

BRAC Bank Limited

**Condensed Interim Financial Statements
as at and for the 3rd quarter ended 30 September 2022**

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 September 2022

Particulars	Note	30 September 2022 Taka	31 December 2021 Taka
PROPERTY AND ASSETS			
Cash	3	24,771,622,180	23,459,424,430
Cash in hand (Including foreign currency)		8,510,740,603	9,207,161,626
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		16,260,881,577	14,252,262,804
Balance with other banks and financial institutions	4	41,716,819,499	78,261,312,910
Inside Bangladesh		39,161,057,516	70,561,465,538
Outside Bangladesh		2,555,761,983	7,699,847,372
Money at call and short notice		4,712,800,200	3,500,000,000
Investments	5	107,429,136,943	70,068,593,304
Government		97,951,205,609	60,998,642,835
Others		9,477,931,334	9,069,950,469
Loans and advances	6	396,638,885,917	322,135,188,439
Loans, cash credit, overdrafts etc.		222,479,406,356	169,128,372,833
Small and medium enterprises		171,283,754,731	150,749,009,625
Bills purchased and discounted		2,875,724,830	2,257,805,981
Fixed assets including premises, furniture and fixture	7	13,099,528,548	12,834,169,424
Other assets	8	21,184,353,735	16,222,224,464
Non-banking assets		4,541,700	4,541,700
Goodwill		1,372,563,393	1,427,468,911
Total property and assets		610,930,252,115	527,912,923,582
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	9	29,050,709,423	24,150,953,707
Borrowings from central bank & government agencies	10	37,141,844,103	23,175,903,824
Affordable housing bond	10.1	4,751,000,000	-
Money at call and short notice		814,628,800	-
Deposits and other accounts	11	418,568,276,129	364,337,612,226
Current accounts and other accounts		179,881,732,386	164,425,455,280
Bills payable		1,842,221,344	2,367,889,416
Savings deposits		70,316,191,031	68,334,576,200
Fixed deposits		164,728,837,523	127,956,809,129
Other deposits		1,799,293,845	1,252,882,201
Other liabilities	12	41,476,406,276	39,300,363,327
Total liabilities		531,802,864,731	450,964,833,084
Capital and shareholders' equity			
Paid up share capital	13	14,965,853,280	13,921,723,990
Share premium	14	3,853,767,032	3,853,767,032
Statutory reserve		10,091,170,292	10,067,956,958
Dividend equalization fund		355,218,455	355,218,455
Revaluation reserve on govt. securities		1,663,490,769	2,490,292,927
Fair value reserve		78,920,073	78,920,073
Foreign currency translation reserve	16	307,993,249	16,632,383
Surplus in profit and loss account/Retained earnings	17	28,040,039,942	26,402,962,532
Total shareholders' equity		59,356,453,092	57,187,474,350
Non controlling interest	18	19,770,934,292	19,760,616,148
Total equity		79,127,387,384	76,948,090,498
Total liabilities and shareholders' equity		610,930,252,115	527,912,923,582

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 September 2022

Particulars	Note	30 September 2022 Taka	31 December 2021 Taka
Off Balance Sheet Items			
Contingent liabilities			
Acceptances and endorsements		90,570,133,107	50,478,536,940
Irrevocable letter of credits		32,036,333,956	26,598,203,443
Letter of guarantees		14,814,499,160	11,793,414,671
Bills for collection		20,793,464,671	16,438,866,245
		<u>158,214,430,894</u>	<u>105,309,021,299</u>
Other commitments			
Swap deals with banks and customers		29,638,539,635	20,452,606,603
Spot and forward deals with banks and customers		5,597,256,897	18,161,597,791
		<u>35,235,796,532</u>	<u>38,614,204,394</u>
Total Off-Balance sheet items including contingent liabilities		<u>193,450,227,426</u>	<u>143,923,225,693</u>
Net Assets Value (NAV) Per Share	34	<u>39.66</u>	<u>38.21</u>

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



 Chief Financial Officer


 Acting Company Secretary


 Managing Director and CEO


 Director


 Director


 Chairman

Date: 30 October 2022

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Profit and Loss Account (Unaudited)
For the 3rd quarter ended 30 September 2022

Particulars	Note	Quarter ended Jul to Sep 2022 Taka	Quarter ended Jul to Sep 2021 Taka	Cumulative Jan to Sep 2022 Taka	Cumulative Jan to Sep 2021 Taka
Interest income	19	8,171,446,423	6,038,375,622	22,786,309,835	17,762,330,175
Interest paid on deposits and borrowing etc.	20	3,463,282,411	1,898,257,443	8,891,558,410	5,954,442,938
Net interest income		4,708,164,012	4,140,118,179	13,894,751,425	11,807,887,237
Investment income	21	1,929,625,269	1,943,591,804	5,026,502,180	6,275,241,540
Commission, exchange and brokerage	22	3,037,761,469	1,819,170,244	8,165,009,269	5,468,857,576
Other operating income	23	117,293,286	27,648,652	220,355,880	132,397,053
Total operating income		9,792,844,036	7,930,528,879	27,306,618,754	23,684,383,406
Salaries and allowances		3,037,081,487	2,430,507,733	8,990,990,587	7,367,110,785
Rent, taxes, insurance, electricity etc.	24	179,212,537	166,879,727	508,347,879	472,623,732
Legal expenses		12,690,124	15,390,169	49,820,890	30,682,577
Postage, stamps, telecommunication etc.	25	106,735,429	87,707,803	309,033,964	237,396,939
Stationery, printing, advertisement etc.	26	660,160,729	566,349,676	2,274,527,141	1,734,564,639
Chief Executive's salary and fees	27	6,045,000	4,575,000	16,717,500	12,675,000
Directors' fees and expenses		1,074,135	1,099,956	3,154,686	3,580,724
Auditors' fee		2,824,216	1,606,547	5,493,461	4,060,588
Impairment of goodwill	28	-	-	54,905,518	-
Depreciation and repairs to bank's assets	29	1,361,952,823	1,181,033,134	3,949,696,085	3,314,908,287
Other expenses	30	1,093,708,314	925,616,556	3,035,680,541	2,615,330,935
Total operating expenses		6,461,484,794	5,380,766,301	19,198,368,252	15,792,934,206
Operating profit		3,331,359,242	2,549,762,578	8,108,250,502	7,891,449,200
Share of profit/(loss) of associates	31	286,689	-	(6,059,288)	-
Gain/(loss) on disposal of associate		-	-	-	-
Profit/(loss) before provisions		3,331,645,931	2,549,762,578	8,102,191,214	7,891,449,200
Provision for:					
Loans and advances		392,993,021	570,871,044	1,478,341,947	2,433,677,022
Diminution in value of investments		11,598,772	-	19,498,772	(2,000,000)
Off balance sheet items		66,000,000	71,000,000	283,155,939	209,000,000
Others		6,025,920	1,062,777	32,910,205	10,007,199
Total provision	32	476,617,713	642,933,821	1,813,906,863	2,650,684,221
Profit/(loss) before taxes		2,855,028,218	1,906,828,757	6,288,284,351	5,240,764,979
Provision for Tax:					
Current tax expense		1,272,313,856	1,069,830,557	3,212,641,488	3,040,688,144
Deferred tax expense/(income)		(309,706,502)	(397,346,618)	(722,779,698)	(1,190,909,667)
Total provision for Tax	33	962,607,354	672,483,939	2,489,861,790	1,849,778,477
Total profit/(loss) after taxes		1,892,420,864	1,234,344,818	3,798,422,561	3,390,986,502
Attributable to:					
Equity holders of BRAC Bank Ltd.		1,589,511,368	1,417,012,780	3,787,791,012	3,992,989,807
Non controlling interest		302,909,496	(182,667,962)	10,631,549	(602,003,305)
		1,892,420,864	1,234,344,818	3,798,422,561	3,390,986,502
Retained earnings brought forward from previous period/year		26,464,396,786	16,881,682,160	26,402,962,532	16,368,391,548
Net profit attributable to the equity holders of the Bank		1,589,511,368	1,417,012,780	3,787,791,012	3,992,989,807
Profit available for appropriation		28,053,908,154	18,298,694,940	30,190,753,544	20,361,381,355
Appropriations:					
Statutory reserve		-	-	23,213,334	-
General reserve		-	-	-	-
Dividend		-	-	2,088,258,589	1,988,817,706
Start-up Fund		13,868,212	13,780,759	39,241,679	87,649,468
Dividend equalization fund		-	-	-	-
		13,868,212	13,780,759	2,150,713,602	2,076,467,174
Retained surplus		28,040,039,942	18,284,914,181	28,040,039,942	18,284,914,181
Earnings Per Share (EPS)	35	1.06	0.95	2.53	2.67

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


Chief Financial Officer


Acting Company Secretary


Managing Director and CEO


Director


Director


Chairman

Date: 30 October 2022

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the 3rd quarter ended 30 September 2022

Particulars	Paid up share 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	78,920,073	16,632,383	26,402,962,532	19,760,616,148	76,948,090,498
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(826,802,158)	-	-	-	-	(826,802,158)
Changes in translation reserve (Note-16)	-	-	-	-	-	-	291,360,866	-	(313,405)	291,047,461
Sub-total	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	1,663,490,769	78,920,073	307,993,249	26,402,962,532	19,760,302,743	76,412,335,801
Net profit for the period	-	-	-	-	-	-	-	3,787,791,012	10,631,549	3,798,422,561
Dividend for the year 2021:										
Stock dividend	1,044,129,290	-	-	-	-	-	-	(1,044,129,290)	-	-
Cash dividend	-	-	-	-	-	-	-	(1,044,129,299)	-	(1,044,129,299)
Dividend equalization fund	-	-	-	-	-	-	-	(39,241,679)	-	(39,241,679)
Start-up Fund	-	-	-	-	-	-	-	(23,213,334)	-	-
Statutory reserve	-	-	23,213,334	-	-	-	-	-	-	-
Balance as at 30 September 2022	14,965,853,280	3,853,767,032	10,091,170,292	355,218,455	1,663,490,769	78,920,073	307,993,249	28,040,039,942	19,770,934,292	79,127,387,384
Balance as at 31 December 2021	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	78,920,073	16,632,383	26,402,962,532	19,760,616,148	76,948,090,498
Balance as at 30 September 2021	13,921,723,990	3,853,767,032	9,405,017,728	355,218,455	3,136,133,992	78,920,073	7,853,201	18,284,914,181	5,046,280,447	54,089,829,099

Amount in Taka

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Cash Flow Statement (Unaudited)
For the 3rd quarter ended 30 September 2022

Particulars	Note	Jan to Sep 2022 Taka	Jan to Sep 2021 Taka
A. Cash flows from operating activities			
Interest receipts		25,573,043,897	23,069,958,540
Interest payment		(6,343,568,756)	(7,041,437,057)
Dividend receipts		287,278,383	203,077,705
Fees and commission receipts		32,116,719,948	25,819,518,149
Recovery on loans previously written off		600,471,611	414,983,108
Cash payments to employees		(8,748,230,831)	(7,343,872,197)
Cash payments to suppliers		(27,234,684,930)	(22,735,223,530)
Income tax paid		(7,713,131,245)	(5,260,083,917)
Receipts from other operating activities		637,226,804	971,485,256
Payment for other operating activities		(3,344,796,970)	(2,946,408,497)
Operating cash flow before changes in operating assets and liabilities (i)		5,830,327,911	5,151,997,560
Increase/decrease in operating assets & liabilities			
Loans and advances		(74,663,008,641)	(14,247,809,969)
Other assets		(47,313,526)	(805,443,521)
Borrowings from other banks and financial institutions		19,697,218,300	288,144,952
Proceeds from Issuance of affordable housing bond		4,751,000,000	-
Deposits from customers		51,747,249,805	2,606,117,925
Other liabilities		(146,559,359)	(424,929,537)
Cash utilized in operating assets and liabilities (ii)		1,338,586,579	(12,583,920,150)
Net cash (used)/flows from operating activities (i+ii) (a)		7,168,914,490	(7,431,922,590)
B. Cash flows from investing activities			
Treasury bills		1,658,322,369	9,556,372,015
Bangladesh Bank Bills		-	-
Treasury bonds		(39,437,687,302)	12,353,635,545
Sale/ (Investment) in shares		(663,516,162)	(946,023,214)
Investment in bonds		210,000,000	592,282,917
Acquisition of fixed assets		(2,519,594,450)	(2,083,536,083)
Disposal of fixed assets		14,398,289	610,543,010
Net cash used in investing activities (b)		(40,738,077,256)	20,083,274,190
C. Cash flows from financing activities			
Share Money Deposit		112,140,000	-
Dividend paid		(1,041,954,890)	(1,377,210,075)
Net cash flows from financing activities (c)		(929,814,890)	(1,377,210,075)
Net increase/decrease in cash (a+b+c)		(34,498,977,656)	11,274,141,525
Cash and cash equivalents at beginning of the year		105,222,018,140	62,639,236,011
Effect of exchange rate changes on cash and cash equivalent		479,659,195	49,821,896
Cash and cash equivalents at end of the year		71,202,699,679	73,963,199,432
Cash and cash equivalents at end of the year:			
Cash in hand (including foreign currency)		8,510,740,603	6,848,828,530
Balance with Bangladesh Bank and its agents bank(s)		16,260,881,577	12,482,235,991
Balance with other banks and financial institutions		41,716,819,499	54,459,545,711
Money at call and short notice		4,712,800,200	171,000,000
Prize bond		1,457,800	1,589,200
		71,202,699,679	73,963,199,432
Net Operating Cash Flow Per Share (NOCFPS)	36	4.79	(4.97)

BRAC Bank Limited
Condensed Balance Sheet (Unaudited)
As at 30 September 2022

Particulars	Note	30 September 2022 Taka	31 December 2021 Taka
PROPERTY AND ASSETS			
Cash	3	24,690,983,660	22,676,943,467
Cash in hand (Including foreign currency)		8,430,102,083	8,424,680,663
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		16,260,881,577	14,252,262,804
Balance with other banks and financial institutions	4	12,275,329,593	19,880,951,145
Inside Bangladesh		9,765,144,387	12,261,365,946
Outside Bangladesh		2,510,185,206	7,619,585,199
Money at call and short notice		4,712,800,200	3,500,000,000
Investments	5	55,697,617,292	51,590,814,842
Government		47,858,068,701	44,051,798,178
Others		7,839,548,591	7,539,016,664
Loans and advances	6	395,013,436,663	321,212,230,987
Loans, cash credit, overdrafts etc.		220,853,957,102	168,205,415,381
Small and medium enterprises		171,283,754,731	150,749,009,625
Bills purchased and discounted		2,875,724,830	2,257,805,981
Fixed assets including premises, furniture and fixture	7	7,650,510,149	7,454,867,399
Other assets	8	24,207,591,315	22,763,775,341
Non-banking assets		4,541,700	4,541,700
Total property and assets		524,252,810,572	449,084,124,881
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	9	28,736,430,186	24,134,564,025
Borrowings from central bank & government agencies	10	37,141,844,103	23,175,903,824
Affordable housing bond	10.1	4,751,000,000	-
Money at call and short notice		814,628,800	-
Deposits and other accounts	11	360,811,654,292	314,598,626,264
Current accounts and other accounts		114,906,253,110	109,470,657,298
Bills payable		1,842,221,344	2,367,889,416
Savings deposits		70,316,191,031	68,334,576,200
Term deposits		171,947,694,962	133,172,621,149
Other deposits		1,799,293,845	1,252,882,201
Other liabilities	12	35,270,532,136	32,755,559,637
Total liabilities		467,526,089,517	394,664,653,750
Capital and shareholders' equity			
Paid up share capital	13	14,965,853,280	13,921,723,990
Share premium	14	3,853,767,032	3,853,767,032
Statutory reserve		10,067,956,958	10,067,956,958
Dividend equalization fund		355,218,455	355,218,455
Revaluation reserve on govt. securities		1,663,490,769	2,490,292,927
Fair value gain/(loss) on equity investment	15	7,385,874,623	7,384,920,564
Foreign currency translation reserve	16	308,030,723	15,729,653
Surplus in profit and loss account/Retained earnings	17	18,126,529,215	16,329,861,552
Total shareholders' equity		56,726,721,055	54,419,471,131
Total liabilities and shareholders' equity		524,252,810,572	449,084,124,881

BRAC Bank Limited
Condensed Balance Sheet (Unaudited)
As at 30 September 2022

Particulars	Note	30 September 2022 Taka	31 December 2021 Taka
Off Balance Sheet Items			
Contingent liabilities			
Acceptances and endorsements		90,570,133,107	50,478,536,940
Irrevocable letter of credits		32,036,333,956	26,598,203,443
Letter of guarantees		14,814,499,160	11,793,414,671
Bills for collection		20,793,464,671	16,438,866,245
		<u>158,214,430,894</u>	<u>105,309,021,299</u>
Other Commitments			
Swap deals with banks and customers		29,638,539,635	20,452,606,603
Spot and forward deals with banks and customers		5,597,256,897	18,161,597,791
		<u>35,235,796,532</u>	<u>38,614,204,394</u>
Total Off-Balance sheet items including contingent liabilities		<u>193,450,227,426</u>	<u>143,923,225,693</u>
Net Assets Value (NAV) Per Share	34	37.90	36.36

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



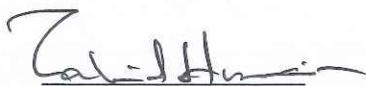
Chief Financial Officer



Acting Company Secretary



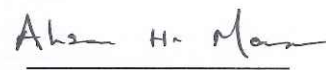
Managing Director and CEO



Director



Director



Chairman

Date: 30 October 2022

BRAC BANK LIMITED
Condensed Profit and Loss Account (Unaudited)
For the 3rd quarter ended 30 September 2022

Particulars	Note	Quarter ended Jul to Sep 2022 Taka	Quarter ended Jul to Sep 2021 Taka	Cumulative Jan to Sep 2022 Taka	Cumulative Jan to Sep 2021 Taka
Interest income	19	7,517,465,350	5,257,374,254	20,421,302,231	16,075,985,481
Interest paid on deposits and borrowing etc.	20	3,572,902,173	1,656,710,230	9,059,673,168	5,641,608,080
Net interest income		3,944,563,177	3,600,664,024	11,361,629,063	10,434,377,401
Investment income	21	1,162,576,273	1,492,016,336	3,607,043,277	5,068,875,101
Commission, exchange and brokerage	22	1,500,508,911	750,623,954	4,063,436,575	2,229,217,996
Other operating income	23	88,147,702	21,084,236	177,818,923	107,496,343
Total operating income		6,695,796,063	5,864,388,550	19,209,927,838	17,839,966,841
Salaries and allowances		2,157,203,186	1,674,382,542	6,099,136,215	4,908,953,286
Rent, taxes, insurance, electricity etc.	24	132,853,061	124,967,684	372,423,115	357,779,117
Legal expenses		11,726,783	355,244	23,846,528	10,738,555
Postage, stamps, telecommunication etc.	25	84,401,052	62,980,043	234,617,872	165,095,074
Stationery, printing, advertisement etc.	26	99,918,175	70,413,826	312,026,923	166,749,219
Chief Executive's salary and fees	27	6,045,000	4,575,000	16,717,500	12,675,000
Directors' fees and expenses		668,800	554,400	1,909,600	1,795,200
Auditors' fee		460,000	437,000	1,380,000	1,403,000
Depreciation and repairs to bank's assets	29	589,714,387	547,092,850	1,691,727,650	1,641,476,729
Other expenses	30	900,118,313	703,774,551	2,521,537,673	1,974,470,524
Total operating expenses		3,983,108,757	3,189,533,141	11,275,323,076	9,241,135,704
Profit/(loss) before provisions		2,712,687,306	2,674,855,409	7,934,604,762	8,598,831,137
Provision for:					
Loans and advances		392,993,021	570,871,044	1,478,341,947	2,433,677,022
Diminution in value of investments		11,598,772	-	19,498,772	(2,000,000)
Off balance sheet items		66,000,000	71,000,000	283,155,939	209,000,000
Others		6,034,798	-	28,698,997	6,822,665
Total provision	32	476,626,591	641,871,044	1,809,695,655	2,647,499,687
Profit/(loss) before taxes		2,236,060,715	2,032,984,365	6,124,909,107	5,951,331,450
Provision for Tax:					
Current tax expense		1,173,640,407	943,153,301	2,943,979,930	2,729,218,980
Deferred tax expense/(income)		(324,400,915)	(288,244,801)	(743,238,754)	(1,002,002,337)
Total provision for Tax	33	849,239,492	654,908,500	2,200,741,176	1,727,216,643
Total profit/(loss) after taxes		1,386,821,223	1,378,075,865	3,924,167,931	4,224,114,807
Retained earnings brought forward from previous period/year		16,753,576,204	14,463,608,053	16,329,861,552	13,680,255,527
Profit available for appropriation		18,140,397,427	15,841,683,918	20,254,029,483	17,904,370,334
Appropriations:					
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Dividend		-	-	2,088,258,589	1,988,817,706
Start-up Fund		13,868,212	13,780,759	39,241,679	87,649,468
Dividend equalization fund		-	-	-	-
Retained surplus		13,868,212	13,780,759	2,127,500,268	2,076,467,174
		18,126,529,215	15,827,903,160	18,126,529,215	15,827,903,160
Earnings Per Share (EPS)	35	0.93	0.92	2.62	2.82

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

Chief Financial Officer

Acting Company Secretary

Managing Director and CEO

Director

Director

Chairman

Date: 30 October 2022

BRAC Bank Limited
Condensed Statement of Changes in Equity (Unaudited)
For the 3rd quarter ended 30 September 2022

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Fair value gain/(loss) on equity investment	Foreign currency translation reserve	Retained earnings	Total
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	7,384,920,564	15,729,653	16,329,861,552	54,419,471,131
Surplus/deficit on account of revaluation of investments	-	-	-	-	(826,802,158)	-	-	-	(826,802,158)
Changes in fair value gain/ (loss) on equity investment	-	-	-	-	-	954,059	-	-	954,059
Changes in translation reserve (Note-16)	-	-	-	-	-	-	292,301,070	-	292,301,070
Sub-total	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	1,663,490,769	7,385,874,623	308,030,723	16,329,861,552	53,885,924,102
Net profit for the period	-	-	-	-	-	-	-	3,924,167,931	3,924,167,931
Dividend for the year 2021:									
Stock dividend								(1,044,129,290)	-
Cash dividend	1,044,129,290	-	-	-	-	-	-	(1,044,129,290)	(1,044,129,290)
Dividend equalization fund	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	(39,241,679)	(39,241,679)
Statutory reserve	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2022	14,965,853,280	3,853,767,032	10,067,956,958	355,218,455	1,663,490,769	7,385,874,623	308,030,723	16,126,629,215	56,726,721,055
Balance as at 31 December 2021	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	7,384,920,564	15,729,653	16,329,861,552	54,419,471,131
Balance as at 30 September 2021	13,921,723,990	3,853,767,032	9,405,017,728	355,218,455	3,136,133,992	936,515,281	7,147,047	15,827,903,160	47,443,426,685

Amount in Taka

BRAC Bank Limited
Condensed Cash Flow Statement (Unaudited)
For the 3rd quarter ended 30 September 2022

Particulars	Note	Jan to Sep 2022 Taka	Jan to Sep 2021 Taka
A. Cash flows from operating activities			
Interest receipts		22,747,681,855	20,724,654,815
Interest payment		(6,353,032,591)	(6,697,126,973)
Dividend receipts		230,257,442	158,534,380
Fees and commission receipts		4,063,436,575	2,229,217,996
Recovery on loans previously written off		600,471,611	414,983,108
Cash payments to employees		(6,038,028,252)	(4,943,614,933)
Cash payments to suppliers		(515,580,749)	(338,125,694)
Income tax paid		(3,647,675,973)	(1,934,539,441)
Receipts from other operating activities		680,427,604	1,063,230,095
Payment for other operating activities		(3,107,654,324)	(2,598,460,545)
Operating Cash flow before changes in operating assets and liabilities (i)		8,660,303,198	8,078,752,808
Increase/decrease in operating assets & liabilities			
Loans and advances		(73,801,205,676)	(14,287,526,633)
Other assets		(63,737,608)	(1,031,852,728)
Borrowings from other banks and financial institutions		19,382,435,240	1,347,192,468
Proceeds from Issuance of affordable housing bond		4,751,000,000	-
Deposits from customers		43,884,330,343	(9,909,156,400)
Other liabilities		(207,934,832)	(20,560,927)
Cash utilized in operating assets and liabilities (ii)		(6,055,112,533)	(23,901,904,220)
Net cash (used)/flows from operating activities (i+ii) (a)		2,605,190,665	(15,823,151,412)
B. Cash flows from investing activities			
Treasury bills		79,924,246	250,000,000
Bangladesh Bank Bills		-	-
Treasury bonds		(4,712,996,928)	13,410,402,941
Sale/ (Investment) in shares		(510,531,927)	(1,216,690,285)
Investment in bonds		210,000,000	592,282,917
Acquisition of fixed assets		(1,512,314,457)	(683,545,319)
Disposal of fixed assets		14,393,652	610,473,990
Net cash used in investing activities (b)		(6,431,525,414)	12,962,924,244
C. Cash flows from financing activities			
Cash dividend paid		(1,041,954,890)	(1,377,210,075)
Net cash flows from financing activities (c)		(1,041,954,890)	(1,377,210,075)
Net increase/decrease in cash (a+b+c)		(4,868,289,639)	(4,237,437,243)
Cash and cash equivalents at beginning of year		46,059,175,412	33,603,286,202
Effect of exchange rate changes on cash and cash equivalent		489,685,480	51,253,587
Cash and cash equivalents at end of the year		41,680,571,253	29,417,102,546
Cash in hand (including foreign currency)		8,430,102,083	6,157,328,401
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		16,260,881,577	12,482,235,991
Balance with other banks and financial institutions		12,275,329,593	10,604,948,954
Money at call and short notice		4,712,800,200	171,000,000
Prize bond		1,457,800	1,589,200
		41,680,571,253	29,417,102,546
Net Operating Cash Flow Per Share (NOCFPS)	36	1.74	(10.57)

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

1.1 BRAC Bank Limited

BRAC Bank Limited (the "Bank" or "BRAC Bank") is a scheduled commercial bank established under the Bank Company Act, 1991, and incorporated as a public company, limited by shares, on 20 May 1999 under the Companies Act, 1994, in Bangladesh, vide RJC registration no. C-37782(2082)/99. The primary objective of the bank is to conduct all kinds of banking businesses. On completion of all legal formalities, the bank commenced its operations on 4th July 2001. The registered address of the bank is: Anik Tower, 220/B Tejgaon Gulshan Link Road, Tejgaon, Dhaka-1208. BRAC Bank has been listed on the Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly traded company from 28 January 2007 and 24 January 2007, respectively.

1.1.1 Principal Activities and nature of operations of BRAC Bank Limited

The principal activities of the Bank are to provide all types of commercial banking services, within the stipulations laid down by Bank Companies Act 1991 as amended and directives as received from Bangladesh Bank time to time, through its branches, SME centre and alternative delivery channels like ATM Booths, Mobile and Internet Banking etc. There have been no significant changes in the nature of the principal activities of the Bank during the period under review.

Real Economy intermediation can be considered Triple Bottom Line if it supports individuals or enterprises delivering impact in at least one of the following categories: Social Empowerment (People), Environmental Regeneration (Planet), and/or Economic Resiliency (Prosperity). As a founder member of GABV and being the trailblazer of values-based banking in Bangladesh, BRAC bank always strives to contribute towards achieving the Sustainable Development Goals (SDGs), where financing for SMEs to generate employment in an environmentally-friendly manner remains as our top priority.

1.1.2 Off-shore Banking Unit (OBU)

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

1.1.3 Custodian Service

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

1.2 Subsidiaries and associates of BRAC Bank Limited

'Subsidiaries' are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. Financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

'Associates' are enterprises in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor (IAS-28: *Investments in Associates and joint ventures*). Significant influence is the power to participate in the financial and operating policy decisions of the investee, but there is no control over those policies. Investment in associates is accounted for in the consolidated financial statements under the 'equity method'.

BRAC Bank Limited has four subsidiaries namely BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited, bKash Limited, and BRAC SAAJAN Exchange Limited and it has also one associate company namely BRAC IT Services Limited. The subsidiaries and associate are operating in diverse areas, BRAC Bank's (BBL) shareholding position in all of its subsidiaries and associates is summarized below:

Name of subsidiaries/associates	Nature of business	Face value per share	Total no. of ordinary shares		BBL's percentage of shareholding	
			30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021
BRAC EPL Investments Limited	Merchant banking	BDT 10	258,500,000	258,500,000	99.95%	99.95%
BRAC EPL Stock Brokerage Limited	Stock brokerage	BDT 100	8,411,446	8,411,446	90.00%	90.00%
bKash Limited	Mobile financial services (MFS)	BDT 100	381,949	381,949	51.00%	51.00%
BRAC SAAJAN Exchange Limited*	Remittance & exchange services	GBP 1	333,333	333,333	75.00%	75.00%
BRAC IT Services Limited**	IT services	BDT 1,000	233,729	233,729	12.92%	12.92%

* Notable that the operation of BRAC SAAJAN Exchange Limited was suspended on regulatory ground by the local regulator in UK. Management lodged an appeal against the suspension before the Court in UK. After hearing, the honorable Court released a verdict in favour of BRAC Saajan and nodded the company to resume its operations. The company is also preparing to resume its operations shortly.

Considering the minimum capital requirement as per Financial Conduct Authority (FCA), UK and to run its operation smoothly, 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 regulator.

** In line with the Bangladesh Bank direction, Board of BRAC Bank expressed its interest to bKash Board to dispose 6,818 no. of shares (2.92% shareholding) from BRAC Bank holding in bKash. Based on the proposal, BRAC, the parent of bKash, agreed to buy the shares from BRAC Bank. The required formalities are in progress to dispose the said shares in bKash.

2. Basis of preparation of financial statements

2.1 Consolidated and separate financial statements

Separate financial statements of the bank for the 3rd quarter ended 30 September 2022 comprise the operation of the Domestic Banking Unit (DBU) (main operations), as well as operations of the Off-shore Banking Unit (OBU), together referred to as 'the bank'. Consolidated financial statements comprise those of the bank (parent) and its subsidiaries and associates (note 1.2), together referred to as 'the Group', or individually referred to as 'Group entities/subsidiaries/associates', as the case may be. There were no significant changes in the operations of the bank/group entities. A summary of accounting principles and policies which have been applied consistently (unless otherwise stated), are set out below and in the notes of respective areas:

2.1.1 Statement of compliance and basis of preparation

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

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

- The Bank Company Act, 1991, and amendment thereon;
- The Companies Act, 1994;
- Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
- 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;
- The Income Tax Ordinance, 1984, and amendments thereon;
- The Value Added Tax Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;
- Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations;
- Financial Reporting Act, 2015.

2.1.2 Compliance with International Financial Reporting Standards (IFRSs)

The Central Bank of Bangladesh ('Bangladesh Bank'), as regulator of the banking industry, has issued a number of circulars/directives which are not consistent with the requirements specified in IAS/IFRS. In preparation of the financial statements, IFRSs have been complied to the extent possible subject to the compliance with Bangladesh Bank circulars and guidelines in this respect. In case any requirement of the Bank Company Act, 1991, and provisions and circulars issued by Bangladesh Bank (BB) differ with those of IFRSs, the requirements of the Bank Company Act, 1991, and provisions and circulars issued by BB shall prevail. The departure of IFRSs in the interim financial statements as at and for the 3rd quarter ended 30 September 2022 are same as that were disclosed in its last annual financial statements of 31 December 2021.

2.1.3 Going concern

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

2.1.4 Use of estimates and judgments

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future periods affected. The key items in which judgments, estimates and assumptions are involved presented below:

- a) Impairment losses on loans and advances
- b) Recognition and measurement of current tax and deferred tax
- c) Determination of useful life of fixed assets and right of use of assets
- d) Provisions for off-balance sheet items and other assets
- e) Remeasurement gain/(loss) of defined benefit obligation and plan assets
- f) Impairment testing of goodwill and/or investment in subsidiary/associates
- g) Lease liabilities

2.1.5 Materiality and aggregation

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

2.1.6 Comparative information

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

2.2 Basis of consolidation

Consolidated financial statements include financial statements of BRAC Bank Limited and its subsidiaries, BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited, bKash Limited and BRAC SAAJAN Exchange Limited, as those of a single economic entity. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) 10: Consolidated Financial Statements. The consolidated financial statements are prepared for a common reporting period for the third quarter ended 30 September 2022. Intra-company transactions, balances and intra-group gains on transactions between group companies are eliminated on consolidation.

2.3 Foreign currency transactions and operations

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 Rate*. The functional and presentation currency of other subsidiaries and associates is in Bangladeshi Taka (BDT).

2.4 Accounting for provisions, contingent liabilities and contingent assets

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

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

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

2.5 Derivative financial instruments

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

2.6 Reporting period

These interim financial statements cover the period from 01 January 2022 to 30 September 2022.

2.7 Significant Accounting Policies

Accounting policies applied in the interim financial statements as at and for the 3rd quarter ended 30 September 2022 are same as that were applied in its last annual financial statements of 31 December 2021. However, some extract of key accounting policies that had been applied in annual financial statements are:

2.7.1 Cash and cash equivalents

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

2.7.2 Investments (categorized and reported as per Bangladesh Bank)

All investment securities are initially recognised at cost, including acquisition charges associated with the investment. Premiums are amortised and discount 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 HTM and HFT securities

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

Investment in quoted securities

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

Investment in unquoted securities

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

Investment in subsidiaries and associates in separate financial statements

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

Investment in subsidiaries and associates in consolidated financial statements

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

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

Types of investments	Initial Recognition	Measurement after Recognition	Recording of changes
Government Treasury Bills (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss A/C, gain to revaluation reserve
Government Treasury Bills (HTM)	Cost	Amortised cost	Amortised gain to revaluation reserve and loss to profit and loss
Government Treasury Bonds (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss A/C, gain to revaluation reserve
Government Treasury Bonds (HTM)	Cost	Amortised cost	Amortised gain to revaluation reserve and loss to profit and loss
Zero Coupon Bond	Cost	Cost	N/A
Prize Bond and Other Bond	Cost	Cost	N/A
Debentures	Cost	Cost	Profit and Loss Account
Un-quoted Shares (ordinary)	Cost	Lower of cost or NAV of last audited account	Profit and Loss Account
Quoted Shares (ordinary)	Cost	Lower of cost or market price at balance sheet date	Loss (net off gain) to Profit and Loss Account but no unrealized gain booking
Mutual Fund (open-end)	Cost	If avg cost price (CP) > NAVCMP*0.95, then required provision (RP) per unit will be RP=CP-NAVCMP*0.95	Loss (net off gain) to Profit and Loss Account but no unrealized gain booking
Mutual Fund (closed-end)	Cost	If CP > Market value (MV) or CP > NAVCMP*0.85, then RP will be: i) in case of MV > NAVCMP*0.85, then RP = CP-MV or ii) in case of MV < NAVCMP*0.85, then RP = CP-NAVCMP*0.85	Loss (net off gain) to Profit and Loss Account but no unrealized gain booking
Investment in subsidiaries and associates	Cost	Fair value through other comprehensive income in separate financial statements and equity method less accumulated impairment, if any, in consolidated financial statements.	Impairment loss is adjusted automatically in OCI due to fair value accounting. Goodwill impairment is recognised in profit and loss in consolidated financial statements. The share of post-acquisition income of associates is recognised in consolidated profit and loss account.

2.7.3 Loans and advances

a) Interest on loans and advances is calculated daily on accrual basis for all loans accounts but charged in client statements monthly, quarterly and installment date based on product type.

b) Classification and provisioning for loans and advances are created based on the period of arrears by following Bangladesh Bank BRPD Circular no. 14, dated 23 September 2012, BRPD circular no. 15, dated 23 September 2012, BRPD Circular no. 19, dated 27 December 2012, BRPD Circular no. 05, dated 29 May 2013, BRPD Circular no. 16, dated 18 November 2014, BRPD Circular no. 08, dated 02 August 2015, BRPD Circular no. 12, dated 20 August 2017, BRPD Circular no. 15, dated 27 September 2017, BRPD Circular no. 01, dated 20 February 2018, BRPD Circular no. 07, dated 21 June 2018, BRPD Circular no. 13, dated 18 October 2018 and BRPD Circular no. 03, dated 21 April 2019, BRPD circular no. 52 Dated 20 October 2020, BRPD circular no. 16 dated 21 July 2020, BRPD circular No: 56 dated 10 December 2020, BRPD circular No: 3 dated 31 January 2021, BRPD circular No: 5 dated 24 March 2021, BRPD circular No: 19 dated 26 August 2021, BRPD circular No: 50 dated 14 December 2021, BRPD circular No: 53 dated 30 December 2021, BRPD circular No: 16 dated 22 June 2022.

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

c) Interest on classified loans and advances is calculated as per BRPD circular no. 27, dated 31 August 2010 and recognised as income on realisation, as per BRPD circular no. 14 and 15, dated 23 September 2012.

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

2.7.4 Impairment of financial assets

At each balance sheet date, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets, i.e., loans and advances, off balance sheet items and investments are impaired. A financial asset or group of financial assets are impaired and impairment losses are incurred if there is objective evidence of impairment as a result of a loss event that occur after the initial recognition of the asset up to the balance sheet date; the loss event had an impact on the estimated future cash flows of the financial assets or the group of financial assets; and a reliable estimate of the loss amount can be made.

In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement, in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

2.7.5 Property, plant and equipment

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:

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

Subsequent costs

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

IFRS 16 "Leases" and its relevant assumptions and disclosures

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

Right-of-use assets

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

Lease liabilities

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

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

Short-term leases and leases of low value assets

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

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

Depreciation

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

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

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

Right-of-use assets are depreciated on a straight-line basis over the lease term.

Gain or loss on disposal of fixed assets

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

Impairment of property, plant and equipment

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

Capital work-in-progress (CWIP)

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

Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and is measured at cost less accumulated impairment losses.

Software

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

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.

2.7.6 Deposits and other accounts

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

2.7.7 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. 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.

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.

Commission, exchange and brokerage income

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

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.

2.7.8 Provision for taxation

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

Current Tax

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

Deferred Tax

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

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

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

2.7.9 Earnings Per Share

Basic earnings per share

Basic earnings per share (EPS) has been computed by dividing the basic earning by the weighted average number of ordinary shares outstanding at the end of the year as per IAS 33 *Earnings Per Share*. EPS of previous year/period has been restated as per IAS 33 due to issue of stock dividend for 2021 during the period.

Diluted earnings per share

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

2.8 Disclosure on country risk exposure

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

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

2.9 Except as indicated, figures have been rounded-off to the nearest Taka.

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

2.11 Approval of the financial statements

These interim condensed financial statements were approved by the Board of Directors on 30 October 2022

Notes to the financial statements as at and for the 3rd quarter ended 30 September 2022

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
3 Cash					
Cash in hand (Including foreign currency)	3.1	8,510,740,603	9,207,161,626	8,430,102,083	8,424,680,663
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	16,260,881,577	14,252,262,804	16,260,881,577	14,252,262,804
		<u>24,771,622,180</u>	<u>23,459,424,430</u>	<u>24,690,983,660</u>	<u>22,676,943,467</u>
3.1 Cash in hand (Including foreign currency)					
Local currency		8,490,455,326	9,166,408,109	8,409,816,806	8,383,927,146
Foreign currency		20,285,277	40,753,517	20,285,277	40,753,517
		<u>8,510,740,603</u>	<u>9,207,161,626</u>	<u>8,430,102,083</u>	<u>8,424,680,663</u>
3.2 Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)					
Local currency		14,442,702,721	12,208,257,526	14,442,702,721	12,208,257,526
Foreign currency		1,581,837,418	961,504,172	1,581,837,418	961,504,172
		<u>16,024,540,139</u>	<u>13,169,761,698</u>	<u>16,024,540,139</u>	<u>13,169,761,698</u>
Sonali Bank as an agent of Bangladesh Bank (local currency)		236,341,438	1,082,501,106	236,341,438	1,082,501,106
		<u>16,260,881,577</u>	<u>14,252,262,804</u>	<u>16,260,881,577</u>	<u>14,252,262,804</u>
3.3 Cash Reserve Ratio (CRR) (Bank only)					
As per section 33 of Bank Company Act, 1991 (amended up to 2013), MPD circular No. 03 dated 09 April 2020 for Domestic Banking Operation (DBO) & BRPD circular No. 31 dated 18 June 2020 for Offshore Banking Operation (OBO) issued by Bangladesh Bank, BRAC Bank Limited has been maintaining 3.5% & 1.5% CRR on daily basis and 4.0% & 2.0% on bi-weekly basis for DBO & OBO respectively. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of September 2022 is maintained on the basis of weekly ATDTL of July 2022), 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 30 September are as follows:					
Average total demand and time liabilities of July 2022 and October 2021					
DBU				356,171,254,319	280,299,190,703
OBU				29,699,968,208	16,755,464,795
				<u>385,871,222,527</u>	<u>297,054,655,498</u>
Required reserve					
DBU (September 2022: 3.5% and 2021: 3.5%)				12,465,993,901	9,810,471,675
OBU (September 2022: 1.5% and 2021: 1.5%)				445,499,523	251,331,972
				<u>12,911,493,424</u>	<u>10,061,803,647</u>
Actual reserve maintained as per Bangladesh Bank statement					
Surplus				14,047,950,224	12,027,375,845
				<u>1,136,456,800</u>	<u>1,965,572,198</u>
Bi-weekly basis					
The Bank maintained excess cash reserve of Tk. 100,467,587 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 30 September 2022.					
3.4 Statutory Liquidity Ratio (SLR)					
As per section 33 of the Bank Company Act 1991 (amended up to 2013) & MPD circular no. 2 dated 10 December 2013 issued by Bangladesh Bank (effective from 1 February 2014), BRAC Bank Limited has been maintaining 13% SLR on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of September 2022 is based on weekly ATDTL of July 2022), 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)					
				50,163,258,929	38,617,105,215
Actual reserve maintained (September 2022: 14.65%, December 2021: 18.19%)					
				<u>56,536,503,103</u>	<u>54,038,211,707</u>
Surplus				<u>6,373,244,174</u>	<u>15,421,106,492</u>
3.4.1 Actual reserve maintained					
Cash in hand				8,430,102,083	8,424,680,663
Balance with Sonali Bank as per statement				248,332,319	1,081,433,955
Daily Excess Reserve				-	480,298,921
Un-encumbered approved securities (HFT)				17,986,505,630	16,203,146,653
Un-encumbered approved securities (HTM)				29,870,105,271	27,847,370,715
Un-encumbered approved securities (other eligible)				1,457,800	1,280,800
				<u>56,536,503,103</u>	<u>54,038,211,707</u>
4 Balance with other Banks and Financial Institutions					
Inside Bangladesh	4.1	39,161,057,516	70,561,465,538	9,765,144,387	12,261,365,946
Outside Bangladesh	4.2	2,555,761,983	7,699,847,372	2,510,185,206	7,619,585,199
		<u>41,716,819,499</u>	<u>78,261,312,910</u>	<u>12,275,329,593</u>	<u>19,880,951,145</u>
4.1 Balance inside Bangladesh					
In current deposit accounts with:					
Banks		9,937,778,429	15,137,298,752	165,144,387	121,365,946
Less: Inter unit/company elimination		1,622,092,639	3,578,641,104	-	-
		<u>8,315,685,790</u>	<u>11,558,657,648</u>	<u>165,144,387</u>	<u>121,365,946</u>
In Term deposit accounts with:					
Banks		34,264,229,165	57,278,619,910	5,800,000,000	5,200,000,000
Non Banking Financial Institutions (NBFIs)		3,800,000,000	6,940,000,000	3,800,000,000	6,940,000,000
		<u>38,064,229,165</u>	<u>64,218,619,910</u>	<u>9,600,000,000</u>	<u>12,140,000,000</u>
Less: Inter unit/company elimination		7,218,857,439	5,215,812,020	-	-
		<u>30,845,371,726</u>	<u>59,002,807,890</u>	<u>9,600,000,000</u>	<u>12,140,000,000</u>
Total		<u>39,161,057,516</u>	<u>70,561,465,538</u>	<u>9,765,144,387</u>	<u>12,261,365,946</u>

		In Taka			
Particulars	Note	Consolidated		BRAC Bank Limited	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
4.2 Balance outside Bangladesh					
On shore balance		13,364,582,253	13,827,605,643	13,319,005,476	13,747,343,470
Off shore balance		2,515,102,192	5,974,658,657	2,515,102,192	5,974,658,657
		15,879,684,445	19,802,264,300	15,834,107,668	19,722,002,127
Less: On shore to BBL off-shore placement		13,323,922,462	12,102,416,928	13,323,922,462	12,102,416,928
		<u>2,555,761,983</u>	<u>7,699,847,372</u>	<u>2,510,185,206</u>	<u>7,619,585,199</u>
5 Investments					
Government	5.1	97,951,205,609	60,998,642,835	47,858,068,701	44,051,798,178
Others	5.2	9,477,931,334	9,069,950,469	7,839,548,591	7,539,016,664
		<u>107,429,136,943</u>	<u>70,068,593,304</u>	<u>55,697,617,292</u>	<u>51,590,814,842</u>
5.1 Government (Investment in Govt. securities)					
Treasury bills		-	1,658,322,369	-	79,924,246
Treasury bonds		97,949,747,809	59,339,039,666	47,856,610,901	43,970,593,132
Prize bonds		1,457,800	1,280,800	1,457,800	1,280,800
		<u>97,951,205,609</u>	<u>60,998,642,835</u>	<u>47,858,068,701</u>	<u>44,051,798,178</u>
5.1.2 BB category wise investment					
Held for trading (HFT)		17,986,505,630	16,203,146,653	17,986,505,630	16,203,146,653
Held to maturity (HTM)		79,963,242,179	44,794,215,382	29,870,105,271	27,847,370,725
Other securities		1,457,800	1,280,800	1,457,800	1,280,800
		<u>97,951,205,609</u>	<u>60,998,642,835</u>	<u>47,858,068,701</u>	<u>44,051,798,178</u>
5.2 Others (Investment in other than Govt. securities)					
Corporate bonds- unquoted and quoted		2,680,000,000	2,900,000,000	2,680,000,000	2,890,000,000
Ordinary shares and Mutual Funds (MFs) - unquoted and quoted		6,770,431,334	6,165,950,469	5,132,048,591	4,645,016,664
Preference shares		2,500,000	4,000,000	2,500,000	4,000,000
Private Placement & Pre IPO		25,000,000	-	25,000,000	-
		<u>9,477,931,334</u>	<u>9,069,950,469</u>	<u>7,839,548,591</u>	<u>7,539,016,664</u>
6 Loans and advances					
Loans, cash credits, overdrafts etc.	6.1	222,479,406,356	169,128,372,833	220,853,957,102	168,205,415,381
Small and medium enterprises	6.2	171,283,754,731	150,749,009,625	171,283,754,731	150,749,009,625
Bills purchased and discounted*	6.3	2,875,724,830	2,257,805,981	2,875,724,830	2,257,805,981
		<u>396,638,885,917</u>	<u>322,135,188,439</u>	<u>395,013,436,663</u>	<u>321,212,230,987</u>
* Bills purchased and discounted excludes bills purchased and discounted of small and medium enterprise (SME).					
6.1 Loans, cash credits, overdrafts etc.					
Overdrafts		15,945,209,817	9,386,377,592	15,945,209,817	9,386,377,592
Demand loans		93,567,480,182	63,339,447,043	93,567,480,182	63,339,447,043
Term loans		99,646,781,829	84,980,045,030	99,646,781,829	84,980,045,030
Lease receivables		579,326,249	823,850,563	579,326,249	823,850,563
Credit Cards		9,977,416,320	8,562,449,791	9,977,416,320	8,562,449,791
Staff loans		1,150,250,050	1,123,591,696	1,137,742,705	1,113,245,362
Margin loan		2,474,170,356	1,769,581,139	-	-
		<u>223,340,634,803</u>	<u>169,985,342,854</u>	<u>220,853,957,102</u>	<u>168,205,415,381</u>
Less: Inter company elimination		861,228,447	856,970,021	-	-
		<u>222,479,406,356</u>	<u>169,128,372,833</u>	<u>220,853,957,102</u>	<u>168,205,415,381</u>
6.2 Small and medium enterprises					
Overdrafts		12,369,760,948	17,716,943,831	12,369,760,948	17,716,943,831
Demand loans		9,641,332,555	13,336,489,437	9,641,332,555	13,336,489,437
Term loans		149,209,758,765	119,647,429,292	149,209,758,765	119,647,429,292
Lease receivables		5,578,755	12,493,658	5,578,755	12,493,658
Bills purchased and discounted (SME)		57,323,708	35,653,407	57,323,708	35,653,407
		<u>171,283,754,731</u>	<u>150,749,009,625</u>	<u>171,283,754,731</u>	<u>150,749,009,625</u>
6.3 Bills purchased and discounted					
Bills purchased and discounted (except SME)		2,875,724,830	2,257,805,981	2,875,724,830	2,257,805,981
Bills purchased and discounted (SME)		57,323,708	35,653,407	57,323,708	35,653,407
		<u>2,933,048,538</u>	<u>2,293,459,388</u>	<u>2,933,048,538</u>	<u>2,293,459,388</u>
6.4 Net loans and advances					
Gross loans and advances	6	396,638,885,917	322,135,188,439	395,013,436,663	321,212,230,987
Less: Interest suspense	12	1,716,279,187	1,637,871,114	1,716,279,187	1,637,871,114
Less: Provision for loans and advances	12	15,869,612,891	13,997,832,683	14,657,777,121	12,778,727,514
		<u>379,052,993,839</u>	<u>306,499,484,642</u>	<u>378,639,380,355</u>	<u>306,795,632,359</u>
6.5 Classified and unclassified loans and advances					
Unclassified					
Standard (including staff loan)		377,960,574,181	307,143,533,027	377,546,960,697	307,445,882,479
Special Mention Accounts (SMA)		1,992,325,197	1,243,788,089	1,992,325,197	1,243,788,089
		<u>379,952,899,378</u>	<u>308,387,321,116</u>	<u>379,539,285,894</u>	<u>308,689,670,568</u>
Classified					
Sub-standard		4,632,668,176	2,200,671,339	4,632,668,176	2,200,671,339
Doubtful		1,310,060,467	987,009,923	1,310,060,467	987,009,923
Bad/Loss		10,743,257,897	10,560,186,061	9,531,422,127	9,334,879,157
		<u>16,685,986,540</u>	<u>13,747,867,323</u>	<u>15,474,150,770</u>	<u>12,522,560,419</u>
		<u>396,638,885,918</u>	<u>322,135,188,439</u>	<u>395,013,436,664</u>	<u>321,212,230,987</u>

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

Status	Outstanding loans and advances	Base for provision	Percentage (%) of required provision	Required provision 30 September 2022	Required provision 31 December 2021
Unclassified					
All unclassified loans (Other than SME Financing, Consumer Financing, BHs/MBs/SDs, Housing and loans for professional*)	138,552,706,605	138,494,914,140	1%**	1,871,955,683	1,331,178,040
Small and Medium Enterprise Financing	160,489,384,678	160,489,384,678	0.25%	401,223,462	356,006,759
Loans to BHs/MBs/SDs against share etc.*	1,020,313,469	1,020,313,469	2%	20,406,269	15,806,672
Housing Finance	12,427,996,935	12,427,996,935	1%	124,279,969	129,508,580
Loans for professionals to Set up business (LP)	5,475,885,988	5,475,885,988	2%	109,517,720	105,836,050
Consumer finance	46,609,661,349	46,609,661,349	2%	932,193,227	734,780,715
Consumer finance (Credit Card)	9,434,497,523	9,434,497,523	2%	188,689,950	159,794,280
Short Term Agricultural and Micro Credit	4,391,096,642	4,391,096,642	1%	43,910,966	39,409,917
Staff Loan	1,137,742,705	-	1%	-	-
	379,539,285,894	378,343,750,724		3,692,177,246	2,872,321,613
Classified - Specific provision					
Sub-standard	4,632,668,176	3,490,618,641	20%***	395,952,178	210,607,228
Doubtful	1,310,060,467	785,315,706	50%***	381,829,211	145,090,096
Bad/Loss	9,531,422,127	7,249,733,167	100%	7,249,733,167	7,627,363,819
	15,474,150,770	11,525,667,515		8,027,514,556	7,983,061,143
	395,013,436,664	389,869,418,239			
Special General Provision Covid-19					
Special general provision Covid-19 for 2020			1%	425,453,379	564,532,639
Special general provision Covid-19 for 2021			1.5%, 2%	197,709,817	219,674,585
				623,163,196	784,207,224
Total required provision for loans and advances				12,342,854,998	11,639,589,380
Total provision maintained				14,657,777,121	12,778,727,514
Excess provision over minimum required provision prescribed by Bangladesh Bank				2,314,922,123	1,139,138,134

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

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

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

		In Ta			
Particulars	Note	Consolidated		BRAC Bank Limited	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
7 Fixed assets including premises, furniture and fixtures					
Land - Cost		527,275,400	527,275,400	527,275,400	527,275,400
Office floor space		20,855,926	20,855,926	4,034,334	4,034,334
Furniture and fixture		2,335,931,382	2,336,543,136	2,145,346,104	2,140,914,382
Office equipment		1,430,587,660	1,450,379,835	1,320,705,126	1,344,953,601
IT hardwares		6,658,438,313	6,284,258,630	3,182,135,234	3,049,688,043
Motor vehicles		658,531,429	504,714,769	404,493,757	354,296,880
Leasehold improvements		136,128,194	134,421,114	-	-
Right of use assets (ROU) as per IFRS 16		7,197,459,827	6,448,373,021	5,968,870,516	5,489,602,469
Capital expenditure work in progress		756,433,732	585,568,883	235,196,787	251,206,514
IT Software (Finite useful lives)		7,013,931,177	6,081,922,651	2,719,339,518	2,322,117,221
Total cost		26,735,573,040	24,374,313,365	16,507,396,776	15,484,088,844
Accumulated depreciation and amortisation		13,636,044,492	11,540,143,941	8,856,886,627	8,029,221,445
Written down value		13,099,528,548	12,834,169,424	7,650,510,149	7,454,867,399
(Fixed assets schedules-standalone are shown in Annexure - B)					
8 Other assets					
Income generating					
Interest receivables		3,289,920,560	2,721,178,635	3,289,920,560	2,721,178,635
Dividend receivables		1,250,000	35,919,830	1,250,000	35,919,830
Investment in subsidiary	8.1	-	-	13,168,560,160	13,161,378,451
Investment/carrying value in associates	8.2	15,055,946	21,115,234	15,055,946	21,115,234
Investment In Swift Share		8,083,464	8,083,464	8,083,464	8,083,464
Prepaid interest expenses on IFFD		23,386,879	24,511,806	23,386,879	24,511,806
Receivables against sanchayapatra		71,734,647	44,502,037	71,734,647	44,502,037
Balance with BRAC EPL Stock Brokerage Limited		2,334,553	1,166,738	2,334,553	1,166,738
Non- Income generating					
Stock of stamps		40,330,981	48,826,086	40,330,981	48,826,086
Stock of security stationery		43,948,274	47,369,961	43,948,274	47,369,961
Stock of printing stationery		12,429,301	12,007,770	12,429,301	12,007,770
Advance to staff		9,134,291	6,617,457	9,134,291	6,617,457
Advance to supplier		36,284,568	30,451,912	10,281,960	24,933,886
Advance Value Added Tax		5,858,631	4,370,000	5,858,631	4,370,000
Advance to SME unit offices		1,308,690	1,308,690	1,308,690	1,308,690
Advance against office rent		52,722,531	68,234,617	52,722,531	68,234,617
Advance security deposit		16,129,609	13,362,635	11,661,701	8,894,727
Receivables from biTS		162,473,181	187,859,621	162,473,181	187,859,621
Deferred revenue expenditure		467,971,516	173,250,448	467,971,516	173,250,448
Deferred tax asset	8.3	5,948,773,213	5,233,012,588	4,874,222,445	4,147,255,591
Receivable settlement account-OBUD/DBU		-	11,166	-	11,166
Net plan assets - Employees' Gratuity Fund		127,281,040	127,281,040	127,281,040	127,281,040
Other receivables		1,807,640,564	1,887,698,086	1,807,640,564	1,887,698,086
Other assets of subsidiaries		9,040,301,296	5,524,084,643	-	-
		21,184,353,735	16,222,224,464	24,207,591,315	22,763,775,341

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
8.1 Investment in subsidiaries					
BRAC EPL Investments Limited				952,812,112	1,036,320,904
BRAC EPL Stock Brokerage Limited				1,286,178,975	1,241,795,091
bKash Limited				10,889,087,190	10,874,512,125
BRAC SAAJAN Exchange Limited				40,481,883	8,750,331
				<u>13,168,560,160</u>	<u>13,161,378,451</u>
8.2 Investment/carrying value in associates					
BRAC IT Services Limited		15,055,946	21,115,234	15,055,946	21,115,234
		<u>15,055,946</u>	<u>21,115,234</u>	<u>15,055,946</u>	<u>21,115,234</u>

8.2.1 Carrying value of investment in associates:

<i>BRAC IT Services Limited</i>			
Opening balance/fair value of residual interest retained	21,115,234	-	
Gain/(loss) on disposal/loss of significant influence of associates		17,373,182	
Share of profit/(loss) of equity in associate company	(6,059,288)	3,742,052	
	<u>15,055,946</u>	<u>21,115,234</u>	

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

Particulars	Accounting base	Tax base	Deductible/ (Taxable) temporary difference	Applicable tax rate	Deferred Tax Asset/ (Liability)
Balance as at 30 September 2022					
Loan loss provision including Covid-19 special provision	11,439,103,505	-	11,439,103,505	37.50%	4,289,663,814
Provision against capital market	33,078,891	-	33,078,891	10.00%	3,307,889
Fixed assets	2,510,555,790	3,652,544,578	1,141,988,788	37.50%	428,245,796
Right of use assets (ROU) as per IFRS 16	4,056,642,333	785,151,899	(3,271,490,434)	37.50%	(1,226,808,913)
Leased Liability as per IFRS 16	3,679,503,624	-	3,679,503,624	37.50%	1,379,813,859
Deferred tax asset (a)					<u>4,874,222,445</u>
Deferred tax liability arises due to actuarial valuation gain	8,221,604	-	(8,221,604)	37.50%	(3,083,101)
Deferred tax liability arises from fair value gain as per IFRS 9	8,689,264,259	-	(8,689,264,259)	15.00%	(1,303,389,639)
Interest receivable from treasury bills and bonds	954,611,408	-	(954,611,408)	37.50%	(357,979,278)
Dividend receivables	-	-	-	20.00%	-
Deferred tax liability (b)					<u>(1,664,452,018)</u>
Net deferred tax asset at 30 September 2022 (a+b)					<u>3,209,770,427</u>
Balance as at 31 December 2021					
Loan loss provision including Covid-19 special provision	9,744,711,824	-	9,744,711,824	37.50%	3,654,266,934
Provision against capital market	13,580,119	-	13,580,119	10.00%	1,358,012
Fixed assets	2,522,794,574	3,532,771,605	1,009,977,031	37.50%	378,741,387
Right of use assets (ROU) as per IFRS 16	4,150,429,766	847,913,185	(3,302,516,581)	37.50%	(1,238,443,718)
Leased Liability as per IFRS 16	3,603,554,603	-	3,603,554,603	37.50%	1,351,332,976
Deferred tax asset (a)					<u>4,147,255,591</u>
Deferred tax liability arises due to actuarial valuation gain	8,221,604	-	(8,221,604)	37.50%	(3,083,101)
Deferred tax liability arises from fair value gain as per IFRS 9	8,688,141,840	-	(8,688,141,840)	15.00%	(1,303,221,276)
Interest receivable from treasury bills and bonds	978,845,897	-	(978,845,897)	37.50%	(367,067,212)
Dividend receivables	35,919,830	-	(35,919,830)	20.00%	(7,183,966)
Deferred tax liability (b)					<u>(1,680,555,555)</u>
Net deferred tax asset at 31 December 2021 (a+b)					<u>2,466,700,036</u>

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

9 Borrowings from other banks, financial institutions and agents

Borrowings inside Bangladesh	2,545,715,000	429,000,000	2,545,715,000	429,000,000
Borrowings outside Bangladesh	26,504,994,423	23,721,953,707	26,190,715,186	23,705,564,025
	<u>29,050,709,423</u>	<u>24,150,953,707</u>	<u>28,736,430,186</u>	<u>24,134,564,025</u>

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021

10 Borrowings from central bank & government agencies

Bangladesh Bank - Export Development fund (EDF)	15,854,270,538	9,124,444,403	15,854,270,538	9,124,444,403
Bangladesh Bank - SME Foundation	576,092,278	817,222,000	576,092,278	817,222,000
Bangladesh Bank - Long Term Financing Facility (LTFF)	805,635,875	763,079,166	805,635,875	763,079,166
Bangladesh Bank - Green Transformation Fund (GTF)	249,529,094	261,070,057	249,529,094	261,070,057
Bangladesh Bank - Stimulus Fund	138,426,571	387,594,399	138,426,571	387,594,399
Bangladesh Bank - Working Capital Stimulus Fund	1,514,040,573	528,491,391	1,514,040,573	528,491,391
Bangladesh Bank - PSC Stimulus Package	384,027,000	45,242,000	384,027,000	45,242,000
Bangladesh Bank - Refinancing for Green Initiatives	32,500,000	40,000,000	32,500,000	40,000,000
Bangladesh Bank - SME Re-finance	17,432,272,174	11,108,860,408	17,432,272,174	11,108,860,408
Joyeeta Foundation Pre or Re-Finance	155,050,000	99,900,000	155,050,000	99,900,000
	<u>37,141,844,103</u>	<u>23,175,903,824</u>	<u>37,141,844,103</u>	<u>23,175,903,824</u>

10.1 Affordable housing bond

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.

		In Taka			
Particulars	Note	Consolidated		BRAC Bank Limited	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
11 Deposits and other accounts					
Current deposits and other accounts etc.	11.1	179,881,732,386	164,425,455,280	114,906,253,110	109,470,657,298
Bills payable	11.2	1,842,221,344	2,367,889,416	1,842,221,344	2,367,889,416
Savings deposits	11.3	70,316,191,031	68,334,576,200	70,316,191,031	68,334,576,200
Term deposits*	11.4	164,728,837,523	127,956,809,129	171,947,694,962	133,172,621,149
Other deposits	11.5	1,799,293,845	1,252,882,201	1,799,293,845	1,252,882,201
		<u>418,568,276,129</u>	<u>364,337,612,226</u>	<u>360,811,654,292</u>	<u>314,598,626,264</u>
* Term deposits include the deposit pension scheme (DPS).					
11.1 Current deposits and other accounts					
Local currency		174,332,771,971	161,838,118,956	107,735,200,056	103,304,679,870
Foreign currencies		<u>7,171,053,054</u>	<u>6,165,977,428</u>	<u>7,171,053,054</u>	<u>6,165,977,428</u>
		181,503,825,025	168,004,096,384	114,906,253,110	109,470,657,298
Less: Inter unit/company elimination		<u>1,622,092,639</u>	<u>3,578,641,104</u>	-	-
		<u>179,881,732,386</u>	<u>164,425,455,280</u>	<u>114,906,253,110</u>	<u>109,470,657,298</u>
11.1.1 Current deposits and other accounts					
Current deposits		168,567,137,853	155,023,341,775	101,969,565,938	96,489,902,689
Special notice deposit		<u>12,936,687,172</u>	<u>12,980,754,609</u>	<u>12,936,687,172</u>	<u>12,980,754,609</u>
		181,503,825,025	168,004,096,384	114,906,253,110	109,470,657,298
Less: Inter unit/company elimination		<u>1,622,092,639</u>	<u>3,578,641,104</u>	-	-
		<u>179,881,732,386</u>	<u>164,425,455,280</u>	<u>114,906,253,110</u>	<u>109,470,657,298</u>
11.2 Bills payable					
Local currency		1,543,723,268	2,164,588,843	1,543,723,268	2,164,588,843
Foreign currencies		<u>298,498,076</u>	<u>203,300,573</u>	<u>298,498,076</u>	<u>203,300,573</u>
		<u>1,842,221,344</u>	<u>2,367,889,416</u>	<u>1,842,221,344</u>	<u>2,367,889,416</u>
11.3 Savings deposits					
Local currency		70,316,191,031	68,334,576,200	70,316,191,031	68,334,576,200
Foreign currencies		-	-	-	-
		<u>70,316,191,031</u>	<u>68,334,576,200</u>	<u>70,316,191,031</u>	<u>68,334,576,200</u>
11.4 Term deposits					
Local currency		168,589,092,630	131,121,074,245	168,589,092,630	131,121,074,245
Foreign currencies		<u>3,358,602,332</u>	<u>2,051,546,904</u>	<u>3,358,602,332</u>	<u>2,051,546,904</u>
		171,947,694,962	133,172,621,149	171,947,694,962	133,172,621,149
Less: Inter unit/company elimination		<u>7,218,857,439</u>	<u>5,215,812,020</u>	-	-
		<u>164,728,837,523</u>	<u>127,956,809,129</u>	<u>171,947,694,962</u>	<u>133,172,621,149</u>
11.5 Other deposits					
Local currency		1,792,681,305	1,247,004,101	1,792,681,305	1,247,004,101
Foreign currencies		<u>6,612,540</u>	<u>5,878,100</u>	<u>6,612,540</u>	<u>5,878,100</u>
		<u>1,799,293,845</u>	<u>1,252,882,201</u>	<u>1,799,293,845</u>	<u>1,252,882,201</u>
11.6 Deposits concentration					
Deposits from banks-inside Bangladesh	11.6.1	399,905,053	3,943,113,945	399,905,053	3,943,113,945
Other than banks		<u>418,168,371,076</u>	<u>360,394,498,281</u>	<u>360,411,749,239</u>	<u>310,655,512,319</u>
		<u>418,568,276,129</u>	<u>364,337,612,226</u>	<u>360,811,654,292</u>	<u>314,598,626,264</u>
11.6.1 Deposits from banks-inside Bangladesh					
Current deposits:					
NRB Bank Limited		1,347,716	1,436,920	1,347,716	1,436,920
Islami Bank Bangladesh Limited		440,548	-	440,548	-
One Bank Limited		1,105,159	151,297	1,105,159	151,297
Meghna Bank Limited		<u>570,010</u>	<u>535,996</u>	<u>570,010</u>	<u>535,996</u>
		<u>3,463,433</u>	<u>2,124,212</u>	<u>3,463,433</u>	<u>2,124,212</u>
Special notice deposit:					
Dutch-Bangla Bank Mobile Banking-Rocket		<u>26,441,620</u>	<u>40,989,733</u>	<u>26,441,620</u>	<u>40,989,733</u>
		<u>26,441,620</u>	<u>40,989,733</u>	<u>26,441,620</u>	<u>40,989,733</u>
Term deposits from Banks:					
Citi Bank NA, Dhaka		370,000,000	-	370,000,000	-
State Bank of India		-	400,000,000	-	400,000,000
Habib Bank Limited		-	500,000,000	-	500,000,000
Pubali Bank Limited		-	3,000,000,000	-	3,000,000,000
		<u>370,000,000</u>	<u>3,900,000,000</u>	<u>370,000,000</u>	<u>3,900,000,000</u>
Total deposits from banks		<u>399,905,053</u>	<u>3,943,113,945</u>	<u>399,905,053</u>	<u>3,943,113,945</u>
11.7 Payable on demand and time deposit					
i) Demand deposit					
Current deposits		159,773,992,160	145,278,723,243	94,798,512,884	90,323,925,261
Saving deposits (9% of total saving deposits)		6,328,457,193	6,150,111,858	6,328,457,193	6,150,111,858
Foreign currency deposits		7,177,665,594	6,171,855,528	7,177,665,594	6,171,855,528
Sundry deposits		1,791,869,305	1,238,848,878	1,791,869,305	1,238,848,878
Bills payable		<u>1,842,221,344</u>	<u>2,367,889,416</u>	<u>1,842,221,344</u>	<u>2,367,889,416</u>
		<u>176,914,205,596</u>	<u>161,207,428,923</u>	<u>111,938,726,320</u>	<u>106,252,630,941</u>
ii) Time deposit					
Saving deposits (91% of total saving deposits)		63,987,733,838	62,184,464,342	63,987,733,838	62,184,464,342
Foreign currency deposits		3,358,602,332	2,051,546,904	3,358,602,332	2,051,546,904
Term deposits		143,536,537,581	109,066,283,138	150,755,395,020	114,282,095,158
Deposit pension schemes (DPS)		17,833,697,610	16,838,979,087	17,833,697,610	16,838,979,087
Special notice deposit		12,936,687,172	12,980,754,609	12,936,687,172	12,980,754,609
Security deposits		<u>809,000</u>	<u>8,155,223</u>	<u>809,000</u>	<u>8,155,223</u>
		<u>241,654,067,533</u>	<u>203,130,183,303</u>	<u>248,872,924,972</u>	<u>208,345,995,323</u>
		<u>418,568,273,129</u>	<u>364,337,612,226</u>	<u>360,811,651,292</u>	<u>314,598,626,264</u>

12 Other liabilities				
Provision for loans and advances		15,085,405,667	13,213,625,459	13,873,569,897
Special general provision Covid-19		784,207,224	784,207,224	784,207,224
Provision for interest receivable from loan		16,461,972	13,457,003	16,461,972
Provisions for off balance sheet items		989,902,073	706,746,134	989,902,073
Provision for diminution in value of Investments		33,078,891	13,580,119	33,078,891
Provision for protested bill & other assets	12.1	260,514,153	234,820,125	260,514,153
Interest suspense		1,716,279,187	1,637,871,114	1,716,279,187
Withholding tax payable		346,395,286	201,214,386	346,395,286
VAT payable		202,284,486	208,608,833	202,284,486
Excise duty payable		307,054,568	262,341,336	307,054,568
Provision for taxation net off AIT	12.2	5,398,360,221	5,920,521,742	4,317,862,460
Deferred tax liability	8.3	361,062,379	377,334,278	1,664,452,018
Interest payable on borrowings		701,274,462	323,331,571	701,274,462
Accrued expenses		5,318,917,129	5,337,303,430	2,406,099,990
Share subscription - IPO (refund warrant)		268,004	229,509	268,004
Unclaimed and undistributed dividend	12.3	11,850,627	9,676,218	11,850,627
Suppliers payable		225,952,360	125,946,941	225,952,360
Leased liabilities as per IFRS 16		4,310,634,364	4,085,484,681	3,676,589,217
Payable against exchange houses		-	100	100
Payable against insurances		6,146,240	6,155,625	6,146,240
Payable against proxy account		606,877	206,092	606,877
Payable against SWIFT charge		20,994,899	1,716,000	20,994,899
Start-up Fund	12.4	140,119,304	100,877,625	140,119,304
Other payables		3,568,567,941	3,716,340,999	3,568,567,941
Other liabilities of subsidiaries		1,670,067,962	2,018,766,783	-
		<u>41,476,406,276</u>	<u>39,300,363,327</u>	<u>35,270,532,136</u>
				<u>32,755,559,637</u>

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021

12.1 Provision for protested bill & other assets

Total required provision for other assets	256,402,918	224,171,131
Total provision maintained	260,514,153	234,820,125
Excess/(shortfall) in provision	<u>4,111,235</u>	<u>10,648,994</u>

12.2 Provision for taxation net off AIT (BBL only)

A. Provision for tax:

Balance at the beginning of the year	27,502,064,330	23,934,664,849
Net adjustment during the year	(703,696,043)	3,567,399,481
	<u>26,798,368,287</u>	<u>27,502,064,330</u>
Adjustment of tax provision for previous years	-	-
Balance at the end of the year	<u>26,798,368,287</u>	<u>27,502,064,330</u>

B. Advance income tax:

Balance at the beginning of the year	22,480,505,827	19,922,549,103
Add: Paid during the year	-	2,557,956,724
	<u>22,480,505,827</u>	<u>22,480,505,827</u>
Less: Adjustment made during the year	-	-
Balance at the end of the year	<u>22,480,505,827</u>	<u>22,480,505,827</u>
Provision for taxation (A-B)	<u>4,317,862,460</u>	<u>5,021,558,503</u>

12.3 Unclaimed and undistributed dividend

As on 30 September 2022, the Unclaimed/undistributed dividend was BDT 11,850,627

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

12.4 Start-up Fund

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

Balance at the beginning of the year	100,877,625	-
Addition during the period (1% of PAT)	39,241,679	100,877,625
Closing balance at the end of the period	<u>140,119,304</u>	<u>100,877,625</u>

13 History of paid-up capital

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

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

13.1 Name of the Directors and their shareholdings as at 30 September 2022:

Name	Status	Opening position	Closing position	% of shares held as on 30 September 2022	% of shares held as on 31 December 2021
Dr. Ahsan H Mansur (Chairman)	Independent Director	NIL	NIL	NIL	NIL
Mr. Asif Saleh (Nominated by BRAC)	Nominated Director	31,000	33,325	0.002%	0.002%
Ms. Farzana Ahmed	Independent Director	NIL	NIL	NIL	NIL
Ms. Fahima Choudhury	Independent Director	NIL	NIL	NIL	NIL
Dr. Zaid Hussain	Independent Director	NIL	NIL	NIL	NIL
Mr. Meheriar M Hasan (Nominated by BRAC)	Nominated Director	NIL	NIL	NIL	NIL
Mr. Shameran Bahar Abed (Nominated by BRAC)	Nominated Director	997,500	1,072,312	0.072%	0.071%
Dr. Mustafa Kamal Mujeri	Independent Director	NIL	NIL	NIL	NIL
Mr. Faruq Mayeenuddin Ahmed	Independent Director	NIL	NIL	NIL	NIL
Mr. Salek Ahmed Abul Masnur	Independent Director	NIL	NIL	NIL	NIL

In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021

14 Share Premium

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

15 Fair value gain/(loss) on equity investment (Standalone)

Balance at the beginning of the year	7,384,920,564	1,131,197,846
Net change during the year	954,059	6,253,722,718
	7,385,874,623	7,384,920,564

16 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.

17 Surplus in profit and loss account/Retained earnings (standalone)

Balance at the beginning of the year	16,329,861,552	13,680,255,527
Add: Remeasurements gain/(loss) of defined benefits liabilities (assets)	-	(144,689,978)
Add: Retained surplus for the year	3,924,167,931	5,546,930,564
Less: Transfer to statutory reserve	-	662,939,230
Less: Start-up Fund	39,241,679	100,877,625
Less: Cash dividend paid	1,044,129,299	1,325,878,476
Less: Bonus share issued	1,044,129,290	662,939,230
Closing balance	18,126,529,215	16,329,861,552

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021

17.1 Surplus in profit and loss account/Retained earnings (Consolidated)

BRAC Bank Limited	17	18,126,529,215	16,329,861,552
BRAC EPL Investment Limited			
Opening balance		(1,607,496,637)	(1,855,049,822)
Add: Retained Surplus/(deficit) for the year		(83,262,448)	247,553,185
Add: Effect of change of shareholding		-	-
Less: Impairment of Goodwill		-	-
Sub total		(1,690,759,085)	(1,607,496,637)
BRAC EPL Stock Brokerage Limited			
Opening balance		943,567,598	711,882,093
Add: Retained Surplus/(deficit) for the year		46,695,761	231,685,505
Less: Transfer to statutory reserve		(23,213,334)	-
Add: Reserve for stock dividend		-	-
Sub total		967,050,025	943,567,598
bKash Limited			
Opening balance		10,742,740,197	3,715,030,852
Add: Retained Surplus/(deficit) for the year		12,587,821	(439,513,503)
Add: Effect of change in preference share of bKash		-	7,445,299,204
Add: Remeasurements of defined benefits liability (assets)		-	21,923,644
Sub total		10,755,328,018	10,742,740,197
BRAC SAAJAN Exchange Limited			
Opening balance		3,364,585	146,462,896
Add: Retained Surplus/(deficit) for the year		(51,433,247)	(143,098,311)
Less: Impairment of goodwill		(54,905,518)	-
Sub total		(102,974,180)	3,364,585
Associates			
Opening balance - (biTS)		(9,074,763)	(30,190,001)
Add: Share of profit/(loss) of equity in associate company - (biTS)		(6,059,288)	3,742,052
Gain/(loss) on disposal/loss of control of associates		-	17,373,186
Sub total		(15,134,051)	(9,074,763)
		28,040,039,942	26,402,962,532

18 Non Controlling Interest

BRAC EPL Investments Limited	18.1	521,990	567,516
BRAC EPL Stock Brokerage Limited	18.1	143,006,375	137,817,957
bKash Limited	18.1	19,641,946,968	19,619,313,898
BRAC SAAJAN Exchange Limited	18.1	(14,541,041)	2,916,777
		19,770,934,292	19,760,616,148

18.1 Reconciliation of Non Controlling Interest

	BRACEPL Investments Ltd.	BRAC EPL Stock Brokerage Ltd.	bKash Limited	BRAC SAAJAN Exchange Limited
Opening balance	567,516	137,817,957	19,619,313,898	2,916,777
Share of profit/(loss)	(45,526)	5,188,418	22,633,070	(17,144,417)
Effect of issuance of convertible preference share by bKash	-	-	-	-
Dividend payment	-	-	-	-
Translation adjustment	-	-	-	(313,401)
Remeasurements loss on defined benefits liability (assets)	-	-	-	-
	521,990	143,006,375	19,641,946,968	(14,541,041)

Notes to the financial statements as at and for the 3rd quarter ended 30 September 2022

Particulars	Note	In Taka			
		Consolidated		BRAC Bank Limited	
		Jan to Sep 2022	Jan to Sep 2021	Jan to Sep 2022	Jan to Sep 2021
19 Interest income					
Interest on loans and advances		19,805,834,136	15,973,189,372	19,712,122,470	15,940,607,428
Interest on balance with other banks		643,152,447	444,512,526	2,031,977	1,959,180
Interest on fixed deposits with other banks		2,772,732,971	1,552,710,260	673,739,448	260,714,034
Other interest income		269,264,240	65,503,742	269,264,240	65,503,742
		<u>23,490,983,794</u>	<u>18,035,915,900</u>	<u>20,657,158,135</u>	<u>16,268,784,384</u>
Less: Elimination of inter unit/company transactions		<u>704,673,959</u>	<u>273,585,725</u>	<u>235,855,904</u>	<u>192,798,903</u>
		22,786,309,835	17,762,330,175	20,421,302,231	16,075,985,481
20 Interest paid on deposits and borrowings etc.					
A. Interest paid on deposits:					
Current account		833,788,178	711,681,227	585,765,712	388,507,464
Short term deposit		121,138,534	161,261,554	121,138,534	161,261,554
Savings deposit		532,146,217	486,199,687	532,146,217	486,199,687
Term deposit		<u>6,512,695,489</u>	<u>3,883,788,747</u>	<u>6,512,695,489</u>	<u>3,883,788,747</u>
		<u>7,999,768,418</u>	<u>5,242,931,215</u>	<u>7,751,745,952</u>	<u>4,919,757,452</u>
B. Interest paid for borrowings:					
Interest on money at call and short notice		106,710,098	21,150,542	106,710,098	21,150,542
Interest on borrowings from banks and FIs		894,689,104	583,625,457	842,008,273	513,177,540
Interest on funding SWAP		37,874,487	14,702,774	37,874,487	14,702,774
Interest on finances from central bank & government agencies		359,431,482	310,836,544	359,431,482	310,836,544
Interest on Repurchase agreement (REPO)		144,781,876	54,782,131	144,781,876	54,782,131
Interest expense-Affordable Housing Bond		<u>52,976,904</u>	<u>-</u>	<u>52,976,904</u>	<u>-</u>
		<u>1,596,463,951</u>	<u>985,097,448</u>	<u>1,543,783,120</u>	<u>914,649,531</u>
		<u>9,596,232,369</u>	<u>6,228,028,663</u>	<u>9,295,529,072</u>	<u>5,834,406,983</u>
Less: Elimination of inter unit/company transactions		<u>704,673,959</u>	<u>273,585,725</u>	<u>235,855,904</u>	<u>192,798,903</u>
		8,891,558,410	5,954,442,938	9,059,673,168	5,641,608,080
21 Investment income					
Interest on government securities		2,476,195,056	3,764,750,062	2,476,195,056	3,764,750,062
Interest on reverse repo		225,925,524	478,102	225,925,524	478,102
Interest on corporate & subordinated bond		189,195,625	213,129,847	189,195,625	213,129,847
Interest on interest rate swap (IRS)		3,805,344	4,028,928	3,805,344	4,028,928
Dividend on shares & mutual funds		195,587,612	129,063,266	195,587,612	129,063,266
Capital gain (loss) on government securities		491,016,121	915,507,571	491,016,121	915,507,571
Capital gain (loss) on shares & mutual funds		30,512,410	46,020,166	30,512,410	46,020,166
Gain (loss) on interest rate swap (IRS) position		(5,194,415)	(4,102,841)	(5,194,415)	(4,102,841)
Investment income of subsidiaries		<u>1,419,458,903</u>	<u>1,206,366,439</u>	<u>-</u>	<u>-</u>
		<u>5,026,502,180</u>	<u>6,275,241,540</u>	<u>3,607,043,277</u>	<u>5,068,875,101</u>
22 Commission, exchange and brokerage					
Commission Income		692,099,014	545,471,650	692,099,014	545,471,650
Fees Income		1,590,037,744	1,247,952,092	1,590,037,744	1,247,952,092
Other Income		1,781,299,817	435,794,254	1,781,299,817	435,794,254
Commission and brokerage income of subsidiaries		<u>4,135,651,555</u>	<u>3,269,546,756</u>	<u>-</u>	<u>-</u>
		<u>8,199,088,130</u>	<u>5,498,764,752</u>	<u>4,063,436,575</u>	<u>2,229,217,996</u>
Less: Elimination of inter unit/company transactions		<u>34,078,861</u>	<u>29,907,176</u>	<u>-</u>	<u>-</u>
		8,165,009,269	5,468,857,576	4,063,436,575	2,229,217,996
23 Other operating income					
Profit on sale of fixed assets		13,725,434	1,691,143	13,725,434	1,691,143
Profit share from other bank		76,076,470	58,753,582	76,076,470	58,753,582
Miscellaneous income		88,017,019	47,051,618	88,017,019	47,051,618
Other operating income of subsidiaries		<u>42,536,957</u>	<u>24,900,710</u>	<u>-</u>	<u>-</u>
		<u>220,355,880</u>	<u>132,397,053</u>	<u>177,818,923</u>	<u>107,496,343</u>
24 Rent, taxes, insurance, electricity, etc.					
Rent, rates and taxes	24.1	242,498,851	250,064,763	207,280,899	209,281,087
Insurance		71,153,131	55,166,218	15,011,325	10,334,548
Power and electricity		187,461,430	160,066,942	142,981,022	130,955,587
WASA and sewerage		<u>7,234,467</u>	<u>7,325,809</u>	<u>7,149,869</u>	<u>7,207,895</u>
		<u>508,347,879</u>	<u>472,623,732</u>	<u>372,423,115</u>	<u>357,779,117</u>
24.1 Rent, rates and taxes					
Rent, taxes, insurance, electricity, etc.		1,063,728,576	1,015,709,419	873,846,992	842,904,040
Less: Reversal due to depreciation and interest expenses under IFRS 16		<u>821,229,725</u>	<u>765,644,656</u>	<u>666,566,093</u>	<u>633,622,953</u>
		242,498,851	250,064,763	207,280,899	209,281,087
25 Postage, stamp, telecommunication, etc.					
Postage and courier		49,381,279	36,312,787	32,820,944	24,682,301
Telegram, telex, fax and network		108,305,336	71,177,738	88,186,734	45,401,768
Court fees and stamps		72,308,005	58,028,482	72,308,005	58,028,482
Telephone		<u>79,039,344</u>	<u>71,877,932</u>	<u>41,302,189</u>	<u>36,982,523</u>
		<u>309,033,964</u>	<u>237,396,939</u>	<u>234,617,872</u>	<u>165,095,074</u>

Notes to the financial statements as at and for the 3rd quarter ended 30 September 2022

	Particulars	Note	Consolidated		BRAC Bank Limited	
			In Taka			
			Jan to Sep 2022	Jan to Sep 2021	Jan to Sep 2022	Jan to Sep 2021
26	Stationery, printing, advertisements, etc.					
	Stationery and Printing		129,638,869	62,884,120	119,714,030	57,057,097
	Security Stationery		66,046,564	36,671,373	66,046,564	36,671,372
	Advertisement		2,078,841,708	1,635,009,146	126,266,329	73,020,750
			<u>2,274,527,141</u>	<u>1,734,564,639</u>	<u>312,026,923</u>	<u>166,749,219</u>
27	Chief Executive's salary and fees					
	Basic salary		12,757,500	9,450,000	12,757,500	9,450,000
	Bonus and others		2,835,000	2,100,000	2,835,000	2,100,000
	House rent allowance		1,125,000	1,125,000	1,125,000	1,125,000
			<u>16,717,500</u>	<u>12,675,000</u>	<u>16,717,500</u>	<u>12,675,000</u>
28	Impairment of goodwill					
	Due to previous suspension of operations of BRAC SAAJAN Exchange Limited on regulatory ground by the local regulator in UK and meeting subsequent operational costs, the net asset value becomes negative. Considering the negative net asset value and negative cash flows, an impairment loss of goodwill amounting 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.					
29	Depreciation and repair of the bank's assets					
	Depreciation of Property, plant and equipment					
	Furniture and fixtures		115,273,023	153,897,081	104,316,316	113,999,194
	Office floor space		410,335	340,007	75,644	75,644
	Office equipment		68,697,898	82,780,826	60,964,173	71,457,422
	IT hardware		735,221,067	581,606,260	284,021,261	269,683,461
	Motor vehicles		52,042,508	67,287,217	43,265,680	48,341,057
	Leasehold improvement		28,607,663	9,418,913	-	-
	Right of use assets (ROU) as per IFRS 16		745,794,694	702,366,982	575,786,921	559,354,833
	IT software		855,302,112	607,736,905	247,573,495	229,074,727
			<u>2,601,349,300</u>	<u>2,205,434,191</u>	<u>1,316,003,490</u>	<u>1,291,986,338</u>
	Repairs and Maintenance expenses					
	Transportation costs		444,478,851	387,736,040	306,107,245	273,227,274
	Equipment repairing		61,685,947	49,361,075	15,551,411	8,887,697
	Hardware and software maintenance		729,697,300	626,491,294	7,888,837	25,124,055
	Premises maintenance		112,484,887	45,885,687	46,176,667	42,251,365
			<u>1,348,346,785</u>	<u>1,109,474,096</u>	<u>375,724,160</u>	<u>349,490,391</u>
	Total		<u>3,949,696,085</u>	<u>3,314,908,287</u>	<u>1,691,727,650</u>	<u>1,641,476,729</u>
30	Other expenses					
	Conveyance expense		69,606,844	110,665,194	69,606,844	110,665,194
	Fuel expenses		23,788,770	17,140,012	23,788,770	17,140,012
	Travelling cost		30,945,349	14,579,611	30,945,349	14,579,611
	Professional fees		46,822,305	97,633,430	46,822,305	97,633,430
	Entertainment		50,794,325	28,099,133	50,794,325	28,099,133
	SWIFT cost		-	8,938,172	-	8,938,172
	Business promotion and development		41,831,295	27,728,626	41,831,295	27,728,626
	Books, news papers and periodicals		472,322	71,223	472,322	71,223
	Donation and subscription		135,370,078	170,728,601	135,370,078	170,728,601
	Sponsorship		39,416,209	2,344,722	39,416,209	2,344,722
	Government Levy, VAT and excise duty		5,453,036	936,504	5,453,036	936,504
	Other operational loss		318,436	1,481,404	318,436	1,481,404
	Staff training and development		20,249,123	4,321,954	20,249,123	4,321,954
	Staff recruitment		2,934,890	5,282,593	2,934,890	5,282,593
	Salaries and allowance -outsourcing staff		563,368,444	305,634,783	563,368,444	305,634,783
	Staff sales incentives		464,108,796	265,781,859	464,108,796	265,781,859
	Bank charges		16,116,068	15,956,041	16,116,068	15,956,041
	Interest expense for leased liability as per IFRS 16		317,215,781	176,946,165	197,834,373	130,752,544
	Documentation Charges - CIB		10,931,570	-	10,931,570	-
	IT enabled services		480,684,270	462,198,729	480,684,270	462,198,729
	Bond issue expenses		407,500	60,000	407,500	60,000
	Security guard cost		157,971,700	158,124,997	157,971,700	158,124,997
	Commission paid- Vendor		9,121,659	5,480,825	9,121,659	5,480,825
	Cash carrying charges		49,386,773	47,032,483	49,386,773	47,032,483
	Spare parts expense		62,324,902	48,953,706	62,324,902	48,953,706
	Archiving expense		23,799,301	22,898,443	23,799,301	22,898,443
	Covid prevention expense		8,169,793	17,282,869	8,169,793	17,282,869
	Miscellaneous		9,509,542	4,362,066	9,509,542	4,362,066
	Other expenses of subsidiaries		428,640,321	624,573,966	-	-
			<u>3,069,759,402</u>	<u>2,645,238,111</u>	<u>2,521,537,673</u>	<u>1,974,470,524</u>
	Less: Elimination of inter unit/company transactions		<u>34,078,861</u>	<u>29,907,176</u>	<u>-</u>	<u>-</u>
			<u>3,035,680,541</u>	<u>2,615,330,935</u>	<u>2,521,537,673</u>	<u>1,974,470,524</u>

Notes to the financial statements as at and for the 3rd quarter ended 30 September 2022

Particulars	Note	In Taka			
		Consolidated		BRAC Bank Limited	
		Jan to Sep 2022	Jan to Sep 2021	Jan to Sep 2022	Jan to Sep 2021
31 Share of profit/(loss) of associates					
BRAC IT Services Limited		(6,059,288)	-		
		<u>(6,059,288)</u>	<u>-</u>		
32 Provisions					
Provision for loans and advances					
Specific provision charged during the year		1,540,594,494	2,546,364,274	1,540,594,494	2,546,364,274
Special provision Covid-19 charged during the year		-	-	-	-
Recovery of written off bad debts		(600,471,611)	(414,983,108)	(600,471,611)	(414,983,108)
Specific provision (net off recovery) for the year		940,122,883	2,131,381,166	940,122,883	2,131,381,166
General provision charged during the year		538,219,064	302,295,856	538,219,064	302,295,856
Special provision Covid-19 charged during the year		-	-	-	-
Total provision for loans and advances		<u>1,478,341,947</u>	<u>2,433,677,022</u>	<u>1,478,341,947</u>	<u>2,433,677,022</u>
Off Balance Sheet items		283,155,939	209,000,000	283,155,939	209,000,000
Diminution in value of Investments		19,498,772	(2,000,000)	19,498,772	(2,000,000)
Other provisions:					
Other assets		32,910,205	10,007,199	28,698,997	6,822,665
		<u>1,813,906,863</u>	<u>2,650,684,221</u>	<u>1,809,695,655</u>	<u>2,647,499,687</u>
33 Provision for taxation					
Current tax expense/ (income)		3,212,641,488	3,040,688,144	2,943,979,930	2,729,218,980
Deferred tax expense/ (income) (Net)		(722,779,698)	(1,190,909,667)	(743,238,754)	(1,002,002,337)
Total provision for Taxation		<u>2,489,861,790</u>	<u>1,849,778,477</u>	<u>2,200,741,176</u>	<u>1,727,216,643</u>

33.1 Reconciliation of effective tax rate

Particulars	30 September 2022 (Standalone)		30 September 2021 (Standalone)	
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		6,124,909,107		5,951,331,450
Income tax as per applicable tax rate	37.50%	2,296,840,915	37.50%	2,231,749,294
Factors affecting the tax charge for current year		-		-
Inadmissible expenses	17.14%	1,049,571,548	55.46%	3,300,497,025
Admissible expenses in the current year (i.e. write-off etc.)	-2.44%	(149,344,019)	-36.96%	(2,199,446,830)
Tax exempted income	0.00%	-	-5.77%	(343,338,891)
Tax savings from reduced tax rates for dividend	-0.56%	(34,227,832)	-0.59%	(35,241,617)
Tax loss/(savings) from reduced tax rates for capital gain	-1.94%	(118,869,540)	0.00%	-
Reversal of previous years' excess tax (2009 - 2016)	-1.63%	(100,000,000)	-3.78%	(225,000,000)
Effect of deferred tax	-12.13%	(743,229,896)	-16.84%	(1,002,002,338)
Total income tax expenses	35.93%	2,200,741,176	29.02%	1,727,216,643

Notes to the financial statements as at and for the 3rd quarter ended 30 September 2022

In Taka

Particulars	Consolidated		BRAC Bank Limited	
	30 September 2022	31 December 2021	30 September 2022	30 September 2021
34 Net asset value (NAV) per share				
Net asset value attributable to shareholders of parent	59,356,453,092	57,187,474,350	49,043,548,652	56,726,721,055
Weighted avg. number of shares outstanding on reporting date	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
	<u>39.66</u>	<u>38.21</u>	<u>32.77</u>	<u>37.90</u>
			<u>36.36</u>	<u>31.70</u>

Explanation regarding significant change in quarterly financial statements:

Good increase has been noted in both consolidated and standalone NAV per share due to the net impact of profit earned during the nine months of 2022 and cash dividend distributed for 2021. The net profit is BDT 380 crore on consolidated basis and BDT 392 crore on standalone basis. BDT 104 crore has been distributed as cash dividend for 2021 during this period.

Particulars	Consolidated		BRAC Bank Limited	
	Jan to Sep 2022	Jan to Sep 2021	Jan to Sep 2022	Jan to Sep 2021
35 Earnings Per Share				
Profit attributable to ordinary shareholders of parent	3,787,791,012	3,992,989,807	3,924,167,931	4,224,114,807
Weighted avg. number of shares outstanding on reporting date	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
Earnings Per Share (EPS)	<u>2.53</u>	<u>2.67</u>	<u>2.62</u>	<u>2.82</u>

Profit attributable to ordinary shareholders of parent
Weighted avg. number of shares outstanding on reporting date
Earnings Per Share (EPS)

Explanation regarding significant change in quarterly financial statements:

Both the consolidated and standalone year to date EPS decreased due to lower profit earned in the first nine months of 2022 compared to the same period of 2021. Profit decreased mainly for lower investment income and higher operating expenses. However, consolidated EPS for the third quarter of 2022 increased mainly for good profitability earned by bkash in the third quarter.

Particulars	Consolidated		BRAC Bank Limited	
	Jan to Sep 2022	Jan to Sep 2021	Jan to Sep 2022	Jan to Sep 2021
36 Net operating cash flow per share				
Net operating cash flow	7,168,914,490	(7,431,922,590)	2,605,190,665	(15,823,151,412)
Weighted avg. number of shares outstanding on reporting date	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
	<u>4.79</u>	<u>(4.97)</u>	<u>1.74</u>	<u>(10.57)</u>

Explanation regarding significant change in quarterly financial statements:

The consolidated and standalone net operating cash flows per share increased significantly mainly for higher deposits mobilization from customers and borrowings from banks.

BRAC Bank Limited
Highlights on the overall activities
As at and for the 3rd quarter ended 30 September 2022

Particulars	Consolidated		BRAC Bank Limited	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Paid-up capital	14,965,853,280	14,965,853,280	14,965,853,280	13,921,723,990
Core Capital	66,446,510,220	64,353,635,822	41,602,696,159	39,606,745,018
Supplementary Capital	5,708,529,413	4,524,969,048	5,708,529,413	4,524,969,048
Total capital including general provisions	72,155,039,633	68,878,604,870	47,311,225,572	44,131,714,066
Total Risk Weighted Assets	378,989,820,173	337,281,898,721	349,830,773,444	307,359,660,182
Capital surplus	24,715,929,633	26,718,367,530	3,586,749,850	5,711,756,543
Total assets	610,930,252,115	527,912,923,582	524,252,810,572	449,084,124,881
Total deposits	418,568,276,129	364,337,612,226	360,811,654,292	314,598,626,264
Total loans and advances	396,638,885,917	322,135,188,439	395,013,436,663	321,212,230,987
Amount of classified loans during the current year	16,685,986,540	13,747,867,323	15,474,150,770	12,522,560,419
Provision kept against classified loans	15,869,612,891	13,997,832,683	14,657,777,121	12,778,727,514
Provisions surplus/deficit	2,314,922,123	1,139,138,134	2,314,922,123	1,139,138,134
Credit deposit ratio (Loans and Advances/Deposits)*	-	-	83.20%	81.86%
Percentage of classified loans against total loans and advances	4.21%	4.27%	3.92%	3.90%
Total Capital to Risk-weighted Asset Ratio	19.04%	20.42%	13.52%	14.36%
Cost of fund	4.39%	4.16%	4.76%	4.49%
Return on Investment (ROI) [PAT/(Shareholders equity+Borrowings)]**	4.37%	5.79%	4.65%	6.04%
Return on Assets (ROA) [PAT/Average assets]**	0.89%	1.11%	1.08%	1.31%
Return on Equity (ROE) [PAT/Average shareholders equity]**	8.67%	10.38%	9.42%	11.00%

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

**Figures are annualized.

BRAC Bank Limited
Schedule of fixed assets
As at 30 September 2022

Annexure - B

Particulars	Cost			Depreciation			Written down value as at 30 September 2022
	Opening balance as on 01 January 2022	Addition/Revaluation during the year	Disposals/Transfer/Adjustments during the year	Total balance as at 30 September 2022	Opening balance as on 01 January 2022	Charge during the year	Total balance as at 30 September 2022
Property, plant & equipments							
Land	527,275,400	-	-	527,275,400	-	-	527,275,400
Office floor space	4,034,334	-	-	4,034,334	923,190	75,644	998,834
Furniture & fixture	2,140,914,382	78,782,009	74,350,287	2,145,346,104	1,530,914,211	104,316,316	1,561,412,073
Office equipments	1,344,953,601	39,919,249	64,167,725	1,320,705,126	1,204,097,640	60,964,173	1,200,915,648
IT Hardware	3,049,688,043	482,935,704	350,486,513	3,182,135,234	2,303,039,327	284,021,261	2,236,686,900
Motor vehicles	354,296,880	50,196,877	-	404,493,757	286,197,878	43,265,680	329,463,558
Right of use assets (ROU)	5,489,602,469	479,268,047	-	5,968,870,515	1,339,172,702	575,786,920	1,914,959,622
Capital expenditure work in progress	251,206,514	424,340,530	440,350,256	235,196,787	-	-	235,196,787
Sub-total	13,161,971,622	1,555,442,416	929,356,780	13,788,057,258	6,664,344,948	1,068,429,994	7,244,436,534
Intangible assets:							
With definite useful lives:							
IT Software	2,322,117,221	397,222,297	-	2,719,339,518	1,364,876,497	247,573,495	1,612,449,992
Sub-total	2,322,117,221	397,222,297	-	2,719,339,518	1,364,876,497	247,573,495	1,612,449,992
As at 30 September 2022	15,484,088,843	1,952,664,713	929,356,780	16,507,396,776	8,029,221,444	1,316,003,489	8,856,686,626
As at 31 December 2021	14,060,298,644	3,216,112,491	1,792,322,291	15,484,088,844	7,231,723,960	1,732,111,456	8,029,221,445
							7,454,867,399

Details of transactions with related parties
For the 3rd quarter ended 30 September 2022

Related Party is a party related to an entity if:

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

SL No.	Name of the related parties (Companies)	Relationship with BBL	Balance type	Balance as on 01 Jan 2022	Balance as on 30 September 2022
1	BRAC and its associated organization	Parent Company	Deposits	14,622,760,969	13,537,011,882
2	bKash Limited	Subsidiary	Deposits	8,539,255,713	8,220,326,667
3	BRAC EPL Investments Limited	Subsidiary	Deposits	15,685,315	19,342,240
4	BRAC EPL Stock Brokerage Limited	Subsidiary	Deposits	242,464,433	637,528,651
5	BRAC SAAJAN Exchange Limited	Subsidiary	Deposits	60,647,285	2,321,297
6	BRAC IT Services Limited (biTS)	Associates	Deposits	111,170,288	55,010,683
7	Association of Bankers, Bangladesh	Common Board member	Deposits	-	29,300,000
8	Edotco Bangladesh Co. Limited	Common Board member	Deposits	120,116,043	9,010,467
9	Policy Research Institute of Bangladesh (PRI)	Common Board member	Deposits	849,010	1,071,783
10	RSA Advisory Ltd.	Common Board member	Deposits	15,515	-
11	Walton Hi-Tech Industries Limited	Common Board member	Deposits	55,108,388	83,347,019
12	Water Garden Resort and Spa	Common Board member	Deposits	343,359	256,777
13	Affordable Health Care	Common Board member	Deposits	71,814,240	-
14	BRAC EPL Investments Limited	Subsidiary	Continuous loan	590,713,888	798,479,955
15	BRAC Saajan Exchange Limited	Subsidiary	Continuous loan	266,256,133	62,748,492
16	IPDC Finance Limited	Common Board member	Term placement	3,000,000,000	3,000,000,000
17	Delta BRAC Housing Finance Corporation Limited	Common Board member	Short Notice Deposit	3,000,000,000	2,000,000,000
18	BRAC IT Services Limited (biTS)	Associates	Receivables	187,859,621	162,473,181
19	Key Management Personnel	Senior Management	Loans and Advances	106,920,329	124,038,759

SL No.	Name of the related parties (Directors)	Relationship with BBL	Balance type	Balance as on 01 Jan 2022	Balance as on 30 September 2022
1	Asif Saleh	Director	Credit card	106,081	6,204
2	Selim Reza Farhad Hussain	MD & CEO	Credit card	64,568	1,301,712
3	Dr. Ahsan H Mansur	Chairman	Credit card	-	1,363
4	Fahima Choudhury	Director	Credit card	15,176	217,905
5	Shameran Bahar Abed	Director	Credit card	1,340	-

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

Particulars	Jan to Sep 2022 Taka	Jan to Sep 2021 Taka
Profit before tax as per profit and loss account	6,124,909,107	5,951,331,450
Adjustment for non-cash items:		
Provision for Loans and advances	2,078,813,558	2,848,660,130
Provision for Diminution in value of investments	19,498,772	(2,000,000)
Provision for Off balance sheet items	283,155,939	209,000,000
Provision for other assets	25,694,028	6,822,665
Depreciation of Property plant and equipment	1,316,003,490	1,291,986,338
Foreign exchange gain/(loss)	105,153,542	(83,563,155)
Profit on sale of fixed assets	(13,725,434)	(1,691,143)
Increase/decrease in operating assets & liabilities:		
Loans and advances	(73,801,205,676)	(14,287,526,633)
Other assets	(715,726,696)	(334,656,259)
Borrowings from other banks and financial institutions	19,382,435,240	1,347,192,468
Proceeds from Issuance of affordable housing bond	4,751,000,000	-
Deposits from customers	43,884,330,343	(9,909,156,400)
Other liabilities	2,812,530,425	(925,011,432)
Income tax paid	(3,647,675,973)	(1,934,539,441)
Cash flows from operating activities as per cash flow statement	2,605,190,665	(15,823,151,412)

BRAC Bank Limited
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.

A: Segmental operating profit and loss

There are 4 (four) operating segments (SME, Retail, Corporate, and Treasury) on standalone basis as on 30 September 2022. 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 un-audited financial statements for the third quarter ended 30 September 2022 have been separately disclosed in Bank's website.

For the 3rd quarter ended 30 September 2022

					(In Taka)
Particulars	SME	Retail	Corporate	Treasury	Total
Total external revenue	10,753,701,390	1,156,366,636	2,462,078,721	4,837,781,091	19,209,927,838
Inter segment revenue /(expenses)	(4,816,609,694)	4,342,288,013	998,571,593	(524,249,912)	-
Total segment revenue	5,937,091,696	5,498,654,649	3,460,650,314	4,313,531,179	19,209,927,838
Total segment operating expenses	5,086,389,068	4,660,162,161	1,234,711,466	294,060,381	11,275,323,076
Segment operating profit/(loss)	850,702,628	838,492,488	2,225,938,848	4,019,470,798	7,934,604,762

For the 3rd quarter ended 30 September 2021

					(In Taka)
Particulars	SME	Retail	Corporate	Treasury	Total
Total external revenue	8,555,266,784	1,139,251,318	2,843,030,294	5,302,418,444	17,839,966,840
Inter segment income /(expenses)	(3,843,890,039)	3,161,301,470	(338,923,267)	1,021,511,836	-
Total segment revenue	4,711,376,745	4,300,552,788	2,504,107,027	6,323,930,280	17,839,966,840
Total segment operating expenses	3,991,818,241	3,963,859,969	1,047,731,842	237,725,651	9,241,135,703
Segment operating profit/(loss)	719,558,504	336,692,819	1,456,375,185	6,086,204,629	8,598,831,137

B. Segmental assets and liabilities

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

Annexure-F

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.

Rating agency	Long-term rating	Short-term rating	Outlook	Valid up to
CRAB	AAA	ST-1	Stable	30 June 2023
CRISL	AA+	ST-1	Stable	02 July 2023
ECRL	AA+	ST-1	Stable	30 June 2023
S&P	B+	B	Stable	November, 2022
Moody's	Ba3	NP	Stable	September, 2022