

BRAC Bank Limited

**Condensed Interim Financial Statements
as at and for the half year ended 30 June 2022**

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

Particulars	Note	30 June 2022 Taka	31 December 2021 Taka
PROPERTY AND ASSETS			
Cash	3	22,667,453,725	23,459,424,430
Cash in hand (Including foreign currency)		7,814,777,800	9,207,161,626
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		14,852,675,925	14,252,262,804
Balance with other banks and financial institutions	4	55,562,604,996	78,261,312,910
Inside Bangladesh		52,498,358,501	70,561,465,538
Outside Bangladesh		3,064,246,495	7,699,847,372
Money at call and short notice		5,267,250,000	3,500,000,000
Investments	5	100,248,061,403	70,068,593,304
Government		90,747,125,629	60,998,642,835
Others		9,500,935,774	9,069,950,469
Loans and advances	6	373,525,551,560	322,135,188,439
Loans, cash credit, overdrafts etc.		201,727,327,339	169,128,372,833
Small and medium enterprises		169,393,557,853	150,749,009,625
Bills purchased and discounted		2,404,666,368	2,257,805,981
Fixed assets including premises, furniture and fixture	7	13,128,645,743	12,834,169,424
Other assets	8	20,585,373,709	16,222,224,464
Non-banking assets		4,541,700	4,541,700
Goodwill		1,372,563,393	1,427,468,911
Total property and assets		592,362,046,229	527,912,923,582
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	9	29,940,517,518	24,150,953,707
Borrowings from central bank & government agencies	10	30,461,583,860	23,175,903,824
Money at call and short notice		467,250,000	-
Deposits and other accounts	11	415,038,049,898	364,337,612,226
Current accounts and other accounts		181,279,377,798	164,425,455,280
Bills payable		2,343,174,115	2,367,889,416
Savings deposits		69,938,900,166	68,334,576,200
Fixed deposits		159,587,121,751	127,956,809,129
Other deposits		1,889,476,068	1,252,882,201
Other liabilities	12	39,337,015,491	39,300,363,327
Total liabilities		515,244,416,767	450,964,833,084
Capital and shareholders' equity			
Paid up share capital	13	14,965,853,280	13,921,723,990
Share premium	14	3,853,767,032	3,853,767,032
Statutory reserve		10,091,170,292	10,067,956,958
Dividend equalization fund		355,218,455	355,218,455
Revaluation reserve on govt. securities		1,673,663,125	2,490,292,927
Fair value reserve		78,920,073	78,920,073
Translation reserve	16	166,534,722	16,632,383
Surplus in profit and loss account/Retained earnings	17	26,464,396,786	26,402,962,532
Total shareholders' equity		57,649,523,765	57,187,474,350
Non controlling interest	18	19,468,105,697	19,760,616,148
Total equity		77,117,629,462	76,948,090,498
Total liabilities and shareholders' equity		592,362,046,229	527,912,923,582

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

Particulars	Note	30 June 2022 Taka	31 December 2021 Taka
Off Balance Sheet Items			
Contingent liabilities			
Acceptances and endorsements		77,000,464,553	50,478,536,940
Irrevocable letter of credits		41,857,097,494	26,598,203,443
Letter of guarantees		13,581,919,632	11,793,414,671
Bills for collection		17,590,705,217	16,438,866,245
		<u>150,030,186,896</u>	<u>105,309,021,299</u>
Other commitments			
Swap deals with banks and customers		30,733,368,010	20,452,606,603
Spot and forward deals with banks and customers		14,826,479,695	18,161,597,791
		<u>45,559,847,705</u>	<u>38,614,204,394</u>
Total Off-Balance sheet items including contingent liabilities		<u>195,590,034,601</u>	<u>143,923,225,693</u>
Net Assets Value (NAV) Per Share	34	<u>38.52</u>	<u>38.21</u>

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



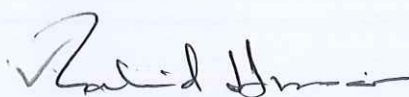
Chief Financial Officer



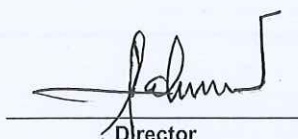
Acting Company Secretary



Managing Director and CEO



Director



Director



Chairman


Date: 28 July 2022

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Profit and Loss Account (Unaudited)
For the half year ended 30 June 2022

Particulars	Note	Quarter ended Apr to Jun 2022 Taka	Quarter ended Apr to Jun 2021 Taka	Cumulative Jan to Jun 2022 Taka	Cumulative Jan to Jun 2021 Taka
Interest income	19	7,579,646,053	5,965,549,410	14,614,863,412	11,724,156,922
Interest paid on deposits and borrowing etc.	20	2,942,344,477	1,803,630,136	5,428,275,999	4,052,298,902
Net interest income		4,637,301,576	4,161,919,274	9,186,587,413	7,671,858,020
Investment income	21	1,398,880,218	1,883,156,404	3,096,876,911	4,331,447,367
Commission, exchange and brokerage	22	2,935,518,577	1,631,631,200	5,127,247,800	3,649,687,332
Other operating income	23	64,838,184	28,916,554	103,062,594	104,748,401
Total operating income		9,036,538,555	7,705,623,432	17,513,774,718	15,757,741,120
Salaries and allowances		3,093,962,281	2,552,089,233	5,953,909,100	4,940,369,249
Rent, taxes, insurance, electricity etc.	24	178,626,783	162,948,362	329,135,342	306,296,458
Legal expenses		10,757,775	16,038,533	37,130,766	20,882,654
Postage, stamps, telecommunication etc.	25	101,704,024	72,354,863	202,298,535	149,689,137
Stationery, printing, advertisement etc.	26	811,451,995	527,170,937	1,614,366,412	1,184,787,725
Chief Executive's salary and fees	27	6,045,000	4,575,000	10,672,500	8,100,000
Directors' fees and expenses		1,122,103	1,096,579	2,080,551	2,480,768
Auditors' fee		1,618,086	1,276,895	2,669,245	2,454,041
Impairment of goodwill	28	-	-	54,905,518	-
Depreciation and repairs to bank's assets	29	1,327,541,171	1,111,570,595	2,587,743,262	2,173,247,643
Other expenses	30	1,033,526,831	770,993,781	1,941,972,227	1,629,018,033
Total operating expenses		6,566,356,049	5,220,114,778	12,736,883,458	10,417,325,708
Operating profit		2,470,182,506	2,485,508,654	4,776,891,260	5,340,415,412
Share of profit/(loss) of associates	31	(2,597,855)	-	(6,345,977)	-
Gain/(loss) on disposal of associate		-	-	-	-
Profit/(loss) before provisions		2,467,584,651	2,485,508,654	4,770,545,283	5,340,415,412
Provision for:					
Loans and advances		568,605,498	874,584,308	1,085,348,926	1,862,805,978
Diminution in value of investments		8,900,000	(1,000,000)	7,900,000	(2,000,000)
Off balance sheet items		121,155,939	48,000,000	217,155,939	138,000,000
Others		26,884,285	6,068,315	26,884,285	8,944,422
Total provision	32	725,545,722	927,652,623	1,337,289,150	2,007,750,400
Profit/(loss) before taxes		1,742,038,929	1,557,856,031	3,433,256,133	3,332,665,012
Provision for Tax:					
Current tax expense		804,289,377	664,993,944	1,940,327,632	1,970,857,587
Deferred tax expense/(income)		(1,323,073)	(168,801,917)	(413,073,196)	(793,563,049)
Total provision for Tax	33	802,966,304	496,192,027	1,527,254,436	1,177,294,538
Total profit/(loss) after taxes		939,072,625	1,061,664,004	1,906,001,697	2,155,370,474
Attributable to:					
Equity holders of BRAC Bank Ltd.		1,040,638,841	1,340,396,441	2,198,279,644	2,574,886,860
Non controlling interest		(101,566,216)	(278,732,437)	(292,277,947)	(419,516,386)
		939,072,625	1,061,664,004	1,906,001,697	2,155,370,474
Retained earnings brought forward from previous period/year		26,503,081,791	17,543,402,198	26,402,962,532	16,368,391,545
Net profit attributable to the equity holders of the Bank		1,040,638,841	1,340,396,441	2,198,279,644	2,574,886,860
Profit available for appropriation		27,543,720,632	18,883,798,639	28,601,242,176	18,943,278,405
Appropriations:					
Statutory reserve		23,213,334	-	23,213,334	-
General reserve		-	-	-	-
Dividend		1,044,129,299	1,988,817,706	2,088,258,589	1,988,817,706
Start-up Fund		11,981,213	14,388,943	25,373,467	73,868,709
Dividend equalization fund		-	-	-	-
		1,079,323,846	2,003,206,649	2,136,845,390	2,062,686,415
Retained surplus		26,464,396,786	16,880,591,990	26,464,396,786	16,880,591,990
Earnings Per Share (EPS)	35	0.70	0.90	1.47	1.72


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

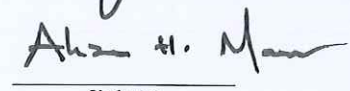

Chief Financial Officer


Acting Company Secretary


Managing Director and CEO


Director


Director


Chairman

Date: 28 July 2022

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Statement of Changes in Equity (Unaudited)
As at 30 June 2022

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Fair value reserve	Translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2022	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	78,920,073	16,632,383	26,402,962,532	19,760,616,148	76,948,090,498
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(816,629,802)	-	-	-	-	(816,629,802)
Changes in translation reserve (Note-16)	-	-	-	-	-	-	149,902,339	-	(232,504)	149,669,835
Sub-total	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	1,673,663,125	78,920,073	166,534,722	26,402,962,532	19,760,383,644	76,281,130,531
Net profit for the period	-	-	-	-	-	-	-	2,198,279,644	(292,277,947)	1,906,001,697
Dividend for the year 2021:										
Stock dividend	1,044,129,290	-	-	-	-	-	-	(1,044,129,290)	-	-
Cash dividend	-	-	-	-	-	-	-	(1,044,129,299)	-	(1,044,129,299)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	(25,373,467)	-	(25,373,467)
Statutory reserve	-	-	23,213,334	-	-	-	-	(23,213,334)	-	-
Balance as at 30 June 2022	14,965,853,280	3,853,767,032	10,091,170,292	355,218,455	1,673,663,125	78,920,073	166,534,722	26,464,396,786	19,468,105,697	77,117,629,462
Balance as at 31 December 2021	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	78,920,073	16,632,383	26,402,962,532	19,760,616,148	76,948,090,498
Balance as at 30 June 2021	13,921,723,990	3,853,767,032	9,405,017,728	355,218,455	3,410,507,187	78,920,073	(9,184,459)	16,880,591,950	5,229,189,548	53,125,751,544

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Cash Flow Statement (Unaudited)
For the half year ended 30 June 2022

Particulars	Note	Jan to Jun 2022 Taka	Jan to Jun 2021 Taka
A. Cash flows from operating activities			
Interest receipts		16,565,766,809	15,794,712,801
Interest payment		(4,125,392,130)	(5,048,792,473)
Dividend receipts		176,422,453	136,861,036
Fees and commission receipts		21,169,753,960	17,547,361,455
Recovery on loans previously written off		386,974,068	306,629,639
Cash payments to employees		(5,895,966,724)	(5,041,832,573)
Cash payments to suppliers		(19,784,452,263)	(14,917,359,906)
Income tax paid		(5,429,548,689)	(3,644,049,282)
Receipts from other operating activities		515,007,731	709,746,859
Payment for other operating activities		(2,118,514,806)	(2,011,330,768)
Operating cash flow before changes in operating assets and liabilities (i)		1,460,050,409	3,831,946,788
Increase/decrease in operating assets & liabilities			
Loans and advances		(51,729,142,847)	(9,040,232,232)
Other assets		28,549,552	20,775,203
Borrowings from other banks and financial institutions		13,665,847,464	6,031,681,258
Deposits from customers		49,522,843,633	3,528,320,997
Other liabilities		(1,068,058,560)	253,276,358
Cash utilized in operating assets and liabilities (ii)		10,420,039,242	793,821,584
Net cash (used)/flows from operating activities (i+ii) (a)		11,880,089,651	4,625,768,372
B. Cash flows from investing activities			
Treasury bills		(981,543,085)	9,025,181,066
Bangladesh Bank Bills		-	-
Treasury bonds		(29,583,569,510)	7,229,778,384
Sale/ (Investment) in shares		(637,174,488)	(120,711,670)
Investment in bonds		150,000,000	512,282,917
Acquisition of fixed assets		(1,787,249,218)	(1,281,771,491)
Disposal of fixed assets		8,746,094	59,252,543
Net cash used in investing activities (b)		(32,830,790,207)	15,424,011,749
C. Cash flows from financing activities			
Dividend paid		(1,039,889,615)	(1,138,875,768)
Net cash flows from financing activities (c)		(1,039,889,615)	(1,138,875,768)
Net increase/decrease in cash (a+b+c)		(21,990,590,171)	18,910,904,353
Cash and cash equivalents at beginning of the year		105,222,018,140	62,639,236,011
Effect of exchange rate changes on cash and cash equivalent		267,164,852	73,286,918
Cash and cash equivalents at end of the year		83,498,592,821	81,623,427,282
Cash and cash equivalents at end of the year:			
Cash in hand (including foreign currency)		7,814,777,800	6,559,254,005
Balance with Bangladesh Bank and its agents bank(s)		14,852,675,925	11,438,873,036
Balance with other banks and financial institutions		55,562,604,996	63,199,655,941
Money at call and short notice		5,267,250,000	424,168,000
Prize bond		1,284,100	1,476,300
		83,498,592,821	81,623,427,282
Net Operating Cash Flow Per Share (NOCFPS)	36	7.94	3.09

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

Particulars	Note	30 June 2022 Taka	31 December 2021 Taka
PROPERTY AND ASSETS			
Cash	3	21,646,140,848	22,676,943,467
Cash in hand (Including foreign currency)		6,793,464,923	8,424,680,663
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		14,852,675,925	14,252,262,804
Balance with other banks and financial institutions	4	11,793,306,339	19,880,951,145
Inside Bangladesh		8,763,908,556	12,261,365,946
Outside Bangladesh		3,029,397,783	7,619,585,199
Money at call and short notice		5,267,250,000	3,500,000,000
Investments	5	57,203,962,979	51,590,814,842
Government		49,330,833,623	44,051,798,178
Others		7,873,129,356	7,539,016,664
Loans and advances	6	372,382,783,555	321,212,230,987
Loans, cash credit, overdrafts etc.		200,584,559,334	168,205,415,381
Small and medium enterprises		169,393,557,853	150,749,009,625
Bills purchased and discounted		2,404,666,368	2,257,805,981
Fixed assets including premises, furniture and fixture	7	7,629,896,492	7,454,867,399
Other assets	8	23,154,243,397	22,763,775,341
Non-banking assets		4,541,700	4,541,700
Total property and assets		499,082,125,310	449,084,124,881
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	9	29,825,440,897	24,134,564,025
Borrowings from central bank & government agencies	10	30,461,583,860	23,175,903,824
Money at call and short notice		467,250,000	-
Deposits and other accounts	11	350,466,041,442	314,598,626,264
Current accounts and other accounts		109,488,511,903	109,470,657,298
Bills payable		2,343,174,115	2,367,889,416
Savings deposits		69,938,900,166	68,334,576,200
Fixed deposits		166,805,979,190	133,172,621,149
Other deposits		1,889,476,068	1,252,882,201
Other liabilities	12	32,843,756,573	32,755,559,637
Total liabilities		444,064,072,772	394,664,653,750
Capital and shareholders' equity			
Paid up share capital	13	14,965,853,280	13,921,723,990
Share premium	14	3,853,767,032	3,853,767,032
Statutory reserve		10,067,956,958	10,067,956,958
Dividend equalization fund		355,218,455	355,218,455
Revaluation reserve on govt. securities		1,673,663,125	2,490,292,927
Fair value gain/(loss) on equity investment	15	7,181,687,980	7,384,920,564
Translation reserve	16	166,329,503	15,729,653
Surplus in profit and loss account/Retained earnings	17	16,753,576,205	16,329,861,552
Total shareholders' equity		55,018,052,538	54,419,471,131
Total liabilities and shareholders' equity		499,082,125,310	449,084,124,881

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

Particulars	Note	30 June 2022 Taka	31 December 2021 Taka
Off Balance Sheet Items			
Contingent liabilities			
Acceptances and endorsements		77,000,464,553	50,478,536,940
Irrevocable letter of credits		41,857,097,494	26,598,203,443
Letter of guarantees		13,581,919,632	11,793,414,671
Bills for collection		17,590,705,217	16,438,866,245
		150,030,186,896	105,309,021,299
Other Commitments			
Swap deals with banks and customers		30,733,368,010	20,452,606,603
Spot and forward deals with banks and customers		14,826,479,695	18,161,597,791
		45,559,847,705	38,614,204,394
Total Off-Balance sheet items including contingent liabilities		195,590,034,601	143,923,225,693
Net Assets Value (NAV) Per Share	34	36.76	36.36

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Chief Financial Officer



Acting Company Secretary



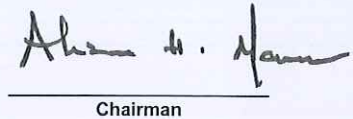
Managing Director and CEO



Director



Director



Chairman

Date: 28 July 2022

BRAC BANK LIMITED
Condensed Profit and Loss Account (Unaudited)
For the half year ended 30 June 2022

Particulars	Note	Quarter ended Apr to Jun 2022 Taka	Quarter ended Apr to Jun 2021 Taka	Cumulative Jan to Jun 2022 Taka	Cumulative Jan to Jun 2021 Taka
Interest income	19	6,720,601,400	5,504,574,708	12,903,836,881	10,818,611,227
Interest paid on deposits and borrowing etc.	20	3,002,838,722	1,819,113,141	5,486,770,995	3,984,897,849
Net interest income		3,717,762,678	3,685,461,567	7,417,065,886	6,833,713,378
Investment income	21	1,042,587,670	1,482,774,804	2,444,467,004	3,576,858,765
Commission, exchange and brokerage	22	1,513,500,265	741,260,013	2,562,927,664	1,478,594,042
Other operating income	23	54,842,817	19,736,177	89,671,221	86,412,107
Total operating income		6,328,693,430	5,929,232,561	12,514,131,775	11,975,578,292
Salaries and allowances		2,025,605,182	1,642,847,838	3,941,933,028	3,234,570,744
Rent, taxes, insurance, electricity etc.	24	125,950,310	118,722,395	239,570,054	232,811,433
Legal expenses		4,312,458	6,239,672	12,119,745	10,383,311
Postage, stamps, telecommunication etc.	25	77,567,998	48,641,652	150,216,820	102,115,032
Stationery, printing, advertisement etc.	26	116,444,905	36,281,471	212,108,748	96,335,393
Chief Executive's salary and fees	27	6,045,000	4,575,000	10,672,500	8,100,000
Directors' fees and expenses		686,400	589,600	1,240,800	1,240,800
Auditors' fee		460,000	483,000	920,000	966,000
Depreciation and repairs to bank's assets	29	561,859,329	553,820,391	1,102,013,263	1,094,383,879
Other expenses	30	857,704,706	615,631,359	1,621,419,360	1,270,695,973
Total operating expenses		3,776,636,288	3,027,832,378	7,292,214,318	6,051,602,565
Profit/(loss) before provisions		2,552,057,142	2,901,400,182	5,221,917,457	5,923,975,727
Provision for:					
Loans and advances		568,605,498	874,584,308	1,085,348,926	1,862,805,978
Diminution in value of investments		8,900,000	(1,000,000)	7,900,000	(2,000,000)
Off balance sheet items		121,155,939	48,000,000	217,155,939	138,000,000
Others		22,664,199	5,000,000	22,664,199	6,822,665
Total provision	32	721,325,636	926,584,308	1,333,069,064	2,005,628,643
Profit/(loss) before taxes		1,830,731,506	1,974,815,874	3,888,848,393	3,918,347,084
Provision for Tax:					
Current tax expense		730,166,716	573,441,703	1,770,339,523	1,786,065,679
Deferred tax expense/(income)		(97,556,542)	(37,520,102)	(418,837,839)	(713,757,536)
Total provision for Tax	33	632,610,174	535,921,601	1,351,501,684	1,072,308,143
Total profit/(loss) after taxes		1,198,121,332	1,438,894,273	2,537,346,709	2,846,038,941
Retained earnings brought forward from previous period/year		16,611,565,385	15,027,920,429	16,329,861,552	13,680,255,527
Profit available for appropriation		17,809,686,717	16,466,814,702	18,867,208,261	16,526,294,468
Appropriations:					
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Dividend		1,044,129,299	1,988,817,706	2,088,258,589	1,988,817,706
Start-up Fund		11,981,213	14,388,943	25,373,467	73,868,709
Dividend equalization fund		-	-	-	-
		1,056,110,512	2,003,206,649	2,113,632,056	2,062,686,415
Retained surplus		16,753,576,205	14,463,608,053	16,753,576,205	14,463,608,053
Earnings Per Share (EPS)	35	0.80	0.96	1.70	1.90

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


Chief Financial Officer


Acting Company Secretary


Managing Director and CEO


Director


Director


Chairman

Date: 28 July 2022

BRAC Bank Limited
Condensed Statement of Changes in Equity (Unaudited)
As at 30 June 2022

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Fair value gain/(loss) on equity investment	Translation reserve	Retained earnings	Total
Balance as at 01 January 2022	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	7,384,920,564	15,729,653	16,329,861,552	54,419,471,131
Surplus/deficit on account of revaluation of investments	-	-	-	-	(816,629,802)	-	-	-	(816,629,802)
Changes in fair value gain/ (loss) on equity investment	-	-	-	-	-	(203,232,584)	-	-	(203,232,584)
Changes in translation reserve (Note-16)	-	-	-	-	-	-	150,599,850	-	150,599,850
Sub-total	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	1,673,663,125	7,181,687,980	166,329,503	16,329,861,552	53,550,208,595
Net profit for the period	-	-	-	-	-	-	-	2,537,346,709	2,537,346,709
Dividend for the year 2021:									
Stock dividend	1,044,129,290	-	-	-	-	-	-	(1,044,129,290)	-
Cash dividend	-	-	-	-	-	-	-	(1,044,129,299)	(1,044,129,299)
Dividend equalization fund	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	(25,373,467)	(25,373,467)
Statutory reserve	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2022	14,965,853,280	3,853,767,032	10,067,956,958	355,218,455	1,673,663,125	7,181,687,980	166,329,503	16,753,576,205	55,018,052,538
Balance as at 31 December 2021	13,921,723,990	3,853,767,032	10,067,956,958	355,218,455	2,490,292,927	7,384,920,564	15,729,653	16,329,861,552	54,419,471,131
Balance as at 30 June 2021	13,921,723,990	3,853,767,032	9,405,017,728	355,218,455	3,410,507,187	887,054,957	(11,192,827)	14,463,608,053	46,285,704,575

BRAC Bank Limited
Condensed Cash Flow Statement (Unaudited)
For the half year ended 30 June 2022

Particulars	Note	Jan to Jun 2022 Taka	Jan to Jun 2021 Taka
A. Cash flows from operating activities			
Interest receipts		14,509,378,945	13,923,978,043
Interest payment		(4,157,568,448)	(5,103,837,456)
Dividend receipts		130,949,148	104,069,073
Fees and commission receipts		2,562,927,664	1,478,594,042
Recovery on loans previously written off		386,974,068	306,629,638
Cash payments to employees		(4,031,407,406)	(3,387,735,183)
Cash payments to suppliers		(353,322,469)	(216,876,295)
Income tax paid		(2,665,315,096)	(1,382,916,570)
Receipts from other operating activities		568,234,121	889,355,406
Payment for other operating activities		(1,946,999,087)	(1,647,502,714)
Operating Cash flow before changes in operating assets and liabilities (i)		5,003,851,440	4,963,757,984
Increase/decrease in operating assets & liabilities			
Loans and advances		(51,171,419,869)	(9,378,058,428)
Other assets		4,423,870	(215,547,498)
Borrowings from other banks and financial institutions		13,443,806,907	6,807,878,197
Deposits from customers		34,693,478,010	(11,143,257,385)
Other liabilities		(1,100,330,678)	604,830,274
Cash utilized in operating assets and liabilities (ii)		(4,130,041,760)	(13,324,154,840)
Net cash (used)/flows from operating activities (i+ii) (a)		873,809,680	(8,360,396,856)
B. Cash flows from investing activities			
Treasury bills		(2,460,006,283)	250,000,000
Bangladesh Bank Bills		-	-
Treasury bonds		(3,635,658,963)	7,790,522,451
Sale/ (Investment) in shares		(484,112,692)	(673,864,866)
Investment in bonds		150,000,000	512,282,917
Acquisition of fixed assets		(1,035,718,491)	(485,852,289)
Disposal of fixed assets		8,741,460	59,246,063
Net cash used in investing activities (b)		(7,456,754,969)	7,452,334,276
C. Cash flows from financing activities			
Cash dividend paid		(1,039,889,615)	(1,138,875,768)
Net cash flows from financing activities (c)		(1,039,889,615)	(1,138,875,768)
Net increase/decrease in cash (a+b+c)		(7,622,834,904)	(2,046,938,348)
Cash and cash equivalents at beginning of year		46,059,175,412	33,603,286,202
Effect of exchange rate changes on cash and cash equivalent		271,640,779	54,116,064
Cash and cash equivalents at end of the year		38,707,981,287	31,610,463,918
Cash in hand (including foreign currency)		6,793,464,923	5,825,740,226
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		14,852,675,925	11,438,873,037
Balance with other banks and financial institutions		11,793,306,339	13,920,206,355
Money at call and short notice		5,267,250,000	424,168,000
Prize bond		1,284,100	1,476,300
		38,707,981,287	31,610,463,918
Net Operating Cash Flow Per Share (NOCFPS)	36	0.58	(5.59)

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

Notes to the financial statements as at and for the half year ended 30 June 2022

1.1 BRAC Bank Limited

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

1.1.1 Principal Activities and nature of operations of BRAC Bank Limited

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

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

1.1.2 Off-shore Banking Unit (OBU)

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

1.1.3 Custodian Service

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

1.2 Subsidiaries and associates of BRAC Bank Limited

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

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

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

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

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

2. Basis of preparation of financial statements

2.1 Consolidated and separate financial statements

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

2.1.1 Statement of compliance and basis of preparation

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

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

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

2.1.2 Compliance with International Financial Reporting Standards (IFRSs)

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

2.1.3 Going concern

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

2.1.4 Use of estimates and judgments

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

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

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

2.1.5 Materiality and aggregation

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

2.1.6 Comparative information

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

2.2 Basis of consolidation

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

2.3 Foreign currency transactions and operations

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

2.4 Accounting for provisions, contingent liabilities and contingent assets

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

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

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

2.5 Derivative financial instruments

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

2.6 Reporting period

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

2.7 Significant Accounting Policies

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

2.7.1 Cash and cash equivalents

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

2.7.2 Investments (categorized and reported as per Bangladesh Bank)

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

Held To Maturity (HTM)

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

Held For Trading (HFT)

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

Revaluation HTM and HFT securities

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

Investment in quoted securities

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

Investment in unquoted securities

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

Investment in subsidiaries and associates in separate financial statements

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

Investment in subsidiaries and associates in consolidated financial statements

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

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

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

2.7.3 Loans and advances

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

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

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

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

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

2.7.4 Impairment of financial assets

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

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

2.7.5 Property, plant and equipment

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

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

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

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

Subsequent costs

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

IFRS 16 "Leases" and its relevant assumptions and disclosures

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

Right-of-use assets

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

Lease liabilities

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

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

Short-term leases and leases of low value assets

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

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

Depreciation

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

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

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

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

Gain or loss on disposal of fixed assets

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

Impairment of property, plant and equipment

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

Capital work-in-progress (CWIP)

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

Intangible assets

Goodwill

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

Software

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

Impairment of intangible assets

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

2.7.6 Deposits and other accounts

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

2.7.7 Revenue and expense recognition

Interest income

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

Interest paid on deposits and borrowings etc.

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

Investment income

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

Commission, exchange and brokerage income

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

Other operating income

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

2.7.8 Provision for taxation

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

Current Tax

Current tax is the expected tax payable on taxable income for the year, based on tax rates and tax laws which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods are recognised as a liability or asset to the extent that it is unpaid or refundable. Provision for current income tax has been made @ 37.5% on the taxable business income, @ 20% on taxable dividend income and @ 10% on realised gain on trading of shares as prescribed in the Finance Act 2021.

Deferred Tax

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

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

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

2.7.9 Earnings Per Share

Basic earnings per share

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

Diluted earnings per share

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

2.8 Disclosure on country risk exposure

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

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

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

2.10 Approval of the financial statements

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

Notes to the financial statements as at and for the half year ended 30 June 2022

Particulars	Note	Consolidated		BRAC Bank Limited	
		In Taka			
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
3 Cash					
Cash in hand (Including foreign currency)	3.1	7,814,777,800	9,207,161,626	6,793,464,923	8,424,680,663
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	14,852,675,925	14,252,262,804	14,852,675,925	14,252,262,804
		<u>22,667,453,725</u>	<u>23,459,424,430</u>	<u>21,646,140,848</u>	<u>22,676,943,467</u>
3.1 Cash in hand (Including foreign currency)					
Local currency		7,784,043,223	9,166,408,109	6,762,730,346	8,383,927,146
Foreign currency		30,734,577	40,753,517	30,734,577	40,753,517
		<u>7,814,777,800</u>	<u>9,207,161,626</u>	<u>6,793,464,923</u>	<u>8,424,680,663</u>
3.2 Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)					
Local currency		13,791,170,182	12,208,257,526	13,791,170,182	12,208,257,526
Foreign currency		734,621,140	961,504,172	734,621,140	961,504,172
		<u>14,525,791,322</u>	<u>13,169,761,698</u>	<u>14,525,791,322</u>	<u>13,169,761,698</u>
Sonali Bank as an agent of Bangladesh Bank (local currency)		326,884,603	1,082,501,106	326,884,603	1,082,501,106
		<u>14,852,675,925</u>	<u>14,252,262,804</u>	<u>14,852,675,925</u>	<u>14,252,262,804</u>
3.3 Cash Reserve Ratio (CRR) (Bank only)					
As per section 33 of Bank Company Act, 1991 (amended up to 2013), MPD circular No. 03 dated 09 April 2020 for Domestic Banking Operation (DBO) & BRPD circular No. 31 dated 18 June 2020 for Offshore Banking Operation (OBO) issued by Bangladesh Bank, BRAC Bank Limited has been maintaining 3.5% & 1.5% CRR on daily basis and 4.0% & 2.0% on bi-weekly basis for DBO & OBO respectively. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of June 2022 is maintained on the basis of weekly ATDTL of April 2022), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.					
Daily basis					
Reserves maintained by the bank as at 30 June are as follows:					
Average total demand and time liabilities of April 2022 and October 2021					
DBU				335,220,885,791	280,299,190,703
OBU				27,724,199,117	16,755,464,795
				<u>362,945,084,908</u>	<u>297,054,655,498</u>
Required reserve					
DBU (June 2022: 3.5% and 2021: 3.5%)				11,732,731,003	9,810,471,675
OBU (June 2022: 1.5% and 2021: 1.5%)				415,862,987	251,331,972
				<u>12,148,593,989</u>	<u>10,061,803,647</u>
Actual reserve maintained as per Bangladesh Bank statement					
Surplus				13,678,283,281	12,027,375,845
				<u>1,529,689,292</u>	<u>1,965,572,198</u>
Bi-weekly basis					
The Bank maintained excess cash reserve of Tk. 8,197,439,748 against minimum requirement of 4.0% & 2.0% (of ATDTL) for DBO & OBO on bi-weekly basis which is the summation of excess cash reserve maintained over required in the last fortnight (bi-week) of 30 June 2022.					
3.4 Statutory Liquidity Ratio (SLR)					
As per section 33 of the Bank Company Act 1991 (amended up to 2013) & MPD circular no. 2 dated 10 December 2013 issued by Bangladesh Bank (effective from 1 February 2014), BRAC Bank Limited has been maintaining 13% SLR on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of June 2022 is based on weekly ATDTL of April 2022), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.					
Required reserve (13% of ATDTL)					
Actual reserve maintained (June 2022: 15.55%, December 2021: 18.19%)				47,182,861,038	38,617,105,215
Surplus				56,451,156,340	54,038,211,707
				<u>9,268,295,302</u>	<u>15,421,106,492</u>
3.4.1 Actual reserve maintained					
Cash in hand				6,793,464,923	8,424,680,663
Balance with Sonali Bank as per statement				326,857,794	1,081,433,955
Daily Excess Reserve				-	480,298,921
Un-encumbered approved securities (HFT)				19,080,063,919	16,203,146,653
Un-encumbered approved securities (HTM)				30,249,485,604	27,847,370,715
Un-encumbered approved securities (other eligible)				1,284,100	1,280,800
				<u>56,451,156,340</u>	<u>54,038,211,707</u>
4 Balance with other Banks and Financial Institutions					
Inside Bangladesh	4.1	52,498,358,501	70,561,465,538	8,763,908,556	12,261,365,946
Outside Bangladesh	4.2	3,064,246,495	7,699,847,372	3,029,397,783	7,619,585,199
		<u>55,562,604,996</u>	<u>78,261,312,910</u>	<u>11,793,306,339</u>	<u>19,880,951,145</u>
4.1 Balance Inside Bangladesh					
In current deposit accounts with:					
Banks		9,827,895,992	15,137,298,752	113,908,556	121,365,946
Less: Inter unit/company elimination		2,694,800,264	3,578,641,104	-	-
		<u>7,133,095,728</u>	<u>11,558,657,648</u>	<u>113,908,556</u>	<u>121,365,946</u>
In fixed deposit accounts with:					
Banks		47,734,120,212	57,278,619,910	3,800,000,000	5,200,000,000
Non Banking Financial Institutions (NBFIs)		4,850,000,000	6,940,000,000	4,850,000,000	6,940,000,000
		<u>52,584,120,212</u>	<u>64,218,619,910</u>	<u>8,650,000,000</u>	<u>12,140,000,000</u>
Less: Inter unit/company elimination		7,218,857,439	5,215,812,020	-	-
		<u>45,365,262,773</u>	<u>59,002,807,890</u>	<u>8,650,000,000</u>	<u>12,140,000,000</u>
Total		<u>52,498,358,501</u>	<u>70,561,465,538</u>	<u>8,763,908,556</u>	<u>12,261,365,946</u>

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
4.2 Balance outside Bangladesh					
On shore balance		9,606,112,613	13,827,605,643	9,571,263,901	13,747,343,470
Off shore balance		3,162,501,647	5,974,658,657	3,162,501,647	5,974,658,657
		12,768,614,260	19,802,264,300	12,733,765,548	19,722,002,127
Less: On shore to BBL off-shore placement		9,704,367,765	12,102,416,928	9,704,367,765	12,102,416,928
		<u>3,064,246,495</u>	<u>7,699,847,372</u>	<u>3,029,397,783</u>	<u>7,619,585,199</u>
5 Investments					
Government	5.1	90,747,125,629	60,998,642,835	49,330,833,623	44,051,798,178
Others	5.2	9,500,935,774	9,069,950,469	7,873,129,356	7,539,016,664
		<u>100,248,061,403</u>	<u>70,068,593,304</u>	<u>57,203,962,979</u>	<u>51,590,814,842</u>
5.1 Government (investment in Govt. securities)					
Treasury bills		2,639,865,454	1,658,322,369	2,539,930,529	79,924,246
Treasury bonds		88,105,976,075	59,339,039,666	46,789,618,994	43,970,593,132
Prize bonds		1,284,100	1,280,800	1,284,100	1,280,800
		<u>90,747,125,629</u>	<u>60,998,642,835</u>	<u>49,330,833,623</u>	<u>44,051,798,178</u>
5.1.2 BB category wise investment					
Held for trading (HFT)		19,080,063,919	16,203,146,653	19,080,063,919	16,203,146,653
Held to maturity (HTM)		71,665,777,610	44,794,215,382	30,249,485,604	27,847,370,725
Other securities		1,284,100	1,280,800	1,284,100	1,280,800
		<u>90,747,125,629</u>	<u>60,998,642,835</u>	<u>49,330,833,623</u>	<u>44,051,798,178</u>
5.2 Others (investment in other than Govt. securities)					
Corporate bonds- unquoted and quoted		2,740,000,000	2,900,000,000	2,740,000,000	2,890,000,000
Ordinary shares and Mutual Funds (MFs) - unquoted and quoted		6,757,935,774	6,165,950,469	5,130,129,356	4,645,016,664
Preference shares		3,000,000	4,000,000	3,000,000	4,000,000
		<u>9,500,935,774</u>	<u>9,069,950,469</u>	<u>7,873,129,356</u>	<u>7,539,016,664</u>
6 Loans and advances					
Loans, cash credits, overdrafts etc.	6.1	201,727,327,339	169,128,372,833	200,584,559,334	168,205,415,381
Small and medium enterprises	6.2	169,393,557,853	150,749,009,625	169,393,557,853	150,749,009,625
Bills purchased and discounted*	6.3	2,404,666,368	2,257,805,981	2,404,666,368	2,257,805,981
		<u>373,525,551,560</u>	<u>322,135,188,439</u>	<u>372,382,783,555</u>	<u>321,212,230,987</u>
* Bills purchased and discounted excludes bills purchased and discounted of small and medium enterprise (SME).					
6.1 Loans, cash credits, overdrafts etc.					
Overdrafts		9,205,337,863	9,386,377,592	9,205,337,863	9,386,377,592
Demand loans		83,202,818,362	63,339,447,043	83,202,818,362	63,339,447,043
Term loans		96,980,679,901	84,980,045,030	96,980,679,901	84,980,045,030
Lease receivables		626,403,197	823,850,563	626,403,197	823,850,563
Credit Cards		9,482,387,512	8,562,449,791	9,482,387,512	8,562,449,791
Staff loans		1,097,848,776	1,123,591,696	1,086,932,499	1,113,245,362
Margin loan		2,106,156,491	1,769,581,139	-	-
		<u>202,701,632,102</u>	<u>169,985,342,854</u>	<u>200,584,559,334</u>	<u>168,205,415,381</u>
Less: Inter company elimination		974,304,763	856,970,021	-	-
		<u>201,727,327,339</u>	<u>169,128,372,833</u>	<u>200,584,559,334</u>	<u>168,205,415,381</u>
6.2 Small and medium enterprises					
Overdrafts		17,248,715,949	17,716,943,831	17,248,715,949	17,716,943,831
Demand loans		12,963,390,363	13,336,489,437	12,963,390,363	13,336,489,437
Term loans		139,083,735,813	119,647,429,292	139,083,735,813	119,647,429,292
Lease receivables		7,528,350	12,493,658	7,528,350	12,493,658
Bills purchased and discounted (SME)		90,187,378	35,653,407	90,187,378	35,653,407
		<u>169,393,557,853</u>	<u>150,749,009,625</u>	<u>169,393,557,853</u>	<u>150,749,009,625</u>
6.3 Bills purchased and discounted					
Bills purchased and discounted (except SME)		2,404,666,368	2,257,805,981	2,404,666,368	2,257,805,981
Bills purchased and discounted (SME)		90,187,378	35,653,407	90,187,378	35,653,407
		<u>2,494,853,746</u>	<u>2,293,459,388</u>	<u>2,494,853,746</u>	<u>2,293,459,388</u>
6.4 Net loans and advances					
Gross loans and advances		373,525,551,560	322,135,188,439	372,382,783,555	321,212,230,987
Less: Interest suspense		1,724,839,343	1,637,871,114	1,724,839,343	1,637,871,114
Less: Provision for loans and advances		15,074,837,453	13,997,832,683	13,863,001,683	12,778,727,514
		<u>356,725,874,764</u>	<u>306,499,484,642</u>	<u>356,794,942,529</u>	<u>306,795,632,359</u>
All loan and overdrafts are including SME.					
6.5 Classified and unclassified loans and advances					
Unclassified					
Standard (including staff loan)		355,785,355,815	307,143,533,027	355,854,423,579	307,445,882,479
Special Mention Accounts (SMA)		2,291,034,351	1,243,788,089	2,291,034,351	1,243,788,089
		<u>358,076,390,166</u>	<u>308,387,321,116</u>	<u>358,145,457,930</u>	<u>308,689,670,568</u>
Classified					
Sub-standard		4,098,482,932	2,200,671,339	4,098,482,932	2,200,671,339
Doubtful		1,009,177,410	987,009,923	1,009,177,410	987,009,923
Bad/Loss		10,341,501,052	10,560,186,061	9,129,665,283	9,334,879,157
		<u>15,449,161,394</u>	<u>13,747,867,323</u>	<u>14,237,325,625</u>	<u>12,522,560,419</u>
		<u>373,525,551,560</u>	<u>322,135,188,439</u>	<u>372,382,783,555</u>	<u>321,212,230,987</u>

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

Status	Outstanding loans and advances	Base for provision	Percentage (%) of required provision	Required provision 30 June 2022	Required provision 31 December 2021
Unclassified					
All unclassified loans (Other than SME Financing, Consumer Financing, BHs/MBs/SDs, Housing and loans for professional*)	119,834,190,017	119,771,096,588	1%**	1,823,478,733	1,331,178,040
Small and Medium Enterprise Financing	159,379,739,218	159,379,739,218	0.25%	398,449,348	356,006,759
Loans to BHs/MBs/SDs against share etc.*	1,000,571,643	1,000,571,643	2%	20,011,433	15,806,672
Housing Finance	12,631,478,220	12,631,478,220	1%	126,314,782	129,508,580
Loans for professionals to Set up business (LP)	5,559,265,632	5,559,265,632	2%	111,185,313	105,836,050
Consumer finance	45,597,646,268	45,597,646,268	2%	911,952,925	734,780,715
Consumer finance (Credit Card)	8,933,760,002	8,933,760,002	2%	178,675,200	159,794,280
Short Term Agricultural and Micro Credit	4,121,874,431	4,121,874,431	1%	41,218,744	39,409,917
Staff Loan	1,086,932,499	-	1%	-	-
	358,145,457,930	356,995,432,001		3,611,286,478	2,872,321,013
Classified - Specific provision					
Sub-standard	4,098,482,932	2,884,344,472	20%***	372,285,870	210,607,228
Doubtful	1,009,177,410	603,447,956	50%***	199,540,613	145,090,096
Bad/Loss	9,129,665,283	6,878,293,237	100%	6,878,293,237	7,627,363,819
	14,237,325,625	10,366,085,665		7,450,119,720	7,983,061,143
	372,382,783,555	367,361,517,666			
Special General Provision Covid-19					
Special general provision Covid-19 for 2020			1%	463,914,073	564,532,639
Special general provision Covid-19 for 2021 (SME)			1.5%	32,006,680	33,100,864
Special general provision Covid-19 for 2021 (other than SME)			2%	175,444,651	186,573,721
				671,365,404	784,207,224
Total required provision for loans and advances				11,732,771,602	11,639,589,380
Total provision maintained				13,863,001,683	12,778,727,514
Excess provision over minimum required provision prescribed by Bangladesh Bank				2,130,230,081	1,139,138,134

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

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

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

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
7 Fixed assets including premises, furniture and fixtures					
Land - Cost		527,275,400	527,275,400	527,275,400	527,275,400
Office floor space		20,855,926	20,855,926	4,034,334	4,034,334
Furniture and fixture		2,355,811,186	2,336,543,136	2,165,742,939	2,140,914,382
Office equipment		1,429,994,747	1,450,379,835	1,323,385,524	1,344,953,601
IT hardwares		6,775,372,441	6,284,258,630	3,294,652,843	3,049,688,043
Motor vehicles		624,667,582	504,714,769	389,983,985	354,296,880
Leasehold improvements		135,469,859	134,421,114	-	-
Right of use assets (ROU) as per IFRS 16		7,141,942,881	6,448,373,021	5,915,490,882	5,489,602,469
Capital expenditure work in progress		728,089,810	585,568,883	268,685,403	251,206,514
IT Software (Finite useful lives)		6,506,651,571	6,081,922,651	2,462,825,690	2,322,117,221
Total cost		26,246,131,403	24,374,313,365	16,352,077,000	15,484,088,844
Accumulated depreciation and amortisation		13,117,485,660	11,540,143,941	8,722,180,508	8,029,221,445
Written down value		13,128,645,743	12,834,169,424	7,629,896,492	7,454,867,399
(Fixed assets schedules-standalone are shown in Annexure - B)					
8 Other assets					
Income generating					
Interest receivables		2,942,279,650	2,721,178,635	2,942,279,650	2,721,178,635
Dividend receivables		35,802,353	35,919,830	35,802,353	35,919,830
Investment in subsidiary	8.1	-	-	12,928,627,270	13,161,378,451
Investment/carrying value in associates	8.2	14,769,257	21,115,234	14,769,257	21,115,234
Investment In Swift Share		8,083,464	8,083,464	8,083,464	8,083,464
Prepaid interest expenses on IFFD		23,417,421	24,511,806	23,417,421	24,511,806
Receivables against sanchayapatra		68,180,831	44,502,037	68,180,831	44,502,037
Balance with BRAC EPL Stock Brokerage Limited		8,413,088	1,166,738	8,413,088	1,166,738
Non- Income generating					
Stock of stamps		38,491,001	48,826,086	38,491,001	48,826,086
Stock of security stationery		47,294,098	47,369,961	47,294,098	47,369,961
Stock of printing stationery		12,698,946	12,007,770	12,698,946	12,007,770
Advance to staff		3,965,125	6,617,457	3,965,125	6,617,457
Advance to supplier		33,930,673	30,451,912	10,638,623	24,933,886
Advance Value Added Tax		5,858,631	4,370,000	5,858,631	4,370,000
Advance to SME unit offices		1,308,690	1,308,690	1,308,690	1,308,690
Advance against office rent		41,649,458	68,234,617	41,649,458	68,234,617
Advance security deposit		16,025,789	13,362,635	11,557,881	8,894,727
Receivables from bTS		172,627,757	187,859,621	172,627,757	187,859,621
Deferred revenue expenditure		331,972,585	173,250,448	331,972,585	173,250,448
Deferred tax asset		5,638,571,087	5,233,012,588	4,549,325,906	4,147,255,591
Receivable settlement account-OBUD/DBU	8.3	63,982	11,166	63,982	11,166
Receivable in proxy account		-	-	-	-
Net plan assets - Employees' Gratuity Fund		127,281,040	127,281,040	127,281,040	127,281,040
Other receivables		1,769,936,340	1,887,698,086	1,769,936,340	1,887,698,086
Other assets of subsidiaries		9,242,752,443	5,524,084,643	-	-
		20,585,373,709	16,222,224,464	23,154,243,397	22,763,775,341

Particulars	Note	Consolidated		BRAC Bank Limited	
		In Taka			
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
8.1 Investment in subsidiaries					
BRAC EPL Investments Limited				947,297,662	1,036,320,904
BRAC EPL Stock Brokerage Limited				1,258,578,116	1,241,795,091
bKash Limited				10,722,751,492	10,874,512,125
BRAC SAAJAN Exchange Limited				-	8,750,331
				<u>12,928,627,270</u>	<u>13,161,378,451</u>
8.2 Investment/carrying value in associates					
BRAC IT Services Limited		14,769,257	21,115,234	14,769,257	21,115,234
		<u>14,769,257</u>	<u>21,115,234</u>	<u>14,769,257</u>	<u>21,115,234</u>

8.2.1 Carrying value of investment in associates:

BRAC IT Services Limited			
Opening balance/fair value of residual interest retained	21,115,234	-	
Gain/(loss) on disposal/loss of significant influence of associates		17,373,182	
Share of profit/(loss) of equity in associate company	(6,345,977)	3,742,052	
	<u>14,769,257</u>	<u>21,115,234</u>	

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

Particulars	Accounting base	Tax base	Deductible/ (Taxable) temporary difference	Applicable tax rate	Deferred Tax Asset/ (Liability)
Balance as at 30 June 2022					
Loan loss provision including Covid-19 special provision	10,773,095,945	-	10,773,095,945	37.50%	4,039,910,979
Provision against capital market	21,480,119	-	21,480,119	10.00%	2,148,012
Fixed assets	2,715,651,331	3,686,533,320	970,881,990	37.50%	364,080,746
Right of use assets (ROU) as per IFRS 16	4,195,222,033	843,774,243	(3,351,447,791)	37.50%	(1,256,792,922)
Leased Liability as per IFRS 16	3,733,277,577	-	3,733,277,577	37.50%	1,399,979,091
Deferred tax asset (a)					<u>4,549,325,906</u>
Deferred tax liability arises due to actuarial valuation gain	8,221,604	-	(8,221,604)	37.50%	(3,083,101)
Deferred tax liability arises from fair value gain as per IFRS 9	8,449,044,670	-	(8,449,044,670)	15.00%	(1,267,356,701)
Interest receivable from treasury bills and bonds	953,289,743	-	(953,289,743)	37.50%	(357,483,653)
Dividend receivables	-	-	-	20.00%	-
Deferred tax liability (b)					<u>(1,627,923,455)</u>
Net deferred tax asset at 30 June 2022 (a+b)					<u>2,921,402,451</u>
Balance as at 31 December 2021					
Loan loss provision including Covid-19 special provision	9,744,711,824	-	9,744,711,824	37.50%	3,654,266,934
Provision against capital market	13,580,119	-	13,580,119	10.00%	1,358,012
Fixed assets	2,522,794,574	3,532,771,605	1,009,977,031	37.50%	378,741,387
Right of use assets (ROU) as per IFRS 16	4,150,429,766	847,913,185	(3,302,516,581)	37.50%	(1,238,443,718)
Leased Liability as per IFRS 16	3,603,554,603	-	3,603,554,603	37.50%	1,351,332,976
Deferred tax asset (a)					<u>4,147,255,591</u>
Deferred tax liability arises due to actuarial valuation gain	8,221,604	-	(8,221,604)	37.50%	(3,083,101)
Deferred tax liability arises from fair value gain as per IFRS 9	8,688,141,840	-	(8,688,141,840)	15.00%	(1,303,221,276)
Interest receivable from treasury bills and bonds	978,845,897	-	(978,845,897)	37.50%	(367,067,212)
Dividend receivables	35,919,830	-	(35,919,830)	20.00%	(7,183,966)
Deferred tax liability (b)					<u>(1,680,555,555)</u>
Net deferred tax asset at 31 December 2021 (a+b)					<u>2,466,700,036</u>

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

9 Borrowings from other banks, financial institutions and agents

Borrowings inside Bangladesh	467,250,000	429,000,000	467,250,000	429,000,000
Borrowings outside Bangladesh	29,473,267,518	23,721,953,707	29,358,190,897	23,705,564,025
	<u>29,940,517,518</u>	<u>24,150,953,707</u>	<u>29,825,440,897</u>	<u>24,134,564,025</u>

Particulars	Note	Consolidated		BRAC Bank Limited	
		In Taka			
		30 June 2022	31 December 2021	30 June 2022	31 December 2021

10 Borrowings from central bank & government agencies

Bangladesh Bank - Export Development fund (EDF)	12,143,639,037	9,124,444,403	12,143,639,037	9,124,444,403
Bangladesh Bank - SME Foundation	576,092,278	817,222,000	576,092,278	817,222,000
Bangladesh Bank - Long Term Financing Facility (LTFF)	769,459,687	763,079,166	769,459,687	763,079,166
Bangladesh Bank - Green Transformation Fund (GTF)	247,447,421	261,070,057	247,447,421	261,070,057
Bangladesh Bank - Stimulus Fund	221,482,514	387,594,399	221,482,514	387,594,399
Bangladesh Bank - Working Capital Stimulus Fund	1,306,438,247	528,491,391	1,306,438,247	528,491,391
Bangladesh Bank - PSC Stimulus Package	186,000,000	45,242,000	186,000,000	45,242,000
Bangladesh Bank - Refinancing for Green Initiatives	35,000,000	40,000,000	35,000,000	40,000,000
Bangladesh Bank - SME Re-finance	14,771,024,676	11,108,860,408	14,771,024,676	11,108,860,408
Joyeeta Foundation Pre or Re-Finance	205,000,000	99,900,000	205,000,000	99,900,000
	<u>30,461,583,860</u>	<u>23,175,903,824</u>	<u>30,461,583,860</u>	<u>23,175,903,824</u>

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
11 Deposits and other accounts					
Current deposits and other accounts etc.	11.1	181,279,377,798	164,425,455,280	109,488,511,903	109,470,657,298
Bills payable	11.2	2,343,174,115	2,367,889,416	2,343,174,115	2,367,889,416
Savings deposits	11.3	69,938,900,166	68,334,576,200	69,938,900,166	68,334,576,200
Term deposits*	11.4	159,587,121,751	127,956,809,129	166,805,979,190	133,172,621,149
Other deposits	11.5	1,889,476,068	1,252,882,201	1,889,476,068	1,252,882,201
		<u>415,038,049,898</u>	<u>364,337,612,226</u>	<u>350,466,041,442</u>	<u>314,598,626,264</u>
* Term deposits include the deposit pension scheme (DPS).					
11.1 Current deposits and other accounts					
Local currency		178,330,140,980	161,838,118,956	103,844,474,821	103,304,679,870
Foreign currencies		5,644,037,082	6,165,977,428	5,644,037,082	6,165,977,428
		<u>183,974,178,062</u>	<u>168,004,096,384</u>	<u>109,488,511,903</u>	<u>109,470,657,298</u>
Less: Inter unit/company elimination		2,694,800,264	3,578,641,104	-	-
		<u>181,279,377,798</u>	<u>164,425,455,280</u>	<u>109,488,511,903</u>	<u>109,470,657,298</u>
11.1.1 Current deposits and other accounts					
Current deposits		168,677,688,078	155,023,341,775	94,192,021,919	96,489,902,689
Special notice deposit		15,296,489,984	12,980,754,609	15,296,489,984	12,980,754,609
		<u>183,974,178,062</u>	<u>168,004,096,384</u>	<u>109,488,511,903</u>	<u>109,470,657,298</u>
Less: Inter unit/company elimination		2,694,800,264	3,578,641,104	-	-
		<u>181,279,377,798</u>	<u>164,425,455,280</u>	<u>109,488,511,903</u>	<u>109,470,657,298</u>
11.2 Bills payable					
Local currency		1,558,792,614	2,164,588,843	1,558,792,614	2,164,588,843
Foreign currencies		784,381,501	203,300,573	784,381,501	203,300,573
		<u>2,343,174,115</u>	<u>2,367,889,416</u>	<u>2,343,174,115</u>	<u>2,367,889,416</u>
11.3 Savings deposits					
Local currency		69,938,900,166	68,334,576,200	69,938,900,166	68,334,576,200
Foreign currencies		-	-	-	-
		<u>69,938,900,166</u>	<u>68,334,576,200</u>	<u>69,938,900,166</u>	<u>68,334,576,200</u>
11.4 Term deposits					
Local currency		163,637,672,679	131,121,074,245	163,637,672,679	131,121,074,245
Foreign currencies		3,168,306,511	2,051,546,904	3,168,306,511	2,051,546,904
		<u>166,805,979,190</u>	<u>133,172,621,149</u>	<u>166,805,979,190</u>	<u>133,172,621,149</u>
Less: Inter unit/company elimination		7,218,857,439	5,215,812,020	-	-
		<u>159,587,121,751</u>	<u>127,956,809,129</u>	<u>166,805,979,190</u>	<u>133,172,621,149</u>
11.5 Other deposits					
Local currency		1,883,624,876	1,247,004,101	1,883,624,876	1,247,004,101
Foreign currencies		5,851,192	5,878,100	5,851,192	5,878,100
		<u>1,889,476,068</u>	<u>1,252,882,201</u>	<u>1,889,476,068</u>	<u>1,252,882,201</u>
11.6 Payable on demand and time deposit					
I) Demand deposit					
Current deposits		160,338,850,732	145,278,723,243	88,547,984,837	90,323,925,261
Saving deposits (9% of total saving deposits)		6,294,501,015	6,150,111,858	6,294,501,015	6,150,111,858
Foreign currency deposits		5,649,888,274	6,171,855,528	5,649,888,274	6,171,855,528
Sundry deposits		1,882,815,876	1,238,848,878	1,882,815,876	1,238,848,878
Bills payable		2,343,174,115	2,367,889,416	2,343,174,115	2,367,889,416
		<u>176,509,230,012</u>	<u>161,207,428,923</u>	<u>104,718,364,117</u>	<u>106,252,630,941</u>
II) Time deposit					
Saving deposits (91% of total saving deposits)		63,644,399,151	62,184,464,342	63,644,399,151	62,184,464,342
Foreign currency deposits		3,168,306,511	2,051,546,904	3,168,306,511	2,051,546,904
Term deposits		138,813,801,550	109,066,283,138	146,032,658,989	114,282,095,158
Deposit pension schemes (DPS)		17,605,013,690	16,838,979,087	17,605,013,690	16,838,979,087
Special notice deposit		15,296,489,984	12,980,754,609	15,296,489,984	12,980,754,609
Security deposits		809,000	8,155,223	809,000	8,155,223
		<u>238,528,819,886</u>	<u>203,130,183,303</u>	<u>245,747,677,325</u>	<u>208,345,995,323</u>
		<u>415,038,049,898</u>	<u>364,337,612,226</u>	<u>350,466,041,442</u>	<u>314,598,626,264</u>
12 Other liabilities					
Provision for loans and advances		14,290,630,229	13,213,625,459	13,078,794,459	11,994,520,290
Special general provision Covid-19		784,207,224	784,207,224	784,207,224	784,207,224
Provision for interest receivable from loan		13,457,003	13,457,003	13,457,003	13,457,003
Provisions for off balance sheet items		923,902,073	706,746,134	923,902,073	706,746,134
Provision for diminution in value of Investments		21,480,119	13,580,119	21,480,119	13,580,119
Provision for protested bill & other assets		257,484,324	234,820,125	257,484,324	234,820,125
Interest suspense	12.1	1,724,839,343	1,637,871,114	1,724,839,343	1,637,871,114
Withholding tax payable		105,979,632	201,214,386	105,979,632	201,214,386
VAT payable		220,654,284	208,608,833	220,654,284	208,608,833
Excise duty payable		288,784,713	262,341,336	288,784,713	262,341,336
Provision for taxation net off AIT	12.2	5,138,208,879	5,920,521,742	4,126,582,930	5,021,558,503
Deferred tax liability	8.3	360,566,755	377,334,278	1,627,923,455	1,680,555,555
Interest payable on borrowings		478,596,951	323,331,571	478,596,951	323,331,571
Accrued expenses		5,155,577,731	5,337,303,430	2,208,151,791	2,108,043,731
Share subscription - IPO (refund warrant)		247,758	229,509	247,758	229,509
Unclaimed and undistributed dividend	12.3	13,915,893	9,676,218	13,915,893	9,676,218
Suppliers payable		191,616,231	125,946,941	191,616,231	125,946,941
Leased liabilities as per IFRS 16		4,408,999,290	4,085,484,681	3,733,133,992	3,603,554,604
Payable against exchange houses		105,736	100	105,736	100
Payable against insurances		6,146,333	6,155,625	6,146,333	6,155,625
Payable against proxy account		616,576	206,092	616,576	206,092
Payable against SWIFT charge		7,161,191	1,716,000	7,161,191	1,716,000
Start-up Fund	12.4	126,251,092	100,877,625	126,251,092	100,877,625
Other payables		2,903,723,470	3,716,340,999	2,903,723,470	3,716,340,999
Other liabilities of subsidiaries		1,913,862,661	2,018,766,783	-	-
		<u>39,337,015,491</u>	<u>39,300,363,327</u>	<u>32,843,756,573</u>	<u>32,755,559,637</u>

Particulars	Note	Consolidated		BRAC Bank Limited	
		In Taka			
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
12.1 Provision for protested bill & other assets					
Total required provision for other assets				257,419,468	224,171,131
Total provision maintained				257,484,324	234,820,125
Excess/(shortfall) in provision				<u>64,856</u>	<u>10,648,994</u>
12.2 Provision for taxation net off AIT (BBL only)					
A. Provision for tax:					
Balance at the beginning of the year				27,502,064,330	23,934,664,849
Net adjustment during the year				(894,975,573)	3,567,399,481
				<u>26,607,088,757</u>	<u>27,502,064,330</u>
Adjustment of tax provision for previous years				-	-
Balance at the end of the year				<u>26,607,088,757</u>	<u>27,502,064,330</u>
B. Advance income tax:					
Balance at the beginning of the year				22,480,505,827	19,922,549,103
Add: Paid during the year				-	2,557,956,724
				<u>22,480,505,827</u>	<u>22,480,505,827</u>
Less: Adjustment made during the year				-	-
Balance at the end of the year				<u>22,480,505,827</u>	<u>22,480,505,827</u>
Provision for taxation (A-B)				<u>4,126,582,930</u>	<u>5,021,558,503</u>
12.3 Unclaimed and undistributed dividend					
As on 30 June 2022, the Unclaimed/undistributed dividend was BDT 11,945,814 (net of withholding tax)					
Further to above, in pursuant to SEC/SRMIC/165-2020/part-1/182, dated July 19, 2021 and Capital Market Stabilization Fund, Rules 2021 issued by Bangladesh Securities and Exchange Commission regarding transfer the amount held against unclaimed dividend/undistributed /unsettled public subscription money for the period of more than 3 (three) years; we have transferred the amount BDT 60,840,320 to the Capital Market Stabilization Fund (CMSF).					
12.4 Start-up Fund					
As per SMESPD circular 04 dated March 29, 2021 and SMESPD circular letter 05 dated April 26, 2021, 1% of net profit after tax has been transferred to the fund. The details are given below:					
Balance at the beginning of the year				100,877,625	-
Addition during the period (1% of PAT)				25,373,467	100,877,625
Closing balance at the end of the period				<u>126,251,092</u>	<u>100,877,625</u>

Notes to the financial statements as at and for the half year ended 30 June 2022

13 History of paid-up capital

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

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

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

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

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

14 Share Premium

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

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

Balance at the beginning of the year	7,384,920,564	1,131,197,846
Net change during the year	(203,232,584)	6,253,722,718
	7,181,687,980	7,384,920,564

16 Translation reserve

The functional currency of the Bank's Off-shore Banking Unit (OBU) is in United States Dollar (USD). Due to recent steepest price hike of USD against bank's presentation currency BDT, a significant increase in translation reserve has been generated both in separate and consolidated financial statements of the Bank.

Notes to the financial statements as at and for the half year ended 30 June 2022

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

Balance at the beginning of the year	16,329,861,552	13,680,255,527
Add: Remeasurements gain/(loss) of defined benefits liabilities (assets)	-	(144,689,978)
Add: Retained surplus for the year	2,537,346,709	5,546,930,564
Less: Transfer to statutory reserve	-	662,939,230
Less: Start-up Fund	25,373,467	100,877,625
Less: Cash dividend paid	1,044,129,299	1,325,878,476
Less: Bonus share issued	1,044,129,290	662,939,230
Closing balance	<u>16,753,576,205</u>	<u>16,329,861,552</u>

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

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

BRAC Bank Limited	17	<u>16,753,576,205</u>	<u>16,329,861,552</u>
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BRAC EPL Investment Limited

Opening balance	(1,607,496,637)	(1,855,049,822)
Add: Retained Surplus/(deficit) for the year	(88,851,891)	247,553,185
Add: Effect of change of shareholding	-	-
Less: Impairment of Goodwill	-	-
Sub total	<u>(1,696,348,528)</u>	<u>(1,607,496,637)</u>

BRAC EPL Stock Brokerage Limited

Opening balance	943,567,598	711,882,093
Add: Retained Surplus/(deficit) for the year	18,225,132	231,685,505
Less: Transfer to statutory reserve	(23,213,334)	-
Add: Reserve for stock dividend	-	-
Sub total	<u>938,579,396</u>	<u>943,567,598</u>

bKash Limited

Opening balance	10,742,740,197	3,715,030,852
Add: Retained Surplus/(deficit) for the year	(153,747,879)	(439,513,503)
Add: Effect of change in preference share of bKash	-	7,445,299,204
Add: Remeasurements of defined benefits liability (assets)	-	21,923,644
Sub total	<u>10,588,992,318</u>	<u>10,742,740,197</u>

BRAC SAAJAN Exchange Limited

Opening balance	3,364,585	146,462,896
Add: Retained Surplus/(deficit) for the year	(53,440,932)	(143,098,311)
Less: Impairment of goodwill	(54,905,518)	-
Sub total	<u>(104,981,865)</u>	<u>3,364,585</u>

Associates

Opening balance - (biTS)	(9,074,763)	(30,190,001)
Add: Share of profit/(loss) of equity in associate company - (biTS)	(6,345,977)	3,742,052
Gain/(loss) on disposal/loss of control of associates	-	17,373,186
Sub total	<u>(15,420,740)</u>	<u>(9,074,763)</u>
	<u>26,464,396,786</u>	<u>26,402,962,532</u>

18 Non Controlling Interest

BRAC EPL Investments Limited	518,933	567,516
BRAC EPL Stock Brokerage Limited	139,842,972	137,817,957
bKash Limited	19,342,873,163	19,619,313,898
BRAC SAAJAN Exchange Limited	(15,129,371)	2,916,777
	<u>19,468,105,697</u>	<u>19,760,616,148</u>

18.1 Reconciliation of Non Controlling Interest

	BRACEPL Investments Ltd.	BRAC EPL Stock Brokerage Ltd.	bKash Limited	BRAC SAAJAN Exchange Limited
Opening balance	567,516	137,817,957	19,619,313,898	2,916,777
Share of profit/(loss)	(48,583)	2,025,015	(276,440,735)	(17,813,644)
Effect of issuance of convertible preference share by bKash	-	-	-	-
Dividend payment	-	-	-	-
Translation adjustment	-	-	-	(232,504)
Remeasurements loss on defined benefits liability (assets)	-	-	-	-
	<u>518,933</u>	<u>139,842,972</u>	<u>19,342,873,163</u>	<u>(15,129,371)</u>

Notes to the financial statements as at and for the half year ended 30 June 2022

Particulars	Note	Consolidated		BRAC Bank Limited	
		In Taka			
		Jan to Jun 2022	Jan to Jun 2021	Jan to Jun 2022	Jan to Jun 2021
19 Interest income					
Interest on loans and advances		12,520,254,892	10,738,492,402	12,461,033,547	10,717,726,374
Interest on balance with other banks		392,197,046	309,576,993	836,552	1,226,220
Interest on fixed deposits with other banks		2,013,313,098	942,672,356	466,753,872	181,091,603
Other interest income		98,793,003	49,066,178	98,793,003	49,066,178
		15,024,558,039	12,039,807,929	13,027,416,974	10,949,110,375
Less: Elimination of inter unit/company transactions		409,694,627	315,651,007	123,580,093	130,499,148
		<u>14,614,863,412</u>	<u>11,724,156,922</u>	<u>12,903,836,881</u>	<u>10,818,611,227</u>
20 Interest paid on deposits and borrowings etc.					
A. Interest paid on deposits:					
Current account		507,213,821	495,657,403	311,242,549	292,637,664
Short term deposit		82,114,920	108,291,368	82,114,920	108,291,368
Savings deposit		348,915,800	307,561,476	348,915,800	307,561,476
Term deposit		4,031,909,016	2,773,132,994	4,031,909,016	2,773,132,994
		<u>4,970,153,557</u>	<u>3,684,643,241</u>	<u>4,774,182,285</u>	<u>3,481,623,502</u>
B. Interest paid for borrowings:					
Interest on money at call and short notice		82,467,829	12,059,606	82,467,829	12,059,606
Interest on borrowings from banks and FIs		483,077,441	457,930,776	451,429,175	408,397,603
Interest on funding SWAP		14,778,348	10,441,909	14,778,348	10,441,909
Interest on finances from central bank & government agencies		221,007,170	176,568,697	221,007,170	176,568,697
Interest on Repurchase agreement (REPO)		66,486,281	26,305,680	66,486,281	26,305,680
		867,817,069	683,306,668	836,168,803	633,773,495
		<u>5,837,970,626</u>	<u>4,367,949,909</u>	<u>5,610,351,088</u>	<u>4,115,396,997</u>
Less: Elimination of inter unit/company transactions		409,694,627	315,651,007	123,580,093	130,499,148
		<u>5,428,275,999</u>	<u>4,052,298,902</u>	<u>5,486,770,995</u>	<u>3,984,897,849</u>
21 Investment income					
Interest on government securities		1,623,922,003	2,547,816,791	1,623,922,003	2,547,816,791
Interest on reverse repo		72,836,184	478,102	72,836,184	478,102
Interest on corporate & subordinated bond		127,422,402	146,977,909	127,422,402	146,977,909
Interest on interest rate swap (IRS)		2,462,490	2,695,422	2,462,490	2,695,422
Dividend on shares & mutual funds		130,831,670	74,597,959	130,831,670	74,597,959
Capital gain (loss) on government securities		454,765,761	788,309,955	454,765,761	788,309,955
Capital gain (loss) on shares & mutual funds		35,596,897	18,789,474	35,596,897	18,789,474
Gain (loss) on interest rate swap (IRS) position		(3,370,403)	(2,806,847)	(3,370,403)	(2,806,847)
Investment income of subsidiaries		652,409,907	754,588,602	-	-
		<u>3,096,876,911</u>	<u>4,331,447,367</u>	<u>2,444,467,004</u>	<u>3,576,858,765</u>
22 Commission, exchange and brokerage					
Commission from sale of sanchaya patra		4,328,157	59,406,088	4,328,157	59,406,088
Commission from issue of payment orders, DD and TT		1,793,919	4,307,275	1,793,919	4,307,275
Commission from issue of letter of guarantee		33,157,421	30,247,051	33,157,421	30,247,051
Commission from issue of letters of credit (Import and Export)		348,203,417	210,014,931	348,203,417	210,014,931
Other commission		69,040,191	57,560,589	69,040,191	57,560,589
Gain/(Loss) on Foreign currency dealings		928,521,824	176,861,375	928,521,824	176,861,375
Loan processing fees		427,635,028	165,399,438	427,635,028	165,399,438
Account activity fees		66,845,471	109,505,256	66,845,471	109,505,256
Import and export related fees		116,840,737	90,646,201	116,840,737	90,646,201
Fees and Commission-Cards		408,243,768	337,782,994	408,243,768	337,782,994
Relationship Fees		3,182,715	3,319,476	3,182,715	3,319,476
Loan Early Settlement Fees		16,402,875	63,324,680	16,402,875	63,324,680
Service Charges for ATM Card		75,112,642	78,048,334	75,112,642	78,048,334
Fund Collection/ Transfer Fees		58,150	80,693	58,150	80,693
Student Service Center Fees		6,987,350	7,035,100	6,987,350	7,035,100
Cancellation fees		13,200	58,250	13,200	58,250
Cheque collection fees		6,450	133,900	6,450	133,900
Custodian fees		14,605,000	4,166,733	14,605,000	4,166,733
Other fees		41,949,349	80,695,678	41,949,349	80,695,678
Commission and brokerage income of subsidiaries		2,587,402,861	2,231,128,594	-	-
		<u>5,150,330,525</u>	<u>3,709,722,636</u>	<u>2,562,927,664</u>	<u>1,478,594,042</u>
Less: Elimination of inter unit/company transactions		23,082,725	60,035,304	-	-
		<u>5,127,247,800</u>	<u>3,649,687,332</u>	<u>2,562,927,664</u>	<u>1,478,594,042</u>
23 Other operating income					
Profit on sale of fixed assets		8,429,355	1,349,283	8,429,355	1,349,283
Profit share from other bank		49,725,034	38,530,341	49,725,034	38,530,341
Miscellaneous income		31,516,832	46,532,483	31,516,832	46,532,483
Other operating income of subsidiaries		13,391,373	18,336,294	-	-
		<u>103,062,594</u>	<u>104,748,401</u>	<u>89,671,221</u>	<u>86,412,107</u>
24 Rent, taxes, insurance, electricity, etc.					
Rent, rates and taxes	24.1	165,754,977	164,458,970	141,096,944	137,452,700
Insurance		43,766,967	34,114,936	7,186,606	6,536,865
Power and electricity		115,113,243	102,440,461	86,843,718	83,630,263
WASA and sewerage		4,500,155	5,282,091	4,442,786	5,191,605
		<u>329,135,342</u>	<u>306,296,458</u>	<u>239,570,054</u>	<u>232,811,433</u>
24.1 Rent, rates and taxes					
Rent, taxes, insurance, electricity, etc.		708,613,419	673,981,716	573,102,978	558,438,430
Less: Reversal due to depreciation and interest expenses under IFRS 16		542,858,442	509,522,746	432,006,034	420,985,730
		<u>165,754,977</u>	<u>164,458,970</u>	<u>141,096,944</u>	<u>137,452,700</u>

Notes to the financial statements as at and for the half year ended 30 June 2022

	Particulars	Note	In Taka			
			Consolidated		BRAC Bank Limited	
			Jan to Jun 2022	Jan to Jun 2021	Jan to Jun 2022	Jan to Jun 2021
25	Postage, stamp, telecommunication, etc.					
	Postage and courier		35,028,978	24,261,624	22,580,467	16,662,502
	Telegram, telex, fax and network		69,039,459	47,214,076	55,703,936	30,510,497
	Court fees and stamps		44,920,227	30,445,973	44,920,227	30,445,973
	Telephone		53,309,871	47,767,464	27,012,190	24,496,060
			<u>202,298,535</u>	<u>149,689,137</u>	<u>150,216,820</u>	<u>102,115,032</u>
26	Stationery, printing, advertisements, etc.					
	Stationery and Printing		86,469,263	34,898,711	79,466,754	31,000,802
	Security Stationery		44,040,001	22,912,356	44,040,002	22,912,356
	Advertisement		1,483,857,148	1,126,976,658	88,601,992	42,422,235
			<u>1,614,366,412</u>	<u>1,184,787,725</u>	<u>212,108,748</u>	<u>96,335,393</u>
27	Chief Executive's salary and fees					
	Basic salary		8,505,000	6,300,000	8,505,000	6,300,000
	Bonus and others		1,417,500	1,050,000	1,417,500	1,050,000
	House rent allowance		750,000	750,000	750,000	750,000
			<u>10,672,500</u>	<u>8,100,000</u>	<u>10,672,500</u>	<u>8,100,000</u>
28	Impairment of goodwill					
	Due to previous suspension of operations of BRAC SAAJAN Exchange Limited on regulatory ground by the local regulator in UK and meeting subsequent operational costs, the net asset value becomes negative. Considering the negative net asset value and negative cash flows, an impairment loss of goodwill amounting BDT 54,905,518 related to BRAC Saajan has been accounted for in the consolidated financials in line with International Accounting Standard (IAS) 36: Impairment of Assets.					
29	Depreciation and repair of the bank's assets					
	Depreciation of Property, plant and equipment					
	Furniture and fixtures		75,267,394	84,425,524	69,442,002	77,752,751
	Office floor space		273,557	226,671	50,429	50,429
	Office equipment		47,374,075	54,565,232	42,145,959	47,925,115
	IT hardware		480,177,377	376,454,872	178,886,292	180,472,566
	Motor vehicles		37,406,078	45,519,488	31,554,859	32,296,441
	Leasehold improvement		18,681,740	5,955,251	-	-
	Right of use assets (ROU) as per IFRS 16		491,948,550	474,487,586	381,096,142	378,332,942
	IT software		575,943,415	373,118,320	157,201,612	150,801,463
			<u>1,727,072,186</u>	<u>1,414,752,944</u>	<u>860,377,295</u>	<u>867,631,707</u>
	Repairs and Maintenance expenses					
	Transportation costs		288,243,250	243,984,782	196,560,390	176,109,767
	Equipment repairing		42,455,111	31,267,645	9,835,778	5,304,147
	Hardware and software maintenance		457,610,909	419,642,127	5,788,836	17,216,024
	Premises maintenance		72,361,806	63,600,145	29,450,964	28,122,234
			<u>860,671,076</u>	<u>758,494,699</u>	<u>241,635,968</u>	<u>226,752,172</u>
	Total		<u>2,587,743,262</u>	<u>2,173,247,643</u>	<u>1,102,013,263</u>	<u>1,094,383,879</u>
30	Other expenses					
	Conveyance expense		57,601,438	70,745,194	57,601,438	70,745,194
	Fuel expenses		13,693,260	10,601,647	13,693,260	10,601,647
	Traveling cost		23,369,101	8,714,776	23,369,101	8,714,776
	Professional fees		27,380,063	49,623,909	27,380,063	49,623,909
	Entertainment		38,534,148	16,780,506	38,534,148	16,780,506
	SWIFT cost		-	5,360,657	-	5,360,657
	Business promotion and development		27,493,338	12,312,571	27,493,338	12,312,571
	Books, news papers and periodicals		346,593	13,486	346,593	13,486
	Donation and subscription		65,376,204	117,546,618	65,376,204	117,546,618
	Sponsorship		27,244,944	1,961,389	27,244,944	1,961,389
	Government Levy, VAT and excise duty		4,637,113	2,215,952	4,637,113	2,215,952
	Other operational loss		309,436	526,054	309,436	526,054
	Staff training and development		14,003,996	2,712,560	14,003,996	2,712,560
	Staff recruitment		1,979,224	1,824,343	1,979,224	1,824,343
	Salaries and allowance -outsourcing staff		331,300,371	199,985,299	331,300,371	199,985,299
	Staff sales incentives		312,725,822	166,653,747	312,725,822	166,653,747
	Bank charges		10,950,451	10,907,985	10,950,451	10,907,985
	Interest expense for leased liability as per IFRS 16		210,759,013	116,444,768	131,621,067	90,026,371
	Documentation Charges - CIB		6,000,000	-	6,000,000	-
	IT enabled services		311,811,770	304,221,002	311,811,770	304,221,002
	Security guard cost		104,567,119	104,286,554	104,567,119	104,286,554
	Commission paid- Vendor		6,371,256	2,702,556	6,371,256	2,702,556
	Cash carrying charges		33,258,748	31,344,833	33,258,748	31,344,833
	Spare parts expense		40,860,794	27,576,072	40,860,794	27,576,072
	Archiving expense		15,489,033	15,686,088	15,489,033	15,686,088
	Covid prevention expense		8,035,373	13,740,526	8,035,373	13,740,526
	Miscellaneous		6,458,698	2,625,278	6,458,698	2,625,278
	Other expenses of subsidiaries		264,497,646	391,938,967	-	-
			<u>1,965,054,952</u>	<u>1,689,053,337</u>	<u>1,621,419,360</u>	<u>1,270,695,973</u>
	Less: Elimination of inter unit/company transactions		23,082,725	60,035,304	-	-
			<u>1,941,972,227</u>	<u>1,629,018,033</u>	<u>1,621,419,360</u>	<u>1,270,695,973</u>

Notes to the financial statements as at and for the half year ended 30 June 2022

Particulars	Note	In Taka			
		Consolidated		BRAC Bank Limited	
		Jan to Jun 2022	Jan to Jun 2021	Jan to Jun 2022	Jan to Jun 2021
31 Share of profit/(loss) of associates					
BRAC IT Services Limited		(6,345,977)	-		
		<u>(6,345,977)</u>	<u>-</u>		
32 Provisions					
Provision for loans and advances					
Specific provision charged during the year		1,016,236,806	2,001,817,803	1,016,236,806	2,001,817,803
Special provision Covid-19 charged during the year		-	-	-	-
Recovery of written off bad debts		(386,974,068)	(306,629,639)	(386,974,068)	(306,629,639)
Specific provision (net off recovery) for the year		629,262,738	1,695,188,164	629,262,738	1,695,188,164
General provision charged during the year		456,086,188	167,617,814	456,086,188	167,617,814
Special provision Covid-19 charged during the year		-	-	-	-
Total provision for loans and advances		<u>1,085,348,926</u>	<u>1,862,805,978</u>	<u>1,085,348,926</u>	<u>1,862,805,978</u>
Diminution in value of Investments		7,900,000	(2,000,000)	7,900,000	(2,000,000)
Off Balance Sheet items		217,155,939	138,000,000	217,155,939	138,000,000
Other provisions:					
Other assets		26,884,285	8,944,422	22,664,199	6,822,665
		<u>1,337,289,150</u>	<u>2,007,750,400</u>	<u>1,333,069,064</u>	<u>2,005,628,643</u>
33 Provision for taxation					
Current tax expense/ (income)		1,940,327,632	1,970,857,587	1,770,339,523	1,786,065,679
Deferred tax expense/ (income) (Net)		(413,073,196)	(793,563,049)	(418,837,839)	(713,757,536)
Total provision for Taxation		<u>1,527,254,436</u>	<u>1,177,294,538</u>	<u>1,351,501,684</u>	<u>1,072,308,143</u>
33.1 Reconciliation of effective tax rate					

Particulars	30 June 2022 (Standalone)		30 June 2021 (Standalone)	
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		3,888,848,393		3,918,347,084
Income tax as per applicable tax rate	37.50%	1,458,318,148	37.50%	1,469,380,157
Factors affecting the tax charge for current year				
Inadmissible expenses	19.26%	748,815,306	31.15%	1,220,703,488
Admissible expenses in the current year (i.e. write-off etc.)	-5.19%	(201,810,570)	-11.23%	(440,179,985)
Tax exempted income	0.00%	-	-7.54%	(295,616,233)
Tax savings from reduced tax rates for dividend	-0.59%	(22,895,542)	-0.33%	(13,054,643)
Tax loss/(savings) from reduced tax rates for capital gain	-2.88%	(112,111,443)	-0.13%	(5,167,105)
Reversal of previous years' excess tax (2009 - 2016)	-2.57%	(100,000,000)	-3.83%	(150,000,000)
Effect of deferred tax	-10.77%	(418,814,215)	-18.22%	(713,757,535)
Total income tax expenses	34.75%	1,351,501,684	27.37%	1,072,308,144

Notes to the financial statements as at and for the half year ended 30 June 2022

	Particulars	Consolidated			BRAC Bank Limited		
		30 June 2022	31 December 2021	30 June 2021	30 June 2022	31 December 2021	30 June 2021
34	Net asset value (NAV) per share						In Taka
	Net asset value attributable to shareholders of parent	57,649,523,765	57,187,474,350	47,896,561,996	55,018,052,538	54,419,471,131	46,285,704,575
	Weighted avg. number of shares outstanding on reporting date	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
		38.52	38.21	32.00	36.76	36.36	30.93
Explanation regarding significant change in quarterly financial statements:							
Slight increase has been noted in both consolidated and standalone NAV per share due to the net impact of profit earned during the first half of 2022 and cash dividend distributed for 2021. The net profit is BDT 191 crore on consolidated basis and BDT 254 crore on standalone basis. BDT 104 crore has been distributed as cash dividend for 2021 during this period.							
35	Earnings Per Share	Consolidated			BRAC Bank Limited		
		Jan to Jun 2022	Jan to Jun 2021	Jan to Jun 2021	Jan to Jun 2022	Jan to Jun 2021	Jan to Jun 2021
	Profit attributable to ordinary shareholders of parent	2,198,279,644	2,574,886,860	2,537,346,709	2,537,346,709	2,846,038,941	2,846,038,941
	Weighted avg. number of shares outstanding on reporting date	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
	Earnings Per Share (EPS)	1.47	1.72	1.70	1.70	1.90	1.90
36	Net operating cash flow per share	Consolidated			BRAC Bank Limited		
		Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2021	Apr-Jun 2022	Apr-Jun 2021	Apr-Jun 2021
	Profit attributable to ordinary shareholders of parent	1,040,638,841	1,340,396,441	1,198,121,332	1,198,121,332	1,438,894,273	1,438,894,273
	Weighted avg. number of shares outstanding on reporting date	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
	Earnings Per Share (EPS)	0.70	0.90	0.80	0.80	0.96	0.96
Explanation regarding significant change in quarterly financial statements:							
Both the consolidated and standalone EPS decreased due to lower profit earned in first half of 2022 compared to first half of 2021. Profit decreased mainly for lower investment income and higher operating expenses.							
36	Net operating cash flow per share						
	Net operating cash flow	11,880,089,651	4,625,768,372	873,809,680	873,809,680	(8,360,396,856)	(8,360,396,856)
	Weighted avg. number of shares outstanding on reporting date	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
		7.94	3.09	0.58	0.58	(5.59)	(5.59)
Explanation regarding significant change in quarterly financial statements:							
The consolidated and standalone net operating cash flows per share increased significantly mainly for higher deposits mobilization from customers and borrowings from banks.							

BRAC Bank Limited
Highlights on the overall activities
As at and for the half year ended 30 June 2022

Particulars	Consolidated		BRAC Bank Limited	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Paid-up capital	14,965,853,280	14,965,853,280	14,965,853,280	13,921,723,990
Core Capital	65,079,251,325	64,353,635,822	40,708,294,001	39,606,745,018
Supplementary Capital	5,477,601,891	4,524,969,048	5,477,601,891	4,524,969,048
Total capital including general provisions	70,556,853,216	68,878,604,870	46,185,895,892	44,131,714,066
Total Risk Weighted Assets	365,774,915,316	337,281,898,721	334,000,217,681	307,359,660,182
Capital surplus	24,715,929,633	26,718,367,530	4,318,909,514	5,711,756,543
Total assets	592,362,046,229	527,912,923,582	499,082,125,310	449,084,124,881
Total deposits	415,038,049,898	364,337,612,226	350,466,041,442	314,598,626,264
Total loans and advances	373,525,551,560	322,135,188,439	372,382,783,555	321,212,230,987
Amount of classified loans during the current year	15,449,161,394	13,747,867,323	14,237,325,625	12,522,560,419
Provision kept against classified loans	15,074,837,453	13,997,832,683	13,863,001,683	12,778,727,514
Provisions surplus/deficit	2,130,230,081	1,139,138,134	2,130,230,081	1,139,138,134
Credit deposit ratio (Loans and Advances/Deposits)*	-	-	83.47%	81.86%
Percentage of classified loans against total loans and advances	4.14%	4.27%	3.82%	3.90%
Total Capital to Risk-weighted Asset Ratio	19.29%	20.42%	13.83%	14.36%
Cost of fund	4.11%	4.16%	4.59%	4.49%
Return on Investment (ROI) [PAT/(Shareholders equity+Borrowings)]**	3.94%	5.79%	4.67%	6.04%
Return on Assets (ROA) [PAT/Average assets]**	0.78%	1.11%	1.07%	1.31%
Return on Equity (ROE) [PAT/Average shareholders equity]**	7.66%	10.38%	9.27%	11.00%

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

**Figures are annualized.

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

Particulars	Cost			Depreciation			Written down value as at 30 June 2022
	Opening balance as on 01 January 2022	Addition/Revaluation during the year	Disposals/Transfer/Adjustments during the year	Total balance as at 30 June 2022	Charge during the year	Disposals/Adjustments during the year	Total balance as at 30 June 2022
Property, plant & equipments							
Land	527,275,400	-	-	527,275,400	-	-	527,275,400
Office floor space	4,034,334	-	-	4,034,334	50,429	-	3,060,715
Furniture & fixture	2,140,914,382	47,694,534	22,865,978	2,165,742,939	69,442,002	22,671,600	588,058,326
Office equipments	1,344,953,601	24,294,085	45,862,162	1,323,385,524	42,145,958	45,842,235	122,984,161
IT Hardware	3,049,688,043	343,966,996	99,002,196	3,294,652,843	178,886,292	98,904,396	911,631,620
Motor vehicles	354,296,880	35,687,105	-	389,983,985	31,554,859	-	72,231,247
Right of use assets (ROU)	5,489,602,469	425,888,413	-	5,915,490,881	381,096,142	-	4,195,222,037
Capital expenditure work in progress	251,206,514	286,293,921	268,815,032	268,685,403	-	-	268,685,403
Sub-total	13,161,971,622	1,163,825,054	436,545,368	13,889,251,308	703,175,683	167,418,231	7,200,102,399
Intangible assets:							
With definite useful lives:							
IT Software	2,322,117,221	140,708,469	-	2,462,825,690	157,201,612	-	1,522,078,109
Sub-total	2,322,117,221	140,708,469	-	2,462,825,690	157,201,612	-	940,747,581
As at 30 June 2022	15,484,088,843	1,304,533,523	436,545,368	16,352,076,998	860,377,295	167,418,231	7,629,896,490
As at 31 December 2021	14,060,298,644	3,216,112,491	1,792,322,291	15,484,088,844	1,732,111,456	934,613,971	7,454,867,399

Details of transactions with related parties
For the half year ended 30 June 2022

Related Party is a party related to an entity if:

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

SL No.	Name of the related parties (Companies)	Relationship with BBL	Balance type	Balance as on 01 Jan 2022	Balance as on 30 June 2022
1	BRAC and Its associated organization	Parent Company	Deposits	14,622,760,969	11,250,895,213
2	bKash Limited	Subsidiary	Deposits	8,539,255,713	9,164,061,223
3	BRAC EPL Investments Limited	Subsidiary	Deposits	15,685,315	19,651,044
4	BRAC EPL Stock Brokerage Limited	Subsidiary	Deposits	242,464,433	766,240,991
5	BRAC IT Services Limited (biTS)	Associates	Deposits	111,170,288	46,443,936
6	BRAC SAAJAN Exchange Limited	Subsidiary	Deposits	60,647,285	2,106,650
7	Association of Bankers, Bangladesh	Common Board member	Deposits	-	29,300,000
8	Edotco Bangladesh Co. Limited	Common Board member	Deposits	120,116,043	242,592,054
9	Policy Research Institute of Bangladesh (PRI)	Common Board member	Deposits	849,010	857,938
10	RSA Advisory Ltd.	Common Board member	Deposits	15,515	-
11	Walton Hi-Tech Industries Limited	Common Board member	Deposits	55,108,388	79,259,663
12	Water Garden Resort and Spa	Common Board member	Deposits	343,359	62,867
13	Affordable Health Care	Common Board member	Deposits	71,814,240	-
14	BRAC EPL Investments Limited	Subsidiary	Continuous loan	590,713,888	798,689,838
15	BRAC Saajan Exchange Limited	Subsidiary	Continuous loan	266,256,133	175,614,925
16	IPDC Finance Limited	Common Board member	Term placement	3,000,000,000	1,850,000,000
17	Delta Brac Housing Finance Corporation Limited	Common Board member	Term placement	3,000,000,000	2,200,000,000
18	Industrial and Infrastructure Development Finance Company (IIDFC)	Common Board member	Fixed Deposit	-	35,000,000
19	BRAC IT Services Limited (biTS)	Associates	Receivables	187,859,621	172,627,757
20	Key Management Personnel	Senior Management	Loans and Advances	106,920,329	120,768,269

SL No.	Name of the related parties (Directors)	Relationship with BBL	Balance type	Balance as on 01 Jan 2022	Balance as on 30 June 2022
1	Asif Saleh	Director	Credit card	106,081	262,068
2	Selim Reza Farhad Hussain	Director	Credit card	64,568	205,143
3	Rumesa Hussain	MD's Spouse	Credit card	-	81,046
4	Fahima Choudhury	Director	Credit card	15,176	32,290
5	Shameran Bahar Abed	Director	Credit card	1,340	155,316

Note: In addition, BRAC Bank has credit exposure on NGOs where its Directors are involved in the capacity of executive committee members. As on 30 June 2022, the Bank has credit exposures amounting BDT 3,820,558,243. However, as per Bangladesh Bank letter ref: BRPD (R-2)651/9(25)ka/2016-6852; such exposure shall not come under the purview of related party exposures as given to non-profit organisations.

Annexure-D

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

Particulars	Jan to Jun 2022 Taka	Jan to Jun 2021 Taka
Profit before tax as per profit and loss account	3,888,848,393	3,918,347,084
Adjustment for non-cash items:		
Provision for Loans and advances	1,472,322,994	2,169,435,617
Provision for Diminution in value of investments	7,900,000	(2,000,000)
Provision for Off balance sheet items	217,155,939	138,000,000
Provision for other assets	22,664,199	6,822,665
Depreciation of Property plant and equipment	860,377,295	867,631,706
Foreign exchange gain/(loss)	(346,155,483)	(39,135,834)
Profit on sale of fixed assets	(8,429,355)	(1,349,283)
Increase/decrease in operating assets & liabilities:		
Loans and advances	(51,171,419,869)	(9,378,058,428)
Other assets	(226,627,600)	220,172,616
Borrowings from other banks and financial institutions	13,443,806,907	6,807,878,197
Deposits from customers	34,693,478,010	(11,143,257,385)
Other liabilities	685,203,346	(541,967,241)
Income tax paid	(2,665,315,096)	(1,382,916,570)
Cash flows from operating activities as per cash flow statement	873,809,680	(8,360,396,856)

BRAC Bank Limited
Statement of Segment Reporting

Annexure-E

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

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

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

A: Segmental operating profit and loss

There are 4 (four) operating segments (SME, Retail, Corporate, and Treasury) on standalone basis as on 30 June 2022. Each operating segment is reportable as per latest evaluation in accordance with IFRS 8: *Operating segments*.

In consolidated basis, each of subsidiary can be considered as operating segment in addition to segments on standalone basis. However, no segment reporting has been made for subsidiaries as their un-audited financial statements for half year ended 30 June 2022 have been separately disclosed in Bank's website.

For the half year ended 30 June 2022

Particulars					
	SME	Retail	Corporate	Treasury	(In Taka) Total
Total external revenue	7,007,328,350	870,124,527	1,424,370,665	3,212,308,233	12,514,131,775
Inter segment revenue /(expenses)	(3,028,411,978)	2,672,883,097	698,328,715	(342,799,834)	-
Total segment revenue	3,978,916,372	3,543,007,624	2,122,699,380	2,869,508,399	12,514,131,775
Total segment operating expenses	3,254,539,378	3,051,230,594	795,204,935	191,239,411	7,292,214,318
Segment operating profit/(loss)	724,376,994	491,777,030	1,327,494,445	2,678,268,988	5,221,917,457

For the half year ended 30 June 2021

Particulars					
	SME	Retail	Corporate	Treasury	(In Taka) Total
Total external revenue	5,758,180,746	669,955,043	1,795,559,203	3,751,883,300	11,975,578,292
Inter segment income /(expenses)	(2,638,690,650)	2,292,996,957	(196,772,654)	542,466,347	-
Total segment revenue	3,119,490,096	2,962,952,000	1,598,786,549	4,294,349,647	11,975,578,292
Total segment operating expenses	2,622,583,245	2,592,213,994	682,784,239	154,021,087	6,051,602,565
Segment operating profit/(loss)	496,906,851	370,738,006	916,002,310	4,140,328,560	5,923,975,727

B. Segmental assets and liabilities

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

Annexure-F

Disclosure on credit rating information

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

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