

BRAC EPL Stock Brokerage Limited

Independent auditor's report and financial statements
as at and for the year ended 31 December 2022



Rahman Rahman Huq
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Independent auditor's report

To the shareholders of BRAC EPL Stock Brokerage Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BRAC EPL Stock Brokerage Limited ("the Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent auditor's report (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 2020, Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules 2019, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account;
- d) the expenditure incurred was for the purposes of the Company's business; and
- e) the computation of the year end capital adequacy in the financial statements are accurate.



Ali Ashfaq, Partner, Enrolment Number: 509
Rahman Rahman Huq, Chartered Accountants
Firm Registration Number: [N/A]

Dhaka, **30 MAR 2023**

DVC: **2304040509AS638288**



BRAC EPL Stock Brokerage Limited
Statement of financial position

<i>In Taka</i>	<i>Note</i>	31 December 2022	31 December 2021
Assets			
Property, plant and equipment	5	32,423,698	21,627,263
Intangible assets	6	1,419,361	765,648
Right-of-use assets	7	75,514,166	68,906,307
Investment in exchanges	8	96,986,595	96,986,595
Deferred tax assets	9	12,705,938	9,252,825
Non-current assets		219,049,758	197,538,638
Investment in shares	10	445,516,367	415,104,230
Account receivables	11	115,876,454	57,632,461
Margin loan receivables	12	430,098,513	268,435,995
Advances, deposits and prepayments	13	39,575,419	20,826,988
Other receivables	14	1,984,234	3,435,361
Cash and cash equivalents	15	931,621,052	1,462,583,457
Current assets		1,964,672,039	2,228,018,492
Total assets		2,183,721,797	2,425,557,130
Equity			
Share capital	16	1,009,373,500	841,144,600
Retained earnings		334,233,807	450,948,202
Revaluation reserve for TREC license	17	87,688,970	87,688,970
Capital reserve	18	25,792,593	-
Total equity		1,457,088,870	1,379,781,772
Liabilities			
Lease liabilities	19	65,035,826	59,531,199
Non-current liabilities		65,035,826	59,531,199
Lease liabilities	19	17,077,807	11,905,599
Account payables	20	582,965,522	881,544,714
Specific provision	21	4,300,985	-
Liability for expenses	22	38,485,319	58,780,135
Current tax liabilities	23	18,767,468	34,013,711
Current liabilities		661,597,101	986,244,159
Total liabilities		726,632,927	1,045,775,358
Total equity and liabilities		2,183,721,797	2,425,557,130

The notes and schedules on pages 7 to 46 are an integral part of these financial statements.

Ahsanur Rahman
Chief Executive Officer

Mohammad Masud Rana
Director

Fahima Choudhury
Chairperson

As per our report of same date.

Auditor

Ali Ashfaq, Partner
Enrolment Number: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A

Dhaka,

30 MAR 2023



DVC: 2304040509AS638288

BRAC EPL Stock Brokerage Limited

Statement of profit or loss and other comprehensive income

For the year ended 31 December

<i>In Taka</i>	<i>Note</i>	<i>2022</i>	<i>2021</i>
Service revenue	24	524,089,888	712,397,778
Direct expenses	25	(121,897,090)	(164,509,239)
Gross Profit		402,192,798	547,888,539
Investment income/(loss)	26	(19,310,485)	29,763,280
Other income	27	635,451	1,659,250
Operating expenses	28	(238,326,792)	(203,340,424)
Operating profit		145,190,972	375,970,645
Finance income		25,917,019	11,136,669
Finance expense		(11,629,266)	(7,695,207)
Net finance income	29	14,287,753	3,441,462
Profit/(loss) before tax		159,478,725	379,412,107
Income tax expense	30	(82,171,627)	(121,486,176)
Profit for the year		77,307,098	257,925,931

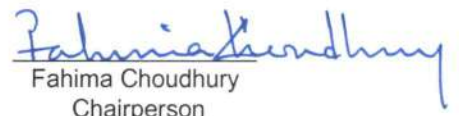
The notes and schedules on pages 7 to 46 are an integral part of these financial statements.



Ahsanur Rahman
Chief Executive Officer



Mohammad Masud Rana
Director



Fahima Choudhury
Chairperson

As per our report of same date.

Dhaka, 30 MAR 2023




Auditor

Ali Ashfaq, Partner
Enrolment Number: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A

DVC: 2304040509AS638288

BRAC EPL Stock Brokerage Limited
Statement of changes in equity
For the year ended 31 December 2022

In Taka	Attributable to the owners of the Company				Total
	Share capital	Capital reserve	Retained earnings	Revaluation reserve of TREC license	
Balance at 1 January 2021	700,953,800	-	333,213,071	87,688,970	1,121,855,841
Total comprehensive income					
Profit for the year	-	-	257,925,931	-	257,925,931
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	257,925,931	-	257,925,931
Transactions with owners of the Company					
Contributions and distributions					
Issue of ordinary shares	140,190,800	-	(140,190,800)	-	-
Dividends	-	-	-	-	-
Total transactions with owners of the Company	140,190,800	-	(140,190,800)	-	-
Balance at 31 December 2021	841,144,600	-	450,948,202	87,688,970	1,379,781,772
Balance at 1 January 2022	841,144,600		450,948,202	87,688,970	1,379,781,772
Total comprehensive income					
Profit for the year	-	-	77,307,098	-	77,307,098
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	77,307,098	-	77,307,098
Transactions with owners of the Company					
Contributions and distributions					
Issue of ordinary shares- Bonus shares	168,228,900	-	(168,228,900)	-	-
Dividends	-	-	-	-	-
Total transactions with owners of the Company	168,228,900	-	(168,228,900)	-	-
Transactions in compliance with regulatory law					
Capital reserve	-	25,792,593	(25,792,593)	-	-
Total transactions with owners of the Company	-	25,792,593	(25,792,593)	-	-
Balance at 31 December 2022	1,009,373,500	25,792,593	334,233,807	87,688,970	1,457,088,870

The notes and schedules on pages 7 to 46 are an integral part of these financial statements.



BRAC EPL Stock Brokerage Limited

Statement of cash flows

For the year ended 31 December

<i>In Taka</i>	2022	2021
Cash flows from operating activities		
Brokerage commission	463,865,098	672,971,031
Payments to creditors and other expenses	(379,499,471)	(357,266,216)
Loans and advances	(529,401,681)	95,162,432
Cash generated from operating activities	(445,036,054)	410,867,247
Bank interest income	25,350,177	11,050,490
Income from margin loan	50,046,191	25,704,848
Dividend income	21,409,461	12,767,561
Gain/(loss) on sale of shares	(39,370,856)	(26,018,096)
Other operating income	8,870,992	13,465,529
Income tax paid	(99,470,982)	(112,411,025)
Cash used in other operating activities	(33,165,017)	(75,440,693)
Net cash flows from operating activities	(478,201,071)	335,426,554
Cash flows from investing activities		
Acquisition of property, plant and equipment	(16,953,881)	(7,012,072)
Acquisition of intangible assets	(1,374,250)	(787,500)
Sale of property, plant and equipment	14,061	72,074
Lease rental receipt	1,720,056	1,078,355
Investment in shares	(31,761,230)	34,874,137
Net cash flows (used)/from investing activities	(48,355,244)	28,224,994
Cash flows from financing activities		
Finance expense	(4,406,090)	(5,731,983)
Net cash used in financing activities	(4,406,090)	(5,731,983)
Net increase in cash and cash equivalents	(530,962,405)	357,919,565
Cash and cash equivalents at the beginning of the year	1,462,583,457	1,104,663,892
Cash and cash equivalents at the end of the year	931,621,052	1,462,583,457

The notes and schedules on pages 7 to 46 are an integral part of these financial statements.



1 Reporting entity

1.1 Company profile

BRAC EPL Stock Brokerage Limited (hereinafter referred to as the "Company" or "BESL") was incorporated in Bangladesh on 16 May 2000 as a private limited company under the Companies Act 1994 initially in the name of Equity Partners Securities Limited, the name of which was changed to BRAC EPL Stock Brokerage Limited on 04 October 2009. The company converted into a Public Limited Company through its EGM dated 30th January 2018 which subsequently got certified by RJSC on 21 January 2020. The registered office of the Company is located at DSE Annex Building, Dhaka.

1.2 Nature of business

The principal activities of the Company are to carry on the business of stock brokers/stock dealers and other related business in connection with the dealings of listed securities. Other activities of the Company are to buy, sell, hold or otherwise acquire or invest the capital of the Company in shares, stocks and fixed income securities, etc. It has corporate membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

2 Basis of accounting

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and as per the requirements of the Companies Act 1994, the Securities and Exchange Rules 2020 and Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules 2019 and other applicable laws and regulation in Bangladesh.

The titles and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirements of the above laws and regulations. However, such differences are not material and in the view of management, IFRS titles and format gives a better presentation to its intended users.

The financial statements have been authorised for issue by the Board of Directors of the Company on

30 MAR 2023

Details of the Company's accounting policies are included in Note 36.

2.2 Reporting period

The reporting period of the Company covers one year from 1 January to 31 December and is followed consistently. These financial statements cover one year from 1 January 2022 to 31 December 2022.

3 Functional and presentation currency

Financial statements of the Company are presented in Bangladesh Taka (BDT/Taka/Tk.), which is both functional and presentational currency of the Company. All amounts have been rounded to the nearest Taka, unless otherwise indicated.



4 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

a. Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Notes 7, 19 and 36C Leases

b. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2022 is included in the following notes:

Note 5 and 36A	Property, plant and equipment
Note 6 and 36B	Intangible assets
Note 7 and 36C	Right-of-use assets
Note 23 and 36F	Provision for income tax

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

– *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.

– *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Notes to the financial statements (continued)

5 Property, plant and equipment

See accounting policies in Note 36A

A. Reconciliation of carrying amount

<i>In Taka</i>	Office floor space	Furniture and fixtures	Office decoration	Computers and accessories	Air coolers and ceiling fans	Electrical and office equipment	Vehicles	Total
Cost								
Balance at 1 January 2021	10,472,795	9,829,697	42,806,022	35,674,804	13,016,424	14,490,156	3,216,000	129,505,898
Additions	-	1,157,516	2,089,976	2,217,197	1,135,745	411,638	-	7,012,072
Disposals	-	-	-	(412,652)	-	-	-	(412,652)
Balance at 31 December 2021	10,472,795	10,987,213	44,895,998	37,479,349	14,152,169	14,901,794	3,216,000	136,105,318
Balance at 1 January 2022	10,472,795	10,987,213	44,895,998	37,479,349	14,152,169	14,901,794	3,216,000	136,105,318
Additions	-	1,675,681	6,038,822	5,132,558	3,030,048	1,076,773	-	16,953,881
Disposals	-	(213,653)	-	(55,500)	-	-	-	(269,153)
Adjustment	-	-	-	(361,696)	(209,433)	44,712	-	(526,417)
Balance at 31 December 2022	10,472,795	12,449,241	50,934,820	42,194,711	16,972,784	16,023,279	3,216,000	152,263,629
Accumulated depreciation								
Balance at 1 January 2021	2,148,008	8,251,039	39,922,772	30,405,040	11,539,367	12,971,638	1,393,600	106,631,464
Depreciation	209,460	473,296	1,703,436	3,323,104	1,313,319	536,532	643,200	8,202,347
Disposals	-	-	-	(355,756)	-	-	-	(355,756)
Balance at 31 December 2021	2,357,468	8,724,335	41,626,208	33,372,388	12,852,686	13,508,170	2,036,800	114,478,055
Balance at 1 January 2022	2,357,468	8,724,335	41,626,208	33,372,388	12,852,686	13,508,170	2,036,800	114,478,055
Depreciation	209,460	643,130	2,333,831	3,615,159	1,101,803	480,258	643,200	9,026,841
Disposals	-	(213,653)	-	(50,864)	-	-	-	(264,517)
Adjustment	-	(214,752)	(2,085,248)	(959,739)	(749,333)	608,625	-	(3,400,448)
Balance at 31 December 2022	2,566,928	8,939,060	41,874,791	35,976,944	13,205,156	14,597,053	2,680,000	119,839,931
Carrying amounts								
At 1 January 2021	8,324,787	1,578,658	2,883,250	5,269,764	1,477,057	1,518,518	1,822,400	22,874,434
At 31 December 2021	8,115,327	2,262,878	3,269,790	4,106,961	1,299,483	1,393,624	1,179,200	21,627,263
At 31 December 2022	7,905,867	3,510,181	9,060,029	6,217,767	3,767,628	1,426,226	536,000	32,423,698



6 Intangible assets

See accounting policy in Note 36B

A. Reconciliation of carrying amount

<i>In Taka</i>	Software	Total
Cost		
Balance at 1 January 2021	26,015,743	26,015,743
Additions	787,500	787,500
Disposals	-	-
Balance at 31 December 2021	26,803,243	26,803,243
Balance at 1 January 2022	26,803,243	26,803,243
Additions	1,374,250	1,374,250
Disposals	-	-
Adjustment	316,984	
Balance at 31 December 2022	28,494,477	28,177,493
Accumulated depreciation		
Balance at 1 January 2021	25,838,633	25,838,633
Amortisation	198,962	198,962
Disposals	-	-
Balance at 31 December 2021	26,037,595	26,037,595
Balance at 1 January 2022	26,037,595	26,037,595
Amortisation	720,537	720,537
Disposals	-	-
Adjustment	316,984	
Balance at 31 December 2022	27,075,116	26,758,132
Carrying amounts		
At 1 January 2021	177,110	177,110
At 31 December 2021	765,648	765,648
At 31 December 2022	1,419,361	1,419,361

7 Right-of-use assets

See accounting policies in Note 36C

<i>In Taka</i>	Amount	
Cost		
Balance at 1 January 2021	58,224,033	58,224,033
Additions	62,692,641	62,692,641
Lease terminated during the year	-	-
Balance at 31 December 2021	120,916,674	120,916,674
Balance at 1 January 2022	120,916,674	120,916,674
Additions	28,488,962	28,488,962
Lease terminated during the year	(48,723,168)	(48,723,168)
Balance at 31 December 2022	100,682,468	100,682,468
Accumulated depreciation		
Balance at 1 January 2021	35,794,942	35,794,942
Depreciation	16,215,425	16,215,425
Lease terminated during the year	-	-
Balance at 31 December 2021	52,010,367	52,010,367
Balance at 1 January 2022	52,010,367	52,010,367
Depreciation	20,093,875	20,093,875
Lease terminated during the year	(46,935,940)	(46,935,940)
Balance at 31 December 2022	25,168,302	25,168,302
Carrying amounts		
At 1 January 2021	22,429,091	22,429,091
At 31 December 2021	68,906,307	68,906,307
At 31 December 2022	75,514,166	75,514,166

8 Investment in exchanges

<i>In Taka</i>	<i>Note</i>	2022	2021
Dhaka Stock Exchange Limited (DSE)	8.1	54,113,295	54,113,295
Chittagong Stock Exchange Limited (CSE)	8.2	42,873,300	42,873,300
		96,986,595	96,986,595

8.1 Dhaka Stock Exchange Limited (DSE)

<i>In Taka</i>	2022	2021
Floated (40%)	28,860,424	28,860,424
Blocked (35%)	25,252,871	25,252,871
	54,113,295	54,113,295

8.2 Chittagong Stock Exchange Limited (CSE)

<i>In Taka</i>	2022	2021
Floated (40%)	17,149,320	17,149,320
Blocked (60%)	25,723,980	25,723,980
	42,873,300	42,873,300

Investments for membership of DSE and CSE were initially recognised at cost of BDT 6,920,500 and BDT 4,107,250, subsequently re-measured in accordance with section 8 (Gha) of the Exchanges Demutualization Act 2013. Both stock exchanges have issued shares against membership with Tk. 10 each. The Company initially recognised 40% value of Investment in DSE (BDT 28,860,424) and CSE (BDT 17,149,320) in 2013 creating a corresponding Suspense Account of the same value. In 2018, the Company recognised the remaining 60% value of both DSE and CSE before receiving the sale proceeds of 25% of DSE shares to Strategic Partner (Chinese Consortium named Shenzhen Stock Exchange and Shanghai Stock Exchange). Membership at cost of both exchanges are adjusted with Revaluation Reserve after derecognising the existing Suspense Account.

<i>Shares issued by</i>	No. of shares	
	2022	2021
Dhaka Stock Exchange Limited (DSE)	5,411,330	5,411,330
Chittagong Stock Exchange Limited (CSE)	4,287,330	4,287,330
	9,698,660	9,698,660

Out of total 11,502,436 shares of DSE (7,215,106) and CSE (4,287,330), 40% shares (4,600,974 for Tk 10 each) was transferred by both the Exchanges to Company's BO account. Remaining 60% shares of both Exchanges (6,901,462) were kept in blocked account for disposal in due course. In 2018, DSE sold 25% shares (1,803,777) to Chinese Consortium, remaining 35% shares of DSE (2,525,287) are kept in blocked account along with 60% shares of CSE.



9 Deferred tax assets

See the accounting policy in Note 36F

<i>In Taka</i>	2022	2021
Balance at 1 January	9,252,825	-
Deferred tax income for the year	3,453,113	9,252,825
Balance at 31 December	12,705,938	9,252,825

<i>In Taka</i>	Carrying amount on reporting date	Tax base	Taxable/ (deductible) temporary difference
At 31 December 2021			
Property, plant and equipment	21,364,730	47,990,661	26,625,931
Intangible fixed Assets	765,648	667,708	(97,940)
Right-of-use assets	67,122,038	-	(67,122,038)
Lease liabilities	(71,436,798)	-	71,436,798
Taxable / (deductible) temporary differences	17,815,618	48,658,369	30,842,751
Applicable tax rate			30%
Deferred tax assets / (liabilities)			9,252,825
At 31 December 2022			
Property, plant and equipment	32,304,364	61,293,950	28,989,586
Intangible fixed Assets	1,419,361	1,157,958	(261,403)
Right-of-use assets	68,488,690	-	(68,488,690)
Lease liabilities	(82,113,634)	-	82,113,634
Taxable / (deductible) temporary differences	20,098,781	62,451,908	42,353,127
Applicable tax rate			30%
Deferred tax assets / (liabilities)			12,705,938

10 Investment in shares

See accounting policy in Note 36D

<i>In Taka</i>	Note	2022	2021
Investment in securities-IPO	10.1	-	22,083,930
Investment in securities-strategic fund	10.2	36,637,763	39,261,097
Investment in securities- proprietary account	10.3	408,878,604	353,759,203
		445,516,367	415,104,230

10.1 Investment in securities-IPO

Own subscription in IPOs, but shares not yet allotted/credited as at 31 December 2022.

10.2 Investment in securities-strategic fund

Investment in securities-strategic fund	10.2.1	36,042,504	33,844,405
Ledger balance of portfolio		595,259	5,416,692
		36,637,763	39,261,097

10.2.1 Proprietary Position in strategic investments

Value of listed strategic investments	36,042,504	33,844,405
Value of non-listed strategic investments	-	-
	36,042,504	33,844,405



10.3 Investment in securities- proprietary account

<i>In Taka</i>	2022	2021
Investment in quoted shares		
Bank	15,260,000	39,571,979
Cement	6,480,000	-
Engineering	-	4,077,331
Financial Institution	-	8,442,000
Food & Allied	85,487,162	5,621,000
Fuel & Power	11,685,000	58,782,041
Insurance	247,224	-
Paper & Printing	-	-
Pharmaceuticals & Chemicals	155,259,892	182,162,597
Telecommunication	46,161,161	27,897,569
Textile	65,753,447	-
Travel & Leisure	-	4,683,710
	386,333,886	331,238,227
Investment in quoted bonds		
Corporate Bond	7,000,500	-
Investment in unquoted shares		
Mutual Fund / Growth Fund / Unit Fund	15,544,218	22,520,976
	408,878,604	353,759,203
Proprietary positions in equity securities, funds & debt instruments		
Value of "A" category instruments	354,601,647	327,209,528
Value of "B/C/N/..." category instruments	31,732,239	4,028,698
Value of "Z" category instruments	-	-
Value of listed funds	-	-
Value of non-listed funds	15,544,218	22,520,977
Value of listed debt instruments & ABSs	7,000,500	-
Value of non-listed debt instruments	-	-
	408,878,604	353,759,203

11 Account receivables

See accounting policy in Note 36J

<i>In Taka</i>	<i>Note</i>	2022	2021
Receivable from clients (broker)		7,341,636	56,986,543
Receivable from exchanges	11.1	70,036,224	4,529,851
Receivable from Merchant Banker	11.2	36,819,606	2,269,536
Receivable from sub-lease with BEIL		7,191,485	3,660,013
		121,388,951	67,445,943
Provision for bad debts		(5,512,497)	(9,813,482)
		115,876,454	57,632,461

11.1 Receivable from exchanges

<i>In Taka</i>	2022	2021
Dhaka Stock Exchange (broker)		
A, B, G & N	67,399,658	-
Z	181,841	4,526,194
	67,581,499	4,526,194
Dhaka stock exchange (dealer)	-	-
Chittagong Stock Exchange (broker)		
A, B, G & N	2,454,725	-
Z	-	3,657
	2,454,725	3,657
	70,036,224	4,529,851

11.2 Receivable from Merchant Banker

<i>In Taka</i>	2022	2021
Receivable from third party	12,127	-
Receivable from related party	36,807,479	2,269,536
	36,819,606	2,269,536

12 Margin loan receivables

<i>In Taka</i>		2022	2021
Margin loan	12.1	430,098,513	268,435,995
		430,098,513	268,435,995

12.1 Amounts receivable from margin clients

Clients having no margin or full erosion of clients' equity (e.g. no equity against debit balance)		-	-
Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)		122,323,145	87,355,806
Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)		47,452,741	62,074,106
Regular Margin Clients (e.g. equity is >150% of debit balance)		260,322,627	119,006,083
		430,098,513	268,435,995

The amount represents loan entitled to clients against securities. The Company had started margin loan facilities from 1 October 2011. Loan limit to single client is maximum 100% of client's margin.

13 Advances, deposits and prepayments

<i>In Taka</i>	2022	2021
Advances		
Software system	5,881,305	3,509,020
Salary and allowances	140,000	180,000
Employee's car loan	13,243,387	10,166,334
Bank guarantee commission	306,667	306,667
Capital expenditure	14,531,622	653,439
Operational expenses	745,504	1,048,900
	34,848,485	15,864,360
Deposits		
Depository Participator (DP) for CDBL	102,500	102,500
BTCL-land phone	23,705	23,705
Deposit to BRAC EPL Investment Limited	10,752	10,752
Mobile phone	2,000	2,000
Symphony Tower, Gulshan	3,170,100	3,170,100
City Center, Motijheel	844,350	844,350
	4,153,407	4,153,407
Prepayments		
Prepaid insurance	573,527	809,221
	573,527	809,221
	39,575,419	20,826,988

14 Other receivables

<i>In Taka</i>	2022	2021
Accrued interest	1,868,938	1,359,291
Forfeiture amount of provident fund	115,296	2,076,070
	1,984,234	3,435,361



15 Cash and cash equivalents

See accounting policy in Note 36J

<i>In Taka</i>	<i>Notes</i>	2022	2021
Cash in hand		125,099	121,761
Cash balance with branches		716,486	734,806
		841,585	856,567
Cash at bank			
Consolidated Customers' Account	15.1	746,653,141	1,084,883,567
Operational Account	15.2	8,936,433	29,219,966
Strategic Investment	15.3	1,896,893	1,293,200
IPO Block Account	15.4	125,189	879,633
Dealer Account	15.5	7,099,603	80,297,941
Investment in FDRs	15.6	166,068,208	265,152,583
		930,779,467	1,461,726,890
		931,621,052	1,462,583,457

15.1 Consolidated Customers' Account

<i>In Taka</i>			2022	2021
Bank name	Account Number	Type		
BRAC Bank Limited	1501201363499001	SND	455,913,014	3,155
Standard Chartered Bank	01-7503024-02	Current	72,545,810	230,914,239
The City Bank Limited	3101063886001	SND	218,194,317	-
The City Bank Limited	3102159661001	SND	-	25,790,594
One Bank Limited	13000000558	SND	-	828,175,579
			746,653,141	1,084,883,567

15.2 Operational Account

<i>In Taka</i>			2022	2021
Bank name	Account Number	Type		
Standard Chartered Bank	01-7503024-01	Current	3,399,509	6,516,456
BRAC Bank Limited	1513201363499001	Current	4,879,639	7,556,213
BRAC Bank Limited	1513101363499001	STD	207,157	10,350,713
BRAC Bank Limited	1513201363499002	Current	129,647	4,355,059
BRAC Bank Limited	1513101363499002	STD	125,485	422,883
BRAC Bank Limited	1513201363499004	Current	77,864	18,642
One Bank Limited	13000000558	SND	117,132	-
			8,936,433	29,219,966

15.3 Strategic Investment

<i>In Taka</i>			2022	2021
Bank name	Account Number	Type		
BRAC Bank Limited	1501201363499002	Current	1,896,893	1,293,200
			1,896,893	1,293,200

15.4 IPO Block Account

<i>In Taka</i>			2022	2021
Bank name	Account Number	Type		
Standard Chartered Bank	02-7503024-03	SND	125,189	879,633
			125,189	879,633



15.5 Dealer Account

<i>In Taka</i>			2022	2021
Bank name	Account Number	Type		
Standard Chartered Bank	01-7503024-03	Current	7,033,257	80,194,260
Standard Chartered Bank	02-7503024-02	SND	66,346	103,681
			7,099,603	80,297,941

15.6 Investment in FDRs

<i>In Taka</i>			2022	2021
Bank name	Account Number			
BRAC Bank Limited	1513301363499005		15,165,839	14,462,020
BRAC Bank Limited	1513301363499007		-	201,350,000
BRAC Bank Limited	3013634990008		100,000,000	-
Standard Chartered Bank	97503024001		22,673,672	22,267,294
Standard Chartered Bank	97503024002		7,409,997	7,277,188
Jamuna Bank Limited	0024-0330021008		9,900,272	9,481,081
The Padma (Farmers) Bank Limited	124400017244		10,918,428	10,315,000
			166,068,208	265,152,583

The terms and conditions of the overdraft from BRAC Bank Limited are as follows:

Loan limit	:	BDT 500,000,000.00 (BDT Five Hundred Million) only.
Repayment procedure	:	From operational cash flow/or own sources of borrower.
Maximum tenor	:	180 days (maximum from date of each disbursement)
Purpose	:	To meet daily settlement requirement and margin for exceeding Dhaka Stock Exchange (DSE)/ Chittagong Stock Exchange (CSE) daily trading
Interest rate	:	8%
Expiry	:	29 September 2023

The terms and conditions of the overdraft from Standard Chartered Limited are as follows:

Loan limit	:	BDT 200,000,000.00 (BDT Two Hundred Million) only.
Repayment procedure	:	From operational cash flow/or own sources of borrower.
Maximum tenor	:	180 days (maximum from date of each disbursement)
Purpose	:	To meet daily settlement requirement and margin for exceeding Dhaka Stock Exchange (DSE)/ Chittagong Stock Exchange (CSE) daily trading
Interest rate	:	8%
Expiry	:	30 March 2023



16 Share capital

<i>In Taka</i>	No. of shares		Amount in BDT	
	2022	2021	2022	2021
Authorised capital				
Authorised (par value of Tk. 100 each)	20,000,000	10,000,000	2,000,000,000	1,000,000,000
Paid up capital				
Ordinary shares (par value of Tk. 100 eac	8,411,446	7,009,538	841,144,600	700,953,800
Add: Bonus share issued	1,682,289	1,401,908	168,228,900	140,190,800
	10,093,735	8,411,446	1,009,373,500	841,144,600

Percentage of shareholdings

<i>In Taka</i>	No. of shares	%	2022	2021
BRAC Bank Limited	9,084,299	89.9994%	908,429,900	757,024,900
Mr. Saiful Islam	1,009,374	10.0000%	100,937,400	84,114,500
BRAC	5	0.0000%	500	400
Mr. Selim R. F. Hussain	15	0.0001%	1,500	1,200
Ms. Tamara Hasan Abed	14	0.0001%	1,400	1,200
Dr. Zahid Hussain	14	0.0001%	1,400	1,200
Mr. Mohammad Masud Rana	14	0.0001%	1,400	1,200
	10,093,735	100%	1,009,373,500	841,144,600

17 Revaluation reserve for TREC license

<i>In Taka</i>	2022	2021
Revaluation Reserve for TREC License-DSE	48,922,920	48,922,920
Revaluation Reserve for TREC License-CSE	38,766,050	38,766,050
	87,688,970	87,688,970

Investments for membership was initially recognised at cost and was subsequently remeasured in accordance with section 8 (Gha) of the Exchanges Demutualisation Act 2013, both stock exchanges have issued shares against membership with Tk. 10 each. Surplus arising from changes in the value of investment for membership are transferred to Revaluation Reserve for TREC License.

18 Capital reserve

<i>In Taka</i>	2022	2021
Balance at 1 January	-	-
Addition during the year	25,792,593	-
Adjustment during the year	-	-
	25,792,593	-

According to the Clause (i) of (e) of Part B [rule (1) (b), rule 5(2)] Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019 the Company maintained a mandatory provision at 10% of profit after tax of last year as capital reserve with prospective effects from 30 June 2022.

19 Lease liabilities

See accounting policy in Note 36C

<i>In Taka</i>	2022	2021
Current	17,077,807	11,905,599
Non-current	65,035,826	59,531,199
	82,113,633	71,436,798



19.1 Movement of lease liabilities

<i>In Taka</i>	2022	2021
Balance at 1 January	71,436,799	22,354,614
Addition during the year	26,912,407	64,687,007
Interest expense on leases	7,223,175	1,963,224
Payment of lease instalments	(21,160,788)	(17,568,046)
Termination of leases	(2,297,960)	-
	82,113,633	71,436,799

20 Account payables

<i>In Taka</i>	<i>Note</i>	2022	2021
Payable to clients	20.1	554,869,794	767,194,070
Payable to exchanges	20.2	701,139	59,583,322
Payable to Merchant Banker	20.3	5,582,961	12,522,927
Payable to Issuer (IPO)		-	27,120,000
Interest payable to clients		21,811,628	15,124,395
		582,965,522	881,544,714

20.1 Payable to clients

<i>In Taka</i>	2022	2021
Payable to third party	544,741,172	746,701,094
Payable to related party	10,128,622	20,492,976
	554,869,794	767,194,070

This balance represents the clients' sale proceeds of shares and deposits against share purchase which is currently lying with the company's Consolidated Customers bank A/C.

20.2 Payable to exchanges

<i>In Taka</i>	2022	2021
Dhaka Stock Exchange (broker)		
ABG&N	163,091	55,683,377
Z	28,444	3,179,933
	191,535	58,863,310
Chittagong Stock Exchange (broker)		
ABG&N	509,604	587,455
Z	-	132,557
	509,604	720,012
	701,139	59,583,322

20.3 Payable to Merchant Banker

<i>In Taka</i>	2022	2021
Payable to third party	249	15,259
Payable to related party	5,582,712	12,507,668
	5,582,961	12,522,927

21 Specific provision

<i>In Taka</i>	2022	2021
Balance at 1 January	-	-
Addition during the year	4,300,985	-
Release during the year	-	-
	4,300,985	-

According to the Clause (ii) of (e) of Part B [rule (1) (b), rule 5(2)] of Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019 the Company maintained a mandatory provision at 1% of all outstanding margin exposures as 'specific provision' with prospective effects from 30 June 2022.

22 Liability for expenses

<i>In Taka</i>	2022	2021
Performance bonus	26,469,878	40,202,252
Withholdings tax and VAT	842,824	5,538,694
Legal and professional fees	92,000	289,000
Office rent	50,081	85,500
Audit fee	471,500	288,000
Electricity bills	261,956	223,445
CDBL charges	437,502	1,051,949
Repair and office maintenance	30,322	101,617
Telephone and mobile bills	127,512	153,374
Utilities and outsources	1,462	39,258
Salary and allowance	722,563	614,699
Trading expenses payable	7,995,134	7,551,620
Advertisement & publicity expenses	214,500	116,237
Liability for board meeting fees	73,336	-
Payable for capital expenditure	624,548	489,475
Payable for operational expenses	70,201	2,035,015
	38,485,319	58,780,135

23 Current tax liabilities

See accounting policy in Note 36F

<i>In Taka</i>	<i>Note</i>	2022	2021
Advance income tax	23.1	261,712,816	690,520,991
Provision for tax	23.2	(280,480,284)	(724,534,702)
		(18,767,468)	(34,013,711)

23.1 Advance income tax

<i>In Taka</i>	2022	2021
Balance at 1 January	690,520,991	582,423,588
Deposits including deductions at source	86,709,837	112,411,025
Tax paid for previous years	12,761,145	-
Adjustments made for previous years	(528,279,157)	(4,313,622)
	261,712,816	690,520,991

23.2 Provision for tax

<i>In Taka</i>	2022	2021
Balance at 1 January	724,534,702	598,109,323
Provision made during the year	94,528,018	130,739,001
Adjustments made for previous year	(538,582,436)	(4,313,622)
	280,480,284	724,534,702

24 Service revenue

<i>In Taka</i>	<i>Note</i>	2022	2021
Brokerage commission	24.1	463,865,097	672,971,031
Income from margin loan		50,046,191	25,704,848
Annual account maintenance fees		4,549,500	4,784,750
BO account renewal fees		1,699,400	1,973,950
Advisory income		1,030,569	2,637,931
IPO Service Charge		80,310	549,845
BO account opening fees		621,222	715,850
Sale of BO form		98,600	186,150
Cheque dishonour charges		1,667,080	2,183,726
Share pledging & transmission fees		431,919	689,697
		524,089,888	712,397,778

Notes to the financial statements (continued)

24.1 Brokerage commission

<i>In Taka</i>	2022	2021
Brokerage commission- DSE (broker)	456,473,421	650,334,578
Brokerage commission- DSE (dealer)	1,948,824	2,195,572
Brokerage commission- CSE (broker)	5,442,852	20,440,881
	463,865,097	672,971,031

25 Direct expenses

<i>In Taka</i>	<i>Note</i>	2022	2021
Transaction cost	25.1	37,665,242	49,494,526
CDBL charges		12,960,552	18,532,517
Trading expense		71,271,296	96,482,196
		121,897,090	164,509,239

25.1 Transaction cost

<i>In Taka</i>	2022	2021
Howla-DSE (dealer)	1,350	-
Laga-DSE (broker)	36,955,764	48,478,592
Laga-DSE (dealer)	436,122	332,129
Laga-CSE (broker)	272,006	683,805
	37,665,242	49,494,526

26 Investment income

<i>In Taka</i>	<i>Note</i>	2022	2021
Realised gain/(loss)	26.1	(39,370,856)	(26,018,096)
Unrealised gain/(loss) on investment	26.2	(1,349,091)	43,013,815
Dividend income	26.3	21,409,462	12,767,561
		(19,310,485)	29,763,280

26.1 Realised gain/(loss)

<i>In Taka</i>	2022	2021
Gain/(loss) on proprietary trading (dealer)	(38,569,126)	(29,000,088)
Gain/(loss) on strategic investment	(801,730)	2,981,992
	(39,370,856)	(26,018,096)

26.2 Unrealised gain/(loss) on investment

<i>In Taka</i>	2022	2021
Unrealised gain/(loss) on proprietary trading (dealer)	472,063	41,427,715
Unrealised gain/(loss) on strategic investment	(1,821,154)	1,586,100
	(1,349,091)	43,013,815

26.3 Dividend income

<i>In Taka</i>	<i>Note</i>	2022	2021
Dividend income from investment in exchanges	26.3.1	3,879,464	3,767,064
Dividend income from proprietary trading (dealer)		16,770,769	8,950,997
Dividend income from strategic investment		759,229	49,500
		21,409,462	12,767,561

26.3.1 Dividend income from investment in exchanges

<i>In Taka</i>	2022	2021
Dhaka Stock Exchange Limited (DSE)	2,164,532	1,623,399
Chittagong Stock Exchange Limited (CSE)	1,714,932	2,143,665
	3,879,464	3,767,064

Notes to the financial statements (continued)

27 Other income

<i>In Taka</i>	2022	2021
Gain/(loss) on sale of fixed assets	9,425	15,175
Gain on termination of lease agreement	510,730	-
Forfeiture amount of provident fund	115,296	1,644,075
	635,451	1,659,250

28 Operating expenses

<i>In Taka</i>	<i>Note</i>	2022	2021
Administrative expenses	28.1	193,612,869	171,645,352
Other operating expenses	28.2	44,713,923	31,695,072
		238,326,792	203,340,424

28.1 Administrative expenses

<i>In Taka</i>	<i>Note</i>	2022	2021
Salary and allowances	28.1.1	147,469,533	133,890,973
Depreciation on PPE	5	9,026,841	8,202,347
Depreciation on right of use assets	7	20,093,875	16,215,425
Amortisation of intangible assets	6	720,537	198,962
Internet bills		2,639,584	2,239,771
Outsourcing expenses		8,074,144	7,459,998
Insurance		2,535,933	1,510,696
Networking expenses		1,893,844	1,329,493
DSE, CSE and BSEC charges		1,158,578	597,687
		193,612,869	171,645,352

28.1.1 Salary and allowances

<i>In Taka</i>	2022	2021
Salary and allowances	136,122,951	126,061,602
Provident fund contribution	5,547,131	4,873,737
Gratuity fund contribution	5,799,451	2,955,634
	147,469,533	133,890,973

28.2 Other operating expenses

<i>In Taka</i>	2022	2021
Utility expenses	4,497,066	4,023,656
Entertainment	2,993,535	2,515,781
Office maintenance	2,891,863	2,502,584
Telephone and mobile bills	1,249,977	1,129,961
Printing & stationery and photocopy	1,771,147	1,481,662
Business promotional expenses	2,479,396	3,257,079
Advertisement	2,482,579	1,114,635
Fuel, lubricants and car maintenance	882,857	460,204
Board meeting fees	440,016	683,856
Travel and conveyance	2,442,814	1,329,478
Postage and courier	135,900	131,323
Professional fees	8,983,981	2,215,213
Training and development	11,000	-
Repair and software maintenance	2,889,262	3,444,564
Fees & subscriptions and license & renewal	4,584,434	2,955,168
News paper, books and periodicals	12,280	11,936
Audit fee	471,500	368,000
Reward and recognition	1,348,008	280,000
VAT expenses on lease rental/office rent	3,452,462	2,926,013
Wedding & new born baby gift and others	693,846	863,959
	44,713,923	31,695,072

29 Net finance income

<i>In Taka</i>	2022	2021
Finance income		
Interest income from FDR investment	12,234,965	4,026,018
Interest income from SND/STD bank accounts	121,380	214,585
Interest income from consolidated customer bank accounts	19,355,788	21,779,408
Interest on employees' car loan	325,276	154,875
Interest income on Sub-lease with BEIL	566,843	86,178
	32,604,252	26,261,064
Less: Interest payable to clients' *	(6,687,233)	(15,124,395)
	25,917,019	11,136,669
Finance expense		
Bank guarantee commission	3,680,000	4,216,667
Bank interest, charges and commission	726,091	1,515,316
Interest expense of lease liabilities	7,223,175	1,963,224
	11,629,266	7,695,207
	14,287,753	3,441,462

* As per BSEC directive no.-BESC/CMRRCD/2009-193/21 dated 21 June 2021, this balance payable to the clients' which is currently lying with the company's Consolidated Customers bank A/C.

30 Income tax expense

See accounting policy in Note 36F

<i>In Taka</i>	<i>Note</i>	2022	2021
Tax on brokerage commission	30.1	77,495,465	103,052,481
Tax other than brokerage commission		17,032,553	27,686,520
Adjustment for completion of assessment		(8,903,278)	-
		85,624,740	130,739,001
Deferred tax income		(3,453,113)	(9,252,825)
		82,171,627	121,486,176

30.1 Tax on brokerage commission

<i>In Taka</i>	2022	2021
Dhaka Stock Exchange (broker)	75,797,818	98,576,129
Dhaka Stock Exchange (dealer)	913,496	731,857
Chittagong Stock Exchange (broker)	784,151	3,744,495
	77,495,465	103,052,481

The amount has been deducted by Dhaka Stock Exchange Limited (DSE) & Chittagong Stock exchange Limited (CSE) from the transaction amount as per section 53BBB of the Income Tax Ordinance 1984.

31 Capital adequacy ratio

According to the Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019 the Company has adequate capital against the total risk exposure the entity that is required to be maintained as per the rules to ensure continuation of a safe and efficient operation and to withstand against any seen and unforeseen losses. The Company has "capital adequacy ratio (CAR)" 1249% of total risk requirement as of date 31 December 2022.

Computations of "capital adequacy ratio (CAR)" are given in annexed schedule A to schedule D which are integral part of these financial statements.



32 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii))
- Liquidity risk (see (iii))
- Market risk (see (iv))

(i) Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The balances maintained with different bank represents the most significant source of credit risk for the Company.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

<i>In Taka</i>	<i>Note</i>	Carrying amount	
		2022	2021
Investment in shares	10	445,516,367	415,104,230
Account receivables	11	115,876,454	57,632,461
Margin loan receivables	12	430,098,513	268,435,995
Other receivables	14	1,984,234	3,435,361
Cash and cash equivalents	15	931,621,052	1,462,583,457
		1,925,096,620	2,207,191,504

(b) Aging of operational and other receivables

At 31 December, the aging of operational and other receivables that were not impaired was as follows:

<i>In Taka</i>	<i>Note</i>	Carrying amount	
		2022	2021
Neither past due nor impaired	11	115,876,454	57,632,461
Past due 1 - 30 days		-	-
Past due 31 - 90 days		-	-
Past due 91 - 120 days		-	-
Past due 121 - 360 days		-	-
Past due 361 + days		-	-
		115,876,454	57,632,461



Notes to the financial statements (Continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other investments at amounts in excess of expected cash outflows on financial liabilities. The Company also monitors the level of expected cash inflows on operational and other receivables together with expected cash outflows on operational and other payables.

Exposure to liquidity risk

The followings are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 December 2022

In Taka	Note	Carrying amount	Contractual cash flows					
			Total	2 months or less	2-12 months	1 - 2 years	2 - 5 years	More than 5 years
Non-derivative financial liabilities								
Lease liabilities	19	82,113,633	99,102,903	3,825,655	18,978,509	23,688,620	52,610,119	-
Account payables	20	582,965,522	582,965,527	561,153,896	21,811,631	-	-	-
Liability for expenses	22	38,485,319	38,485,323	12,015,445	26,469,878	-	-	-
		703,564,474	720,553,753	576,994,996	67,260,018	23,688,620	52,610,119	-
Derivative financial liabilities								
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-

31 December 2021

In Taka	Note	Carrying amount	Contractual cash flows					
			Total	2 months or less	2-12 months	1 - 2 years	2 - 5 years	More than 5 years
Non-derivative financial liabilities								
Lease liabilities	19	71,436,798	22,354,614	2,486,920	12,017,555	3,915,790	3,934,349	-
Account payables	20	881,544,714	881,544,714	866,420,319	15,124,395	-	-	-
Liability for expenses	22	58,780,135	58,780,135	18,577,883	40,202,252	-	-	-
		1,011,761,647	962,679,463	887,485,122	67,344,202	3,915,790	3,934,349	-
Derivative financial liabilities								
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-

(iv) Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

This risk arises due to changes in interest rates on different interest-bearing instruments.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as at statement of financial position date is as follows:

financial position date is as follows:

In Taka	Note	Nominal Amount	
		2022	2021
Fixed rate instruments			
Financial assets			
Fixed deposits	15	166,068,208	265,152,583
Financial liabilities			
		-	-
		166,068,208	265,152,583
Variable rate instruments			
Financial assets			
Cash at banks	15	764,711,259	1,196,574,307
Financial liabilities			
Lease liabilities	19	(82,113,633)	(71,436,798)
		682,597,626	1,125,137,509



Notes to the financial statements (Continued)

v) Financial instruments - fair values and risk management

See the accounting policy in Note 36J

Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2022

31 December 2022		Carrying amount						
In Taka	Note	Fair value- hedging instruments	FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total
Financial assets measured at fair value								
Investment in shares	10	-	445,516,367	-	-	-	-	445,516,367
Financial assets not measured at fair value								
Account receivables	11	-	-	-	-	115,876,454	-	115,876,454
Margin loan receivables	12	-	-	-	-	430,098,513	-	430,098,513
Cash and cash equivalents	15	-	-	-	-	931,621,052	-	931,621,052
		-	445,516,367	-	-	1,477,596,019	-	1,923,112,386
Financial liabilities measured at fair value								
Financial liabilities not measured at fair value								
Account payables	20	-	-	-	-	-	582,965,522	582,965,522
Liability for expenses	22	-	-	-	-	-	38,485,319	38,485,319
Lease liabilities	19	-	-	-	-	-	82,113,633	82,113,633
		-	-	-	-	-	703,564,474	703,564,474



Notes to the financial statements (Continued)

31 December 2021

In Taka	Note	Carrying amount					Total
		Fair value- hedging instruments	FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	
Financial assets measured at fair value							
Investment in shares	10	-	415,104,230	-	-	-	415,104,230
Financial assets not measured at fair value							
Account receivables	11	-	-	-	-	57,632,461	57,632,461
Margin loan receivables	12	-	-	-	-	268,435,995	268,435,995
Cash and cash equivalents	15	-	-	-	-	1,462,583,457	1,462,583,457
		-	415,104,230	-	-	1,788,651,913	2,203,756,143
Financial liabilities measured at fair value							
		-	-	-	-	-	-
Financial liabilities not measured at fair value							
Account payables	20	-	-	-	-	881,544,714	881,544,714
Liability for expenses	22	-	-	-	-	58,780,135	58,780,135
Lease liabilities	19	-	-	-	-	71,436,798	71,436,798
		-	-	-	-	1,011,761,647	1,011,761,647



33 Contingencies and commitments**a) Contingencies**

See accounting policy in Note 36G

There is no contingent liability at the end of the year (2021: Nil).

b) Commitments

A bank guarantee amounting to Tk. 950,000,000 was issued in favour of DSE and BDT 50,000,000 was issued in favour of CSE for the purpose of share trading. (2021: A bank guarantee amounting to Tk. 950,000,000 was issued in favour of DSE and BDT 50,000,000 was issued in favour of CSE for the purpose of share trading.)

34 Related parties**a) Parent and ultimate controlling party**

BRAC Bank Limited is the parent and ultimate controlling party of the Company by virtue of holding 90% voting shares along with majority representation on the Board of Directors.

b) Transactions with key management personnel**(i) Loans to directors**

During the year, no loan was given to the directors of the Company.

(ii) Key management personnel compensation

Key management personnel compensation comprised the following:

<i>In Taka</i>	2022	2021
Board meeting attendance fee	440,016	683,856
	440,016	683,856

Company's key management personnel includes the Company's directors. No compensation other than board meeting attendance fee is given to them.

c) Other related party transactions

<i>In Taka</i>	Transaction values for the year ended		Balance outstanding as at	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
<u>Parent and ultimate controlling party</u>				
BRAC Bank Limited				
- Brokerage transactions	2,371,545	9,176,829	(4,538,477)	(7,537,529)
- Advisory service	-	(150,000)	-	-
<u>Others</u>				
BRAC EPL Investments Limited				
- Rental and other operating expense	2,556,430	(468,518)	-	-
- Brokerage transactions	50,763,233	27,946,045	31,224,518	(10,737,035)
BRAC IT Services Limited				
- IT service	-	(50,590)	-	-

35 Other disclosures

35.1 Number of employees

As at 31 December 2022, number of regular employees receiving remuneration of Taka 36,000 or above per annum was 128 (31 December 2021: 113).

35.2 Comparatives

Previous year's figures have been rearranged, wherever considered necessary to conform with the current year's presentation.

35.3 Leases

A Leases as lessee (IFRS 16)

The Company leases a number of offices and warehouse facilities. The leases typically run for a period of 3-6 years, with an option to renew the lease after that date. Lease payments are adjusted at predetermined intervals.

Information about leases for which the Company is a lessee is presented below.

i) Amounts recognised in profit or loss

<i>In Taka</i>	2022	2021
Interest on leases	7,223,175	1,963,224
Depreciation on leased assets	20,093,875	16,215,425
	27,317,050	18,178,649

ii) Amounts recognised in statement of cash flows

<i>In Taka</i>	2022	2021
Total cash outflow for leases	(21,160,788)	(17,568,046)
	(21,160,788)	(17,568,046)

35.4 Subsequent events

No material events had occurred after the reporting date to the date of issue of these financial statements, which could affect the values stated in the financial statements.

35.5 Reporting period

The financial statements of the Company covers the year from 1 January to 31 December and it is followed consistently. These financial statements cover period from 1 January 2022 to 31 December 2022.

35.6 Basis of measurement

The financial statements have been prepared on going concern basis under the historical cost convention.

35.7 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the management continues to adopt going concern basis in preparing the financial statements. The current resources of the Company provide sufficient fund to meet the present requirements of its existing business.



36 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Certain comparative amounts in the statement of financial position and statement of profit or loss and other comprehensive income have been reclassified/represented during the current year for better presentation.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow:

- A Property, plant and equipment
- B Intangible assets
- C Leases
- D Investment
- E Provisions
- F Taxation
- G Contingencies
- H Revenue recognition
- I Employee benefits
- J Financial Instruments

A Property, plant and equipment**Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner. The cost of self constructed asset includes the cost of material, direct labor and any other cost directly attributable to bringing the assets to a working condition for their intended use.

Subsequent costs

The costs of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The cost of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation

The company uses straight line method for charging depreciation. Full month depreciation is charged on additions irrespective of date of its acquisition whereas no depreciation is charged in the month of disposal. The rates of depreciation on various classes of property, plant and equipment are as under:

Name of the assets	<u>2022</u>	<u>2021</u>
	<u>Rates (%)</u>	<u>Rates (%)</u>
Office floor space	2%	2%
Furniture and fixture	12.50%	12.50%
Office decoration	15%	15%
Computers and accessories	25%	25%
Air cooler and ceiling fans	20%	20%
Electrical and office equipment	20%	20%
Vehicles	20%	20%



Retirement and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined by the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

B Intangible assets

Recognition and measurement

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be measured reliably.

Intangible assets comprise the value of computer software. An intangible asset is measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment losses (if any).

Amortisation of intangible assets

Amortisation is recognised in the Statement of Profit or Loss and Other Comprehensive Income on straight line basis from the date that they are available for use. Amortisation on intangible assets is charged for the full month from the month of acquisition. In case of disposals, amortisation is charged up to the immediate previous month of disposal. Amortisation is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management best estimates of 3 years. The rate of amortisation is 33.33% per annum for software. Amortisation methods and amortisation rate are reviewed at each reporting date and adjusted if appropriate.

Subsequent expenditure

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits in the specifications to which it relates. All other expenditures are expensed as incurred.

C Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

— the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

— the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

— the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.



i. As a lessee

The Company recognises a right-of-use asset and a lease liability for its office rent agreements at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

When measuring lease liabilities, The company discounted lease payments using its incremental borrowing rate (9%) at 1 January 2022.

Short-term leases and leases of low-value assets

Currently the Company has no such short-term lease or lease of low value asset. The Company will not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company will recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term as applicable.

ii. As a lessor

The company provides space to BRAC EPL Investments Limited, subsidiary of BRAC Bank for facilitating business activities in return of a monthly payment under an agreement.

D Investment

The listed securities are valued at the closing quoted market price only on the Dhaka Stock Exchange on the date of valuation i.e. on 31 December 2022. Resultant unrealised gain/(loss) is calculated on portfolio basis. The Company shall categorise the investments either as "fair value through profit or loss" or as "fair value through other comprehensive income" as it deems prudent according to the provisions of IFRS-9. However, for those IPO shares the trading of which not yet started are shown at cost price.



E Provisions

The company 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.

F Taxation

a) Current tax

Current tax has been made on the basis of the Finance Act 2022. Income tax withheld from the transactions of traded securities in accordance with section 53BBB @ 0.05% is the minimum tax of the Company under section 82C of Income Tax Ordinance (ITO) 1984. Income tax provision is made on capital gains on sale of shares of listed company @ 10% as per SRO No. 269/Law/Income Tax/2010 dated 1 July 2010 whereas it is @ 30% on other than Brokerage income as per tax laws.

b) Deferred tax:

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. The deferred tax asset/income or liability/expense does not create a legal obligation to, or recoverability from, the income tax authority.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

G Contingencies

Contingencies arising from claims, litigation assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

Contingent liabilities

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met.

Contingent assets

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognised. Only when the realisation of the related economic benefit is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.



H Revenue recognition

Revenue is only recognised when the company satisfies a performance obligation in the contract with a customer and when it meets five steps model framework as per IFRS 15. Details of revenue recognition policies are given as under:

- (i) Brokerage commission is recognised as income when selling or buying orders are executed.
- (ii) Interest income on FDR and STD accounts is recognised when accrued.
- (iii) Interest Income from margin loan is recognised on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognised on monthly basis and applied to the customers' account on quarterly basis.
- (iv) Cash dividend income is recognised on the declaration of dividend and subsequent receipt of such dividend; and
- (v) Stock dividend (bonus shares) have been recognised at zero cost and added with existing shares resulted decrease in per unit cost price of the existing shares.
- (vi) Capital gains on sale of shares are recognised both on realisation and unrealisation.

Cost of services

Cost of services includes laga and howla charges of stock exchanges booked on daily basis as per trading after receiving the trade reports and the charges of Central Depository Bangladesh Ltd. (CDBL) booked on monthly basis, after receiving the bills from CDBL.

I Employee benefits

Defined contribution plan (provident fund)

All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution. Provident fund is administered by a Board of Trustees. Registration of the provident fund with the National Board of Revenue (NBR) was effected on 1 April 2018.

Defined benefit plan (gratuity)

The Company recognises contribution to defined benefit plan as an expense when an employee has rendered services in exchange for those contributions. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

Workers' profit participation fund and welfare fund

Bank and Financial Institution Division of Ministry of Finance issued letter no. 53.00.0000.311.22.002.17.130 dated 14 February 2017 to the Ministry of Labour and Employment stating not to impose the compliance of Chapter XV of Bangladesh Labour Act 2006 on banks and financial institutions as Bangladesh Bank, Association of Bankers and Bank and Financial Institution Division of Ministry of Finance had concluded that the Chapter XV of Bangladesh Labour Act 2006 should not be made applicable to the banks and financial institutions.

BRAC EPL Stock Brokerage Limited has been considered a Financial Institution by Bangladesh Securities and Exchange Commission (BSEC) for the purpose of OFC (Other Financial Corporation) reporting required by Bangladesh Bank.

Accepted industry practice and the clarification given by the Bank & Financial Institutions Division of Ministry of Finance, no provision for Workers' Profit Participation Fund has been made by the company in the reporting period. This is also supported by opinion obtained by the management from external legal advisor.



J Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In accordance with International Financial Reporting Accounting Standard (IFRS) 9, financial assets may be recognised at fair value, with gain and losses taken to the income statement in net investment income. A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Account receivables

Accounts receivables consist mainly of net receivables from Exchanges and clients broker for daily sale and buy transactions of clients. These are cleared every 3 working days.

Investment in quoted and unquoted securities

The company invests in quoted securities, traded on the secondary capital market in Bangladesh. At the reporting date these are recognised at market value and/or NAV (in case of unquoted and open end mutual fund) on aggregate basis. As per IFRS 9: Financial Instruments, these have been classified as fair value through profit or loss where gains or losses arising from a change in the fair value of such financial assets are recognised in the statement of comprehensive income.

Other receivables

Other Receivables' category includes the accrued interest on Fixed Deposit Receipts (FDRs) and forfeiture amount of the provident fund. The balance of forfeited amount to be receivable from BRAC EPL Stock Brokerage Employee Provident Fund as per FRC notification (No. 179/FRC/FRM/Notice/2020/2).

Margin loan to clients

Margin loans are given as per margin loan policy of the Company. Normally clients are required to deposit Taka 15 lac for entitlement of margin loan.

Financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities include finance lease obligations, loans and borrowings, accounts payables and other payables.

37 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

- a) Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- b) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- c) Other standards

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- Annual Improvements to IFRS Standards 2018–2021.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.



BRAC EPL Stock Brokerage Limited
Schedule-A
Part A

[rule 2(1)(i); rule 4(1)(d); rule 8(5)]
Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019
Statement of Liquid Capital Balance

Name of the Intermediary : BRAC EPL Stock Brokerage Limited Area of Operation: Stock Broker	Note ref.	As on the date : 31 Dec 2022	
		Amount	Eligible Amount
1. Cash and Bank Balance		931,621,052	931,495,863
Cash in Hand		841,585	841,585
Cash at Bank in Company's operational account	15.2	8,936,433	8,936,433
Cash at Bank in trading accounts (Stock Dealer A/C)	15.5	7,099,603	7,099,603
Cash at Bank accounts for clients (consolidated customer account)	15.1	746,653,141	746,653,141
Cash at Bank at IPO Account	15.4	125,189	-
Investments in FDR	15.6	166,068,208	166,068,208
Others cash and cash equivalent	15.3	1,896,893	1,896,893
2. Net Receivable from Exchange, Depository, CCP and others			
Cash deposits with Exchanges (as margin/ security) :		-	-
Mandatory		-	-
Excess over mandatory		-	-
Cash deposits with Clearing House (as margin/security):		-	-
Mandatory		-	-
Excess over mandatory		-	-
Cash deposit with depository (as per rule):		-	-
Mandatory		-	-
Excess over mandatory		-	-
Assets provided to others as security:		-	-
Assets kept as security against any obligations		-	-
Assets kept as security but exercisable within 30 days		-	-
Cash provided as security for short selling	11.1	106,855,830	106,846,738
3. Net Receivable from Securities Trading		67,581,499	67,572,407
Receivable from DSE (categorized as A,B,G,N,Z and DVP):		67,399,658	67,399,658
Receivable against A, B, G & N category		181,841	172,749
Receivable against z category		-	-
Receivable against DVP category		-	-
Receivable from CSE (categorized as A,B, G,N,Z and DVP):		2,454,725	2,454,725
Receivable against A, B, G & N category		2,454,725	2,454,725
Receivable against z category		-	-
Receivable against DVP category		-	-
Receivable from Stock- Broker/Stock - Dealer		-	-
Receivable from Merchant Banker	11	36,819,606	36,819,606
Receivable from selling agents		-	-
Receivable under securities borrowing and lending agreements		-	-
Receivable under repurchase transactions		-	-
Receivable from others		-	-
4. Net receivable from margin clients -	12.1	430,098,513	409,377,404

Schedule-A
Part A

[rule 2(1)(i);rule 4(1)(d);rule 8(5)]
Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019
Statement of Liquid Capital Balance

Name of the Intermediary : BRAC EPL Stock Brokerage Limited Area of Operation: Stock Broker	Note ref.	As on the date : 31 Dec 2022	
		Amount	Eligible Amount
Receivable from Clients having no margin or full erosion of clients' equity (e.g.no equity against debit balance)		-	20%
Receivable from Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)		122,323,145	15%
Receivable from Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)		47,452,741	5%
Receivable from regular Margin Clients (e.g. equity is >150% of debit balance)		260,322,627	0%
5. Net Receivable from other Clients-		1,829,139	
Receivable after securities trading	11	1,829,139	15%
Receivable arises from fee, commission & charges	0	-	5%
6. Net receivable from counterparties (clients, designated clients, etc.)		-	0%
7. Net Receivable arises from short selling		-	10%
8. Proprietary positions in securities and specified investments:		445,516,367	
<i>i. Proprietary positions in Equity securities:</i>	10	386,333,886	
Value of "A" category instruments		354,601,647	10%
Value of "B/G/N/..." category instruments		31,732,239	12%
Value of "Z" category instruments		-	15%
Value of "OTC" category instruments		-	20%
Value of non-listed instruments		-	25%
<i>ii. Proprietary positions in MFs & CISs including AIFs:</i>	10	15,544,218	
Value of listed funds		-	10%
Value of non-listed funds		15,544,218	3%
Value of AIFs		-	25%
<i>iii. Proprietary positions in Debt Instruments & ABSs:</i>	10	7,000,500	
Value of listed debt instruments & ABSs		7,000,500	5%
Value of non-listed debt instruments		-	10%
Value of non-listed ABSs		-	10%
<i>iv. Proprietary Position in strategic investments:</i>	10.2	36,042,504	
Value of listed strategic investments		36,042,504	10%
Value of non-listed strategic investments		-	25%
<i>v. Proprietary Position in money market Instruments:</i>		-	
Value of Govt. & BB instruments		-	0%
Value of commercial paper		-	10%
<i>vi. Own subscription in IPOs but not yet allotted</i>		-	
<i>vii. Other Investment</i>	10.2	595,259	0%
9. Proprietary position in Derivatives		-	



**Schedule-A
Part A**

**[rule 2(1)(i);rule 4(1)(d);rule 8(5)]
Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019
Statement of Liquid Capital Balance**

Name of the Intermediary : BRAC EPL Stock Brokerage Limited Area of Operation: Stock Broker	Note ref.	As on the date : 31 Dec 2022	
		Amount	Eligible Amount
10. Other assets arising from:			
Receivable against Advisory Fees, Commission, etc.		13,902,653	1,868,938
Dividend Receivable		-	-
Interest Receivable	14	1,868,938	0%
Prepaid expenses	13	573,527	100%
Security deposits	13	4,153,407	100%
Any other (need to specify)		7,306,781	-
11. Total liquid assets		1,929,823,554	1,852,971,443
Liabilities:			
12. Short positions in securities held for own account			
13. Payable to Clients	20	560,452,755	0%
14. Short Term Business Liabilities:			
Payable to Banks, if not for trading & investment (current portion of long-term liabilities)		-	0%
Payable to FIs, if not for trading & investment (current portion of long-term liabilities)		-	0%
Payable to Banks & FIs for loan against Margin Financing & Investment (full amount)		-	0%
Payment obligation against sub-debt, preference shares (current portion)		-	0%
Payable to associate companies or persons		-	0%
15. Amounts payable to clearing houses/ Exchanges/ Depository etc.			
Payable to Exchanges	20	1,138,641	0%
Payable to Clearing House/ CCP		701,139	0%
Payable to Depository		-	-
Payable to Brokers	22	437,502	0%
16. Other Liabilities and Provisions:			
Accruals & Accounts payable		165,041,531	0%
Deferred tax and other deferred liabilities		-	50%
Provision for Margin Loan	21	4,300,985	100%
Provision for Gratuity, PF & others		-	50%
Provision for Tax & VAT	23	18,767,468	0%
Interest Suspense against Margin Loan		-	100%
Liabilities for Expenses	22	38,047,817	0%
Interest Payable	20	21,811,628	0%
Provision for contingent liabilities and floating losses		-	50%
Others (clearly specified in notes)	19	82,113,633	0%
17. Net Short term obligations after haircut		726,632,927	941,596,184
18. Total Liabilities		726,632,927	726,632,927
19. Liquid Capital (Amount in item 11 minus item 17)		1,203,190,627	911,375,259
20. Regulatory LCB : 4%/6%/8% of Total Liabilities (Item 18)		58,130,634	58,130,634
21. Excess/(Deficit) in Liquid Capital Balance		1,145,059,993	853,244,625



BRAC EPL Stock Brokerage Limited

Schedule – B

[Rule 3]

Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019
Uniform Components of Financial Reporting and Disclosures

Name of the Intermediary : BRAC EPL Stock Brokerage Limited		Note ref.	As on the date :	
Area of Operation: Stock Broker	Assets		31 Dec 2022 Amount as in Balance Sheet	31 Dec 2021 Amount as in Balance Sheet
Item	Assets			
1. Cash and Bank Balances		15	931,621,052	1,462,583,457
	Cash in Hand		841,585	856,567
	Cash at Bank in Company's account	15.2	8,936,433	29,219,966
	Cash at Bank in trading accounts (Stock Dealer A/C)	15.5	7,099,603	80,297,941
	Cash at Bank accounts for clients (consolidated customer account)	15.1	746,653,141	1,084,883,567
	Cash at Bank at IPO Account	15.4	125,189	879,633
	Investments in FDR	15.6	166,068,208	265,152,583
	Others cash and cash equivalent	15.3	1,896,893	1,293,200
2. Amounts Receivable from Exchange, Depository and CCP				
	Cash deposits with Exchanges (as margin) (mandatory/excess)			
	Mandatory		-	-
	Excess over mandatory		-	-
	Cash deposits with Clearing House (as margin) (mandatory/excess)			
	Mandatory		-	-
	Excess over mandatory		-	-
	Cash deposit with depository (as per rule) (mandatory/excess)			
	Mandatory		-	-
	Excess over mandatory		-	-
	Assets provided to others as security			
	Assets kept as security against any obligations		-	-
	Assets kept as security but exercisable within 30 days		-	-
	Cash provided as security for short selling		-	-
3. Amounts Receivable from Securities Trading		11.1	106,855,830	6,799,387
	Receivable from DSE (categorize as A, B, G, N, Z and DVP)		67,581,499	4,526,194
	Receivable against A, B, G and N category		67,399,658	-
	Receivable against Z category		181,841	4,526,194
	Receivable against DVP category		-	-
	Receivable from CSE (categorize as A, B, G, N, Z and DVP):		2,454,725	3,657
	Receivable against A, B, G & N category		2,454,725	-
	Receivable against z category		-	3,657
	Receivable against DVP category		-	-
	Receivable from Stock Broker/Stock Dealer		-	-
	Receivable from Merchant Banker	11	36,819,606	2,269,536
	Receivable from selling agents		-	-
	Receivable under securities borrowing and lending agreements		-	-
	Receivable under repurchase transactions		-	-
	Receivable from others		-	-

Schedule – B
[rule 3]

Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019
Uniform Components of Financial Reporting and Disclosures

Name of the Intermediary : BRAC EPL Stock Brokerage Limited		Note ref.	As on the date :	
Area of Operation: Stock Broker	Assets		31 Dec 2022 Amount as in Balance Sheet	31 Dec 2021 Amount as in Balance Sheet
Item				
4. Amounts receivable from margin clients -		12.1	430,098,513	268,435,995
	Receivable to Clients having no margin or full erosion of equity (e.g.no equity against debit balance)		-	-
	Receivable to Clients fall under force sale condition (e.g. equity is >DB but < 125% of DB)		122,323,145	87,355,806
	Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)		47,452,741	62,074,106
	Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)		260,322,627	119,006,083
5. Amounts Receivable from other Clients-			1,829,139	47,173,061
	Receivable after securities trading	11	1,829,139	47,173,061
	Receivable arises from fee, commission & charges		-	-
6. (i) Amounts receivable from securities dealer (if subsidiary)				
	(ii) Net receivable from counterparties (clients, designated clients, etc.)		-	-
7. Amounts Receivable arises from short sale				
8. Proprietary positions in securities and specified investments				
	Proprietary positions in Equity securities		445,516,367	415,104,230
	Value of "A" category instruments	10.3	386,333,886	331,238,226
	Value of "B/C/N/..." category instruments		354,601,647	327,209,528
	Value of "Z" category instruments		31,732,239	4,028,698
	Value of "OTC" category instruments		-	-
	Value of non- listed instruments		-	-
	Proprietary positions in MFs & CISs including AFs	10.3	15,544,218	22,520,977
	Value of listed funds		-	-
	Value of non- listed funds		15,544,218	22,520,977
	Value of AIFs		-	-
	Proprietary positions in Debt Instruments & ABSs		7,000,500	-
	Value of listed debt instruments & ABSs	10.3	7,000,500	-
	Value of non-listed debt instruments		-	-
	Value of non-listed ABSs		-	-
	Proprietary Position in strategic investments	10.2	36,042,504	33,844,405
	Value of listed strategic investments		36,042,504	33,844,405
	Value of non- listed strategic investments		-	-
	Proprietary Position in money market Instruments		-	-
	Value of Govt. & BB instruments		-	-
	Value of commercial paper		-	-
	Own subscription in IPOs but not yet allotted	10	-	22,083,930
	Other investment/assets	10.2	595,259	5,416,692



Schedule – B

[Rule 3]

Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019
Uniform Components of Financial Reporting and Disclosures

Name of the Intermediary : BRAC EPL Stock Brokerage Limited		Note ref.	As on the date :	
Area of Operation: Stock Broker	Assets		31 Dec 2022 Amount as in Balance Sheet	31 Dec 2021 Amount as in Balance Sheet
Item				
9. Proprietary position in Derivatives				
10. Other assets arising from:				
	Receivable against Advisory Fees, Commission, etc.		13,902,653	12,058,002
	Prepaid expenses	13	573,527	809,221
	Security deposits	13	4,153,407	4,153,407
	Dividend Receivable		-	-
	Interest Receivable	14	1,868,938	1,359,291
	Any other (need to specify)		7,306,781	5,736,083
11. Advance /Investments in Associated undertakings (long term):			34,848,485	15,864,360
	Advance to Subsidiaries			
	Advance to Associated Companies			
	Advance to Directors			
	Advance to Staffs	13	13,383,387	10,346,334
	Other Advances	13	21,465,098	5,518,026
12. Fixed assets (net off Depreciation & amortization):			32,423,698	21,627,263
	Land & Land Development		-	-
	Building & Other structures	5	7,905,867	8,115,327
	Other tangible assets	5	24,517,831	13,511,936
13. Intangible Assets:			76,933,527	69,671,955
	Software	6	1,419,361	765,648
	Goodwill, Patents and other Intangible Assets	7	75,514,166	68,906,307
14. Value of investment in Exchange (against Membership value)			96,986,595	96,986,595
15. Other Long Term Assets:			12,705,938	9,252,825
	Long Term Investments		-	-
	Long Term Prepayments & Deposits		-	-
	Deferred Tax Assets	9	12,705,938	9,252,825.00
	Others (clearly specified in notes)		-	-
16. Total assets (aggregate of amount in items 1 to 15)			2,183,721,797	2,425,557,130



Schedule – B
[rule 3]

Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019
Uniform Components of Financial Reporting and Disclosures

Name of the Intermediary : BRAC EPL Stock Brokerage Limited		Note ref.	As on the date :	
Area of Operation: Stock Broker			31 Dec 2022 Amount as in Balance Sheet	31 Dec 2021 Amount as in Balance Sheet
Item	Assets			
	Liabilities			
17. Short positions in securities held for own account				
18. Payable to Clients		20.1	560,452,755	779,716,997
19. Short Term Business Liabilities:				
	Payable to Banks, if not for trading & investment (current portion of long term liabilities)		-	-
	Payable to FIs, if not for trading & Investment (current portion of long term liabilities)		-	-
	Payable to Banks & FIs for loan against Margin Financing & Investment (full amount)		-	-
	Payment obligation against sub-debt, preference shares (current portion)		-	-
	Payable to associate companies or persons		-	-
20. Amounts payable to clearing houses/Exchanges/Depository, etc.				
	Payable to Exchanges	20.2	1,138,641	60,635,271
	Payable to Clearing House		701,139	59,583,322
	Payable to Depository	22	437,502	1,051,949
	Payable to Brokers		-	-
21. Other Liabilities and Provisions:				
	Accruals & Accounts payable		165,041,531	205,423,090
	Deferred tax and other deferred liabilities		-	27,120,000
	Provision for Margin Loan	21	4,300,985	-
	Provision for Gratuity, PF & others		-	-
	Provision for Tax & VAT	23	18,767,468	34,013,711
	Interest Suspense against Margin Loan		-	-
	Liabilities for Expenses	22	38,047,817	57,728,186
	Interest Payable	20	21,811,628	15,124,395
	Provision for contingent liabilities and floating losses		-	-
	Others (clearly specified in notes)	19	82,113,633	71,436,798



Schedule – B
[rule 3]

Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019
Uniform Components of Financial Reporting and Disclosures

Name of the Intermediary : BRAC EPL Stock Brokerage Limited		Note ref.	As on the date :	
Area of Operation: Stock Broker	Assets		31 Dec 2022 Amount as in Balance Sheet	31 Dec 2021 Amount as in Balance Sheet
Item				
22. Any others (need to be specified)			-	-
23. Non-current Loan Liabilities			-	-
Long term loan liabilities (other than current portion amount)				
Approved subordinated debt (other than current portion amount)				
Approved Redeemable preference shares (other than current portion amount)				
24. Shareholders' Equity:			1,457,088,870	1,379,781,772
Share Capital		16	1,009,373,500	841,144,600
Share Premium			-	-
General Reserve			-	-
Capital Reserve		18	25,792,593	-
Dividend Equalization Reserve			-	-
Revaluation Reserve		17	87,688,970	87,688,970
Revaluation Reserve on fixed Assets (Property, plant & equipment other than Intangible assets)			-	-
Adjustment for diminution in value of portfolio holdings			-	-
(i) investment in listed securities			-	-
(ii) investment in non-listed securities (other than closed end mutual fund)			-	-
(iii) investment in strategic holding			-	-
Other Reserves			-	-
Retained Earnings			334,233,807	450,948,202
25. Total liabilities & Shareholders' Equity (aggregate of amount in items 17 to 24)			2,183,721,797	2,425,557,130



BRAC EPL Stock Brokerage Limited

Schedule-C

Part A

[rule 2(1)(j)(ii); rule 4(1)(b); rule 5(2)]

Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019

Statement of Total Capital Computation

Sl.	Components	As on the date : 31 Dec 2022			
		B/S Amount	Haircut	Eligible Amount	Sum
a.	Paid-up-capital	1,009,373,500	-	1,009,373,500	
b.	Share Premium	-	-	-	
c.	General reserve	-	-	-	
d.	Capital Reserve	25,792,593	-	25,792,593	
e.	Retained Earnings	334,233,807	-	334,233,807	
	Sum of core capital	-	-	-	1,369,399,900
f.	General Provision	-	20%	-	
g.	Specific Provision	4,300,985	30%	3,010,690	
h.	Revaluation Surplus or unrealized gain on:				
i.	fixed Assets (Property, plant & equipment other than Intangible assets)	-	30%	-	
ii.	investment in listed securities	-	20%	-	
iii.	investment in non-listed securities (other than closed end mutual fund)	-	35%	-	
iv.	investment in strategic holding	-	25%	-	
i.	Preference Share	-	25%	-	
j.	Subordinated debt (20% total issued value)	-	80%	-	
	Sum of supplementary capital	-	-	-	3,010,690
	Total Capital	1,373,700,885		1,372,410,590	1,372,410,590



BRAC EPL Stock Brokerage Limited

Schedule-D

Part A

[rule 4(4)]

Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019
Statement of Total Risk Requirement Computation

Area of Risk	Computational Formula	Note ref.	As on the date : 31 Dec 2022			
			Amount	Risk Factor %	Risk Factor Amount	Applicable for Registered Entity
Operation Risk Requirement (ORR)	[Based on Average Annual Gross Income (see clause (b) of sub-rule (7.1) of rule 7)]					
	Annual Gross Income		393,624,861	5%	19,681,243	
	Operation Risk Requirement (ORR) based on the following:		1,000,000		19,681,243	
	(i) 5% of its average annual gross income					
Position Risk Requirement (PRR)	(ii) Tk. 1,000,000; whichever is higher;					
	i. Proprietary positions in Equity securities:	10				All
	Value of "A" category securities		354,601,647	10%	35,460,165	
	Value of "B/G/N/" category securities		31,732,239	12%	3,807,869	
	Value of "Z" category instruments		-	15%	-	
	Value of "OTC" category instruments		-	20%	-	
	Value of non-listed instruments		-	25%	-	
	ii. Proprietary positions in MFs & CISs:	10				All
	Value of listed funds		-	10%	-	
	Value of non-listed funds		15,544,218	3%	466,327	
	Value of AIFs		-	25%	-	
	iii. Proprietary positions in Debt Instruments & ABSs:	10				All
	Value of listed debt instruments		7,000,500	5%	350,025	
	Value of non-listed debt instruments		-	10%	-	
	Value of ABSs		-	10%	-	
	iv. Proprietary Position in strategic investments:	10				All
	Value of listed strategic investments		36,042,504	10%	3,604,250	
	Value of non-listed strategic investments		-	25%	-	
	v. Proprietary Position in money market Instruments:					All
	Value of Government securities/ instruments		-	-	-	
	Value of commercial paper		-	10%	-	



Schedule-D
Part A

[Rule 4(4)]

Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019
Statement of Total Risk Requirement Computation

Area of Risk	Computational Formula	Note ref.	As on the date : 31 Dec 2022			
			Amount	Risk Factor %	Risk Factor Amount	Applicable for Registered Entity
Counterparty Risk Requirement (CPRR)						
	i. Exposure of Credit Facilities to Clients	12.1	430,098,513	8%	34,407,881	Stock Broker, Portfolio Manager
	ii. Exposure of Guarantee Provided to Counterparty			2%	-	All
Underwriting Risk Requirement (URR)	Sum of Underwriting Commitment against the followings:					Merchant Banker
	i. Public Issue of Equity Instruments (IPO)			10%	-	
	ii. Public Issue of Equity Instruments (Right Issue)			15%	-	
	iii. Public Issue of Debt Instruments			15%	-	
Large Exposure Risk Requirement (LERR)	Sum of Large Exposures against the followings:					All
	Sum of all Large Exposure to a Single Client or Counterparty		77,679,421	7%	5,437,559	
	Sum of all Large Exposure to Single Equity Instruments		61,134,554	10%	6,113,455	
	Sum of all Large Exposure to Debt Instruments		-	3%	-	
Liability Risk Requirement (LRR)						
	i. Exposure of Asset under Management (AUM)			1%	-	Asset Manager (AM)
	ii. Exposure of Fund under Management (FUM)			1%	-	Fund Manager (FM)
	iii. Exposure of Institutional Fund under Management (IFUM)			0.25%	-	Asset Mgr, Merchant Banker & Portfolio Mgr
	iv. Annual Revenue Reported in last year		257,925,931	0.20%	515,852	Credit rating Company, Stock Broker & Stock Dealer, Merchant Banker and Portfolio Manager
Total Risk Requirement (TRR)					109,844,626	
Total Capital (TC)					1,372,410,590	
Capital Adequacy Ratio (CAR)					1249%	

