter 05 dated April 26, 2021, 1% of net profit after tax has been transferred to the fund. The details are given below:</p> <p>Balance at the beginning of the year</p> <p>Addition during the period (1% of PAT)</p> <p>Closing balance at the end of the year</p>				
17.12	<p>Other payables</p> <p>Payables related to cards and others</p> <p>Payable to merchant</p> <p>Payables to co brand ATM</p> <p>Miscellaneous payable*</p>				

* Miscellaneous payable includes BDT 132,074,440 against CSR Fund (FX gain). Net CSR Fund represents the amount of CSR liability set aside from the foreign exchange gain net of tax arisen during May and June 2022 according to Bangladesh Bank directive. The amount of fund calculation is presented below:

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

As directed by Bangladesh Bank, the fund is to be spent for the development of agricultural sector in Bangladesh. Accordingly BRAC Bank PLC. started to reimburse the amount contributed to the development of agriculture by BRAC, Department of Agricultural Extension (DAE), Gram Unnayan Karma (GUK), Bangladesh Agricultural University (BAU) and Hajee Mohammad Danesh Science and Technology University (HSTU) respectively. Out of the total BDT 188,198,573, amount reimbursed for the above institutions in 2023 is BDT 56,124,133 and in Q1 2024 is BDT 50,674,793.

17.13	<p>Other liabilities of subsidiaries</p> <p>BRAC EPL Investments Limited</p> <p>BRAC EPL Stock Brokerage Limited</p> <p>bKash Limited</p> <p>BRAC Saajan Exchange Limited</p> <p>Less: Inter company transactions:</p> <p>BRAC Bank PLC.</p> <p>BRAC EPL Investments Limited</p> <p>bKash Limited</p>				
		25,343,697	73,148,145		
		944,412,024	702,205,336		
		4,276,647,305	1,319,305,112		
		164,564,368	14,136,875		
		5,410,967,394	2,108,795,468		
		13,374,981	68,908,939		
		1,973,635	-		
		9,283,397	2,657,000		
		24,632,013	71,565,939		
		5,386,335,381	2,037,229,529		



Notes to the financial statements as at and for the year ended 31 December 2023

	Particulars	Note	Consolidated		BRAC Bank PLC.	
			2023	2022	2023	2022
			In Taka			
18	Share capital					
18.1	Authorized capital					
	5,000,000,000 ordinary shares of Tk. 10 each					
	Authorized Share capital was increased from 20,000,000,000 to BDT 50,000,000,000 which is approved by the shareholder at its 24th AGM, held on 31st May 2023.					
18.2	Issued, Subscribed and Paid up capital					
	100,000,000 Ordinary Shares of Tk. 10/- each issued for cash		1,000,000,000		1,000,000,000	
	1,254,598,981 Ordinary Shares of Tk. 10/- each issued as bonus share		12,545,989,810		11,423,550,820	
	26,400,000 Right Shares of Tk. 10/- each issued in 2008		264,000,000		264,000,000	
	221,652,288 Right Shares of Tk. 10/- each issued in 2014		2,216,522,880		2,216,522,880	
	1,149,589 Ordinary Shares of Tk. 10/- each issued as 1st bond converted share in 2016		11,495,890		11,495,890	
	2,237,835 Ordinary Shares of Tk. 10/- each issued as 2nd bond converted share in 2017		22,378,350		22,378,350	
	2,790,534 Ordinary Shares of Tk. 10/- each issued as 3rd bond converted share in 2018		27,905,340		27,905,340	
			16,088,292,270		14,965,853,280	
						20,000,000,000



18.2.1

History of paid-up capital

Given below the history of raising of share capital of BRAC Bank PLC.:

Particulars	Allotment year	Number of shares issued		Total paid up shares (No of shares)	Addition in amount of share capital (BDT)	Total paid up capital (BDT)	
		Bonus shares	Subscription				
First (Subscription to the Memorandum and Articles of Association) at the time of Incorporation	1999	-	2,000,000	2,000,000	200,000,000	200,000,000	
BRAC (subscription)	2001	-	500,000	2,500,000	50,000,000	250,000,000	
BRAC (subscription)	2003	-	674,500	3,174,500	67,450,000	317,450,000	
ShoreCap International Ltd.	2004	-	875,700	4,050,200	87,570,000	405,020,000	
International Finance Corporation	2004	-	949,800	5,000,000	94,980,000	500,000,000	
IPO	2006	5,000,000	-	10,000,000	500,000,000	1,000,000,000	
Bonus Share 20%	2007	2,000,000	-	12,000,000	200,000,000	1,200,000,000	
Bonus Share 10%	2008	1,200,000	-	13,200,000	120,000,000	1,320,000,000	
Right Share 20%	2008	-	2,640,000	15,840,000	264,000,000	1,584,000,000	
Bonus Share 30%	2009	4,752,000	-	20,592,000	475,200,000	2,059,200,000	
Bonus Share 30%	2010	6,177,600	-	26,769,600	617,760,000	2,676,960,000	
Bonus Share 20%	2011	5,353,920	-	32,123,520	535,392,000	3,212,352,000	
Denomination of face value from Tk.100 to Tk.10 per share	2011	-	-	321,235,200	-	3,212,352,000	
Bonus Share 20%	2012	64,247,040	-	385,482,240	642,470,400	3,854,822,400	
Bonus Share 15%	2013	57,822,336	-	443,304,576	578,223,360	4,433,045,760	
Bonus Share 10%	2014	44,330,457	-	487,635,033	443,304,570	4,876,350,330	
Right share 50%	2014	-	221,652,288	709,287,321	2,216,522,880	7,092,873,210	
Fresh Issue against Bond, 1st Conversion of Bond	2016	-	1,149,589	710,436,910	11,495,890	7,104,369,100	
Fresh Issue against Bond, 2nd Conversion of Bond	2017	-	2,237,835	712,674,745	22,378,350	7,126,747,450	
Bonus Share 20%	2017	142,534,949	-	855,209,694	1,425,349,490	8,552,096,940	
Fresh Issue against Bond, 3rd Conversion of Bond	2018	-	2,790,534	858,000,228	27,905,340	8,580,002,280	
Bonus Share 25%	2018	214,500,057	-	1,072,500,285	2,145,000,570	10,725,002,850	
Bonus Share 15%	2019	160,875,042	-	1,233,375,327	1,608,750,420	12,333,753,270	
Bonus Share 7.50%	2020	92,503,149	-	1,325,878,476	925,031,490	13,258,784,760	
Bonus Share 5%	2021	66,293,923	-	1,392,172,399	662,939,230	13,921,723,990	
Bonus Share 7.50%	2022	104,412,929	-	1,496,585,328	1,044,129,290	14,965,853,280	
Bonus Share 7.50%	2023	112,243,899	-	1,608,829,227	1,122,438,990	16,088,292,270	
Total					16,088,292,270		
				Consolidated		BRAC Bank PLC.	
				2023	2022	2023	2022

18.2.2

Issued, subscribed and paid up capital

Balance at the beginning of the year

Add: Stock dividend of 2022 issued in 2023

Balance at the end of the year

14,965,853,280	13,921,723,990	14,965,853,280	13,921,723,990
1,122,438,990	1,044,129,290	1,122,438,990	1,044,129,290
16,088,292,270	14,965,853,280	16,088,292,270	14,965,853,280



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

18.4 Cash dividend/bonus issue
On 31 May 2023, 15% Dividend (7.5% stock & 7.5% Cash) were approved by the shareholders at its 24th Annual General Meeting. The stock dividend was distributed on 8 June 2023 accordingly.

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

Ordinary Shares	No. of Shares (2023)	% of shareholding (2023)	2023 Taka	2022 Taka
	Director	743,975,773	46.24%	7,439,757,730
Government Institutions	260,816,322	0.00%	2,608,163,220	1,966,600,350
Foreign	485,806,849	16.21%	4,858,068,490	5,034,035,480
General public	118,230,283	30.20%	1,182,302,830	1,044,799,060
	1,608,829,227	7.35%	16,088,292,270	14,965,853,280
		100%		

18.5.1 Share trading
Trading of BRAC Bank's ordinary shares was started on 31 January 2007 at Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). The closing market price on 31 December 2023 was Tk. 35.80 at Dhaka Stock Exchange (DSE) and Tk. 36.00 at Chittagong Stock Exchange (CSE).

18.6 Classification of shareholding

Range of holding of shares	Number of shareholders (2023)	Number of shares (2023)	Percentage of holding of shares (2023)
Less than 500	7,766	1,424,620	0.09%
500 to 5,000	11,146	18,731,781	1.16%
5,001 to 10,000	2,178	14,664,160	0.91%
10,001 to 20,000	1,081	14,627,719	0.91%
20,001 to 30,000	390	9,486,543	0.59%
30,001 to 40,000	191	6,543,966	0.41%
40,001 to 50,000	105	4,645,422	0.29%
50,001 to 100,000	241	16,235,796	1.01%
100,001 to 1,000,000	287	84,932,528	5.28%
Over 1,000,000	93	1,437,536,692	89.35%
Total	23,478	1,608,829,227	100%



18.6.1 Name of the directors and their shareholdings as at 31 December 2023:

Name	Status	Opening position	Closing position	% of shares held as on 31 December 2023	% of shares held as on 31 December 2022
Mr. Meherfar M Hasan, Chairperson (Nominated by BRAC)	Nominated Director	NIL	NIL	NIL	NIL
Mr. Faruq Mayseenuddin Ahmed, Vice-Chairperson	Independent Director	NIL	NIL	NIL	NIL
Mr. Asif Saleh (Nominated by BRAC)	Nominated Director	33,325	66,624	0.004%	0.002%
Mr. Shameran Bahar Abed (Nominated by BRAC)	Nominated Director	1,072,312	1,152,735	0.072%	0.072%
Ms. Farzana Ahmed	Independent Director	NIL	NIL	NIL	NIL
Ms. Fahima Choudhury	Independent Director	NIL	NIL	NIL	NIL
Dr. Zahid Hussain	Independent Director	NIL	NIL	NIL	NIL
Dr. Mustafa Kamal Mujeri	Independent Director	NIL	NIL	NIL	NIL
Mr. Salek Ahmed Abul Masrur	Independent Director	NIL	NIL	NIL	NIL

Share premium	BRAC Bank PLC.	
	2023	2022
5,000,000 ordinary shares @ Tk. 70 per share	350,000,000	350,000,000
2,640,000 ordinary shares @ Tk. 400 per share	1,056,000,000	1,056,000,000
221,652,288 ordinary shares @ Tk. 10 per share	2,216,522,880	2,216,522,880
1,149,589 ordinary shares @ Tk. 32.55 per share	37,419,151	37,419,151
2,237,835 ordinary shares @ Tk. 35.10 per share	78,548,041	78,548,041
2,790,534 ordinary shares @ Tk. 41.31 per share	115,276,960	115,276,960
	3,853,767,032	3,853,767,032

18.7.1 Particulars of share premium

Sponsor:	1,324,534,000	1,324,534,000
BRAC	192,580	192,580
Others		
Non sponsor:	219,056,640	219,056,640
International Finance Corporation (IFC)	92,473,920	92,473,920
ShoreCap International Limited	91,555,530	91,555,530
Non Resident Bangladeshis	189,254,190	189,254,190
Mutual Funds	1,936,700,172	1,936,700,172
General Public	3,853,767,032	3,853,767,032



18.8 Capital Adequacy Ratio - As per BASEL-III

In Taka

Particulars	Consolidated		BRAC Bank PLC.	
	2023	2022	2023	2022
Common equity tier-1 (going concern capital)				
Fully paid-up capital/funds from head office for the purpose of meeting the capital adequacy	16,088,292,270	14,965,853,280	16,088,292,270	14,965,853,280
Non-repayable share premium account	3,853,767,032	3,853,767,032	3,853,767,032	3,853,767,032
Statutory reserve	12,312,787,273	11,148,169,834	12,234,525,238	11,112,086,248
Retained earnings	33,197,686,658	29,104,805,732	22,662,708,101	18,798,934,456
Dividend equalization fund	355,218,455	355,218,455	355,218,455	355,218,455
Minority/Non-controlling interest in subsidiaries	20,478,928,578	19,878,144,040	-	-
Sub-total	86,286,680,266	79,305,958,373	55,194,511,096	49,085,859,471
Regulatory adjustments				
Goodwill and all other intangible assets	4,844,732,464	5,082,229,672	871,776,724	1,087,487,802
Deferred tax assets (DTA)	7,948,509,998	6,207,462,673	5,391,254,781	4,565,043,290
Sub-total	12,793,242,461	11,289,692,345	6,263,031,505	5,652,531,093
Total admissible tier-1 capital	73,493,437,805	68,016,266,028	48,931,479,591	43,433,328,378
Tier-2 capital (going concern capital)				
General provision	6,161,306,344	5,685,272,838	6,161,306,344	5,685,272,838
Sub-total	6,161,306,344	5,685,272,838	6,161,306,344	5,685,272,838
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)	55,816,000,017	51,989,248,501	34,751,234,940	30,833,575,176
Total admissible tier-2 capital	6,161,306,344	5,685,272,838	6,161,306,344	5,685,272,838
Total capital	79,654,744,149	73,701,538,866	55,092,785,935	49,118,601,216
Total risk weighted assets	428,039,276,751	380,318,534,649	393,464,305,790	349,831,724,733
Minimum capital requirement (MCR - 12.50%)	53,504,909,594	47,539,816,831	49,183,038,224	43,728,965,592
Surplus/ (deficiency)	26,149,834,556	26,161,722,034	5,909,747,712	5,389,635,624
Capital adequacy ratio:				
Common equity tier-1 (against standard of minimum 6%)	17.17%	17.88%	12.44%	12.42%
Total capital to risk-weighted asset ratio*	18.61%	19.38%	14.00%	14.04%
Minimum CRAR %	12.50%	12.50%	12.50%	12.50%
Surplus/(deficiency) %	6.11%	6.88%	1.50%	1.54%

* In Standalone regulatory capital calculation, fair value gain of BDT 7,944,001,202 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-1 capital as per international practice, the standalone Regulatory Capital to Risk-weighted Asset Ratio (CRAR) would have been reported at 15.56%.



In Taka

	Particulars	Note	Consolidated		BRAC Bank PLC.	
			2023	2022	2023	2022
19	Statutory reserve					
	Balance at the beginning of the year		11,148,169,834	10,067,956,958	11,112,086,248	10,067,956,958
	Transferred from profit during the year		1,164,617,439	1,080,212,876	1,122,438,990	1,044,129,290
	Balance at the end of the year		<u>12,312,787,273</u>	<u>11,148,169,834</u>	<u>12,234,525,238</u>	<u>11,112,086,248</u>
20	Dividend equalization fund					
	Dividend equalization fund		355,218,455	355,218,455	355,218,455	355,218,455
			<u>355,218,455</u>	<u>355,218,455</u>	<u>355,218,455</u>	<u>355,218,455</u>
21	Revaluation reserve on govt. securities					
	Balance at the beginning of the year		1,337,245,165	2,490,292,927	1,337,245,165	2,490,292,927
	Add: Addition during the year		663,286,891	527,891,705	663,286,891	527,891,705
	Less: Adjustment during the year		1,817,009,056	1,680,939,467	1,817,009,056	1,680,939,467
			<u>183,523,000</u>	<u>1,337,245,165</u>	<u>183,523,000</u>	<u>1,337,245,165</u>
22	Fair value gain/(loss) on equity investment (Standalone)					
	Balance at the beginning of the year				7,671,468,018	7,384,920,564
	Add: Net change during the year				272,533,184	286,547,454
					<u>7,944,001,202</u>	<u>7,671,468,018</u>
23	Translation reserve					
	The functional currency of the Bank's Off-shore Banking Unit (OBU) is in United States Dollar (USD). Due to recent steepest price hike of USD against bank's presentation currency BDT, a significant increase in translation reserve has been generated both in separate and consolidated financial statements of the Bank.					
24	Surplus in profit and loss account/Retained earnings (standalone)					
	Balance at the beginning of the year				18,798,934,456	16,329,861,552
	Gain on disposal of NBA				522,000	-
	Add: Remeasurements gain/(loss) of defined benefits liabilities (assets)	10.5.3			7,303,604,668	(104,081,055)
	Add: Retained surplus for the year				1,122,438,990	1,044,129,290
	Less: Transfer to statutory reserve				73,036,047	57,631,736
	Less: Start-up Fund				1,122,438,996	1,044,129,299
	Less: Cash dividend paid				1,122,438,990	1,044,129,290
	Less: Bonus share issued					
	Closing balance				<u>22,662,708,101</u>	<u>18,798,934,456</u>



In Taka

Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
24.1 Surplus in profit and loss account/Retained earnings (Consolidated)					
BRAC Bank PLC.					
Opening balance		22,662,708,101	18,798,934,456		
Add: Retained surplus/(deficit) for the year		22,662,708,101	18,798,934,456		
Sub total		(1,334,655,599)	(1,607,496,637)		
		(8,388,711)	272,841,038		
		<u>(1,343,044,310)</u>	<u>(1,334,655,599)</u>		
BRAC EPL Investment Limited					
Opening balance		988,635,674	943,567,598		
Add: Retained surplus/(deficit) for the year		37,270,694	68,281,410		
Less: Transfer to statutory reserve		(6,957,639)	(23,213,334)		
Sub total		<u>1,018,948,729</u>	<u>988,635,674</u>		
BRAC EPL Stock Brokerage Limited					
Opening balance		10,790,569,760	10,742,740,197		
Add: Retained surplus/(deficit) for the year		371,706,585	59,554,596		
Add: Share issue cost due to issuance of bonus share		(16,029,696)	-		
Add: Remeasurements of defined benefits liability (assets)		(19,175,680)	1,145,219		
Less: Transfer to statutory reserve		(35,220,810)	(12,870,252)		
Sub total		<u>11,091,850,159</u>	<u>10,790,569,760</u>		
bKash Limited					
Opening balance		(136,513,397)	3,364,585		
Add: Retained surplus/(deficit) for the year		(112,728,218)	(83,127,719)		
Less: Impairment of goodwill		-	(54,905,518)		
Add: Effect of change of shareholding		-	(1,844,745)		
Sub total		<u>(249,241,615)</u>	<u>(136,513,397)</u>		
BRAC Saajan Exchange Limited					
Opening balance		(2,165,162)	(9,074,763)		
Add: Retained surplus/(deficit) for the year		18,630,757	4,860,182		
Gain/(loss) on disposal/loss of control of associates		-	2,049,419		
Sub total		<u>16,465,595</u>	<u>(2,165,162)</u>		
		<u>33,197,686,658</u>	<u>29,104,805,732</u>		



Particulars	Consolidated		BRAC Bank PLC.	
	2023	2022	2023	2022
24.1.1				
Net effect of all items directly recognised in equity				
Effect of change of shareholding in subsidiaries		(1,844,745)		
Disposal of Non Banking Asset	522,000	-	522,000	-
Share issue cost due to issuance of bonus share	(16,029,696)	-	-	-
Remeasurement of defined benefits liabilities (assets) - Gratuity	(19,175,680)	(102,935,836)	-	(104,081,055)
	(34,683,376)	(104,780,581)	522,000	(104,081,055)
24.2				
Non-controlling interest				
BRAC EPL Investments Limited	712,114	716,701		
BRAC EPL Stock Brokerage Limited	148,576,816	145,404,780		
bKash Limited	20,333,486,641	19,728,452,974		
BRAC SAAJAN Exchange Limited	(3,846,994)	3,569,585		
	20,478,928,578	19,878,144,040		
24.2.1				
Reconciliation of Non-controlling interest				
Particulars	BRACEPL Investments Ltd.	BRAC EPL Stock Brokerage Ltd.	bKash Limited	BRAC SAAJAN Exchange Limited
Opening balance as on 01 January 2023	716,701	145,404,780	19,728,452,974	3,569,585
Share of profit/(loss)	(4,587)	4,141,188	668,333,403	(7,515,215)
Less: Reduction in revaluation reserve	-	(969,152)	-	-
Share issue cost due to issuance of bonus share	-	-	(28,821,607)	-
Translation adjustment	-	-	(34,478,129)	98,637
Remeasurements loss on defined benefits liability (assets)	-	-	-	-
Closing balance as on 31 December 2023	712,114	148,576,816	20,333,486,641	(3,846,994)
Opening balance as on 01 January 2022	567,516	137,817,957	19,619,313,898	2,916,777
Share of profit/(loss)	149,185	7,586,823	107,079,957	(5,541,848)
Effect of change of shareholding	-	-	-	5,034,641
Translation adjustment	-	-	-	1,160,015
Remeasurements loss on defined benefits liability (assets)	-	-	2,059,119	-
Closing balance as on 31 December 2022	716,701	145,404,780	19,728,452,974	3,569,585
25				
Contingent liabilities				
Acceptances and endorsements*	39,094,045,121	46,851,368,815	39,094,045,121	46,851,368,815
Irrevocable letters of credit	47,275,839,538	27,451,963,219	47,275,839,538	27,451,963,219
Total Letters of credit and acceptances and endorsements	86,369,884,659	74,303,332,034	86,369,884,659	74,303,332,034
Letter of guarantees	23,228,326,078	18,607,062,875	23,228,326,078	18,607,062,875
Bills for collection	27,660,068,037	21,612,714,770	27,660,068,037	21,612,714,770
Other Commitments	45,329,433,413	15,144,320,058	45,329,433,413	15,144,320,058
	182,587,712,186	129,667,429,737	182,587,712,186	129,667,429,737

*Acceptances and endorsements excludes acceptance from DBU for which funding is made from OBU.



Particulars	Consolidated		BRAC Bank PLC.	
	2023	2022	2023	2022
25.1 Irrevocable letters of credit including acceptances and endorsements				
Letter of credit (Inland)	284,292,354	319,104,717	284,292,354	319,104,717
Letter of credit (General)	37,428,074,859	20,294,010,741	37,428,074,859	20,294,010,741
Back to back L/C	9,563,472,324	6,838,847,761	9,563,472,324	6,838,847,761
Back to back bills	12,369,860,579	9,589,235,466	12,369,860,579	9,589,235,466
Non Back to Back bills	26,724,184,542	37,262,133,349	26,724,184,542	37,262,133,349
	86,369,884,659	74,303,332,034	86,369,884,659	74,303,332,034
Less: Margin	3,134,765,697	923,190,579	3,134,765,697	923,190,579
	83,235,118,962	73,380,141,455	83,235,118,962	73,380,141,455
25.2 Letter of guarantees				
Letter of guarantee (Local)	13,497,606,232	8,419,835,932	13,497,606,232	8,419,835,932
Letter of guarantee (Foreign)	1,678,385,500	2,798,693,660	1,678,385,500	2,798,693,660
Foreign counter guarantee	8,052,334,346	7,388,533,283	8,052,334,346	7,388,533,283
	23,228,326,078	18,607,062,875	23,228,326,078	18,607,062,875
Less: Margin	498,563,662	178,553,887	498,563,662	178,553,887
	22,729,762,416	18,428,508,988	22,729,762,416	18,428,508,988
Balance for which the Bank is contingently liable in respect of guarantee issued favouring:				
Government	18,692,477,390	3,986,558,266	18,692,477,390	3,986,558,266
Bank and other financial institutions	688,067,658	744,161,442	688,067,658	744,161,442
Others	3,847,781,029	13,876,343,167	3,847,781,029	13,876,343,167
	23,228,326,078	18,607,062,875	23,228,326,078	18,607,062,875
Less : Margin	498,563,662	178,553,887	498,563,662	178,553,887
	22,729,762,416	18,428,508,988	22,729,762,416	18,428,508,988
25.3 Bills for collection				
Outward local bills for collection	17,111,883,573	15,302,217,027	17,111,883,573	15,302,217,027
Outward foreign bills for collection	10,548,184,464	6,310,497,743	10,548,184,464	6,310,497,743
	27,660,068,037	21,612,714,770	27,660,068,037	21,612,714,770
25.4 Other Commitments				
Swap deals with banks and customers	31,645,244,971	13,070,011,143	31,645,244,971	13,070,011,143
Spot and forward deals with banks and customers	13,684,188,442	2,074,308,915	13,684,188,442	2,074,308,915
	45,329,433,413	15,144,320,058	45,329,433,413	15,144,320,058

In Taka

Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
25.5 Significant concentration wise grouping					
i) Documentary credits and short term trade related transactions		137,258,278,773	114,523,109,679	137,258,278,773	114,523,109,679
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		13,684,188,442	2,074,308,915	13,684,188,442	2,074,308,915
v) Other exchange contracts		31,645,244,971	13,070,011,143	31,645,244,971	13,070,011,143
v) Others		182,587,712,186	129,667,429,737	182,587,712,186	129,667,429,737

25.6 Suit filed by the Bank

No law suit has been filed by the bank against contingent liabilities. However, there are two performance guarantees under litigation between Bank's customers and beneficiaries. Adequate provisions has been kept against these contingencies.

26 Income statement

Income:					
Interest, discount and similar income	26.1	52,883,680,152	37,902,518,271	44,994,203,988	32,593,018,679
Dividend income	29	140,818,983	265,932,312	140,818,983	265,932,312
Fees, commission and brokerage	26.2	11,479,597,402	9,007,548,627	4,612,541,640	3,369,781,836
Gains less losses arising from government securities		1,525,929,121	757,187,142	1,525,929,121	757,187,142
Gains less losses arising from investment securities/trading shares-MF		232,423	30,512,410	232,423	30,512,410
Gains less losses arising from dealing from foreign currencies	30	1,559,294,440	2,514,538,150	1,559,294,440	2,514,538,150
Other operating income	31	172,424,955	332,351,076	144,756,155	267,298,708
		67,761,977,477	50,810,587,988	52,977,776,751	39,798,269,237
Expenses:					
Interest paid on deposits and borrowings etc.	28	21,315,015,978	12,953,873,731	21,367,306,733	13,227,359,203
Administrative expenses	26.3	22,630,562,224	18,823,652,470	12,231,921,127	10,410,656,375
Impairment of Goodwill	38	-	54,905,518	-	-
Depreciation on banking assets	39	3,781,491,583	3,510,625,418	1,905,986,024	1,792,138,336
Other operating expenses	40	4,308,309,734	4,002,904,043	3,542,298,152	3,238,866,402
		52,035,379,519	39,345,961,180	39,047,512,036	28,669,020,316
Operating Profit		15,726,597,958	11,464,626,808	13,930,264,715	11,129,248,921



Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
26.1 Interest, discount and similar income					
Interest on loans and advances		38,163,889,645	27,591,738,769	38,011,099,773	27,456,551,626
Interest on balance with other banks		1,864,356,764	870,824,757	380,686,431	5,502,854
Interest on fixed deposits with other banks		894,680,620	2,442,511,804	(247,314,375)	534,902,237
Other interest income		941,035,161	465,144,401	941,035,161	465,144,401
Interest on government securities		5,339,076,892	3,305,864,953	5,339,076,892	3,305,864,953
Interest on reverse repo.		365,506,050	581,790,857	365,506,050	581,790,857
Interest on corporate & subordinated bond		203,397,035	244,450,943	203,397,035	244,450,943
Interest on interest rate swap (IRS)		5,378,275	5,209,823	5,378,275	5,209,823
Gain (loss) on interest rate swap (IRS) position		(4,661,253)	(6,399,015)	(4,661,253)	(6,399,015)
Investment income/loss from subsidiaries		5,111,020,965	2,401,380,979	-	-
		52,883,680,152	37,902,518,271	44,994,203,988	32,593,018,679
26.2 Fees, commission and brokerage					
Fees		2,676,024,244	2,392,273,067	2,676,024,244	2,392,273,067
Commission		8,803,573,159	6,615,275,560	1,936,517,396	977,508,769
		11,479,597,402	9,007,548,627	4,612,541,640	3,369,781,836
26.3 Administrative expenses					
Salaries and allowances		14,513,613,225	12,519,270,169	10,129,813,829	8,626,660,982
Rent, taxes, insurance, electricity etc.		818,310,310	695,793,870	576,282,623	507,158,511
Legal expenses		48,644,306	65,119,247	19,194,962	30,384,953
Postage, stamps, telecommunication etc.		408,781,265	411,000,956	297,625,871	308,505,338
Stationery, printing, advertisement etc.		4,185,699,523	3,224,031,540	602,519,872	396,662,334
Chief executive's salary and fees		24,471,250	24,471,250	24,471,250	24,471,250
Directors' fees and expenses		4,626,142	4,534,312	2,138,400	2,552,000
Auditors' fee		7,871,545	6,729,906	2,070,000	1,840,000
Repairs and maintenance of fixed assets		2,618,544,659	1,872,701,220	577,804,320	512,421,007
		22,630,562,224	18,823,652,470	12,231,921,127	10,410,656,375
27 Interest income					
Interest on loans and advances		38,163,889,645	27,591,738,769	38,011,099,773	27,456,551,626
Interest on balance with other banks		1,864,356,764	870,824,757	380,686,431	5,502,854
Interest on fixed deposits with other banks		2,147,028,255	3,475,201,209	658,450,309	920,914,577
Other interest income		941,035,161	465,144,401	941,035,161	465,144,401
		43,116,309,825	32,402,909,136	39,991,271,674	28,848,113,458
Less: Elimination of inter unit/company transactions		1,252,347,635	1,032,689,405	905,764,684	386,012,340
		41,863,962,190	31,370,219,731	39,085,506,990	28,462,101,118



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Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
Interest paid on deposits and borrowings etc.					
A. Interest paid on deposits:					
Current account		1,688,082,915	1,239,115,775	1,503,542,413	950,072,542
Short term deposit		183,681,393	165,519,630	183,681,393	165,519,630
Savings deposit		786,445,991	714,431,796	786,445,991	714,431,796
Term deposit		14,496,068,897	9,281,055,265	14,496,068,897	9,281,055,265
		<u>17,154,279,196</u>	<u>11,400,122,466</u>	<u>16,969,738,694</u>	<u>11,111,079,233</u>
B. Interest paid for borrowings:					
Interest on money at call and short notice		71,009,945	124,418,722	71,009,945	124,418,722
Interest on borrowings from banks and FIs		3,917,851,577	1,550,896,151	3,808,099,883	1,466,747,791
Interest on funding SWAP		58,237,592	85,424,425	58,237,592	85,424,425
Interest on re-finance and pre-finance from central bank & government agencies		708,443,024	509,774,721	708,443,024	509,774,721
Interest on repurchase agreement (REPO)		396,237,279	197,086,569	396,237,279	197,086,569
Interest expense-Affordable Housing Bond		261,305,000	118,840,082	261,305,000	118,840,082
		<u>5,413,084,418</u>	<u>2,586,440,670</u>	<u>5,303,332,724</u>	<u>2,502,292,310</u>
		<u>22,567,363,613</u>	<u>13,986,563,136</u>	<u>22,273,071,417</u>	<u>13,613,371,543</u>
		<u>1,252,347,635</u>	<u>1,032,689,405</u>	<u>905,764,684</u>	<u>386,012,340</u>
		<u>21,315,015,978</u>	<u>12,953,873,731</u>	<u>21,367,306,733</u>	<u>13,227,359,203</u>
Less: Elimination of inter unit/company transactions					
Investment income					
Interest on government securities		5,339,076,892	3,305,864,953	5,339,076,892	3,305,864,953
Interest on reverse REPO		365,506,050	581,790,857	365,506,050	581,790,857
Interest on corporate & subordinated bond		203,397,035	244,450,943	203,397,035	244,450,943
Interest on interest rate swap (IRS)		5,378,275	5,209,823	5,378,275	5,209,823
Dividend on shares & mutual funds		140,818,983	265,932,312	140,818,983	265,932,312
Capital gain (loss) on government securities		1,525,929,121	757,187,142	1,525,929,121	757,187,142
Capital gain (loss) on shares & mutual funds		232,423	30,512,410	232,423	30,512,410
Gain (loss) on interest rate swap (IRS) position		(4,661,253)	(6,399,015)	(4,661,253)	(6,399,015)
Investment income/(loss) of subsidiaries	29.1	5,111,020,965	2,401,380,979	-	-
		<u>12,686,698,490</u>	<u>7,585,930,404</u>	<u>7,575,677,526</u>	<u>5,184,549,425</u>
Investment income/(loss) of subsidiaries					
Dividend income		45,023,769	66,045,174		
Interest on treasury bills & bonds		326,360	-		
Realised gain/(loss) during the year		(71,210,191)	(128,542,694)		
Unrealized gain/(loss) on investment		7,358,993	-		
Fair value adjustment at reporting date		71,854,402	(40,670,769)		
Interest on treasury bills & bonds		5,057,667,632	2,504,549,268		
		<u>5,111,020,965</u>	<u>2,401,380,979</u>		



Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
Commission, exchange and brokerage					
Commission from sale of sanchaya patra		6,398,161	6,795,798	6,398,161	6,795,798
Commission from issue of payment orders, DD and TT		2,736,651	3,519,353	2,736,651	3,519,353
Commission from issue of letter of guarantee		163,340,708	97,011,555	163,340,708	97,011,555
Commission from issue of letters of credit (Import and Export)		1,603,068,383	723,271,753	1,603,068,383	723,271,753
Other commission		160,973,494	146,910,310	160,973,494	146,910,310
Gain/(Loss) on foreign currency dealings		1,559,294,440	2,514,538,150	1,559,294,440	2,514,538,150
Loan processing fees		1,230,855,759	875,409,231	1,230,855,759	875,409,231
Account activity fees		16,306,859	105,643,412	16,306,859	105,643,412
Import and export related fees		320,114,523	242,234,916	320,114,523	242,234,916
Fees and commission-cards		789,688,657	864,187,353	789,688,657	864,187,353
Relationship fees		6,842,979	6,399,494	6,842,979	6,399,494
Loan early settlement fees		40,379,356	34,799,586	40,379,356	34,799,586
Service charges for ATM Card		183,445,420	138,287,642	183,445,420	138,287,642
Fund collection/ transfer fees		263,538	121,080	263,538	121,080
Student service center fees		25,901,307	15,890,250	25,901,307	15,890,250
Cancellation fees		27,550	23,650	27,550	23,650
Cheque collection fees		4,200	11,730	4,200	11,730
Custodian fees		23,180,087	21,759,954	23,180,087	21,759,954
Other fees	30.1	39,014,007	87,504,769	39,014,007	87,504,769
Commission and brokerage income of subsidiaries		7,053,969,884	5,684,802,951	-	-
		13,225,805,964	11,569,122,937	6,171,836,080	5,884,319,986
		186,914,122	47,036,160	-	-
Less: Elimination of inter unit/company transactions		13,038,891,842	11,522,086,777	6,171,836,080	5,884,319,986
Other fees					
Passport endorsement fees		1,385,575	671,712	1,385,575	671,712
Locker fees		5,365,315	5,622,587	5,365,315	5,622,587
Service fees - ATM		907,757	604,505	907,757	604,505
Service fees - BIT		1,504,630	1,395,440	1,504,630	1,395,440
Service fees - bkKash		6,681,694	6,318,705	6,681,694	6,318,705
Annual membership fees-premium banking		11,800	11,800	11,800	11,800
Annual fees-SMS banking		30,779,917	32,316,815	30,779,917	32,316,815
Annual fees-internet banking		1,317,500	1,320,000	1,317,500	1,320,000
Syndication fees		-	6,120,000	-	6,120,000
Valuation fees		3,240,000	11,385	3,240,000	11,385
E-commerce acquiring fees		8,728,973	-	8,728,973	-
Miscellaneous fees income		(20,909,153)	33,111,820	(20,909,153)	33,111,820
		39,014,007	87,504,769	39,014,007	87,504,769



	Particulars	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
31	Other operating income				
	Profit on sale of fixed assets	6,937,985	15,414,283	6,937,985	15,414,283
	Profit share from other bank	135,746,140	107,150,999	135,746,140	107,150,999
	Miscellaneous income	2,072,030	144,733,426	2,072,030	144,733,426
	Other operating income of subsidiaries	27,668,800	65,052,368		
		172,424,955	332,351,076	144,756,155	267,298,708
32	Rent, taxes, insurance, electricity, etc.				
	Rent, rates and taxes	382,778,587	330,404,631	324,511,796	284,237,227
	Insurance	121,349,256	98,312,259	22,094,799	22,790,558
	Power and electricity	305,179,077	256,994,745	220,750,607	190,147,884
	WASA and sewerage	9,003,390	10,082,235	8,925,421	9,982,842
		818,310,310	695,793,870	576,282,623	507,158,511
32.1					
	Rent, rates and taxes	1,576,980,253	1,442,209,433	1,310,630,553	1,186,768,665
	Rent, taxes, insurance, electricity, etc.	1,194,201,666	1,111,804,802	986,118,757	902,531,438
	Less: rent exp. reversal due to depreciation and interest exp. under IFRS 16 -Leases	382,778,587	330,404,631	324,511,796	284,237,227
33	Postage, stamp, telecommunication, etc.				
	Postage and courier	64,853,796	67,630,940	42,879,342	42,979,569
	Telegram, telex, fax and network	155,488,148	146,281,898	124,169,123	119,022,158
	Court fees and stamps	65,122,786	89,136,635	65,122,786	89,136,635
	Telephone	123,316,535	107,951,483	65,454,620	57,366,976
		408,781,265	411,000,956	297,625,871	308,505,338
34	Stationery, printing, advertisements, etc.				
	Stationery and printing	218,619,554	176,560,577	202,738,237	160,478,031
	Security stationery	182,467,713	102,415,600	182,467,713	102,415,600
	Advertisement	3,784,612,256	2,945,055,363	217,313,922	133,768,703
		4,185,699,523	3,224,031,540	602,519,872	396,662,334
35	Chief executive's salary and fees				
	Basic salary	17,010,000	17,010,000	17,010,000	17,010,000
	Bonus and others	5,961,250	5,961,250	5,961,250	5,961,250
	House rent allowance	1,500,000	1,500,000	1,500,000	1,500,000
		24,471,250	24,471,250	24,471,250	24,471,250



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Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
35.1 Bonus and others					
Festival bonus		2,835,000	2,835,000	2,835,000	2,835,000
Performance bonus		1,000,000	1,000,000	1,000,000	1,000,000
Leave fair assistance		2,126,250	2,126,250	2,126,250	2,126,250
		5,961,250	5,961,250	5,961,250	5,961,250
36 Directors' fees					
Directors' fees represent fees paid for attending board meeting, board executive committee meeting, board audit committee meeting and risk management committee meeting @ Tk. 8,000 from January to December 2023 per director per meeting.					
Meeting attendance fees		4,626,142	4,534,312	2,138,400	2,552,000
		4,626,142	4,534,312	2,138,400	2,552,000
37 Auditor's fees					
Audit fees		7,871,545	6,729,906	2,070,000	1,840,000
		7,871,545	6,729,906	2,070,000	1,840,000
38 Impairment of goodwill					
On 26 May 2021, the operations of BRAC Saajan Exchange Limited was suspended on regulatory ground by the local regulator in UK and subsequently to meet up fixed operational costs, the net asset value (NAV) becomes negative. In 2022, considering the negative net asset value and negative cash flows, an impairment loss of goodwill amounting to BDT 54,905,518 related to BRAC Saajan has been accounted for in the consolidated financials in line with International Accounting Standard (IAS) 36: Impairment of Assets.					
39 Depreciation and repair of the bank's assets					
Depreciation of property, plant and equipment		161,861,544	154,823,766	146,820,837	139,671,303
Furniture and fixtures		516,913	612,569	100,858	100,858
Office floor space		101,867,785	90,755,778	93,091,554	81,295,046
Office equipment		1,094,225,063	993,221,762	437,726,091	393,579,196
IT hardware		37,768,555	63,815,458	28,061,747	52,113,021
Motor vehicles		50,081,914	39,156,862	-	-
Leasehold improvement		1,044,857,523	1,006,689,271	805,283,476	777,297,844
Right of use assets (RoU) as per IFRS 16		1,290,312,286	1,161,549,952	394,901,461	348,081,068
IT software		3,781,491,583	3,510,625,418	1,905,986,024	1,792,138,336
Repairs and maintenance expenses					
Transportation expenses		658,283,493	599,399,886	474,831,835	417,009,409
Equipment repairing expense		127,473,968	81,908,289	24,364,927	22,046,155
Hardware and software maintenance expense		1,683,565,668	1,039,090,279	27,238,965	10,076,930
Premises maintenance expense		149,221,530	152,302,766	51,368,594	63,288,513
		2,618,544,659	1,872,701,220	577,804,320	512,421,007
		6,400,036,242	5,383,326,638	2,483,790,344	2,304,559,343



In Taka

Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
Other expenses		79,880,806	88,041,422	79,880,806	88,041,422
Conveyance expense		53,365,629	40,352,651	53,365,629	40,352,651
Fuel expenses	40.1	53,008,863	46,755,693	53,008,863	46,755,693
Traveling cost		84,548,230	86,052,814	84,548,230	86,052,814
Professional fees		114,249,684	78,947,542	114,249,684	78,947,542
Entertainment		230,272,568	76,761,080	230,272,568	76,761,080
Business promotion and development		685,356	652,924	685,356	652,924
Books, news papers and periodicals		171,708,409	435,735,033	171,708,409	435,735,033
Donation and subscription		3,130,455	6,330,619	3,130,455	6,330,619
Government Levy, VAT and excise duty		355,298	710,236	355,298	710,236
Other operational loss		50,405,377	37,000,556	50,405,377	37,000,556
Staff training and development		204,400	21,312	204,400	21,312
Staff liveries		9,338,223	4,578,608	9,338,223	4,578,608
Staff recruitment		1,209,750,416	925,877,354	1,209,750,416	925,877,354
Salaries and allowance - outsourcing staff		25,778,003	21,415,936	25,778,003	21,415,936
Bank charges		401,752,162	427,409,866	261,359,192	266,790,141
Interest expense on lease liability as per IFRS 16		29,510,000	19,931,570	29,510,000	19,931,570
Documentation charges - CIB		704,109,583	674,053,553	704,109,583	674,053,553
IT enabled services		221,958,809	211,467,465	221,958,809	211,467,465
Security guard cost		11,573,921	12,224,564	11,573,921	12,224,564
Commission paid - vendor		81,726,095	66,639,796	81,726,095	66,639,796
Cash carrying charges		98,039,032	91,291,533	98,039,032	91,291,533
Spare parts expense		37,727,320	32,535,418	37,727,320	32,535,418
Archiving expense		78,868	4,931,452	78,868	4,931,452
Covid prevention expense		9,533,614	9,767,130	9,533,614	9,767,130
Miscellaneous		812,532,734	650,454,076	812,532,734	650,454,076
Other expenses of subsidiaries	40.3	4,495,223,855	4,049,940,203	4,495,223,855	4,049,940,203
Less: Elimination of inter unit/company transactions		186,914,122	47,036,160	186,914,122	47,036,160
		4,308,309,734	4,002,904,043	4,308,309,734	4,002,904,043
				3,542,298,152	3,238,866,402
				3,542,298,152	3,238,866,402

40.1 Bangladesh Bank, vide BRPD circular letter no. 28 dated 26 July 2022 and subsequent clarification, instructed all commercial banks to bring down the fuel expenses by 10% and electricity expenses by 12.5% from the budgeted amount in 2nd half of 2022 considering the global economic crisis arising from Covid-19 and Russia-Ukraine war. The bank has taken following initiatives to bring down the fuel and electricity costs:

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



Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
The progress status has been summarized below:					
SL	Particulars	Budget-H1, 2023	Actual-H1, 2023	Saving in exp.	Savings in %
1	Fuel expense	29,818,137	26,628,459	3,189,679	11%
2	Power and electricity expenses	111,285,252	92,795,013	18,490,239	17%
SL	Particulars	Budget-H2, 2022	Actual-H2, 2022	Saving in exp.	Savings in %
1	Fuel expense	31,927,719	26,659,391	5,268,328	17%
2	Power and electricity expenses	134,400,000	103,304,166	31,095,834	23%

40.2 The donation and subscription include the following:

i) During 2023, CSR expense of BDT 56,124,133 has been spent out of total BDT 188,198,573 (net of income tax) which has been transferred from the foreign exchange gain arisen during May and June 2022 according to Bangladesh Bank directive; BDT 111,887,311 spent as regular CSR expense to various CSR activities and BDT 132,894,218 which arises from discount on SME Fire Insurance Premium has been set aside for CSR expense as per BRPD instruction dated 12 October 2023 (reference BRPD(D.1)/UBPS/760/2023-8686).

ii) Subscription of BDT 59,821,098 made for various sponsorship and membership held by BRAC Bank;

40.3 Other expenses of subsidiaries

BRAC EPL Investments Limited	23,236,622	51,090,162
BRAC EPL Stock Brokerage Limited	117,075,227	165,474,547
bKash Limited	503,449,358	399,570,392
BRAC SAAJAN Exchange Limited	168,771,527	34,318,975
	812,532,734	650,454,076

41 Share of profit of associates

BRAC IT Services Limited	18,630,757	4,860,182
	18,630,757	4,860,182

42 Provisions

Provision for loans and advances			
Specific provision charged during the year	2,849,189,374.97	2,172,220,677	2,849,189,375
Recovery of written off bad debts	(844,444,215)	(809,572,845)	(844,444,215)
Specific provision (net off recovery) for the year	2,004,745,160	1,362,647,832	2,004,745,160
General provision charged during the year	709,645,915	575,618,832	709,645,915
Special provision Covid-19 charged during the year			
Total provision for loans and advances	2,714,391,075	1,938,266,664	2,714,391,075
Diminution in value of investments	21,830,293	20,539,430	21,830,293
Off Balance Sheet items	168,284,002	204,740,420	168,284,002
Other provisions:			
Other assets	7,905,996	17,943,572	3,062,936
Interest receivable from loan	9,945,861	7,128,770	9,945,861
	2,922,357,227	2,188,618,856	2,917,514,167
			1,945,536,063
			20,539,430
			204,740,420
			12,443,801
			7,128,770
			2,190,388,484



Particulars	Note	Consolidated		BRAC Bank PLC.	
		2023	2022	2023	2022
Payment for other operating activities					
Rent, taxes, insurance, electricity etc.		545,776,249	484,199,987	545,776,249	484,199,987
Audit fees		1,840,000	1,840,000	1,840,000	1,840,000
Directors fees and expenses		2,138,400	2,552,000	2,138,400	2,552,000
Repair and maintenance		702,466,475	588,292,005	702,466,475	588,292,005
Other expenses		4,506,436,843	4,284,132,440	4,506,436,843	4,284,132,440
Legal expenses		21,290,874	24,470,575	21,290,874	24,470,575
Other payments of subsidiaries		321,262,668	451,880,616	-	-
		6,101,211,508	5,837,367,623	5,779,948,840	5,385,487,007

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

Profit before tax as per profit and loss account		11,012,750,548	8,938,860,437
Adjustment for non-cash items:			
Provision for loans and advances		3,558,835,290	2,755,108,908
Provision for diminution in value of investments		21,830,293	20,539,430
Provision for off balance sheet items		168,284,002	204,740,420
Provision for other assets		13,008,797	19,572,571
Depreciation of property plant and equipment		1,905,986,024	1,792,138,336
Foreign exchange gain/(loss)		777,763	208,678,200
Profit on sale of fixed assets		(6,937,985)	(15,414,283)
Increase/decrease in operating assets & liabilities:			
Loans and advances		(108,775,588,852)	(89,464,175,973)
Other assets		(7,832,958,562)	(1,829,975,159)
Borrowings from other banks and financial institutions		22,827,110,001	33,559,411,231
Proceeds from issuance of affordable housing bond		-	4,751,000,000
Deposits from customers		127,810,868,058	67,558,949,157
Other liabilities		2,735,878,302	1,142,489,175
Income tax paid		(4,559,230,752)	(4,642,899,233)
		48,880,612,927	24,999,023,217

Net cash flows from operating activities as per cash flow statement

Consolidated	BRAC Bank PLC.	
	2023	2022

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Earnings per share (EPS)

Profit after taxation		6,142,001,094	7,303,604,668	5,763,173,574
Profit/(loss) attributable to non controlling interest		109,274,117	-	-
Profit attributable to ordinary shareholders of BRAC Bank PLC.		6,032,726,977	7,303,604,668	5,763,173,574
Weighted average/Restated number of shares outstanding		1,608,829,227	1,608,829,227	1,608,829,227
		4.73	4.54	3.58



In Taka

	Particulars	Note	Consolidated		BRAC Bank PLC.	
			2023	2022	2023	2022
49	Net asset value (NAV) per share					
	Net asset value attributable to shareholders of parent		66,541,474,577	61,186,045,126	63,782,029,290	58,418,109,568
	Number of ordinary share outstanding at the end of the year		1,608,829,227	1,608,829,227	1,608,829,227	1,608,829,227
			41.36	38.03	39.64	36.31
50	Net operating cash flow per share (NOCFPS)					
	Net operating cash flow		65,571,163,650	37,625,319,491	48,880,612,927	24,999,023,216
	Number of ordinary share outstanding at the end of the year		1,608,829,227	1,608,829,227	1,608,829,227	1,608,829,227
			40.76	23.39	30.38	15.54



Notes to the financial statements as at and for the year ended 31 December 2023

51 General Disclosures

51.1 Audit Committee

An audit committee was constituted by the Board of Directors of BRAC Bank PLC in its 23rd meeting held on 02 March 2003. As on 31 December 2023, the Audit Committee as under:

Sl No	Name of the director	Status with the Bank	Status with the committee	Educational qualification
01	Ms. Farzana Ahmed	Independent Director	Chairman	MA (Hons) Philosophy, Politics, Economics & Chartered Accountant
02	Ms. Fahima Choudhury	Independent Director	Member	B.Sc. (Hons.) Management and M.Sc. Management from London School of Economics and Political Science, the United Kingdom
03	Dr. Zahid Hussain	Independent Director	Member	Ph.D. in Economics, Boston University

During the year ended 31 December 2023, the Audit Committee of the Board conducted 05 (Five) meetings in which among others, the following issues were discussed:

- Annual Audited Financial Statements of the Bank for the year ended December 31, 2022
- Appointment of External Auditor for the year 2023 and their remuneration
- Management Report of BRAC Bank PLC for the year ended 31 December 2022
- Yearly Summary of Internal Audit Observations for the year 2022
- Half Yearly Summary of Internal Audit Observations for January 2023 to June 2023
- Yearly Summary of Compliance Status for the year 2022
- Half Yearly Summary of Compliance Status for January 2023 to June 2023
- Annual Health Report of BRAC Bank PLC 2022
- Overall effectiveness of Internal Control System 2022
- Summary of Reports on Fraud, Forgery and irregularities

51.2 Particulars of Board of Directors

i) Name of Directors and the entities in which they have interest as on 31 December 2023:

Sl No	Name of director	Status with the Bank	Name of the firms/companies in which they have interest	Educational qualification
1	Mr. Meheriar M Hasan (Nominated by BRAC)	Chairperson Nominated Director	N/A	Master of Science in Finance, USA, BA in Economics
2	Mr. Faruq Mayeenuddin Ahmed	Vice-Chairperson Independent Director	N/A	MSS in Economics, University of Dhaka
3	Mr. Asif Saleh (Nominated by BRAC)	Nominated Director	BRAC IT Services Limited Institute of Informatics and Development (IID) Edotco Bangladesh Co. Ltd. BRAC Kaiyachara Tea Company Ltd BRAC OSIRIS Impact Ventures Ltd. BRAC Kurmon Affordable Health Care Trust BRAC Probashbondhu Ltd bKash Limited	Masters of Business Administration, New York University, Stern School of Management



Notes to the financial statements as at and for the year ended 31 December 2023

SI No	Name of director	Status with the Bank	Name of the firms/companies in which they have interest	Educational qualification
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 Kids Tutorial	B.Sc. (Hons.) Management and M.Sc. Management from London School of Economics and Political Science, the United Kingdom
5	Ms. Farzana Ahmed	Independent Director		MA (Hons) Philosophy, Politics, Economics & Chartered Accountant
6	Dr. Zahid Hussain	Independent Director	BRAC EPL Stock Brokerage Limited BRAC EPL Investment Limited BRAC Sajaan Exchange Ltd. World Bank, Bangladesh	Ph.D. in Economics, Boston University
7	Mr. Shameran Bahar Abed (Nominated by BRAC)	Nominated Director	bKash Limited BRAC OSIRIS Impact Ventures Ltd.	BA in Economics, USA, Bar-at-Law, UK
8	Dr. Mustafa Kamal Mujeri	Independent Director	Institute for inclusive Finance and Development (InM)	Ph.D. in Economics from McMaster University, Canada M.A in Economics from McMaster University
9	Mr. Salek Ahmed Abul Masrur	Independent Director	N/A	MBA, The University of Tennessee, USA, BBA The Tri-State University of Indiana.
10	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



Notes to the financial statements as at and for the year ended 31 December 2023

The bank carried out transactions with related parties in the normal course of business on an arms length basis. As on 31 December 2023, the bank had following transactions with the Related Party/(ies) as defined in the BRRPD circulars no. 14 issued by the Bangladesh Bank on 25 June 2003.

Details of transactions with related parties can be found at Annexure-I

	Taka
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:	1,261,330,848
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	Nil

51.3 Claim not Acknowledged as Debt

There was no claim against the Bank not acknowledged as debt as on 31 December 2023.

51.4 Number of Employees

The number of employees including contractual engaged for the whole year or part there of who received a total yearly remuneration of Tk. 36,000 or above were 8,231 (2022: 7,863).

51.5 Events after the Balance Sheet Date

The Board of Directors in its 360th Board meeting held on 02 April 2024 has proposed total 20% dividend (Cash dividend: 10% and stock dividend: 10%) subject to the approval of the shareholders at the next Annual General Meeting.

BRAC Bank PLC. and its subsidiaries
Highlights on the overall Activities
As at 31 December 2023

Particulars	Note	Consolidated		Amount in Taka unless otherwise specified	
		2023	2022	2023	2022
		BRAC Bank PLC.			
Paid-up capital	18.2	16,088,292,270	14,965,853,280	16,088,292,270	14,965,853,280
Core Capital	18.8	73,493,437,805	68,016,266,028	48,931,479,591	43,433,328,378
Supplementary Capital	18.8	6,161,306,344	5,685,272,838	6,161,306,344	5,685,272,838
Total Regulatory Capital	18.8	79,654,744,149	73,701,538,866	55,092,785,935	49,118,601,216
Total Risk Weighted Assets	18.8	428,039,276,751	380,318,534,649	393,464,305,790	349,831,724,733
Capital surplus	18.8	26,149,834,556	26,161,722,034	5,909,747,712	5,389,635,624
Total assets		837,145,184,673	655,950,266,450	726,723,275,859	563,271,395,707
Total deposits	16	588,430,345,153	447,057,995,909	513,909,000,086	384,466,775,242
Total loans and advances	8	520,287,630,605	412,084,750,584	519,451,995,812	410,676,406,960
Total contingent liabilities and commitments	25	182,587,712,186	129,667,429,737	182,587,712,186	129,667,429,737
Income from investments	29	12,686,698,490	7,585,930,404	7,575,677,526	5,184,549,425
Profit after tax and provisions		8,275,050,569	6,142,001,094	7,303,604,668	5,763,173,574
Amount of classified loans during the current year	8.9	18,745,777,234	16,480,466,872	17,533,941,465	15,268,631,102
Provision kept against classified loans	17.1	12,878,824,673	10,613,210,514	11,666,988,903	9,401,374,744
Provisions surplus/(deficit)	8.11	607,958,295	1,945,401,964	607,958,295	1,945,401,964
Interest earning assets		805,374,244,956	632,699,990,610	702,953,673,315	547,372,855,993
Non-interest earning assets		31,770,939,717	23,250,275,840	23,769,602,545	15,898,539,714
Credit deposit ratio (Loans and Advances/Deposits)*		-	-	74.29%	79.94%
Percentage of classified loans against total loans and advances		3.60%	4.00%	3.38%	3.72%
NPL coverage ratio (incl. GP)		1.14%	1.10%	1.15%	1.11%
Total Capital to Risk-weighted Asset Ratio		18.61%	19.38%	14.00%	14.04%
Cost of fund		4.55%	4.33%	5.03%	4.83%
Cost to income ratio		66%	70%	56%	58%
Return on investment (ROI) [PAT/(Shareholders equity+Borrowings)]		4.72%	4.78%	4.62%	4.69%
Return on assets (ROA) [PAT/Average assets]		1.019%	1.016%	1.13%	1.14%
Return on equity (ROE) [PAT/Average shareholders equity]		11.92%	10.16%	11.95%	10.22%
Earnings per share [previous years figure restated]	48	4.73	3.75	4.54	3.58
Net income per share [PAT-Dividend on preference share/No. of Ordinary Shares]		4.73	3.75	4.54	3.58
[previous years figure restated]		-	-	7.89	10.75
Price earning ratio (Market price per share/EPS) in times		-	-	39.64	36.31
Net Asset Value per Share (NAV) [(Shareholders equity- Preference Share)/(No. of Ordinary Share)] [previous years figure restated]	49	41.36	38.03	30.38	15.54
Net Operating Cash Flow Per Share [previous years figure restated]	50	40.76	23.39		

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



BRAC Bank PLC.
Statement of outstanding unreconciled entries in nostro accounts (foreign)
As at 31 December 2023

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 2023 is given below:

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	304	1,665,906	154	10,400,423	62	13,105,694	847	34,758,257
02	More than 03 months but less than 06 months	-	-	3	23,256	-	-	48	736,531
03	More than 06 months but less than 09 months	-	-	3	7,360.45	-	-	13	107,711
04	More than 09 months but less than 12 months	-	-	-	-	-	-	5	3,280,678
05	More than 12 months	-	-	100	17,962.85	-	-	0	-
	Total	304	1,665,906	161	10,449,002	62	13,105,694	913	38,883,177

Amount in USD

As at 31 December 2022

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	306	1,862,242	69	16,370,163	39	18,902,906	720	41,224,756
02	More than 03 months but less than 06 months	-	-	1	634.62	-	-	40	585,830
03	More than 06 months but less than 09 months	-	-	1	2,953.14	-	-	12	403,325
04	More than 09 months but less than 12 months	-	-	0	-	-	-	7	106,199
05	More than 12 months	-	-	0	-	-	-	2	65,559
	Total	306	1,862,242	71	16,373,751	39	18,902,906	781	42,385,668

All unadjusted entries are subsequently adjusted on regular basis.



BRAC Bank PLC.
Statement of outstanding unreconciled entries in nostro accounts (local)
As at 31 December 2023

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book				Amount in Taka
		Debit Entries		Credit Entries		Debit Entries		Credit Entries		
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	
01	Up-to 3 months	0	-	-	-	0	-	0	-	-
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	-	-
04	More than 09 months but less than 12 months	-	-	-	-	-	-	-	-	-
05	More than 12 months	-	-	0	-	0	-	0	-	-
	Total	0	-	0	-	0	-	0	-	-

As at 31 December 2022

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book				Amount in Taka
		Debit Entries		Credit Entries		Debit Entries		Credit Entries		
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	
01	Up-to 3 months	12	2,606,294	-	-	208	11,116,157	31	12,102,911	-
02	More than 03 months but less than 06 months	2.00	361,270	4.00	403	7.00	2,006,046	11.00	1,969,898	-
03	More than 06 months but less than 09 months	0	-	-	-	-	-	3	20,904	-
04	More than 09 months but less than 12 months	-	-	-	-	-	-	0	-	-
05	More than 12 months	-	-	27	734,389	24	2,118,119	18	847,269	-
	Total	14	2,967,564	31	734,792	239	15,240,322	63	14,940,982	-



BRAC Bank PLC.
Balance with other banks-outside Bangladesh (Nostro Account)
As at 31 December 2023

Name of Bank	Currency	A/C Type	2023			2022			Equivalent Taka	Exchange rate	Amount in foreign currency	Equivalent Taka
			Amount in foreign currency	Exchange rate	Equivalent Taka	Amount in foreign currency	Exchange rate	Equivalent Taka				
DBU balance:												
Standard Chartered Bank, New York, USA	USD	CD	6,884,400	110.00	757,284,025	6,274,971	103.30	648,185,631				
Standard Chartered Bank, United Kingdom	GBP	CD	2,771,733	140.82	390,305,803	867,336	124.43	107,923,960				
Standard Chartered Bank, Frankfurt, Germany	EUR	CD	16,615,152	122.42	2,034,010,737	3,345,369	110.01	368,010,970				
Mashreq Bank, New York, USA	USD	CD	6,511,471	110.00	716,261,852	1,450,661	103.30	149,848,892				
Bank of Tokyo Mitsubishi UFJ Ltd	JPY	CD	30,406,621	0.78	23,772,929	26,540,649	0.77	20,512,994				
ICICI Bank Limited, Mumbai, India	USD	CD	1,262,560	110.00	138,881,573	722,553	103.30	74,637,602				
Zuercher Kantonal Bank, Switzerland	CHF	CD	250,941	131.59	33,022,484	121,981	111.74	13,630,753				
Commerz Bank AG, Germany (USD)	USD	CD	24,272	110.00	2,669,893	62,605	103.30	6,466,957				
Commerz Bank AG, Germany (EURO)	EUR	CD	226,347	122.42	27,709,237	135,632	110.01	14,920,292				
Commerz Bank, Frankfurt, Germany (GBP)	GBP	CD	50	140.82	7,077	50	124.43	6,254				
JP Morgan Chase Bank, New York, USA	USD	CD	6,543,961	110.00	719,835,681	6,892,723	103.30	711,997,619				
HDFC Bank Limited, India	USD	CD	1,389,197	110.00	152,811,687	2,490,389	103.30	257,249,753				
JP Morgan Chase Bank, Sydney (AUD)	AUD	CD	390,711	75.23	29,394,916	119,146	69.44	8,273,641				
AB Bank Limited, Mumbai, India	USD	CD	449,896	110.00	49,488,595	435,059	103.30	44,940,238				
AXIS Bank Limited, Kolkata (ACU)	USD	CD	406,012	110.00	44,661,350	552,652	103.30	57,087,322				
Abu Dhabi Commercial Bank (AED)	AED	CD	16,406,390	29.95	491,369,637	184,696	28.13	5,194,973				
Kookmin Bank, Seoul, South Korea (USD)	USD	CD	54,291	110.00	5,972,056	58,466	103.30	6,039,326				
Citi Bank N.A., New York, USA	USD	CD	366,055	110.00	40,266,018	397,783	103.30	41,089,751				
Shanghai Pudong Development Bank Co. Ltd, China (CNY)	CNY	CD	749,643	15.49	11,610,173	135,569	14.84	2,011,473				
DBS Bank Ltd, Singapore (SGD)	SGD	CD	253,510	83.55	21,181,183	226,591	76.60	17,357,195				
Punjab National Bank, Kolkata (USD)	USD	CD	534,778	110.00	58,825,576	1,121,697	103.30	115,867,928				
Al Rajhi Bank, Riyadh (SAR)	SAR	CD	102,353	29.33	3,002,125	116,019	27.47	3,187,340				
Meezan Bank Limited, Gtb Karachi, ACU (USD)	USD	CD	237,504	110.00	26,125,490	687,200	103.30	70,985,659				
					5,778,470,097			2,745,426,523				
OBU balance:												
JP Morgan Chase Bank, New York*	USD	CD	7,951,658	110.00	874,682,333	6,799,986	103.30	702,418,166				
JP Morgan AG, Frankfurt, Germany	EUR	CD	278,907	122.31	34,112,814	233,019	109.71	25,564,909				
JP Morgan Chase Bank, NA, London	GBP	CD	402,318	140.93	56,699,534	11,183	124.32	1,390,286				
					965,494,681			729,373,361				
Total					6,743,964,778			3,474,799,884				

* The balance includes an adjustment of USD 68,768 in ERP regarding UPAS Loan which has been adjusted in CBS in the subsequent month.



BRAC Bank PLC.
Investment in shares, mutual funds and quoted bonds
As at 31 December 2023

Sl. no	Name of the company	Industry	Face value	No. of shares	Cost of holding	Average costing price	Market Price per share	Amount in Taka		Provision Required	Provision Maintained
								Total Market value (Tk)	Net Asset value (Tk)		
Quoted ordinary shares											
1	Bata Shoe Company (Bangladesh) Limited	Tannery industries	10	86,193	91,771,631	1,064.72	966.90	83,340,012	-	-	-
2	Berger Paints Bangladesh Ltd.	Miscellaneous	10	441,316	756,498,697	1,714.19	1,774.00	782,894,584	-	-	-
3	Eastern Bank PLC.	Bank	10	1,772,148	44,926,754	25.35	29.40	52,101,151	-	-	-
4	Gramophone Limited	Telecommunication	10	3,416,627	1,083,665,638	317.17	286.60	979,205,298	-	-	-
5	Lafarge Holcim Bangladesh Limited	Cement	10	2,575,728	176,919,683	68.69	69.30	178,497,950	-	-	-
6	Linde Bangladesh Limited	Fuel & Power	10	98,165	128,911,193	1,313.21	1,397.70	137,205,221	-	-	-
7	Marico Bangladesh Limited	Pharmaceuticals & Chemicals	10	619,422	1,368,940,912	2,210.03	2,460.70	1,524,211,715	-	-	-
8	Renata Limited	Pharmaceuticals & Chemicals	10	127,981	129,022,131	1,008.14	1,217.90	155,868,060	-	-	-
9	Singer Bangladesh Limited	Engineering	10	2,039,109	355,561,149	174.37	151.90	309,740,657	-	-	-
10	Square Pharmaceuticals Limited	Pharmaceuticals & Chemicals	10	7,080,343	1,452,368,560	205.13	210.30	1,488,996,133	-	-	3,549,091
					5,588,586,347			5,692,060,781			
Quoted corporate Bond											
1	APSCIL redeemable coupon bearing bond	Corporate Bond	5,000	98,862	494,310,000	5,000.00	5,500.00	543,741,000	-	-	-
					494,310,000			543,741,000			
Unquoted shares and mutual funds											
1	Industrial and Infrastructure Development Finance Co. Limited (IIDFC)		10	10,449,259	29,683,820	2.84	(9.9055)	-	29,683,820	29,683,820	-
2	Central Depository Bangladesh Limited (CDBL)		10	2,284,721	6,277,770	2.75	39.3120	89,816,934.12	-	-	-
3	The Bangladesh Rating Agency Limited (BRAL)		100	106,717	10,671,700	100.00	18.7988	2,006,146.60	8,665,553	8,665,553	-
4	Blue Wealth 1st Balance Fund		10	2,500,000	25,000,000	10.00	10.7700	26,925,000	-	-	-
5	EDGE Al-Amin Shariah Consumer Fund		10	2,500,000	25,000,000	10.00	9.9200	24,800,000	200,000	200,000	-
6	EDGE High Quality Income Fund		10	2,500,000	25,000,000	10.00	10.4400	26,100,000	-	-	-
7	Ekush Growth Fund		10	2,250,000	22,500,000	10.00	10.3200	23,220,000	-	-	-
8	Green Delta Dragon Enhanced Blue Chip Growth Fund		10	2,500,000	25,000,000	10.00	10.1200	25,300,000	460,000	460,000	-
9	HFAMIL Shariah Unit Fund		10	2,000,000	20,000,000	10.00	9.7700	19,540,000	-	-	-
10	IDLC Balanced Fund		10	4,511,370	45,113,700	10.00	10.1100	45,609,951	-	-	-
11	UCB Income Plus Fund		10	2,500,000	25,000,000	10.00	10.3506	25,876,500	-	-	-
12	VIPB Accelerated Income Unit Fund		10	4,000,000	44,520,000	11.13	10.5900	42,360,000	2,160,000	2,160,000	-
13	VIPB Growth Fund		10	2,014,000	20,140,000	10.00	10.5900	21,328,260	-	-	-
14	VIPB NLI 1ST Unit Fund		10	7,218,585	72,185,850	10.00	9.1100	65,761,309	6,424,541	6,424,541	-
15	VIPB SEBL 1st Unit Fund		10	13,173,467	131,734,670	10.00	9.7300	128,177,834	3,556,836	3,556,836	-
					527,827,510			566,821,935	51,150,750	54,699,841	



BRAC Bank PLC.
Schedule of Fixed Assets
As at 31 December 2023

Particulars	Cost				Depreciation			Written-down value as at 31 December 2023
	Opening balance as on 01 January 2023	Addition/ Revaluation during the year	Disposals/ Adjustments during the year	Total balance as at 31 December 2023	Opening balance as on 01 January 2023	Charge during the year	Disposals/ Adjustments during the year	
Property, plant & equipments (PPEs)								
Land	527,275,400	-	-	527,275,400	-	-	-	527,275,400
Office floor space	4,034,334	-	-	4,034,334	1,024,048	100,858	-	1,124,907
Furniture & fixture	2,170,822,096	185,522,048	10,327,984	2,346,016,160	1,583,624,101	146,820,837	10,256,551	1,720,188,387
Office equipments	1,361,168,512	162,568,390	56,518,129	1,467,218,773	1,216,914,087	93,091,554	56,496,193	1,253,509,447
IT Hardware	3,275,504,031	324,408,406	174,946,279	3,424,966,158	2,320,466,259	437,726,091	174,822,612	2,583,369,738
Motor vehicles	422,497,790	19,704,405	-	442,202,195	338,310,899	28,061,747	-	366,372,646
Right of use assets (RoU)	6,103,024,179	823,905,837	211,127,534	6,715,802,482	1,919,247,279	805,283,476	170,436,271	4,161,707,998
Capital expenditure work in progress	207,119,222	375,313,241	275,885,929	306,546,534	-	-	-	306,546,534
Sub-total	14,071,445,564	1,891,422,328	728,805,855	15,234,062,036	7,379,586,672	1,511,084,563	412,011,627	8,478,659,609
Intangible assets:								
With definite useful lives:								
IT Software	2,800,445,367	179,190,384	-	2,979,635,750	1,712,957,564	394,901,461	-	2,107,859,025
Sub-total	2,800,445,367	179,190,384	-	2,979,635,750	1,712,957,564	394,901,461	-	871,776,725
As at 31 December 2023	16,871,890,930	2,070,612,711	728,805,855	18,213,697,786	9,092,544,237	1,905,986,024	412,011,627	10,586,518,634

As at 31 December 2022

Particulars	Cost				Depreciation			Written-down value as at 31 December 2022
	Opening balance as on 01 January 2022	Addition/ Revaluation during the year	Disposals/ Adjustments during the year	Total balance as at 31 December 2022	Opening balance as on 01 January 2022	Charge during the year	Disposals/ Adjustments during the year	
Property, plant & equipments (PPEs)								
Land	527,275,400	-	-	527,275,400	-	-	-	527,275,400
Office floor space	4,034,334	-	-	4,034,334	923,190	100,858	-	1,024,048
Furniture & fixture	2,140,914,383	117,645,818	87,738,105	2,170,822,096	1,530,914,211	139,671,303	86,961,413	1,583,624,101
Office equipments	1,344,953,601	84,716,918	68,502,007	1,361,168,512	1,204,097,640	81,295,046	68,478,599	1,216,914,087
IT Hardware	3,049,688,043	602,165,146	376,349,158	3,275,504,031	2,303,039,328	393,579,196	376,152,265	2,320,466,259
Motor vehicles	354,296,880	68,200,910	-	422,497,790	286,197,878	52,113,021	-	338,310,899
Right of use assets (RoU)	5,488,602,469	811,886,704	198,464,994	6,103,024,179	1,339,172,702	777,297,844	197,223,267	1,919,247,279
Capital expenditure work in progress	251,206,513	502,011,558	546,098,849	207,119,222	-	-	-	207,119,222
Sub-total	13,161,971,623	2,186,627,053	1,277,153,112	14,071,445,564	6,664,344,949	1,444,057,267	728,815,544	7,379,586,672
Intangible assets:								
With definite useful lives:								
IT Software	2,822,117,221	478,328,146	-	2,800,445,367	1,364,876,496	348,081,068	-	1,712,957,564
Sub-total	2,822,117,221	478,328,146	-	2,800,445,367	1,364,876,496	348,081,068	-	1,712,957,564
As at 31 December 2022	15,484,088,844	2,664,955,199	1,277,153,112	16,871,890,930	8,029,221,445	1,792,138,336	728,815,544	9,092,544,237



BRAC Bank PLC.
Statement of Tax Position
As at 31 December 2023

Accounting year	Assessment year	Tax provision in financial statements	Tax as per latest assessment	(Short)/Excess provision	Advance tax as per assessment order	Amount in Taka	
						Present status	
2018	2019-2020	2,523,031,538	2,601,281,979	(78,250,441)	2,459,662,676	Appeal filled to The Taxes Appellate Tribunal against the order of Commissioner Taxes of Appeal.	
2019	2020-2021	3,718,904,812	4,036,708,219	(317,803,407)	3,432,353,978	Assessment is in progress.	
2020	2021-2022	2,728,499,267	2,466,141,523	262,357,744	2,174,170,846	Assessment is in progress.	
2021	2022-2023	4,067,399,481	3,899,871,425	167,528,056	3,771,290,998	Tax return submitted for the assessment.	
2022	2023-2024	3,905,699,754	3,697,216,125	208,483,629	3,569,999,241	Tax return submitted for the assessment.	
2023	2024-2025	5,319,779,684	-	-	-	Tax return not yet due.	

Note: Assessment for the Income Year 2009 (AY 2010-2011) in progress and filed appeal before Honourable High Court against the Order of The Taxes Appellate Tribunal



BRAC Bank PLC.
Statement of Segment Reporting
For the year ended 31 December 2023

Particulars	Amount in Taka				Total
	SME	Retail	Corporate	Treasury	
Total external revenue	18,166,483,591	(254,440,652)	6,871,602,384	6,826,824,694	31,610,470,017
Inter segment revenue / (expenses)	(8,597,891,725)	10,808,329,181	2,393,385,557	(4,603,823,013)	-
Total segment revenue	9,568,591,866	10,553,888,529	9,264,987,942	2,223,001,681	31,610,470,017
Total segment operating expenses	7,955,394,749	7,405,491,475	1,899,413,150	419,905,928	17,680,205,302
Segment operating profit/(loss)	1,613,197,116	3,148,397,054	7,365,574,791	1,803,095,753	13,930,264,715

For the year ended 31 December 2022

Particulars	Amount in Taka				Total
	SME	Retail	Corporate	Treasury	
Total external revenue	14,800,252,361	1,492,851,642	3,449,646,545	6,828,159,486	26,570,910,034
Inter segment revenue / (expenses)	(6,887,543,453)	6,230,297,901	1,866,871,065	(1,209,625,513)	-
Total segment revenue	7,912,708,908	7,723,149,543	5,316,517,610	5,618,533,973	26,570,910,034
Total segment operating expenses	6,909,617,085	6,292,696,657	1,661,389,682	577,957,690	15,441,661,114
Segment operating profit/(loss)	1,003,091,823	1,430,452,886	3,655,127,928	5,040,576,283	11,129,248,920

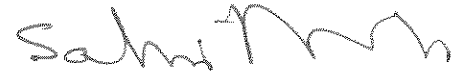
Segmental assets and liabilities
The necessary information regarding assets and liabilities of operating segments (excluding subsidiaries) are not separable and individually identifiable and so the assets and liabilities of the respective segments have not been presented here.



To whom it may concern

This is to certify that as detailed in the **Annexure-I**, BRAC Bank PLC. made the custodian transactions on account of custodian services provided during the year ended 31 December 2023, 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 2023.



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

Dhaka, 11 April 2023

BRAC Bank PLC.
Custodian Service
For the year ended 31 December 2023

Particulars	2023 Taka	2022 Taka
Operating income		
Commission, exchange and brokerage	23,180,187	21,789,916
Total operating income	<u>23,180,187</u>	<u>21,789,916</u>
Operating expenses		
Salaries and allowances	4,856,169	2,780,388
Rent, taxes, insurance, electricity etc.	1,104,156	960,135
Postage, stamps, telecommunication etc.	55,578	149,391
Stationery, printing, advertisement etc.	960	924
Depreciation on and repairs to bank's assets	618,413	258,547
Other expenses	210,520	148,164
Total operating expenses	<u>6,845,796</u>	<u>4,297,549</u>
Operating profit	<u>16,334,391</u>	<u>17,492,367</u>



BRAC Bank PLC.

Details of transactions with related parties
For the year ended 31 December 2023

SL No.	Name of the related parties (Companies)	Relationship with BRAC Bank PLC.	Balance type	Opening balance on 01 January 2023	Additions for deposit made/loan disbursed/interest or fees charged	Deductions for deposit withdrawn/ loan recovered	Closing balance on 31 December 2023	
1	BRAC and its associated organization	Parent Company	Deposits	14,937,504,205	353,510,303,235	351,562,747,822	16,885,059,618	
2	bKash Limited	Subsidiary	Deposits	5,206,931,799	550,690,444,711	552,410,694,151	3,486,682,359	
3	BRAC EPL Investments Limited	Subsidiary	Deposits	110,943,186	2,144,242,505	2,130,524,543	124,661,148	
4	BRAC EPL Stock Brokerage Limited	Subsidiary	Deposits	577,640,828	9,455,738,336	9,161,582,227	871,796,937	
5	BRAC IT Services Limited (BITS)	Associates	Deposits	55,818,313	677,162,490	649,680,176	83,300,628	
6	BRAC SAJJAN Exchange Limited	Subsidiary	Deposits	4,020,519	15,302,544,034	15,256,872,940	49,691,613	
7	Edotco Bangladesh Co. Limited	Common Board member	Deposits	699,815	20,142,460	20,400,458	441,817	
8	Affordable Health Care	Common Board member	Deposits	73,550	-	50,690	22,860	
9	Association of Bankers, Bangladesh	Executive member	Deposits	47,300,000	13,014,292	19,588,358	40,725,933	
10	BRAC EPL Investments Limited	Subsidiary	Continuous loan	916,634,124	929,350,000	865,137,892	852,422,016	
11	BRAC Saajan Exchange Limited	Subsidiary	Continuous loan	72,261,724	5,039,919,238	5,375,749,358	408,091,844	
12	Industrial and Infrastructure Development Finance Co. Limited	Common Board member	Term placement	-	N/A	N/A	100,000,000	
13	BRAC IT Services Limited (BITS)	Associates	Receivables	154,857,249	N/A	N/A	124,393,521	
14	Key Management Personnel (Note - 8.6)	Senior Management	Loans and Advances	113,952,814	N/A	N/A	125,725,390	
15	BRAC Bank Employees' Gratuity Fund (Post employment benefit plan)	Details of transactions with BRAC Bank Employees' Gratuity Fund can be found at note no 10.5						

SL No.	Name of the related parties (Directors)	Relationship with BRAC Bank PLC.	Balance type	Opening balance on 01 January 2023	Closing balance on 31 December 2023	Credit Card Limit	Lien Amount
1	Asif Saleh	Director	Credit card	58,602	1,436	500,000	500,000
2	Selim Reza Farhad Hussain	Director	Credit card	509,113	443,916	1,000,000	1,000,000
1	Fahima Choudhury	Director	Credit card (USD)	-	USD 14,99	USD 12,950	USD 14,390
2	Shameran Bahtar Abed	Director	Credit card	63,702	105,684	500,000	500,000
			Credit card	346,672	264,302	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 2023, the Bank has credit exposures amounting BDT 3,913,527,467. 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.



BRAC Bank PLC.
Off-shore Banking Units

Financial Statements
as at and for the year ended 31 December 2023

Off-shore Banking Units
Balance Sheet
As at 31. December 2023

Particulars	Note	2023		2022	
		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	8,777,224	965,494,681	23,060,934	2,382,125,360
Inside Bangladesh					
Outside Bangladesh		8,777,224	965,494,681	23,060,934	2,382,125,360
Money at call on short notice		-	-	-	-
Investments					
Government					
Others					
Loans and advances	4	570,877,830	62,796,561,271	478,265,314	49,403,372,046
Loans, cash credit, overdrafts etc.		540,964,973	59,506,147,000	457,081,025	47,215,098,555
Small and medium enterprises		5,203,745	572,411,962	1,312,019	135,527,658
Bills purchased and discounted		24,709,112	2,718,002,309	19,872,270	2,052,745,833
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	5	19,652,909	2,161,819,957	9,795,692	1,005,074,422
Total Property and Assets		599,307,963	65,923,875,909	511,121,940	52,790,571,828
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	6	503,767,409	55,414,414,939	447,328,736	46,207,716,494
Money at call and short notice		5,000,000	550,000,000	-	-
Deposits and other accounts	7	37,327,674	4,106,044,115	21,650,219	2,236,402,572
Current accounts and other accounts		3,564,645	392,110,997	626,567	64,722,483
Bills payable		-	-	-	-
Savings deposits		-	-	-	-
Fixed deposits		33,345,816	3,668,039,740	20,300,041	2,096,933,295
Other deposits		417,213	45,893,377	723,611	74,746,794
Other liabilities	8	54,786,226	5,118,992,035	48,012,922	4,214,678,041
Total Liabilities		600,881,308	65,189,451,089	516,991,877	52,658,797,107
Capital and Shareholders' Equity					
Paid up share capital		-	-	-	-
Statutory reserve		-	-	-	-
Revaluation reserve		-	-	-	-
Foreign currency translation reserve		(6,830)	463,458,207	-	329,930,810
Surplus in profit and loss account/Retained earnings	9	(1,566,515)	270,966,613	(5,869,937)	(198,156,089)
Total shareholders' equity		(1,573,345)	734,424,820	(5,869,937)	131,774,721
Total Liabilities and Shareholders' Equity		599,307,963	65,923,875,909	511,121,940	52,790,571,828



Off-shore Banking Units
Balance Sheet
As at 31 December 2023

Particulars	Note	2023		2022	
		USD	Taka	USD	Taka
Off balance sheet items					
Contingent liabilities					
Acceptances and endorsements		3,461,916	380,810,800	5,143,035	531,260,162
Irrevocable letter of credits		1,190,756	130,983,121	1,580,960	163,308,451
Letter of guarantees		-	-	-	-
Bills for collection		14,720,768	1,619,284,527	14,422,755	1,489,827,345
Other contingent liabilities		-	-	-	-
Total		19,373,440	2,131,078,448	21,146,750	2,184,395,958
Other commitments					
Swap deals with banks and customers		-	-	-	-
Spot and forward deals with banks and customers		-	-	-	-
		-	-	-	-
Total off balance sheet items		19,373,440	2,131,078,448	21,146,750	2,184,395,958



Off-shore Banking Units
Profit and Loss Account
For the year ended 31 December 2023

Particulars	Note	2023		2022	
		USD	Taka	USD	Taka
Interest income	10	45,231,034	4,887,467,236	21,862,980	2,087,787,637
Interest paid on deposits and borrowing etc.	11	36,400,384	3,926,719,560	15,802,206	1,514,202,169
Net Interest income		8,830,650	960,747,677	6,060,774	573,585,468
Investment income		-	-	-	-
Commission, exchange and brokerage	12	627,300	67,732,880	602,932	55,988,752
Other operating income	13	433,999	45,081,415	391,005	36,401,181
Total operating income		9,891,948	1,073,561,972	7,054,711	665,975,401
Salaries and allowances		1,108,038	119,598,581	1,088,154	102,230,848
Rent, taxes, insurance, electricity etc.	14	100,980	10,896,114	89,169	8,355,139
Legal expenses		(1,750)	(192,890)	52	4,996
Postage, stamps, telecommunication etc.	15	4,574	492,280	4,932	459,035
Stationery, printing, advertisement etc.	16	43,904	4,690,745	9,218	871,479
Depreciation and repairs to bank's assets		126,162	13,596,212	119,857	11,275,665
Other expenses		318,195	34,284,005	677,532	63,737,066
Total operating expenses		1,700,103	183,365,047	1,988,914	186,934,228
Profit before provisions		8,191,845	890,196,925	5,065,797	479,041,173
Provision for:					
Loans and advances	17	3,888,426	421,074,225	4,787,320	406,665,510
Off balance sheet items		-	-	-	-
Others		-	-	-	-
Total provision		3,888,426	421,074,225	4,787,320	406,665,510
Profit/(loss) before taxes		4,303,420	469,122,700	278,477	72,375,663
Provision for tax:					
Current tax expense		-	-	-	-
Deferred tax expense/ (income)		-	-	-	-
Total provision for tax	18	-	-	-	-
Total profit/(loss) after taxes		4,303,420	469,122,700	278,477	72,375,663



Off-shore Banking Units
Cash Flow Statement
For the year ended 31 December 2023

Particulars	2023		2022	
	USD	Taka	USD	Taka
A. Cash flows from operating activities				
Interest receipts in cash	38,782,682	4,109,636,198	15,581,532	1,394,352,068
Interest payment	(33,608,555)	(3,589,398,287)	(12,722,680)	(1,171,094,674)
Fees and commissions receipts	627,300	67,732,879	602,932	55,988,753
Cash payments to employees	(1,108,038)	(119,598,581)	(1,088,154)	(102,230,848)
Cash payments to suppliers	(48,477)	(5,183,026)	(14,150)	(1,330,513)
Receipts from other operating activities	433,999	45,081,415	391,005	36,401,181
Payment for other operating activities :	(537,926)	(18,318,056)	(418,015)	(43,711,111)
Operating cash flow before changes in operating assets and liabilities (i)	4,540,983	489,952,543	2,332,470	168,374,856
Increase/decrease in operating assets and liabilities				
Loans and advances to customers	(92,612,517)	(13,393,189,226)	(75,672,323)	(14,860,893,539)
Other assets	(4,584,284)	(378,914,496)	(6,933,789)	483,784,961
Deposits from other banks/borrowings	61,438,672	9,756,698,445	24,949,943	9,967,616,012
Deposits from customers	15,677,456	1,869,641,543	11,934,195	1,402,767,792
Other liabilities	(1,477,274)	(244,769,987)	(3,184,278)	(796,591,722)
Cash utilised in operating assets and liabilities (ii)	(21,557,947)	(2,390,533,722)	(48,906,252)	(3,803,316,496)
Net cash (used)/flows from operating activities (i+ii)	(17,016,964)	(1,900,581,179)	(46,573,782)	(3,634,941,640)
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)	(17,016,964)	(1,900,581,179)	(46,573,782)	(3,634,941,640)
E. Cash and cash equivalents at beginning of year	23,060,934	2,382,125,360	69,634,716	5,974,658,656
Exchange difference	2,733,254	483,950,500	-	42,408,344
Cash and cash equivalents at the end of year (D+E)	8,777,224	965,494,681	23,060,934	2,382,125,360
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	8,777,224	965,494,681	23,060,934	2,382,125,360
	8,777,224	965,494,681	23,060,934	2,382,125,360



Off-Shore Banking Units

Notes to the financial statements as at and for the year ended 31 December 2023

1 Status of the units

Off-shore Banking Units of BRAC Bank PLC., governed under the rules and guidelines of Bangladesh Bank. The bank commenced the operation of its Off-shore banking Unit from 2010 after obtaining necessary approval from Bangladesh Bank.

1.1 Principal Activities

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its off-shore Banking units in Bangladesh.

2 Summary of significant accounting policies and basis of preparation

2.1 A summary of the principle accounting policies which have been applied consistently (unless otherwise stated), are set out below:

a) Basis of accounting

The off-shore Banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Companies Act 1991, International Financial Reporting Standards and other applicable directives issued by Bangladesh Bank.

b) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

c) Foreign currency transactions and translations to presentation currency

Foreign currency transactions are converted into equivalent functional currency i.e. USD using the exchange rates ruling on the dates of respective transactions as per IAS -21 "The Effects of Changes in Foreign Exchange Rates".

All revenue items have been translated to presentation currency i.e. BDT at average rate and all balance sheet items except retained earnings were translated to presentation currency at the closing rate. Any resulting differences have been recognised as foreign currency translation

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 2023.

2.3 Cash and cash equivalents

For the purpose of presentation in the cash flow statements, cash and cash equivalents includes cash in hand and cash at bank, highly liquid interest bearing investment/securities with original maturities of less than three month.

As per IAS 7 Statement of Cash Flows, cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently. As per BRPD 14 dated 25 June 2003, cash flow statement should be a mixture of direct and indirect method.

2.4 Loans and advances

a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

2.5 Provision for liabilities

A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.6 General

a) Figures appearing in these financial statements have been rounded off to the nearest Taka and rearranged wherever necessary.



Particulars	2023		2022	
	USD	Taka	USD	Taka
3 Balance with other banks and financial institutions				
JP Morgan Chase Bank, New York	7,951,658	874,682,333	6,799,986	702,418,166
JP Morgan AG, Frankfurt, Germany	310,116	34,112,814	247,489	25,564,908
JP Morgan Chase, N.A., London	515,450	56,699,534	13,459	1,390,286
BBL OBU to Other Bank OBU placement			16,000,000	1,652,752,000
	8,777,224	965,494,681	23,060,934	2,382,125,360
4 Loans and advances				
Loans, cash credits, overdrafts etc. (note 4.1)	540,964,973	59,506,147,000	457,081,025	47,215,098,555
Small and medium enterprises	5,203,745	572,411,962	1,312,019	135,527,658
Bills purchased and discounted (note 4.2)	24,709,112	2,718,002,309	19,872,270	2,052,745,833
	570,877,830	62,796,561,271	478,265,314	49,403,372,046
4.1 Overdrafts				
Demand loans	5,516,242	606,786,569	2,259,757	233,426,083
Term loans	497,745,225	54,751,974,748	409,950,673	42,346,674,651
	37,703,506	4,147,385,683	44,870,595	4,634,997,821
	540,964,973	59,506,147,000	457,081,025	47,215,098,555
4.2 Bills purchased and discounted				
Bills purchased and discounted SME	24,709,112	2,718,002,309	19,872,270	2,052,745,833
	24,709,112	2,718,002,309	19,872,270	2,052,745,833
5 Other assets				
Interest receivables	15,656,335	1,722,196,798	9,207,982	944,365,760
Deferred revenue expenditure	3,996,574	439,623,159	587,710	60,708,662
Receivables against collateral margin-swap	-	-	-	-
Receivable settlement account-OBU/DBU	-	-	-	-
	19,652,909	2,161,819,957	9,795,692	1,005,074,422
6 Borrowings from other banks, financial institutions and agents				
Inside Bangladesh:				
Woori Bank, Dhaka	-	-	-	-
On Shore to BRAC Bank Off Shore	124,524,551	13,697,700,654	72,822,436	7,522,339,223
	124,524,551	13,697,700,654	72,822,436	7,522,339,223
Outside Bangladesh:				
State Bank of India, Hong Kong	2,500,000	275,000,000	24,000,000	2,479,128,000
Nabil Bank Limited, Nepal	-	-	6,186,300	639,026,231
HDFC Bank Limited, India	10,000,000	1,100,000,000	15,000,000	1,549,455,000
Standard Chartered Bank, Singapore	-	-	5,000,000	516,485,000
DBS Bank Singapore	-	-	-	-
Asian Development Bank	20,000,000	2,200,000,000	30,000,000	3,098,910,000
Axis Bank Limited	-	-	-	-
Caixabank S.A.	30,000,000	3,300,000,000	67,000,000	6,920,899,000
Siddhartha Bank Limited, Kathmandu	-	-	-	-
The National Bank of Ras Al-Khaimah, UAE	-	-	50,000,000	5,164,850,000
Abu Dhabi Commercial Bank, UAE	50,000,000	5,500,000,000	15,000,000	1,549,455,000
First Abu Dhabi Bank PJSC, UAE	-	-	-	-
CDC Group Plc, United Kingdom	-	-	8,580,000	886,288,260
International Finance Corporation (IFC), USA	50,000,000	5,500,000,000	30,000,000	3,098,910,000
JP Morgan Chase Bank N.A. Singapore	29,600,000	3,256,000,000	49,000,000	5,061,553,000
Bank Muscat Saog	-	-	17,000,000	1,756,049,000
Cargill Financial Services International	-	-	30,000,000	3,098,910,000
Commercial Bank Of Qatar	-	-	10,000,000	1,032,970,000
Mizuho Bank Ltd, Singapore	20,000,000	2,200,000,000	10,000,000	1,032,970,000
Yes Bank, India	-	-	7,740,000	799,518,780
Citibank, N.A., Tokyo Branch	7,142,857	785,714,285	-	-
DEG - Deutsche Investitions	50,000,000	5,500,000,000	-	-
Emirates Nbd Bank Pjsc, Dubai	20,000,000	2,200,000,000	-	-
Japan International Cooperation Agency (JICA)	90,000,000	9,900,000,000	-	-
	379,242,857	41,716,714,285	374,506,300	38,685,377,271
	503,767,409	55,414,414,939	447,328,736	46,207,716,494
	503,767,409	55,414,414,939		



Particulars	2023		2022	
	USD	Taka	USD	Taka
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	3,564,645	392,110,997	626,567	64,722,483
Bills payable	-	-	-	-
Saving deposits	-	-	-	-
Fixed deposits	33,345,816	3,668,039,740	20,300,041	2,096,933,295
Other deposits	417,213	45,893,377	723,611	74,746,794
	<u>37,327,674</u>	<u>4,106,044,115</u>	<u>21,650,219</u>	<u>2,236,402,572</u>
Total Deposit and other accounts	<u>37,327,674</u>	<u>4,106,044,115</u>	<u>21,650,219</u>	<u>2,236,402,572</u>
8 Other liabilities				
Provisions for loans and advances	20,511,536	2,256,268,980	16,631,233	1,717,956,454
Special provision COVID-19	339,529	37,348,170	361,561	37,348,170
Provision on interest receivable	156,446	17,209,013	91,394	9,440,739
Interest suspense	1,097,580	120,733,781	1,028,776	106,269,450
Provision for taxation net off AIT	614,606	67,606,624	654,488	67,606,624
Interest payable on borrowings	6,092,300	670,152,965	4,068,022	420,214,461
Accrued expenses	425,282	36,211,336	419,620	35,607,707
Suppliers payable	-	(70,212)	(680)	(70,212)
Payable to on-shore	24,938,672	1,888,579,852	23,280,472	1,709,927,600
Payable against SWIFT charge	11,886	1,307,473	9,048	934,644
Others payable	598,390	23,644,052	1,468,988	109,442,404
	<u>54,786,226</u>	<u>5,118,992,035</u>	<u>48,012,922</u>	<u>4,214,678,041</u>
9 Surplus in profit and loss account/ retained earnings				
Balance at the beginning of the year	(5,869,937)	(198,156,089)	(4,955,782)	(270,531,752)
Adjustment to retained earnings	-	-	(1,192,632)	-
Add: Retained surplus for the year	4,303,420	469,122,700	278,477	72,375,663
	<u>(1,566,517)</u>	<u>270,966,611</u>	<u>(5,869,937)</u>	<u>(198,156,089)</u>
10 Interest income				
Interest on loans and advances	45,109,916	4,814,210,643	21,824,509	2,084,233,475
Interest on money at call and short notice	-	-	-	-
Interest on Funding SWAP	-	-	-	-
Other interest income	121,118	73,256,593	38,471	3,554,162
	<u>45,231,034</u>	<u>4,887,467,236</u>	<u>21,862,980</u>	<u>2,087,787,637</u>
11 Interest paid on deposits and borrowing etc.				
Interest on deposits	1,046,685	113,403,188	490,650	46,309,807
Interest on borrowing from banks & Fis	35,334,698	3,811,305,351	15,298,529	1,466,632,860
Interest on funding SWAP	-	-	-	-
Interest on money at call and short notice	19,001	2,011,020	13,027	1,259,502
	<u>36,400,384</u>	<u>3,926,719,560</u>	<u>15,802,206</u>	<u>1,514,202,169</u>
12 Commission, exchange and brokerage				
Commission from letters of credit-foreign	65,837	7,090,773	151,603	14,154,755
Import and export related fees	562,809	60,787,378	451,439	41,845,080
Other fees	(1,346)	(145,271)	(110)	(11,083)
	<u>627,300</u>	<u>67,732,880</u>	<u>602,932</u>	<u>55,988,752</u>
13 Other operating income				
Miscellaneous income	433,999	45,081,415	391,005	36,401,181
	<u>433,999</u>	<u>45,081,415</u>	<u>391,005</u>	<u>36,401,181</u>



Particulars	2023		2022	
	USD	Taka	USD	Taka
14 Rent, taxes, insurance, electricity etc.				
Rent, rates and taxes	90,132	9,725,544	78,667	7,369,485
Insurance	1,789	192,296	1,731	163,568
Power and electricity	8,274	893,825	8,002	749,423
WASA and sewerage	784	84,449	769	72,663
	<u>100,980</u>	<u>10,896,114</u>	<u>89,169</u>	<u>8,355,139</u>
15 Postage, stamp, telecommunication etc.				
Postage and courier	610	65,374	977	88,099
Court fees & stamps, Telegram, Telegram, telex, fi	852	91,998	789	74,829
Telephone- Office	3,111	334,909	3,166	296,107
	<u>4,574</u>	<u>492,280</u>	<u>4,932</u>	<u>459,035</u>
16 Stationery, printing, advertisement etc.				
Stationery and printing	3,240	349,636	3,368	318,286
Security stationery	1,798	194,178	2,383	221,764
Advertisement	38,866	4,146,931	3,467	331,429
	<u>43,904</u>	<u>4,690,745</u>	<u>9,218</u>	<u>871,479</u>
17 Provisions for loans and advances				
For classified loans and advances	32,026	2,536,316	1,830,399	178,850,259
For unclassified loans and advances	3,791,348	411,502,943	2,883,633	220,308,571
Provision for interest receivable	65,051	7,034,966	73,288	7,506,680
	<u>3,888,426</u>	<u>421,074,225</u>	<u>4,787,320</u>	<u>406,665,510</u>

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.

