

BRAC Bank Limited

**Condensed Interim Financial Statements
as at and for the half year ended 30 June 2021**

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 June 2021

Particulars	30 June 2021 Taka	31 December 2020 Taka
PROPERTY AND ASSETS		
Cash	17,998,127,041	19,987,803,891
Cash in hand (Including foreign currency)	6,559,254,005	7,836,614,607
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	11,438,873,036	12,151,189,284
Balance with other banks and financial institutions	63,199,655,941	42,650,004,620
Inside Bangladesh	57,710,681,852	35,478,313,372
Outside Bangladesh	5,488,974,089	7,171,691,248
Money at call and short notice	424,168,000	-
Investments	75,029,030,346	94,094,812,131
Government	66,582,462,037	85,498,396,233
Others	8,446,568,309	8,596,415,898
Loans and advances	283,040,255,150	273,438,940,961
Loans, cash credit, overdrafts etc.	149,883,505,964	136,750,360,676
Small and medium enterprises	131,514,642,433	134,621,356,804
Bills purchased and discounted	1,642,106,753	2,067,223,481
Fixed assets including premises, furniture and fixture	11,173,203,215	11,067,096,465
Other assets	14,014,301,833	13,862,504,994
Non-banking assets	66,771,775	66,471,775
Goodwill	1,427,468,911	1,427,468,911
Total property and assets	466,372,982,212	456,595,103,748
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	14,439,947,245	12,572,789,394
Borrowings from Bangladesh Bank	17,778,910,940	23,370,068,779
Money at call and short notice	10,071,085,600	84,801,100
Deposits and other accounts	335,805,452,159	333,615,619,705
Current accounts and other accounts	155,494,304,923	141,841,491,410
Bills payable	1,707,210,964	1,797,962,669
Savings deposits	64,308,857,118	57,230,594,232
Fixed deposits	111,615,611,626	130,608,019,962
Other deposits	2,679,467,528	2,137,551,432
Other liabilities	34,733,355,877	32,773,722,525
Total liabilities	412,828,751,821	402,417,001,503
Capital and shareholders' equity		
Paid up share capital	13,921,723,990	13,258,784,760
Share premium	3,853,767,032	3,853,767,032
Statutory reserve	9,405,017,728	9,405,017,728
Dividend equalization fund	355,218,455	355,218,455
Revaluation reserve on govt. securities	3,410,507,187	4,805,926,053
Assets revaluation reserve	478,558,600	478,558,600
Fair value reserve	78,920,073	78,920,073
Translation reserve	(9,070,500)	(14,777,280)
Surplus in profit and loss account/Retained earnings	16,859,187,251	16,346,550,011
Total shareholders' equity	48,353,829,816	48,567,965,432
Non controlling interest	5,190,400,575	5,610,136,813
Total equity	53,544,230,391	54,178,102,245
Total liabilities and shareholders' equity	466,372,982,212	456,595,103,748

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 June 2021

Particulars	30 June 2021 Taka	31 December 2020 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	37,820,304,299	27,887,446,334
Irrevocable letter of credits	22,145,728,539	15,550,643,171
Letter of guarantees	12,032,274,436	10,831,198,204
Bills for collection	12,897,503,639	12,320,479,990
	84,895,810,913	66,589,767,699
Other commitments		
Swap deals with banks and customers	17,293,355,934	18,307,971,009
Spot and forward deals with banks and customers	8,766,310,164	8,682,289,771
	26,059,666,098	26,990,260,781
Total Off-Balance sheet items including contingent liabilities	110,955,477,011	93,580,028,480
Net Assets Value (NAV) Per Share, Note: 3.1	34.73	34.89

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



Chief Financial Officer



Acting Company Secretary



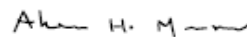
Managing Director and CEO



Director



Director



Chairman

Date: 29 July 2021

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Profit and Loss Account (Unaudited)
For the half year ended 30 June 2021


Particulars	Quarter ended April to June 2021 Taka	Quarter ended April to June 2020 Taka	Cumulative Jan to June 2021 Taka	Cumulative Jan to June 2020 Taka
Interest income	6,120,424,461	6,534,879,326	11,723,954,553	15,170,619,856
Interest paid on deposits and borrowing etc.	1,914,327,351	3,654,660,290	3,964,197,756	7,646,003,440
Net interest income	4,206,097,110	2,880,219,036	7,759,756,797	7,524,616,416
Investment income	1,883,358,773	1,572,114,560	4,331,649,736	2,658,077,469
Commission, exchange and brokerage	1,681,780,795	1,200,933,863	3,649,687,332	2,803,055,240
Other operating income	28,916,554	25,987,567	104,748,401	57,840,967
Total operating income	7,800,153,232	5,679,255,026	15,845,842,266	13,043,590,092
Salaries and allowances	2,545,718,304	2,355,705,664	4,936,603,052	4,633,983,899
Rent, taxes, insurance, electricity etc.	208,767,112	178,971,897	397,731,744	374,976,193
Legal expenses	12,923,057	6,020,810	15,292,408	18,808,664
Postage, stamps, telecommunication etc.	72,354,862	65,187,867	149,689,136	153,051,402
Stationery, printing, advertisement etc.	519,659,200	425,219,017	1,168,214,963	1,007,501,554
Chief Executive's salary and fees	4,575,000	4,575,000	8,100,000	8,100,000
Directors' fees and expenses	1,096,579	502,325	2,480,768	1,237,590
Auditors' fee	1,276,895	1,630,550	2,454,041	3,190,616
Depreciation and repairs to bank's assets	1,089,080,819	991,845,419	2,136,015,410	1,946,710,311
Other expenses	858,925,512	918,275,832	1,689,714,380	1,894,148,584
Total operating expenses	5,314,377,339	4,947,934,381	10,506,295,902	10,041,708,813
Operating profit	2,485,775,893	731,320,644	5,339,546,364	3,001,881,279
Share of profit/(loss) of associates	-	-	-	-
Gain/(loss) on disposal of associate	-	-	-	-
Profit/(loss) before provisions	2,485,775,893	731,320,644	5,339,546,364	3,001,881,279
Provision for:				
Loans and advances	874,584,308	421,723,284	1,862,805,978	1,171,985,386
Diminution in value of investments	(1,000,000)	-	(2,000,000)	76,800,000
Off balance sheet items	48,000,000	(33,000,000)	138,000,000	(10,000,000)
Others	6,068,315	11,738,915	8,944,422	12,712,285
Total provision	927,652,623	400,462,199	2,007,750,400	1,251,497,671
Profit/(loss) before taxes	1,558,123,270	330,858,445	3,331,795,964	1,750,383,608
Provision for Tax:				
Current tax expense	664,993,944	460,762,387	1,970,857,587	1,467,794,282
Deferred tax expense/(income)	(168,801,917)	(320,032,994)	(793,563,049)	(668,050,682)
Total provision for Tax	496,192,027	140,729,393	1,177,294,538	799,743,600
Total profit/(loss) after taxes	1,061,931,243	190,129,052	2,154,501,426	950,640,008
Attributable to:				
Equity holders of BRAC Bank Ltd.	1,341,268,081	298,058,456	2,575,323,655	1,168,866,827
Non controlling interest	(279,336,838)	(107,929,404)	(420,822,229)	(218,226,819)
	1,061,931,243	190,129,052	2,154,501,426	950,640,008
Retained earnings brought forward from previous period/year	17,521,125,819	16,101,213,585	16,346,550,011	15,230,405,214
Net profit attributable to the equity holders of the Bank	1,341,268,081	298,058,456	2,575,323,655	1,168,866,827
Profit available for appropriation	18,862,393,900	16,399,272,041	18,921,873,666	16,399,272,041
Appropriations:				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividend	1,988,817,706	1,850,062,985	1,988,817,706	1,850,062,985
Start-up Fund	14,388,943	-	73,868,709	-
Dividend equalization fund	-	-	-	-
	2,003,206,649	1,850,062,985	2,062,686,415	1,850,062,985
Retained surplus	16,859,187,251	14,549,209,056	16,859,187,251	14,549,209,056
Earnings Per Share (EPS), Note: 4.1	0.96	0.21	1.85	0.84

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: 29 July 2021

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the half year ended 30 June 2021

Particulars	Amount in Taka											
	Paid up share capital	Stock dividend proposed and approved	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Assets revaluation reserve	Fair value reserve	Translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2021	13,258,784,760	-	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	478,558,600	78,920,073	(14,777,280)	16,346,550,011	5,610,136,813	54,178,102,245
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	(1,395,418,866)	-	-	-	-	-	(1,395,418,866)
Changes in translation reserve	-	-	-	-	-	-	-	-	5,706,780	-	1,085,991	6,792,771
Sub-total	13,258,784,760	-	3,853,767,032	9,405,017,728	355,218,455	3,410,507,187	478,558,600	78,920,073	(9,070,500)	16,346,550,011	5,611,222,804	52,789,476,150
Net profit for the period	-	-	-	-	-	-	-	-	-	2,575,323,655	(420,822,229)	2,154,501,426
Dividend for the year 2020:												
Stock dividend	662,939,230	-	-	-	-	-	-	-	-	(662,939,230)	-	-
Cash dividend	-	-	-	-	-	-	-	-	-	(1,325,878,476)	-	(1,325,878,476)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	-	-	(73,868,709)	-	(73,868,709)
Statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend distributed by BRAC Saajan Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
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	478,558,600	78,920,073	(9,070,500)	16,859,187,251	5,190,400,575	53,544,230,391
Balance as at 31 December 2020	13,258,784,760	-	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	478,558,600	78,920,073	(14,777,280)	16,346,550,011	5,610,136,813	54,178,102,245
Balance as at 30 June 2020	12,333,753,270	925,031,490	3,853,767,032	8,129,149,416	355,218,455	255,090,953	478,558,600	78,920,073	11,519,247	14,549,209,056	5,859,139,758	46,829,357,350

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Cash Flow Statement (Unaudited)
For the half year ended 30 June 2021

Particulars	Jan to Jun 2021 Taka	Jan to Jun 2020 Taka
A. Cash flows from operating activities		
Interest receipts	15,794,712,801	15,400,471,175
Interest payment	(5,048,792,473)	(8,593,257,276)
Dividend receipts	136,861,036	71,130,143
Fees and commission receipts	17,547,361,455	13,119,264,633
Recovery on loans previously written off	306,629,639	245,568,912
Cash payments to employees	(5,041,832,573)	(4,655,312,984)
Cash payments to suppliers	(14,917,359,906)	(11,945,238,872)
Income tax paid	(3,644,049,282)	(3,908,899,682)
Receipts from other operating activities	709,746,859	517,109,680
Payment for other operating activities	(2,011,330,768)	(2,167,872,807)
Operating cash flow before changes in operating assets and liabilities (i)	3,831,946,788	(1,917,037,077)
Increase/decrease in operating assets & liabilities		
Loans and advances	(9,040,232,232)	4,668,185,348
Other assets	20,775,203	(1,032,702,910)
Deposits from other banks/borrowings	6,031,681,258	(2,244,704,827)
Deposits from customers	3,528,320,997	34,196,727,512
Other liabilities	253,276,358	336,014,472
Cash utilized in operating assets and liabilities (ii)	793,821,584	35,923,519,594
Net cash (used)/flows from operating activities (i+ii) (a)	4,625,768,372	34,006,482,517
B. Cash flows from investing activities		
Treasury bills	9,025,181,066	(12,565,922,464)
Bangladesh Bank Bills	-	-
Treasury bonds	7,229,778,384	(20,658,530,859)
Sale/ (Investment) in shares	(120,711,670)	(2,711,387,510)
Investment in bonds	512,282,917	3,086,615,340
Redemption of BBL Bond	-	-
Acquisition of fixed assets	(1,281,771,491)	(1,106,264,665)
Disposal of fixed assets	59,252,543	17,764,943
Net cash used in investing activities (b)	15,424,011,749	(33,937,725,215)
C. Cash flows from financing activities		
Proceeds from issue of convertible preference shares	-	-
Dividend paid	(1,138,875,768)	(900)
Net cash flows from financing activities (c)	(1,138,875,768)	(900)
Net increase/decrease in cash (a+b+c)	18,910,904,353	68,756,402
Cash and cash equivalents at beginning of the year	62,639,236,011	69,663,701,210
Effect of exchange rate changes on cash and cash equivalent	73,286,918	26,711,988
Cash and cash equivalents at end of the year	81,623,427,282	69,759,169,600
Cash and cash equivalents at end of the year:		
Cash in hand (including foreign currency)	6,559,254,005	7,592,553,510
Balance with Bangladesh Bank and its agents bank(s)	11,438,873,036	14,025,622,965
Balance with other banks and financial institutions	63,199,655,941	47,139,186,625
Money at call and short notice	424,168,000	1,000,000,000
Prize bond	1,476,300	1,806,500
	81,623,427,282	69,759,169,600
Net Operating Cash Flow Per Share (NOCFPS), Note: 5.1	3.32	24.43

BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 30 June 2021

Particulars	30 June 2021 Taka	31 December 2020 Taka
PROPERTY AND ASSETS		
Cash	17,264,613,263	19,243,096,656
Cash in hand (Including foreign currency)	5,825,740,226	7,091,907,372
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	11,438,873,037	12,151,189,284
Balance with other banks and financial institutions	13,920,206,355	14,358,762,046
Inside Bangladesh	8,673,694,803	7,928,558,845
Outside Bangladesh	5,246,511,552	6,430,203,201
Money at call and short notice	424,168,000	-
Investments	58,356,088,948	68,896,004,194
Government	51,120,390,193	61,821,887,388
Others	7,235,698,755	7,074,116,806
Loans and advances	282,441,251,628	273,063,193,200
Loans, cash credit, overdrafts etc.	149,284,502,442	136,374,612,915
Small and medium enterprises	131,514,642,433	134,621,356,804
Bills purchased and discounted	1,642,106,753	2,067,223,481
Fixed assets including premises, furniture and fixture	6,909,366,838	7,349,043,033
Other assets	14,622,803,951	14,525,819,425
Non-banking assets	66,771,775	66,471,775
Total property and assets	394,005,270,758	397,502,390,329
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	14,326,076,471	11,913,324,935
Borrowings from Bangladesh Bank	17,778,910,940	23,370,068,779
Money at call and short notice	10,071,085,600	84,801,100
Deposits and other accounts	276,846,329,964	289,054,405,724
Current accounts and other accounts	96,521,229,984	97,266,324,684
Bills payable	1,707,210,964	1,797,962,669
Savings deposits	64,308,857,118	57,230,594,232
Fixed deposits	111,629,564,371	130,621,972,707
Other deposits	2,679,467,527	2,137,551,432
Other liabilities	28,218,604,608	26,124,705,425
Total liabilities	347,241,007,583	350,547,305,963
Capital and shareholders' equity		
Paid up share capital	13,921,723,990	13,258,784,760
Share premium	3,853,767,032	3,853,767,032
Statutory reserve	9,405,017,728	9,405,017,728
Dividend equalization fund	355,218,455	355,218,455
Revaluation reserve on govt. securities	3,410,507,187	4,805,926,053
Assets revaluation reserve	478,558,600	478,558,600
Fair value gain/(loss) on equity investment	887,054,957	1,131,197,846
Translation reserve	(11,192,827)	(13,641,635)
Surplus in profit and loss account/Retained earnings	14,463,608,053	13,680,255,527
Total shareholders' equity	46,764,263,175	46,955,084,366
Total liabilities and shareholders' equity	394,005,270,758	397,502,390,329

BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 30 June 2021

Particulars	30 June 2021 Taka	31 December 2020 Taka
Off Balance Sheet Items		
Contingent liabilities		
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	84,895,810,913	66,589,767,699
Other Commitments		
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	26,059,666,098	26,990,260,781
Total Off-Balance sheet items including contingent liabilities	110,955,477,011	93,580,028,480
Net Assets Value (NAV) Per Share, Note: 3.2	33.59	33.73

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Chief Financial Officer



Acting Company Secretary



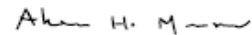
Managing Director and CEO



Director



Director



Chairman

Date: 29 July 2021

BRAC BANK LIMITED
Condensed Profit and Loss Account (Unaudited)
For the half year ended 30 June 2021

Particulars	Quarter ended April to June 2021 Taka	Quarter ended April to June 2020 Taka	Cumulative Jan to June 2021 Taka	Cumulative Jan to June 2020 Taka
Interest income	5,504,372,340	5,740,352,380	10,818,408,859	13,643,999,009
Interest paid on deposits and borrowing etc.	1,773,117,490	3,610,001,679	3,892,910,112	7,589,318,520
Net interest income	3,731,254,850	2,130,350,701	6,925,498,747	6,054,680,489
Investment income	1,482,977,173	1,385,820,935	3,577,061,134	2,415,768,725
Commission, exchange and brokerage	741,260,013	460,196,115	1,478,594,042	1,189,479,559
Other operating income	19,736,177	17,601,439	86,412,107	39,973,096
Total operating income	5,975,228,213	3,993,969,190	12,067,566,030	9,699,901,869
Salaries and allowances	1,642,847,838	1,598,604,009	3,234,570,744	3,189,726,143
Rent, taxes, insurance, electricity etc.	164,718,048	150,485,819	324,799,172	314,318,616
Legal expenses	3,159,866	3,565,030	4,828,735	13,824,734
Postage, stamps, telecommunication etc.	48,641,651	43,459,188	102,115,031	105,670,633
Stationery, printing, advertisement etc.	39,361,277	28,329,946	101,889,969	111,456,470
Chief Executive's salary and fees	4,575,000	4,575,000	8,100,000	8,100,000
Directors' fees and expenses	589,600	254,400	1,240,800	641,200
Auditors' fee	483,000	460,000	966,000	920,000
Depreciation and repairs to bank's assets	553,820,391	545,082,719	1,094,383,879	1,092,930,695
Other expenses	615,631,359	622,437,418	1,270,695,973	1,343,190,154
Total operating expenses	3,073,828,030	2,997,253,529	6,143,590,303	6,180,778,646
Profit/(loss) before provisions	2,901,400,183	996,715,661	5,923,975,727	3,519,123,223
Provision for:				
Loans and advances	874,584,308	421,723,285	1,862,805,978	1,171,985,386
Diminution in value of investments	(1,000,000)	-	(2,000,000)	76,800,000
Off balance sheet items	48,000,000	(33,000,000)	138,000,000	(10,000,000)
Others	5,000,000	10,466,637	6,822,665	10,466,638
Total provision	926,584,308	399,189,922	2,005,628,643	1,249,252,024
Profit/(loss) before taxes	1,974,815,875	597,525,739	3,918,347,084	2,269,871,199
Provision for Tax:				
Current tax expense	573,441,703	405,563,013	1,786,065,679	1,344,232,505
Deferred tax expense/(income)	(37,520,102)	(251,215,524)	(713,757,536)	(593,907,346)
Total provision for Tax	535,921,601	154,347,489	1,072,308,143	750,325,159
Total profit/(loss) after taxes	1,438,894,274	443,178,250	2,846,038,941	1,519,546,040
Retained earnings brought forward from previous period/year	15,027,920,428	13,455,172,050	13,680,255,527	12,378,804,260
Profit available for appropriation	16,466,814,702	13,898,350,300	16,526,294,468	13,898,350,300
Appropriations:				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividend	1,988,817,706	1,850,062,985	1,988,817,706	1,850,062,985
Start-up Fund	14,388,943	-	73,868,709	-
Dividend equalization fund	-	-	-	-
	2,003,206,649	1,850,062,985	2,062,686,415	1,850,062,985
Retained surplus	14,463,608,053	12,048,287,315	14,463,608,053	12,048,287,315
Earnings Per Share (EPS), Note: 4.2	1.03	0.32	2.04	1.09

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: 29 July 2021

BRAC BANK LIMITED
Condensed Statement of Changes in Equity (Unaudited)
For the half year ended 30 June 2021

Amount in Taka

Particulars	Paid up share capital	Stock dividend proposed and approved	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Assets revaluation reserve	Translation reserve	Fair value gain/(loss) on equity investment	Retained earnings	Total
Balance as at 01 January 2021	13,258,784,760	-	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	478,558,600	(13,641,635)	1,131,197,846	13,680,255,527	46,955,084,366
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	(1,395,418,866)	-	-	-	-	(1,395,418,866)
Changes in fair value gain/ (loss) on equity investment	-	-	-	-	-	-	-	-	(244,142,889)	-	(244,142,889)
Currency translation difference	-	-	-	-	-	-	-	2,448,808	-	-	2,448,808
Sub-total	13,258,784,760	-	3,853,767,032	9,405,017,728	355,218,455	3,410,507,187	478,558,600	(11,192,827)	887,054,957	13,680,255,527	45,317,971,419
Net profit for the period	-	-	-	-	-	-	-	-	-	2,846,038,941	2,846,038,941
<u>Dividends for the year 2020:</u>											
Stock dividend	662,939,230	-	-	-	-	-	-	-	-	(662,939,230)	-
Cash dividend	-	-	-	-	-	-	-	-	-	(1,325,878,476)	(1,325,878,476)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	-	-	(73,868,709)	(73,868,709)
Statutory reserve	-	-	-	-	-	-	-	-	-	-	-
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	478,558,600	(11,192,827)	887,054,957	14,463,608,053	46,764,263,175
Balance as at 31 December 2020	13,258,784,760	-	3,853,767,032	9,405,017,728	355,218,455	4,805,926,053	478,558,600	(13,641,635)	1,131,197,846	13,680,255,527	46,955,084,366
Balance as at 30 June 2020	12,333,753,270	925,031,490	3,853,767,032	8,129,149,416	355,218,455	255,090,953	478,558,600	29,376,890	996,413,362	12,048,287,315	39,404,646,783

BRAC BANK LIMITED
Condensed Cash Flow Statement (Unaudited)
For the half year ended 30 June 2021

Particulars	Jan to Jun 2021 Taka	Jan to Jun 2020 Taka
A. Cash flows from operating activities		
Interest receipts	13,923,978,043	13,490,879,852
Interest payment	(5,011,849,717)	(8,704,872,906)
Dividend receipts	104,069,073	52,708,333
Fees and commission receipts	1,478,594,042	1,189,479,559
Recovery on loans previously written off	306,629,639	245,568,912
Cash payments to employees	(3,387,735,183)	(3,293,782,639)
Cash payments to suppliers	(216,876,295)	(204,326,305)
Income tax paid	(1,382,916,570)	(2,227,806,711)
Receipts from other operating activities	889,355,406	545,562,938
Payment for other operating activities	(1,739,490,453)	(1,895,585,610)
Operating Cash flow before changes in operating assets and liabilities (i)	4,963,757,985	(802,174,576)
Increase/decrease in operating assets & liabilities		
Loans and advances to customers	(9,378,058,428)	4,732,459,146
Other assets	(215,547,498)	(1,324,950,542)
Deposits from other banks/borrowings	6,807,878,197	(2,166,733,590)
Deposits from customers	(11,143,257,385)	19,407,955,801
Other liabilities	604,830,274	256,680,067
Cash utilized in operating assets and liabilities (ii)	(13,324,154,840)	20,905,410,883
Net cash (used)/flows from operating activities (i+ii) (a)	(8,360,396,856)	20,103,236,307
B. Cash flows from investing activities		
Treasury bills	250,000,000	(334,048,424)
Bangladesh Bank Bills	-	-
Treasury bonds	7,790,522,451	(20,658,530,859)
Sale/ (Investment) in shares	(673,864,866)	(2,761,419,644)
Investment in bonds	512,282,917	3,086,615,340
Redemption of BBL Bond	-	-
Acquisition of fixed assets	(485,852,289)	(480,275,657)
Disposal of fixed assets	59,246,063	17,764,943
Net cash used in investing activities (b)	7,452,334,276	(21,129,894,301)
C. Cash flows from financing activities		
Cash dividend paid	(1,138,875,768)	(900)
Net cash flows from financing activities (c)	(1,138,875,768)	(900)
Net increase/decrease in cash (a+b+c)	(2,046,938,349)	(1,026,658,893)
Cash and cash equivalents at beginning of year	33,603,286,202	38,630,874,333
Effect of exchange rate changes on cash and cash equivalent	54,116,064	53,890,917
Cash and cash equivalents at end of the year	31,610,463,918	37,658,106,357
Cash in hand (including foreign currency)	5,825,740,226	6,855,411,139
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	11,438,873,037	14,025,622,965
Balance with other banks and financial institutions	13,920,206,355	15,775,265,753
Money at call and short notice	424,168,000	1,000,000,000
Prize bond	1,476,300	1,806,500
	31,610,463,918	37,658,106,357
Net Operating Cash Flow Per Share (NOCFPS) (Note: 5.2)	(6.01)	14.44

BRAC BANK LIMITED
Selective notes to the Condensed Interim Financial Statements
As at and for the half year ended 30 June 2021

1 Legal status and nature of the Bank

BRAC Bank Limited (the "Bank" or "BRAC Bank") is a scheduled commercial bank established under the Banking Companies Act, 1991 and incorporated as a public company limited by shares on 20 May, 1999 under the Companies Act, 1994 in Bangladesh. The registered address of the Bank is situated at Anik Tower, 220/B Tejgaon Gulshan Link Road, Tejgaon, Dhaka-1208. BRAC Bank Limited is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly traded company from 28 January 2007 and 24 January 2007 respectively. The primary objective of the Bank is to carry out all kinds of banking businesses. As a fully operational commercial bank, BRAC Bank Limited focuses on pursuing unexplored market niches in the Small and Medium Enterprises business, which hitherto has remained largely untapped within the country. Significant percentage of BRAC Bank's clients had no prior experience of formal banking.

1.1 Nature of business activities

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 ATMs, CDMs, Agent Banking, Mobile and Internet Banking etc.

2 Accounting Policies

- 2.1 Accounting policies applied in the interim financial reports as at and for the half yearly ended 30 June 2021 are same as that were applied in its last annual financial statements of 31 December 2020. Consolidated financial statements included the position of BRAC Bank Limited and its all subsidiaries (BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited, bKash Limited, BRAC SAAJAN Exchange Limited).
- 2.2 Adequate provision has been made against loans and advances, off balance sheet items, investments and other assets as per Bangladesh Bank's circulars in force including recent BRPD circulars up to 30 June 2021. Recovery from any previously written-off loans have been adjusted with Provision for loans as per Bangladesh Bank circular.
- 2.3 Provision for income tax has been made on the accounting profit made by the Bank after considering some taxable income add back and disallowances of expenditures in accordance with the provision of the Income Tax Ordinance 1984. Deferred tax has been reviewed and recognized in quarterly financial statements with due compliance with Income Tax Laws and International Accounting Standard - 12 "Income Taxes".
- 2.4 Business of Off-shore Banking Unit (OBU) have been reported with solo Financial Statements.
- 2.5 Relevant comparative information has been restated wherever necessary to conform with the current year's/period's presentation.
- 2.6 The consolidated financial statements of the Bank are made up to 30 June and prepared under the historical cost convention and in accordance with the "First Schedule (sec-38)" of the Bank Companies Act 1991 as amended, BRPD Circular # 14 dated 25 June, 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and Financial Reporting Council, Companies Act 1994, the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 1987, Financial Reporting Act 2015 and other prevailing laws and rules applicable in Bangladesh.
- 2.7 Earning Per Share (EPS) of previous year/period has been restated as per IAS 33 due to issue of stock dividend for 2020 during the period.
- 2.8 These interim condensed financial statements were approved by the Board of Directors on 29 July 2021

3 Net Assets Value

3.1 Consolidated Net Assets Value (NAV) per share

	30 June 2021 Taka	31 Dec 2020 Taka	30 June 2020 Taka
Net Assets Value at the end of the reporting period/year	48,353,829,816	48,567,965,432	40,970,217,592
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399	1,392,172,399
	<u>34.73</u>	<u>34.89</u>	<u>29.43</u>

3.2 Separate/Standalone Net Assets Value (NAV) per share

Net Assets Value at the end of the reporting period/year	46,764,263,175	46,955,084,366	39,404,646,783
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399	1,392,172,399
	<u>33.59</u>	<u>33.73</u>	<u>28.30</u>

3.3 Explanation regarding significant change in quarterly financial statements:

Both consolidated and standalone NAV decreased slightly because of 10% cash dividend distributed for the year 2020 and decline in revaluation reserve on government securities.

4 Earnings Per Share (EPS)

4.1 Consolidated Earning Per Share

	Jan-June 2021 Taka	Jan-June 2020 Taka
Net profit/(loss) after taxes attributable to equity holders of the Bank	2,575,323,655	1,168,866,827
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399
	<u>1.85</u>	<u>0.84</u>

4.2 Separate/Standalone Earnings Per Share

Net profit/(loss) after taxes	2,846,038,941	1,519,546,040
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399
	<u>2.04</u>	<u>1.09</u>

4.1a Consolidated Earning Per Share

	April-June 2021 Taka	April-June 2020 Taka
Net profit/(loss) after taxes attributable to equity holders of the Bank	1,341,268,081	298,058,456
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399
	<u>0.96</u>	<u>0.21</u>

4.2a Separate/Standalone Earnings Per Share

Net profit/(loss) after taxes	1,438,894,274	443,178,250
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399
	<u>1.03</u>	<u>0.32</u>

4.3 Explanation regarding significant change in quarterly financial statements:

The consolidated and standalone EPS increased significantly due to higher profit earned in first half of 2021 compared to first half of 2020. Profit increased mainly for reduced interest expense on deposits and higher investment income earned on government securities.

	Jan-June 2021 Taka	Jan-June 2020 Taka
5 Net Operating Cash Flow per Share (NOCFPS)		
5.1 Consolidated Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	4,625,768,372	34,006,482,517
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399
	3.32	24.43
5.2 Separate/Standalone Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	(8,360,396,856)	20,103,236,307
Weighted average number of outstanding ordinary shares during the period/year	1,392,172,399	1,392,172,399
	(6.01)	14.44

5.3 Explanation regarding significant change quarterly basis financial statements:

Both consolidated and standalone net operating cash flows decreased primarily for fresh disbursement of loans to customers and higher deposit encashment by customers in the first half of 2021.

6 Performance Highlights of BRAC Bank Limited as of June 30, 2021 are given below:

6.1 Key Financial indicators (Standalone basis) :

SI no.	Particulars	30 June 2021	31 December 2020
1	Deposits	276,846,329,964	289,054,405,724
2	Loans and advances	282,441,251,628	273,063,193,200
3	Capital Fund:	41,370,280,369	40,182,231,697
4	Core Capital	37,292,109,355	36,472,826,887
5	Supplementary Capital	4,078,171,013	3,709,404,810
6	CRAR	14.94%	14.55%
7	No. of Branches	187	187
8	No. of Full Time Employees	7,479	7,740
9	Statutory Reserves	9,405,017,728	9,405,017,728
10	Shareholders' Equity	46,764,263,175	46,955,084,366

6.2 Key Financial indicators (Consolidated basis) :

SI no.	Particulars	30 June 2021	31 December 2020
1	Deposits	335,805,452,159	333,615,619,705
2	Loans and advances	283,040,255,150	273,438,940,961
3	Capital Fund:	45,274,458,928	44,959,377,911
4	Core Capital	41,196,287,915	41,249,973,101
5	Supplementary Capital	4,078,171,013	3,709,404,810
6	CRAR	15.00%	15.13%
7	Shareholders' Equity	48,353,829,816	48,567,965,432

6.3 Key Financial Ratios (Solo basis):

SI no.	Particulars	30 June 2021	31 December 2020
1	AD Ratio	84.07%	76.69%
2	ROE*	12.15%	10.58%
3	ROA*	1.44%	1.18%

* Figures are annualized.

6.4 Key Financial Ratios (Consolidated basis):

SI no.	Particulars	30 June 2021	31 December 2020
1	ROE*	10.63%	9.90%
2	ROA*	1.12%	1.01%

* Figures are annualized.

7 Credit Rating information

Rating agency	Long-term rating	Short-term rating	Outlook	Valid up to
CRAB	AA1	ST-1	Stable	30 June 2022
CRISL	AA+	ST-1	Stable	27 June 2022
ECRL	AA+	ST-1	Stable	30 June 2022
S&P	B+	B	Stable	December, 2021
Moody's	Ba3	NP	Negative	December, 2021

8 Unclaimed/undistributed dividend was BDT 72,965,805.19 as on 30 June 2021.

9 Schedule of fixed assets

BRAC Bank Limited
As at 30 June 2021

Particulars	Cost				Depreciation				Written down value as at 30.06.2021
	Opening balance as on 01 January 2021	Addition/Revaluation during the year	Disposals/Transfer/Adjustments during the year	Total balance as at 30.06.2021	Opening balance as on 01 January 2021	Charge during the year	Disposals/Adjustments during the year	Total balance as at 30.06.2021	
Property, plant & equipments									
Land	1,047,743,750		-	1,047,743,750	-	-	-	-	1,047,743,750
Leasehold Building	4,034,334		-	4,034,334	822,332	50,429	-	872,761	3,161,573
Furniture & fixture	2,096,550,341	16,969,214	5,921,321	2,107,598,234	1,395,740,435	77,752,751	5,921,321	1,467,571,864	640,026,370
Office equipments	1,307,461,739	14,371,903	6,801,022	1,315,032,620	1,120,463,136	47,925,115	6,797,222	1,161,591,030	153,441,591
IT Hardware	2,900,091,204	136,569,362	208,234	3,036,452,333	1,970,565,211	180,472,566	94,117	2,150,943,661	885,508,672
Motor vehicles	354,296,880	-	-	354,296,880	221,679,496	32,296,441	-	253,975,937	100,320,943
Right of use assets (ROU)	4,374,375,108	319,539,155	91,937,047	4,601,977,216	1,465,505,184	378,332,941	34,158,185	1,809,679,940	2,792,297,276
Capital expenditure work in progress	402,817,173	49,041,218	234,523,897	217,334,494	-	-	-	-	217,334,494
Sub-total	12,487,370,529	536,490,853	339,391,521	12,684,469,861	4,709,270,610	716,830,243	46,970,844	6,844,635,192	5,839,834,668
Intangible assets:									
With Indefinite useful lives:									
License	50,000	-	-	50,000	-	-	-	-	50,000
With definite useful lives:									
IT Software	2,093,346,465	183,885,334	-	2,277,231,798	1,056,948,166	150,801,463	-	1,207,749,629	1,069,482,169
Sub-total	2,093,396,465	183,885,334	-	2,277,281,798	1,056,948,166	150,801,463	-	1,207,749,629	1,069,532,169
As at 30 June 2021	14,580,766,993	720,376,186	339,391,521	14,961,751,659	5,766,218,776	867,631,706	46,970,844	8,052,384,821	6,909,366,838
As at 31 December 2020	15,102,321,068	1,392,716,147	1,914,270,221	14,580,766,993	6,913,602,920	1,700,780,342	1,382,659,302	7,231,723,960	7,349,043,033

10 Share capital

10.1 History of paid-up capital

Face value of BRAC Bank's each share is BDT 10. Given below the history of raising of share capital of BRAC Bank Limited:

Particulars	Allotment Year	Number of Shares Issued		No. of shares (outstanding)	Amount of Share Capital issued (BDT)	Total Paid up Capital (Cumulative)
		Share issued	Subscription			
First (Subscription to the Memorandum and Articles of Association) at the time of Incorporation	1999	-	2,000,000	2,000,000	200,000,000	200,000,000
BRAC (subscription)	2001	-	500,000	2,500,000	50,000,000	250,000,000
BRAC (subscription)	2003	-	674,500	3,174,500	67,450,000	317,450,000
ShoreCap International Ltd.	2004	-	875,700	4,050,200	87,570,000	405,020,000
International Finance Corporation	2004	-	949,800	5,000,000	94,980,000	500,000,000
IPO	2006	5,000,000	-	10,000,000	500,000,000	1,000,000,000
Bonus 20%	2007	2,000,000	-	12,000,000	200,000,000	1,200,000,000
Bonus 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
Change in denomination from Tk.100 to Tk.10	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	
Fresh Issue against Bond, 3rd Conversion of Bond	2018	2,790,534	-	858,000,228	27,905,340	8,580,002,280
Bonus Share 25%	2018	214,500,057	-	1,072,500,285	2,145,000,570	10,725,002,850
Bonus Share 15%	2019	160,875,042	-	1,233,375,327	1,608,750,420	12,333,753,270
Bonus Share 7.50%	2020	92,503,149	-	1,325,878,476	925,031,490	13,258,784,760
Bonus Share 5%	2021	66,293,923	-	1,392,172,399	662,939,230	13,921,723,990
Total					13,921,723,990	

10.2 Name of the Directors and their shareholdings as at 30 June 2021

Name of the Directors	Status	No of shares held as on 30 June 2021	% of shares held as on 30 June 2021	% of shares held as on 30 June 2021
Dr. Ahsan H Mansur (Chairman)	Independent Director	Nil	Nil	Nil
Mr. Asif Saleh (Nominated by BRAC)	Nominated Director	31,000	31,000	0.00%
Ms. Farzana Ahmed	Independent Director	Nil	Nil	Nil
Mr. Kazi Mahmood Sattar	Independent Director	Nil	Nil	Nil
Ms. Fahima Choudhury	Independent Director	Nil	Nil	Nil
Dr. Zahid Hussain	Independent Director	Nil	Nil	Nil
Mr. Meheriar M Hasan (Nominated by BRAC)	Nominated Director	Nil	Nil	Nil
Mr. Shameran Bahar Abed (Nominated by BRAC)	Nominated Director	950,000	997,500	0.071%

11 Share Premium

Accounting policy

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

	Year of issuance	30 June 2021 Taka	31 December 2020 Taka
5,000,000 ordinary shares @ Tk. 70 per share	2006	350,000,000	350,000,000
2,640,000 ordinary shares @ Tk. 400 per share	2008	1,056,000,000	1,056,000,000
221,652,288 ordinary shares @ Tk. 10 per share	2014	2,216,522,880	2,216,522,880
1,149,589 ordinary shares @ Tk. 32.55 per share	2016	37,419,151	37,419,151
2,237,835 ordinary shares @ Tk. 35.10 per share	2017	78,548,041	78,548,041
2,790,534 ordinary shares @ Tk. 41.31 per share	2018	115,276,960	115,276,960
		3,853,767,032	3,853,767,032

12. Statement of Consolidated Segment Reporting

A. Segmental operating profit and loss

There are 8 (eight) operating segments including subsidiaries as on 30 June 2021. Out of 8 (eight) operating segments only 5 (five) are reportable as per latest evaluation as on 30 June 2021 in accordance with IFRS 8: Operating segments. A segment is considered reportable only when its revenue, profit or loss and assets contributes 10% or more of the combined revenue, reported profit or loss and assets of all operating segments in accordance with IFRS 8. Hence other non-reportable segments have been shown under 'Others'. Comparative figures have been disclosed accordingly.

BRAC Bank Limited						Consolidation				Amount in Taka
Particulars	SME	Retail	Corporate	Treasury	Total	bKash	Others	Inter company elimination	Total	
Interest income	6,126,284,463	2,167,247,680	2,204,726,117	320,150,599	10,818,408,859	1,059,454,478	31,243,076	(185,151,860)	11,723,954,553	
Interest paid on deposits and borrowings	610,278,267	2,239,994,552	795,014,491	247,622,802	3,892,910,112	190,546,830	65,892,674	(185,151,860)	3,964,197,756	
Inter segment income /(expenses)	(2,638,690,650)	2,292,996,957	(196,772,654)	542,466,347	-	-	-	-	-	
Net interest income	2,877,315,546	2,220,250,085	1,212,938,972	614,994,144	6,925,498,747	868,907,648	(34,649,598)	-	7,759,756,797	
Investment income	-	-	-	3,577,061,134	3,577,061,134	682,054,924	72,533,678	-	4,331,649,736	
Commission, fees and others	254,697,261	793,226,441	396,064,206	34,606,134	1,478,594,042	1,663,205,402	567,923,192	(60,035,304)	3,649,687,332	
Other operating income	4,297,335	1,132,200	13,294,337	67,688,235	86,412,107	-	18,336,294	-	104,748,401	
Total Segment Revenue	3,136,310,142	3,014,608,726	1,622,297,515	4,294,349,647	12,067,566,030	3,214,167,974	624,143,566	(60,035,304)	15,845,842,266	
Staff costs	1,596,867,364	1,212,748,361	365,851,916	67,203,103	3,242,670,744	1,550,140,811	151,891,497	-	4,944,703,052	
Other operating costs	1,042,535,928	1,431,122,357	340,443,290	86,817,984	2,900,919,559	2,406,811,033	313,897,562	(60,035,304)	5,561,592,850	
Total segment expenditure	2,639,403,292	2,643,870,718	706,295,206	154,021,087	6,143,590,303	3,956,951,844	465,789,059	(60,035,304)	10,506,295,902	
Reportable segment operating profit	496,906,850	370,738,008	916,002,309	4,140,328,560	5,923,975,727	(742,783,870)	158,354,507	-	5,339,546,364	

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.

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

Particulars	Jan to Jun 2021 Taka	Jan to Jun 2020 Taka
Profit before tax as per profit and loss account	3,918,347,084	2,269,871,199
Adjustment for non-cash items:		
Provision for Loans and advances	2,169,435,617	1,171,985,386
Provision for Diminution in value of investments	(2,000,000)	76,800,000
Provision for Off balance sheet items	138,000,000	(10,000,000)
Provision for other assets	6,822,665	10,466,638
Depreciation of Property plant and equipment	867,631,706	860,213,937
Foreign exchange gain/(loss)	(39,135,834)	(57,165,101)
Profit on sale of fixed assets	(1,349,283)	(983,595)
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(9,378,058,428)	4,732,459,146
Other operating assets	220,172,616	(3,336,839,664)
Deposits from other banks/borrowings	6,807,878,197	(2,166,733,590)
Deposits from customers	(11,143,257,385)	19,407,955,801
Other operating liabilities	(541,967,241)	(626,987,138)
Income tax paid	(1,382,916,570)	(2,227,806,711)
Cash flows from operating activities as per cash flow statement	(8,360,396,856)	20,103,236,308