

BRAC Bank Limited

Condensed Interim Financial Statements
as at and for the half year ended 30 June 2023

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 June 2023

Particulars	Note	30 June 2023 Taka	31 December 2022 Taka
PROPERTY AND ASSETS			
Cash	3	31,304,117,783	31,871,593,250
Cash in hand (Including foreign currency)		8,335,591,941	11,918,067,777
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		22,968,525,842	19,953,525,473
Balance with other banks and financial institutions	4	67,717,487,027	52,951,344,277
Inside Bangladesh		60,089,461,600	47,797,240,230
Outside Bangladesh		7,628,025,427	5,154,104,047
Money at call on short notice		8,733,368,400	6,826,376,000
Investments	5	133,217,812,932	116,551,993,858
Government		123,987,785,816	107,319,008,486
Others		9,230,027,116	9,232,985,372
Loans and advances	6	472,067,467,312	412,084,750,584
Loans, cash credit, overdrafts etc.		254,644,417,254	222,711,877,598
Small and medium enterprises		214,767,382,108	187,247,111,913
Bills purchased and discounted		2,655,667,950	2,125,761,073
Fixed assets including premises, furniture and fixture	7	12,956,455,610	13,463,514,348
Other assets	8	28,997,101,977	20,803,842,677
Non-banking assets		10,141,700	11,341,700
Goodwill		1,372,563,393	1,372,563,393
Total property and assets		756,376,516,134	655,937,320,087
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	9	40,636,412,538	38,908,810,526
Borrowings from central bank & government agencies	10	55,519,336,291	42,184,501,809
Affordable housing bond	10.1	4,751,000,000	4,751,000,000
Money at call on short notice		-	-
Deposits and other accounts	11	527,249,050,244	447,058,816,329
Current accounts and other accounts		233,909,254,457	187,855,608,325
Bills payable		2,406,483,953	1,739,503,614
Savings deposits		75,286,561,398	71,890,957,598
Fixed deposits		208,751,940,158	182,973,780,522
Other deposits		6,894,810,278	2,598,966,270
Other liabilities	12	45,481,597,333	42,004,580,813
Total liabilities		673,637,396,406	574,907,709,477
Capital and shareholders' equity			
Paid up share capital	13	16,088,292,270	14,965,853,280
Share premium		3,853,767,032	3,853,767,032
Statutory reserve		11,155,127,473	11,148,169,834
Dividend equalization fund		355,218,455	355,218,455
Revaluation reserve on govt. securities		747,508,965	1,337,245,165
Fair value reserve		78,920,073	78,920,073
Foreign currency translation reserve	15	426,009,801	328,402,260
Surplus in profit and loss account/Retained earnings	16	29,914,130,374	29,086,051,630
Total shareholders' equity		62,618,974,443	61,153,627,729
Non controlling interest	17	20,120,145,285	19,875,982,881
Total equity		82,739,119,728	81,029,610,610
Total liabilities and shareholders' equity		756,376,516,134	655,937,320,087

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 June 2023

Particulars	Note	30 June 2023 Taka	31 December 2022 Taka
Off Balance Sheet Items			
Contingent liabilities			
Acceptances and endorsements		97,990,511,633	83,028,540,659
Irrevocable letter of credits		44,175,326,930	27,451,963,219
Letter of guarantees		26,873,774,433	18,607,062,875
Bills for collection		25,431,128,245	21,612,714,770
		194,470,741,241	150,700,281,523
Other commitments			
Swap deals with banks and customers		20,748,733,476	13,070,011,143
Spot and forward deals with banks and customers		13,145,325,840	2,074,308,915
		33,894,059,316	15,144,320,058
Total Off-Balance sheet items including other commitments		228,364,800,557	165,844,601,581
Net Assets Value (NAV) Per Share	32	38.92	38.01

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



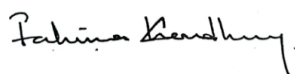
Chief Financial Officer



Company Secretary



Managing Director and CEO



Director



Vice-Chairman



Chairman

Date: 30 July 2023

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Profit and Loss Account (Unaudited)
For the half year ended 30 June 2023

Particulars	Note	Quarter ended Apr to Jun 2023 Taka	Quarter ended Apr to Jun 2022 Taka	Cumulative Jan to Jun 2023 Taka	Cumulative Jan to Jun 2022 Taka
Interest income	18	10,216,296,768	7,579,646,053	19,502,086,421	14,614,863,412
Interest paid on deposits and borrowing etc.	19	4,926,681,392	2,942,344,477	9,305,286,743	5,428,275,999
Net interest income		5,289,615,376	4,637,301,576	10,196,799,678	9,186,587,413
Investment income	20	3,263,759,823	1,398,880,218	5,880,146,678	3,096,876,911
Commission, exchange and brokerage	21	3,094,694,681	2,935,518,577	5,904,808,770	5,127,247,800
Other operating income	22	23,565,013	64,838,184	63,086,337	103,062,594
Total operating income		11,671,634,893	9,036,538,555	22,044,841,463	17,513,774,718
Salaries and allowances		3,591,543,036	3,093,962,281	6,816,536,098	5,953,909,100
Rent, taxes, insurance, electricity etc.	23	211,525,207	178,626,783	394,655,036	329,135,342
Legal expenses		11,102,657	17,264,215	17,296,233	37,130,766
Postage, stamps, telecommunication etc.	24	99,225,012	101,704,024	201,953,102	202,298,535
Stationery, printing, advertisement etc.	25	1,085,643,490	804,945,555	1,976,884,439	1,614,366,412
Chief Executive's salary and fees	26	9,588,750	6,045,000	14,216,250	10,672,500
Directors' fees and expenses		323,178	1,122,103	1,647,433	2,080,551
Auditors' fee		1,829,162	1,618,086	3,356,918	2,669,245
Impairment of goodwill		-	-	-	54,905,518
Depreciation and repairs to bank's assets	27	1,712,756,673	1,327,541,171	3,197,527,934	2,587,743,262
Other expenses	28	1,279,352,356	1,033,526,831	2,503,377,587	1,941,972,227
Total operating expenses		8,002,889,521	6,566,356,049	15,127,451,030	12,736,883,458
Operating profit		3,668,745,372	2,470,182,506	6,917,390,433	4,776,891,260
Share of profit/(loss) of associates	29	(732,460)	(2,597,855)	(7,198,714)	(6,345,977)
Gain/(loss) on disposal of associate		-	-	-	-
Profit/(loss) before provisions		3,668,012,912	2,467,584,651	6,910,191,719	4,770,545,283
Provision for:					
Loans and advances		975,318,366	568,605,498	1,633,957,478	1,085,348,926
Off balance sheet items		44,855,747	121,155,939	105,861,666	217,155,939
Diminution in value of investments		(6,900,000)	8,900,000	(6,588,962)	7,900,000
Others		1,407,201	26,884,285	3,492,490	26,884,285
Total provision	30	1,014,681,314	725,545,722	1,736,722,672	1,337,289,150
Profit/(loss) before taxes		2,653,331,598	1,742,038,929	5,173,469,047	3,433,256,133
Provision for Tax:					
Current tax expense		1,362,831,934	804,289,377	2,495,951,875	1,940,327,632
Deferred tax expense/(income)		(384,225,570)	(1,323,073)	(663,523,000)	(413,073,196)
Total provision for Tax	31	978,606,364	802,966,304	1,832,428,875	1,527,254,436
Total profit/(loss) after taxes		1,674,725,234	939,072,625	3,341,040,172	1,906,001,697
Attributable to:					
Equity holders of BRAC Bank Ltd.		1,660,584,266	1,040,638,832	3,097,796,376	2,198,279,644
Non controlling interest		14,140,968	(101,566,207)	243,243,796	(292,277,947)
		1,674,725,234	939,072,625	3,341,040,172	1,906,001,697
Retained earnings brought forward from previous period/year		30,514,693,206	26,503,081,800	29,097,947,168	26,402,962,532
Net profit attributable to the equity holders of the Bank		1,660,584,266	1,040,638,832	3,097,796,376	2,198,279,644
Profit available for appropriation		32,175,277,472	27,543,720,632	32,195,743,544	28,601,242,176
Appropriations:					
Statutory reserve		-	23,213,334	6,957,640	23,213,334
General reserve		-	-	-	-
Dividend		2,244,355,986	1,044,129,299	2,244,355,986	2,088,258,589
Start-up Fund		16,791,112	11,981,213	30,299,544	25,373,467
Dividend equalization fund		-	-	-	-
		2,261,147,098	1,079,323,846	2,281,613,170	2,136,845,390
Retained surplus		29,914,130,374	26,464,396,786	29,914,130,374	26,464,396,786
Earnings Per Share (EPS)	33	1.03	0.65	1.93	1.37

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



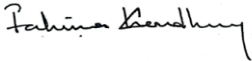
Chief Financial Officer



Company Secretary



Managing Director and CEO



Director



Vice-Chairman



Chairman

Date: 30 July 2023

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Statement of Changes In Equity (Unaudited)
For the half year ended 30 June 2023

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Fair value reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2023	14,965,853,280	3,853,767,032	11,148,169,834	355,218,455	1,337,245,165	78,920,073	328,402,260	29,086,051,630	19,875,982,881	81,029,610,610
Add: Prior year Adjustment due to Sajaan	-	-	-	-	-	-	-	11,895,537	793,035	12,688,572
Restated balance	14,965,853,280	3,853,767,032	11,148,169,834	355,218,455	1,337,245,165	78,920,073	328,402,260	29,097,947,167	19,876,775,916	81,042,299,182
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(589,736,200)	-	-	-	-	(589,736,200)
Changes in translation reserve (Note-15)	-	-	-	-	-	-	97,607,541	-	-	97,607,541
Gain on disposal of NBA	-	-	-	-	-	-	-	522,000	125,573	647,573
Sub-total	14,965,853,280	3,853,767,032	11,148,169,834	355,218,455	747,508,965	78,920,073	426,009,801	29,098,469,167	19,876,901,489	80,550,818,096
Net profit for the period	-	-	-	-	-	-	-	3,097,796,376	243,243,796	3,341,040,172
Dividend for the year 2022:										
Stock dividend	1,122,438,990	-	-	-	-	-	-	(1,122,438,990)	-	-
Cash dividend	-	-	-	-	-	-	-	(1,122,438,996)	-	(1,122,438,996)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	(30,299,544)	-	(30,299,544)
Statutory reserve	-	-	6,957,639	-	-	-	-	(6,957,639)	-	-
Balance as at 30 June 2023	16,088,292,270	3,853,767,032	11,155,127,473	355,218,455	747,508,965	78,920,073	426,009,801	29,914,130,374	20,120,145,285	82,739,119,728
Balance as at 31 December 2022	14,965,853,280	3,853,767,032	11,148,169,834	355,218,455	1,337,245,165	78,920,073	328,402,260	29,086,051,630	19,875,982,881	81,029,610,610
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

BRAC Bank Limited and its subsidiaries
Condensed Consolidated Cash Flow Statement (Unaudited)
For the half year ended 30 June 2023

Particulars	Note	Jan to Jun 2023 Taka	Jan to Jun 2022 Taka
A. Cash flows from operating activities			
Interest receipts		23,160,232,748	16,565,766,809
Interest payment		(9,326,257,950)	(4,125,392,130)
Dividend receipts		151,788,335	176,422,453
Fees and commission receipts		25,415,824,122	21,169,753,960
Recovery on loans previously written off		344,945,754	386,974,068
Cash payments to employees		(7,228,850,053)	(5,895,966,724)
Cash payments to suppliers		(20,498,176,634)	(19,784,452,263)
Income tax paid		(5,106,055,083)	(5,429,548,689)
Receipts from other operating activities		1,131,638,364	515,007,731
Payment for other operating activities		(3,217,467,747)	(2,118,514,806)
Operating cash flow before changes in operating assets and liabilities		4,827,621,856	1,460,050,409
Increase/decrease in operating assets & liabilities			
Loans and advances		(60,073,360,751)	(51,729,142,847)
Other assets		(4,837,033,573)	28,549,552
Borrowings from other banks and financial institutions		15,192,740,021	13,665,847,464
Deposits from customers		80,286,524,599	49,522,843,633
Other liabilities		(692,442,765)	(1,068,058,560)
Cash utilized in operating assets and liabilities (ii)		29,876,427,531	10,420,039,242
Net cash (used)/flows from operating activities (i+ii) (a)		34,704,049,387	11,880,089,651
B. Cash flows from investing activities			
Treasury bills		(27,251,937,713)	(981,543,085)
Treasury bonds		9,997,706,605	(29,583,569,510)
Sale/ (Investment) in shares		(251,903,803)	(637,174,488)
Investment in bonds		300,000,000	150,000,000
Acquisition of fixed assets		(1,783,843,061)	(1,787,249,218)
Disposal of fixed assets		12,778,430	8,746,094
Net cash used in investing activities (b)		(18,977,199,542)	(32,830,790,207)
C. Cash flows from financing activities			
Dividend paid		(963,687,618)	(1,039,889,615)
Net cash flows from financing activities (c)		(963,687,618)	(1,039,889,615)
Net increase/decrease in cash (a+b+c)		14,763,162,227	(21,990,590,171)
Cash and cash equivalents at beginning of the year		91,650,841,427	105,222,018,140
Effect of exchange rate changes on cash and cash equivalent		1,342,568,456	267,164,852
Cash and cash equivalents at end of the year		107,756,572,110	83,498,592,821
Cash and cash equivalents at end of the year:			
Cash in hand (including foreign currency)		8,335,591,941	7,814,777,800
Balance with Bangladesh Bank and its agents bank(s)		22,968,525,842	14,852,675,925
Balance with other banks and financial institutions		67,717,487,027	55,562,604,996
Money at call and short notice		8,733,368,400	5,267,250,000
Prize bond		1,598,900	1,284,100
		107,756,572,110	83,498,592,821
Net Operating Cash Flow Per Share (NOCFPS)	34	21.57	7.38

BRAC Bank Limited
Condensed Balance Sheet (Unaudited)
As at 30 June 2023

Particulars	Note	30 June 2023 Taka	31 December 2022 Taka
PROPERTY AND ASSETS			
Cash	3	31,152,695,503	31,776,214,097
Cash in hand (Including foreign currency)		8,184,169,661	11,822,688,624
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		22,968,525,842	19,953,525,473
Balance with other banks and financial institutions	4	17,610,274,664	16,255,534,724
Inside Bangladesh		10,082,567,786	11,127,982,840
Outside Bangladesh		7,527,706,878	5,127,551,884
Money at call on short notice		8,733,368,400	6,826,376,000
Investments	5	71,710,076,148	64,287,682,264
Government		64,175,695,241	56,637,669,673
Others		7,534,380,907	7,650,012,591
Loans and advances	6	470,888,409,708	410,676,406,960
Loans, cash credit, overdrafts etc.		253,465,359,650	221,303,533,974
Small and medium enterprises		214,767,382,108	187,247,111,913
Bills purchased and discounted		2,655,667,950	2,125,761,073
Fixed assets including premises, furniture and fixture	7	7,566,767,704	7,779,346,693
Other assets	8	31,198,021,438	25,626,075,864
Non-banking assets		10,141,700	11,341,700
Total property and assets		638,869,755,265	563,238,978,302
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	9	40,420,626,537	38,685,377,271
Borrowings from central bank & government agencies	10	55,519,336,291	42,184,501,809
Affordable housing bond	10.1	4,751,000,000	4,751,000,000
Money at call on short notice		-	-
Deposits and other accounts	11	440,962,671,512	384,466,775,242
Current accounts and other accounts		147,505,115,497	123,148,401,399
Bills payable		2,406,483,953	1,739,503,614
Savings deposits		75,286,561,398	71,890,957,598
Term deposits		208,869,700,386	185,088,946,361
Other deposits		6,894,810,278	2,598,966,270
Other liabilities	12	37,352,066,312	34,760,769,207
Total liabilities		579,005,700,652	504,848,423,529
Capital and shareholders' equity			
Paid up share capital	13	16,088,292,270	14,965,853,280
Share premium		3,853,767,032	3,853,767,032
Statutory reserve		11,112,086,248	11,112,086,248
Dividend equalization fund		355,218,455	355,218,455
Revaluation reserve on govt. securities		747,508,965	1,337,245,165
Fair value gain/(loss) on equity investment	14	7,733,687,434	7,643,913,224
Foreign currency translation reserve	15	419,260,877	323,536,914
Surplus in profit and loss account/Retained earnings	16	19,554,233,332	18,798,934,455
Total shareholders' equity		59,864,054,613	58,390,554,773
Total liabilities and shareholders' equity		638,869,755,265	563,238,978,302


BRAC Bank Limited
Condensed Balance Sheet (Unaudited)
As at 30 June 2023

Particulars	Note	30 June 2023 Taka	31 December 2022 Taka
Off Balance Sheet Items			
Contingent liabilities			
Acceptances and endorsements		97,990,511,633	83,028,540,659
Irrevocable letter of credits		44,175,326,930	27,451,963,219
Letter of guarantees		26,873,774,433	18,607,062,875
Bills for collection		25,431,128,245	21,612,714,770
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Other Commitments			
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Spot and forward deals with banks and customers		13,145,325,840	2,074,308,915
		33,894,059,316	15,144,320,058
Total Off-Balance sheet items including other commitments		228,364,800,557	165,844,601,581
Net Assets Value (NAV) Per Share	32	37.21	36.29

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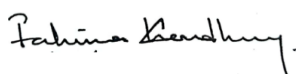
Chief Financial Officer



Company Secretary



Managing Director and CEO



Director



Vice-Chairman



Chairman

Date: 30 July 2023

BRAC BANK LIMITED
Condensed Profit and Loss Account (Unaudited)
For the half year ended 30 June 2023

Particulars	Note	Quarter ended Apr to Jun 2023 Taka	Quarter ended Apr to Jun 2022 Taka	Cumulative Jan to Jun 2023 Taka	Cumulative Jan to Jun 2022 Taka
Interest income	18	9,381,872,552	6,720,601,400	17,947,008,276	12,903,836,881
Interest paid on deposits and borrowing etc.	19	4,947,204,697	3,002,838,722	9,343,125,616	5,486,770,995
Net interest income		4,434,667,855	3,717,762,678	8,603,882,660	7,417,065,886
Investment income	20	2,059,311,050	1,042,587,670	3,562,581,100	2,444,467,004
Commission, exchange and brokerage	21	1,595,995,918	1,513,500,265	2,876,438,939	2,562,927,664
Other operating income	22	32,291,850	54,842,817	57,093,479	89,671,221
Total operating income		8,122,266,673	6,328,693,430	15,099,996,178	12,514,131,775
Salaries and allowances		2,344,028,537	2,025,605,182	4,498,400,793	3,941,933,028
Rent, taxes, insurance, electricity etc.	23	153,446,758	125,950,310	286,572,432	239,570,054
Legal expenses		5,241,509	10,818,898	10,367,789	12,119,745
Postage, stamps, telecommunication etc.	24	73,749,503	77,567,998	151,951,474	150,216,820
Stationery, printing, advertisement etc.	25	175,775,359	109,938,465	345,327,401	212,108,748
Chief Executive's salary and fees	26	9,588,750	6,045,000	14,216,250	10,672,500
Directors' fees and expenses		554,400	686,400	1,170,400	1,240,800
Auditors' fee		460,000	460,000	920,000	920,000
Depreciation and repairs to bank's assets	27	627,099,832	561,859,329	1,244,424,350	1,102,013,263
Other expenses	28	1,108,568,997	857,704,706	2,173,642,248	1,621,419,360
Total operating expenses		4,498,513,645	3,776,636,288	8,726,993,137	7,292,214,318
Profit/(loss) before provisions		3,623,753,028	2,552,057,142	6,373,003,041	5,221,917,457
Provision for:					
Loans and advances		975,318,365	568,605,498	1,626,688,078	1,085,348,926
Off balance sheet items		44,855,747	121,155,939	105,861,666	217,155,939
Diminution in value of investments		(6,900,000)	8,900,000	(6,588,962)	7,900,000
Others		1,407,201	22,664,199	3,492,490	22,664,199
Total provision	30	1,014,681,313	721,325,636	1,729,453,272	1,333,069,064
Profit/(loss) before taxes		2,609,071,715	1,830,731,506	4,643,549,769	3,888,848,393
Provision for Tax:					
Current tax expense		1,211,786,049	730,166,716	2,196,243,007	1,770,339,523
Deferred tax expense/(income)		(281,825,499)	(97,556,542)	(582,647,645)	(418,837,839)
Total provision for Tax	31	929,960,550	632,610,174	1,613,595,362	1,351,501,684
Total profit/(loss) after taxes		1,679,111,165	1,198,121,332	3,029,954,407	2,537,346,709
Retained earnings brought forward from previous period/year		20,136,269,265	16,611,565,385	18,798,934,455	16,329,861,552
Profit available for appropriation		21,815,380,430	17,809,686,717	21,828,888,862	18,867,208,261
Appropriations:					
Statutory reserve		-	-	-	-
General reserve		-	-	-	-
Dividend		2,244,355,986	1,044,129,299	2,244,355,986	2,088,258,589
Start-up Fund		16,791,112	11,981,213	30,299,544	25,373,467
Dividend equalization fund		-	-	-	-
		2,261,147,098	1,056,110,512	2,274,655,530	2,113,632,056
Retained surplus		19,554,233,332	16,753,576,205	19,554,233,332	16,753,576,205
Earnings Per Share (EPS)	33	1.04	0.74	1.88	1.58

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



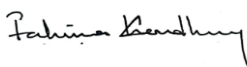
 Chief Financial Officer



 Company Secretary



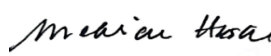
 Managing Director and CEO



 Director



 Vice-Chairman



 Chairman

Date: 30 July 2023

BRAC Bank Limited
Condensed Statement of Changes in Equity (Unaudited)
For the half year ended 30 June 2023

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Fair value gain/(loss) on equity investment	Foreign currency translation reserve	Retained earnings	Total
Balance as at 01 January 2023	14,965,853,280	3,853,767,032	11,112,086,248	355,218,455	1,337,245,165	7,643,913,224	323,536,914	18,798,934,455	58,390,554,773
Surplus/deficit on account of revaluation of investments	-	-	-	-	(589,736,200)	-	-	-	(589,736,200)
Changes in fair value gain/ (loss) on equity investment	-	-	-	-	-	89,774,210	-	-	89,774,210
Changes in translation reserve (Note-15)	-	-	-	-	-	-	95,723,963	-	95,723,963
Gain on disposal of NBA	-	-	-	-	-	-	-	522,000	522,000
Sub-total	14,965,853,280	3,853,767,032	11,112,086,248	355,218,455	747,508,965	7,733,687,434	419,260,877	18,799,456,455	57,986,838,746
Net profit for the period	-	-	-	-	-	-	-	3,029,954,407	3,029,954,407
Dividend for the year 2022:									
Stock dividend	1,122,438,990	-	-	-	-	-	-	(1,122,438,990)	-
Cash dividend	-	-	-	-	-	-	-	(1,122,438,996)	(1,122,438,996)
Dividend equalization fund	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	(30,299,544)	(30,299,544)
Statutory reserve	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2023	16,088,292,270	3,853,767,032	11,112,086,248	355,218,455	747,508,965	7,733,687,434	419,260,877	19,554,233,332	59,864,054,613
Balance as at 31 December 2022	14,965,853,280	3,853,767,032	11,112,086,248	355,218,455	1,337,245,165	7,643,913,224	323,536,914	18,798,934,455	58,390,554,773
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

BRAC Bank Limited
Condensed Cash Flow Statement (Unaudited)
For the half year ended 30 June 2023

Particulars	Note	Jan to Jun 2023 Taka	Jan to Jun 2022 Taka
A. Cash flows from operating activities			
Interest receipts		20,185,058,773	14,509,378,945
Interest payment		(9,356,097,021)	(4,157,568,448)
Dividend receipts		109,173,832	130,949,148
Fees and commission receipts		2,876,438,939	2,562,927,664
Recovery on loans previously written off		344,945,754	386,974,068
Cash payments to employees		(4,903,050,737)	(4,031,407,406)
Cash payments to suppliers		(479,471,973)	(353,322,469)
Income tax paid		(1,785,875,028)	(2,665,315,096)
Receipts from other operating activities		1,138,097,522	568,234,121
Payment for other operating activities		(3,021,671,145)	(1,946,999,087)
Operating Cash flow before changes in operating assets and liabilities		5,107,548,916	5,003,851,440
Increase/decrease in operating assets & liabilities			
Loans and advances		(60,212,002,748)	(51,171,419,869)
Other assets		(4,809,851,348)	4,423,870
Borrowings from other banks and financial institutions		15,070,083,747	13,443,806,907
Deposits from customers		56,592,186,947	34,693,478,010
Other liabilities		(727,202,849)	(1,100,330,678)
Cash utilized in operating assets and liabilities (ii)		5,913,213,749	(4,130,041,760)
Net cash (used)/flows from operating activities (i+ii) (a)		11,020,762,665	873,809,680
B. Cash flows from investing activities			
Treasury bills		(23,655,519,732)	(2,460,006,283)
Treasury bonds		15,527,757,964	(3,635,658,963)
Sale/ (Investment) in shares		(184,368,316)	(484,112,692)
Investment in bonds		300,000,000	150,000,000
Acquisition of fixed assets		(754,230,362)	(1,035,718,491)
Disposal of fixed assets		12,778,430	8,741,460
Net cash used in investing activities (b)		(8,753,582,016)	(7,456,754,969)
C. Cash flows from financing activities			
Cash dividend paid		(963,687,618)	(1,039,889,615)
Net cash flows from financing activities (c)		(963,687,618)	(1,039,889,615)
Net increase/decrease in cash (a+b+c)		1,303,493,031	(7,622,834,904)
Cash and cash equivalents at beginning of year		54,859,652,721	46,059,175,412
Effect of exchange rate changes on cash and cash equivalent		1,334,791,715	271,640,779
Cash and cash equivalents at end of the year		57,497,937,467	38,707,981,287
Cash in hand (including foreign currency)		8,184,169,661	6,793,464,923
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		22,968,525,842	14,852,675,925
Balance with other banks and financial institutions		17,610,274,664	11,793,306,339
Money at call and short notice		8,733,368,400	5,267,250,000
Prize bond		1,598,900	1,284,100
		57,497,937,467	38,707,981,287
Net Operating Cash Flow Per Share (NOCFPS)	34	6.85	0.54

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

1.1 BRAC Bank Limited

BRAC Bank Limited (the "Bank" or "BRAC Bank") is a scheduled commercial bank established under the Bank Company Act, 1991, and incorporated as a public company, limited by shares, on 20 May 1999 under the Companies Act, 1994, in Bangladesh, vide 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 banking and related activities including accepting customer deposits, lending to retail, small and medium enterprise (SME) and corporate customers, trade financing, lease financing, project financing, issuing letter of credit (LCs), inter bank borrowing and lending, dealing in government securities, equity shares etc. There have been no significant changes in the nature of operations of the Bank during the financial year under review.

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

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 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
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	1,333,333	1,333,333	93.75%	93.75%
BRAC IT Services Limited	IT services	BDT 1,000	233,729	233,729	9.9996%	9.9996%

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

Preparation of separate financial statements of the bank for for the half year ended 30 June 2023 comprise the operation of the Domestic Banking Unit (DBU) (main operations), as well as operations of the Off-shore Banking Unit (OBU), together referred to as 'the Bank'.

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

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) 10: Consolidated Financial Statements. The consolidated financial statements are prepared for a common reporting period for for the half year ended 30 June 2023. Intra-company transactions, balances and intra-group gains on transactions between group companies are eliminated on consolidation.

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:

- i) The Bank Company Act, 1991, and amendment thereon;
- ii) The Companies Act, 1994;
- iii) Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;

Notes to the financial statements as at and for the half year ended 30 June 2023

- iv) Bangladesh Securities and Exchange Rules, 2020; Bangladesh Securities and Exchange Ordinance, 1969; Bangladesh Securities and Exchange Act, 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 and amendments thereon;
- v) The Income Tax Act, 2023, and amendments thereon;
- vi) The Value Added Tax Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;
- vii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations;
- viii) 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 2023 are same as that were disclosed in its last annual financial statements of 31 December 2022.

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 in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. 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) Provision for loans and advances, investments and leases for future impairment
- b) Useful life of fixed assets and Right of use of assets (RoU) as per IFRS 16
- c) Remeasurement gain/(loss) of defined benefit obligation and plan assets
- d) Deferred Tax assets/liabilities
- e) Provision for gratuity fund
- f) Right of use of assets (RoU) as per IFRS 16
- g) Lease liabilities
- h) Impairment testing of goodwill
- i) Provision for taxation
- j) Fair value determination of unquoted investments/shares

2.1.5 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.

2.3 Mark-to-market valuation of foreign currency transaction

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

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 Statement of changes in equity

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

2.7 Cash flow statement

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

2.8 Reporting period

These interim financial statements cover the period from 01 January 2023 to 30 June 2023.

2.9 SIGNIFICANT ACCOUNTING POLICIES

Accounting policies applied in the interim financial statements as at and for the half year ended 30 June 2023 are same as that were applied in its last annual financial statements of 31 December 2022. However, some extract of key accounting policies that had been applied in annual financial statements are:

Assets and the basis of their valuation

2.9.1 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.

2.9.2 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 accredited, 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 and MFs (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	Lower of cost or Surrender Price	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.

Notes to the financial statements as at and for the half year ended 30 June 2023

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.
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2.9.3 Loans and advances

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

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.	1%	1%	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%

e) Interest on classified loans and advances is kept in a suspense account as per BRPD circular no. 27, dated 31 August 2010 and recognised as income on realisation, as per BRPD circular no. 14 and 15, dated 23 September 2012. Interest is not charged on bad and loss loans as per the guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate accounts.

d) 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.

2.9.4 Fixed assets including premises, furniture and fixtures

A. Property, plant and equipment (PPE)

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

Recognition and measurement

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

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

Subsequent costs

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

Depreciation of PPE

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

Category of assets	BRAC Bank	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%

Notes to the financial statements as at and for the half year ended 30 June 2023

*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.

Gain or loss on disposal of PPE

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

Impairment of PPE

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

B. Intangible assets

Software

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

License

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

Goodwill

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

Impairment of intangible assets

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

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

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

Right-of-use assets

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

Lease liabilities

At the commencement date of the lease, the bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term using incremental borrowing rate at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments, and re-measuring the carrying amount to reflect any interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

Short-term leases and leases of low value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases, i.e. for which the lease term ends within 12 months of the date of initial application. The Bank recognises lease payments associated with these leases as an expense. The contracts for premises with all branches, head office, regional offices, data centers and disaster recovery centers are considered for lease calculation.

Accounting of lease modification

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

Gain or loss on termination of lease agreements

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

D. Capital work-in-progress (CWIP)

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

Other assets and basis of their measurement

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

a. Interest receivables

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

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

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

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

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

2.9.5 Liabilities and provisions

Borrowings from other banks, financial institutions and agents

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

2.9.6 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.

2.9.7 Other liabilities

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

a. Provision for loans and advances

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

b. Provision for other assets

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

c. Provisions for off balance sheet items

No provision is kept on items of derivatives as there is no exposure on such gross value for the Bank. Provision for other off balance sheet items made as per BRPD circular no. 06 dated 25 April 2023 except on 'bills for collection' and 'guarantees' against which government has been issued the counter guarantee having BB rating grade '1' equivalent outlined in the circular.

d. Interest suspense

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

2.9.8 Share capital and shareholders' equity

a. Authorized capital

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

b. Issued, Subscribed and Paid up capital

The issued share capital of the bank is the total nominal value of the shares of the bank which have been issued to shareholders and which remain outstanding. Paid up share capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of

ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

c. Share Premium

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

d. Revaluation reserve on govt. securities

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

e. Non Controlling Interest

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

2.9.9 Off-balance sheet exposures and other commitments

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

2.9.10 Revenue and expense recognition

a) 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.

b) Interest paid on deposits and borrowings etc.

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

c) Investment income

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

d) 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.

e) 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.

f. 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 Income Tax Act 2023.

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.

2.10 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/declare of stock dividend for 2022 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

2.11 Related party disclosures

Related Party is a party related to an entity if:

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

2.12 Statement of Segment Reporting

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

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

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

There are 4 (four) operating segments (SME, Retail, Corporate, and Treasury) on standalone basis as on 30 June. 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 have been appended with Bank's financial statements.

2.13 Disclosure on credit rating information

In compliance with Bangladesh Bank's BRPD circular No. 06, dated July 05, 2006, and with a view to assure investors and other stakeholders of the sustainable operating positions of the bank, while also safeguarding stakeholder interests, BRAC Bank is subject to ratings assessment by reputed credit rating agencies. The summary of Bank's credit rating as of 30 June 2023 is presented below:

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

2.14 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 as on June 30, 2023. Hence there is no additional provision/capital requirement for exposure to any single country.

2.15 Director's and management's responsibilities on statement

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

2.16 Approval of the financial statements

These interim condensed financial statements were approved by the Board of Directors on 30 July 2023.

2.17 General

- i) Figures appearing in the financial statements have been rounded-off to the nearest Taka.
- ii) Figures of previous year have been rearranged, wherever considered necessary, to conform with the current year's presentation.

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
3 Cash					
Cash in hand (Including foreign currency)	3.1	8,335,591,941	11,918,067,777	8,184,169,661	11,822,688,624
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	22,968,525,842	19,953,525,473	22,968,525,842	19,953,525,473
		31,304,117,783	31,871,593,250	31,152,695,503	31,776,214,097
3.1 Cash in hand (Including foreign currency)					
Local currency		8,150,062,428	11,836,218,828	7,998,640,148	11,740,839,675
Foreign currency		185,529,513	81,848,949	185,529,513	81,848,949
		8,335,591,941	11,918,067,777	8,184,169,661	11,822,688,624
3.2 Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)					
Local currency		20,390,163,854	17,384,764,667	20,390,163,854	17,384,764,667
Foreign currency		2,383,623,900	1,611,159,007	2,383,623,900	1,611,159,007
		22,773,787,754	18,995,923,674	22,773,787,754	18,995,923,674
Sonali Bank as an agent of Bangladesh Bank (local currency)		194,738,088	957,601,799	194,738,088	957,601,799
		22,968,525,842	19,953,525,473	22,968,525,842	19,953,525,473
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 2023 is maintained on the basis of weekly ATDTL of April 2023), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.					
Daily basis					
Reserves maintained by the bank as at 30 June are as follows:					
Average total demand and time liabilities of April 2023 and October 2022					
DBU				419,986,527,146	377,372,496,754
OBU				38,037,125,552	31,435,723,645
				458,023,652,698	408,808,220,399
Required reserve					
DBU (June 2023: 3.5% and 2022: 3.5%)				14,699,528,450	13,208,037,386
OBU (June 2023: 1.5% and 2022: 1.5%)				570,556,883	471,535,855
				15,270,085,333	13,679,573,241
Actual reserve maintained as per Bangladesh Bank statement					
Surplus				18,285,994,803	18,014,672,220
				3,015,909,470	4,335,098,979

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022

Bi-weekly basis

The Bank maintained excess cash reserve of Tk. 8,100,601,766 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 2023.

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 2023 is based on weekly ATDTL of April 2023), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.

Required reserve (13% of ATDTL)		59,543,074,851	53,145,068,652
Actual reserve maintained (June 2023: 16.00%, December 2022:17.54%)		73,280,414,355	71,708,187,223
Surplus		13,737,339,504	18,563,118,571

3.4.1 Actual reserve maintained

Cash in hand		8,184,169,661	11,822,688,624
Balance with Sonali Bank as per statement		194,758,247	956,771,049
Daily Excess Reserve		725,791,206	2,291,057,877
Un-encumbered approved securities (HFT)		36,817,904,864	27,931,292,483
Un-encumbered approved securities (HTM)		27,356,191,477	28,704,849,290
Un-encumbered approved securities (other eligible)		1,598,900	1,527,900
		73,280,414,355	71,708,187,223

4 Balance with other Banks and Financial Institutions

Inside Bangladesh	4.1	60,089,461,600	47,797,240,230	10,082,567,786	11,127,982,840
Outside Bangladesh	4.2	7,628,025,427	5,154,104,047	7,527,706,878	5,127,551,884
		67,717,487,027	52,951,344,277	17,610,274,664	16,255,534,724

4.1 Balance inside Bangladesh

In current deposit accounts with:

Banks		43,043,824,574	17,894,986,491	82,567,786	127,982,840
Less: Inter unit/company elimination		8,300,703,871	3,743,224,457	-	-
		34,743,120,703	14,151,762,034	82,567,786	127,982,840

In Term deposit accounts with:

Banks		23,464,101,125	32,060,644,035	8,000,000,000	7,300,000,000
Non Banking Financial Institutions (NBFIs)		2,000,000,000	3,700,000,000	2,000,000,000	3,700,000,000
		25,464,101,125	35,760,644,035	10,000,000,000	11,000,000,000

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
Less: Inter unit/company elimination		117,760,228	2,115,165,839	-	-
		25,346,340,897	33,645,478,196	10,000,000,000	11,000,000,000
Total balances		60,089,461,600	47,797,240,230	10,082,567,786	11,127,982,840
4.2 Balance outside Bangladesh					
On shore balance		18,178,944,700	10,300,711,807	18,078,626,151	10,274,159,644
Off shore balance		2,121,359,514	2,382,125,360	2,121,359,514	2,382,125,360
		20,300,304,214	12,682,837,167	20,199,985,665	12,656,285,004
Less: On shore to BBL off-shore placement		12,672,278,787	7,528,733,120	12,672,278,787	7,528,733,120
		7,628,025,427	5,154,104,047	7,527,706,878	5,127,551,884
5 Investments					
Government	5.1	123,987,785,816	107,319,008,486	64,175,695,241	56,637,669,673
Others	5.2	9,230,027,116	9,232,985,372	7,534,380,907	7,650,012,591
		133,217,812,932	116,551,993,858	71,710,076,148	64,287,682,264
5.1 Government (investment in Govt. securities)					
Treasury bills		27,754,582,961	502,645,248	24,158,164,980	502,645,248
Treasury bonds		96,231,603,955	106,814,835,338	40,015,931,361	56,133,496,525
Prize bonds		1,598,900	1,527,900	1,598,900	1,527,900
		123,987,785,816	107,319,008,486	64,175,695,241	56,637,669,673
5.1.2 BB category wise investment					
Held for trading (HFT)		40,414,322,845	27,931,292,483	36,817,904,864	27,931,292,483
Held to maturity (HTM)		83,571,864,071	79,386,188,103	27,356,191,477	28,704,849,290
Other securities		1,598,900	1,527,900	1,598,900	1,527,900
		123,987,785,816	107,319,008,486	64,175,695,241	56,637,669,673
5.2 Others (investment in other than Govt. securities)					
Corporate bonds- unquoted and quoted		2,174,310,000	2,480,000,000	2,174,310,000	2,480,000,000
Ordinary shares and Mutual Funds (MFs) - unquoted and quoted		7,054,117,116	6,750,485,372	5,358,470,907	5,167,512,591
Preference shares		1,600,000	2,500,000	1,600,000	2,500,000
		9,230,027,116	9,232,985,372	7,534,380,907	7,650,012,591

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
6 Loans and advances					
Loans, cash credits, overdrafts etc.	6.1	254,644,417,254	222,711,877,598	253,465,359,650	221,303,533,974
Small and medium enterprises	6.2	214,767,382,108	187,247,111,913	214,767,382,108	187,247,111,913
Bills purchased and discounted*	6.3	2,655,667,950	2,125,761,073	2,655,667,950	2,125,761,073
		472,067,467,312	412,084,750,584	470,888,409,708	410,676,406,960
* Bills purchased and discounted excludes bills purchased and discounted of small and medium enterprise (SME).					
6.1 Loans, cash credits, overdrafts etc.					
Overdrafts		16,941,175,171	14,264,660,532	16,941,175,171	14,264,660,532
Demand loans		112,678,963,740	93,550,846,726	112,678,963,740	93,550,846,726
Term loans		110,229,842,453	101,066,162,683	110,229,842,453	101,066,162,683
Lease receivables		433,318,745	488,267,689	433,318,745	488,267,689
Credit Cards		11,995,851,243	10,794,068,205	11,995,851,243	10,794,068,205
Staff loans		1,197,576,978	1,152,911,527	1,186,208,298	1,139,528,139
Margin loan		2,464,975,711	2,383,856,084	-	-
		255,941,704,041	223,700,773,446	253,465,359,650	221,303,533,974
Less: Inter company elimination		1,297,286,787	988,895,848	-	-
		254,644,417,254	222,711,877,598	253,465,359,650	221,303,533,974
6.2 Small and medium enterprises					
Overdrafts		12,335,086,914	12,992,885,904	12,335,086,914	12,992,885,904
Demand loans		15,931,566,179	13,789,378,536	15,931,566,179	13,789,378,536
Term loans		186,392,273,678	160,407,248,749	186,392,273,678	160,407,248,749
Lease receivables		-	3,904,457	-	3,904,457
Bills purchased and discounted (SME)		108,455,337	53,694,267	108,455,337	53,694,267
		214,767,382,108	187,247,111,913	214,767,382,108	187,247,111,913
6.3 Bills purchased and discounted					
Bills purchased and discounted (except SME)		2,655,667,950	2,125,761,073	2,655,667,950	2,125,761,073
Bills purchased and discounted (SME)		108,455,337	53,694,267	108,455,337	53,694,267
		2,764,123,287	2,179,455,340	2,764,123,287	2,179,455,340
6.4 Net loans and advances					
Gross loans and advances	6	472,067,467,312	412,084,750,584	470,888,409,708	410,676,406,960
Less: Interest suspense	12	1,859,873,715	1,710,681,546	1,859,873,715	1,710,681,546
Less: Provision for loans and advances	12	17,067,988,605	15,386,996,797	15,856,152,835	14,175,161,027
		453,139,604,992	394,987,072,241	453,172,383,158	394,790,564,387

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
6.5 Classified and unclassified loans and advances					
Unclassified					
Standard (including staff loan)		452,644,597,770	394,146,614,538	452,677,375,936	393,963,577,818
Special Mention Accounts (SMA)		1,700,360,578	1,444,198,040	1,700,360,578	1,444,198,040
		<u>454,344,958,348</u>	<u>395,590,812,578</u>	<u>454,377,736,514</u>	<u>395,407,775,858</u>
Classified					
Sub-standard		3,356,639,538	3,376,237,529	3,356,639,538	3,376,237,529
Doubtful		3,006,229,843	2,535,948,774	3,006,229,843	2,535,948,774
Bad/Loss		11,359,639,583	10,581,751,703	10,147,803,813	9,356,444,799
		<u>17,722,508,964</u>	<u>16,493,938,006</u>	<u>16,510,673,194</u>	<u>15,268,631,102</u>
		<u>472,067,467,312</u>	<u>412,084,750,584</u>	<u>470,888,409,708</u>	<u>410,676,406,960</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 2023	Required provision 31 December 2022
Unclassified					
All unclassified loans (Other than SME Financing, Consumer Financing, BHs/MBs/SDs, Housing and Small and Medium Enterprise Financing)	164,840,635,684	164,771,520,511	1%**	2,167,793,712	1,778,829,266
Loans to BHs/MBs/SDs against share etc.*	204,892,319,753	204,892,319,753	0.25%	512,230,799	440,770,777
Housing Finance	1,301,654,742	1,301,654,742	1%	13,016,547	22,810,966
Loans for professionals to Set up business (LP)	12,137,294,391	12,137,294,391	1%	121,372,944	121,351,537
Consumer finance	5,550,624,761	5,550,624,761	2%	111,012,495	108,054,275
Consumer finance (Credit Card)	49,805,759,481	49,805,759,481	2%	996,115,190	924,264,105
Short Term Agricultural and Micro Credit	11,345,139,702	11,345,139,702	2%	226,902,794	205,330,996
Staff Loan	3,318,099,702	3,318,099,702	1%	33,180,997	41,857,576
	1,186,208,298	-	1%	-	-
	<u>454,377,736,514</u>	<u>453,122,413,043</u>		<u>4,181,625,479</u>	<u>3,643,269,498</u>
Classified - Specific provision					
Sub-standard	3,356,639,538	2,524,361,478	20%***	329,719,775	439,033,298
Doubtful	3,006,229,843	2,325,304,368	50%***	726,858,496	499,174,067
Bad/Loss	10,147,803,813	7,384,528,103	100%***	7,496,082,103	7,065,798,541
	<u>16,510,673,194</u>	<u>12,234,193,949</u>		<u>8,552,660,374</u>	<u>8,004,005,906</u>
	<u>470,888,409,708</u>	<u>465,356,606,992</u>			
Special General Provision Covid-19					
Special general provision Covid-19 for 2020			1%	331,517,383	385,747,960
Special general provision Covid-19 for 2021			1.5%, 2%	173,034,744	179,414,701
Special general provision Covid-19 for 2022			1% & 2%	17,140,203	17,320,997
				<u>521,692,330</u>	<u>582,483,658</u>

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
Total required provision for loans and advances				13,255,978,182	12,229,759,062
Total provision maintained				15,856,152,835	14,175,161,027
Excess provision over minimum required provision prescribed by Bangladesh Bank				2,600,174,653	1,945,401,965

* 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

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

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		2,513,875,146	2,387,318,002	2,290,458,963	2,170,822,095
Office equipment		1,502,307,594	1,473,696,734	1,386,019,047	1,361,168,512
IT hardwares		7,398,849,782	7,029,432,768	3,468,755,342	3,275,504,031
Motor vehicles		673,790,600	650,117,297	426,998,798	422,497,790
Leasehold improvements		167,493,811	157,107,776	-	-
Right of use assets (ROU) as per IFRS 16		7,495,922,709	7,299,267,882	6,298,132,142	6,103,024,179
Capital expenditure work in progress		656,693,784	584,054,423	192,084,953	207,119,223
IT Software (Finite useful lives)		7,900,934,577	7,542,139,410	2,873,663,801	2,800,445,366
Total cost		28,857,999,329	27,671,265,618	17,467,422,780	16,871,890,930
Accumulated depreciation and amortisation		15,901,543,719	14,207,751,270	9,900,655,076	9,092,544,237
Written down value		12,956,455,610	13,463,514,348	7,566,767,704	7,779,346,693

(Fixed assets schedules-standalone basis are shown in Annexure - B)

8 Other assets

Income generating

Interest receivables		3,996,830,562	3,811,701,206	3,996,830,562	3,811,701,206
Dividend receivables		16,592,867	69,353,683	16,592,867	69,353,683
Investment in subsidiary	8.1	-	-	13,684,121,529	13,571,306,097
Investment/carrying value in associates	8.2	14,008,121	21,206,835	14,008,121	21,206,835
Investment In swift share		8,083,464	8,083,464	8,083,464	8,083,464
Prepaid interest expenses on IFFD		2	2	2	2
Receivables against sanchayapatra		146,823,548	22,879,838	146,823,548	22,879,838
Balance with BRAC EPL Stock Brokerage Limited		1,485,577	2,351,718	1,485,577	2,351,718

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
Non- Income generating					
Stock of stamps		73,784,164	49,971,414	73,784,164	49,971,414
Stock of security stationery		12,924,903	40,311,581	12,924,903	40,311,581
Stock of printing stationery		13,243,338	14,557,854	13,243,338	14,557,854
Advance to staff		9,957,648	7,503,770	9,957,648	7,503,770
Advance to supplier		53,558,102	30,635,256	20,140,421	9,170,157
Advance Value Added Tax		6,602,947	5,858,631	6,602,947	5,858,631
Advance to SME unit offices		1,308,690	1,308,690	1,308,690	1,308,690
Advance against office rent		71,450,419	72,000,795	71,450,419	72,000,795
Advance security deposit		17,417,819	16,571,559	12,949,911	12,103,651
Receivables from biTS		142,164,029	154,857,249	142,164,029	154,857,249
Deferred revenue expenditure		874,734,743	231,241,555	874,734,743	231,241,555
Deferred tax asset	8.3	7,033,578,044	6,411,981,091	5,310,283,305	4,769,561,708
Receivable settlement account-OBU/DBU		-	-	-	-
Net plan assets - Employees' Gratuity Fund		132,156,493	132,156,493	132,156,493	132,156,493
Other receivables		6,648,374,757	2,618,589,473	6,648,374,757	2,618,589,473
Other assets of subsidiaries		9,722,021,740	7,080,720,520	-	-
		28,997,101,977	20,803,842,677	31,198,021,438	25,626,075,864
8.1 Investment in subsidiaries					
BRAC EPL Investments Limited				1,290,524,002	1,301,639,222
BRAC EPL Stock Brokerage Limited				1,319,802,943	1,311,371,003
bKash Limited				11,073,794,584	10,937,169,476
BRAC SAAJAN Exchange Limited*				-	21,126,396
				13,684,121,529	13,571,306,097
*On 26 May 2021, the operations of BRAC Saajan Exchange Limited was suspended on regulatory ground by the local regulator in UK and after obtaining the NOC and all necessary clearance, BSEL resumed operations at a reduced capacity on 22 December 2022. As a result, to meet up fixed operational costs, the net worth of the company become negative. Considering that, the investment amount related to BSEL has been accounted for as zero in the separate financial Statements in line with Accounting Standard IAS.					
8.2 Investment/carrying value in associates					
BRAC IT Services Limited		14,008,121	21,206,835	14,008,121	21,206,835
		14,008,121	21,206,835	14,008,121	21,206,835
8.2.1 Carrying value of investment in associates:					
<i>BRAC IT Services Limited</i>					
Opening balance/fair value of residual interest retained		21,206,835	21,115,234		
Gain/(loss) on disposal/loss of shares in associates		-	(4,768,581)		
Share of profit/(loss) of equity in associate company		(7,198,714)	4,860,182		
		14,008,121	21,206,835		

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022

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 2023					
Loan loss provision including Covid-19 special provision and QJ general provision	12,150,188,630	-	12,150,188,630	37.50%	4,556,320,736
Actuarial valuation measurement loss	158,308,084	-	158,308,084	37.50%	59,365,532
Provision against capital market	27,730,587	-	27,730,587	10.00%	2,773,059
Fixed assets except RoU	2,800,857,234	4,138,714,721	1,337,857,487	37.50%	501,696,558
Right of use assets (ROU) as per IFRS 16	4,046,550,112	707,366,893	(3,339,183,219)	37.50%	(1,252,193,707)
Leased Liability as per IFRS 16	3,846,189,673	-	3,846,189,673	37.50%	1,442,321,127
Deferred tax asset (a)					5,310,283,305
Deferred tax liability arises from fair value gain as per IFRS 9	9,098,455,806	-	(9,098,455,806)	15.00%	(1,364,768,371)
Interest receivable from treasury bills and bonds	814,007,528	-	(814,007,528)	37.50%	(305,252,823)
Dividend receivables	-	-	-	20.00%	-
Deferred tax liability (b)					(1,670,021,194)
Net deferred tax asset at 30 June 2023 (a+b)					3,640,262,111
Balance as at 31 December 2022					
Loan loss provision including Covid-19 special provision and QJ general provision	10,907,648,940	-	10,907,648,940	37.50%	4,090,368,353
Actuarial valuation measurement loss	158,308,084	-	158,308,084	37.50%	59,365,532
Provision against capital market	34,119,549	-	34,119,549	10.00%	3,411,955
Fixed assets except RoU	2,858,164,885	4,060,036,190	1,201,871,305	37.50%	450,701,739
Right of use assets (ROU) as per IFRS 16	4,183,776,896	764,211,113	(3,419,565,783)	37.50%	(1,282,337,168)
Leased Liability as per IFRS 16	3,861,470,125	-	3,861,470,125	37.50%	1,448,051,297
Deferred tax asset (a)					4,769,561,708
Fair value gain on equity investment as per IFRS 9	8,992,839,090	-	(8,992,839,090)	15.00%	(1,348,925,863)
Interest receivable from treasury bills and bonds	925,810,324	-	(925,810,324)	37.50%	(347,178,872)
Deferred tax liability (b)					(1,696,104,735)
Net deferred tax asset at 31 December 2022 (a+b)					3,073,456,973

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

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
9 Borrowings from other banks, financial institutions and agents					
Borrowings inside Bangladesh		1,925,575,241	207,944,839	1,725,523,200	-
Borrowings outside Bangladesh		38,710,837,297	38,700,865,687	38,695,103,337	38,685,377,271
		40,636,412,538	38,908,810,526	40,420,626,537	38,685,377,271
10 Borrowings from central bank & government agencies					
BB - Export development fund (EDF)		16,567,656,075	16,168,162,980	16,567,656,075	16,168,162,980
SME Foundation pre finance		514,081,957	506,077,187	514,081,957	506,077,187
BB - Long term financing facility (LTFF)		750,120,752	785,064,454	750,120,752	785,064,454
BB - Green transformation fund (GTF)		200,396,691	232,733,347	200,396,691	232,733,347
BB - Stimulus fund		-	55,370,628	-	55,370,628
BB - Working capital stimulus fund		82,546,328	1,514,040,573	82,546,328	1,514,040,573
BB - PSC stimulus package		1,531,001,000	1,367,527,000	1,531,001,000	1,367,527,000
BB - Refinancing for green initiatives		25,000,000	30,000,000	25,000,000	30,000,000
BB - SME re-finance		35,771,008,488	21,370,475,640	35,771,008,488	21,370,475,640
Joyeeta foundation pre or re-finance		77,525,000	155,050,000	77,525,000	155,050,000
		55,519,336,291	42,184,501,809	55,519,336,291	42,184,501,809
10.1 Affordable housing bond					
In 2022, upon approval from Bangladesh Securities & Exchange Commission (BSEC) and permission from Bangladesh Bank, BRAC Bank issued unsecured Affordable Housing Bond amounting BDT 4,751,000,000. The bond has been fully subscribed by International Finance Corporation (IFC). The raised fund will be utilized to provide affordable housing loans to lower and middle income group at a highest interest rate of 7.50% or as revised by Bangladesh Bank time to time.					
11 Deposits and other accounts					
Current deposits and other accounts etc.	11.1	233,909,254,457	187,855,608,325	147,505,115,497	123,148,401,399
Bills payable	11.2	2,406,483,953	1,739,503,614	2,406,483,953	1,739,503,614
Savings deposits	11.3	75,286,561,398	71,890,957,598	75,286,561,398	71,890,957,598
Term deposits*	11.4	208,751,940,158	182,973,780,522	208,869,700,386	185,088,946,361
Other deposits	11.5	6,894,810,278	2,598,966,270	6,894,810,278	2,598,966,270
		527,249,050,244	447,058,816,329	440,962,671,512	384,466,775,242
* Term deposits include the deposit pension scheme (DPS).					
11.1 Current deposits and other accounts					
Local currency		231,277,033,420	183,410,331,638	136,572,190,589	114,959,900,255
Foreign currencies		10,932,924,908	8,188,501,144	10,932,924,908	8,188,501,144
		242,209,958,328	191,598,832,782	147,505,115,497	123,148,401,399
Less: Inter unit/company elimination		8,300,703,871	3,743,224,457	-	-
		233,909,254,457	187,855,608,325	147,505,115,497	123,148,401,399

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
11.1.1 Current deposits and other accounts					
Current deposits		225,217,532,580	177,062,146,540	130,512,689,749	108,611,715,157
Special notice deposit		16,992,425,748	14,536,686,242	16,992,425,748	14,536,686,242
		<u>242,209,958,328</u>	<u>191,598,832,782</u>	<u>147,505,115,497</u>	<u>123,148,401,399</u>
Less: Inter unit/company elimination		8,300,703,871	3,743,224,457	-	-
		<u>233,909,254,457</u>	<u>187,855,608,325</u>	<u>147,505,115,497</u>	<u>123,148,401,399</u>
11.2 Bills payable					
Local currency		2,391,426,647	1,709,235,613	2,391,426,647	1,709,235,613
Foreign currencies		15,057,306	30,268,001	15,057,306	30,268,001
		<u>2,406,483,953</u>	<u>1,739,503,614</u>	<u>2,406,483,953</u>	<u>1,739,503,614</u>
11.3 Savings deposits					
Local currency		75,286,561,398	71,890,957,598	75,286,561,398	71,890,957,598
Foreign currencies		-	-	-	-
		<u>75,286,561,398</u>	<u>71,890,957,598</u>	<u>75,286,561,398</u>	<u>71,890,957,598</u>
11.4 Term deposits					
Local currency		204,012,581,630	181,477,648,780	204,012,581,630	181,477,648,780
Foreign currencies		4,857,118,756	3,611,297,581	4,857,118,756	3,611,297,581
		<u>208,869,700,386</u>	<u>185,088,946,361</u>	<u>208,869,700,386</u>	<u>185,088,946,361</u>
Less: Inter unit/company elimination		117,760,228	2,115,165,839	-	-
		<u>208,751,940,158</u>	<u>182,973,780,522</u>	<u>208,869,700,386</u>	<u>185,088,946,361</u>
11.5 Other deposits					
Local currency		6,887,581,275	2,591,975,775	6,887,581,275	2,591,975,775
Foreign currencies		7,229,003	6,990,495	7,229,003	6,990,495
		<u>6,894,810,278</u>	<u>2,598,966,270</u>	<u>6,894,810,278</u>	<u>2,598,966,270</u>
11.6 Deposits concentration					
Deposits from banks-inside Bangladesh	11.6.1	26,555,010	416,079,447	26,555,010	416,079,447
Other than banks		527,222,495,234	446,642,736,882	440,936,116,502	384,050,695,795
		<u>527,249,050,244</u>	<u>447,058,816,329</u>	<u>440,962,671,512</u>	<u>384,466,775,242</u>
11.6.1 Deposits from banks-inside Bangladesh					
Current deposits:					
NRB Bank Limited		1,340,966	1,346,966	1,340,966	1,346,966
Islami Bank Bangladesh Limited		440,048	440,548	440,048	440,548
One Bank Limited		711,317	977,208	711,317	977,208
Meghna Bank Limited		517,008	409,935,258	517,008	409,935,258
		<u>3,009,339</u>	<u>412,699,980</u>	<u>3,009,339</u>	<u>412,699,980</u>

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
Special notice deposit:					
Dutch-Bangla Bank Mobile Banking-Rocket		23,545,671	3,379,467	23,545,671	3,379,467
		<u>23,545,671</u>	<u>3,379,467</u>	<u>23,545,671</u>	<u>3,379,467</u>
Term deposits from Banks:					
Habib Bank Limited		-	-	-	-
Pubali Bank Limited		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deposits from banks		<u>26,555,010</u>	<u>416,079,447</u>	<u>26,555,010</u>	<u>416,079,447</u>
11.7 Payable on demand and time deposit					
i) Demand deposit					
Current deposits		205,983,903,801	165,130,420,939	119,579,764,841	100,423,214,013
Saving deposits (9% of total saving deposits)		6,775,790,526	6,470,186,184	6,775,790,526	6,470,186,184
Foreign currency deposits		10,940,153,911	8,195,491,639	10,940,153,911	8,195,491,639
Sundry deposits		6,886,783,275	2,591,162,775	6,886,783,275	2,591,162,775
Bills payable		2,406,483,953	1,739,503,614	2,406,483,953	1,739,503,614
		<u>232,993,115,466</u>	<u>184,126,765,151</u>	<u>146,588,976,506</u>	<u>119,419,558,225</u>
ii) Time deposit					
Saving deposits (91% of total saving deposits)		68,510,770,872	65,420,771,414	68,510,770,872	65,420,771,414
Foreign currency deposits		4,857,118,756	3,611,297,581	4,857,118,756	3,611,297,581
Term deposits		184,152,645,497	160,951,254,291	184,270,405,725	163,066,420,130
Deposit pension schemes (DPS)		19,742,175,905	18,411,228,650	19,742,175,905	18,411,228,650
Special notice deposit		16,992,425,748	14,536,686,242	16,992,425,748	14,536,686,242
Security deposits		798,000	813,000	798,000	813,000
		<u>294,255,934,778</u>	<u>262,932,051,178</u>	<u>294,373,695,006</u>	<u>265,047,217,017</u>
		<u>527,249,050,244</u>	<u>447,058,816,329</u>	<u>440,962,671,512</u>	<u>384,466,775,242</u>
12 Other liabilities					
Provision for loans and advances		16,283,781,381	14,602,789,573	15,071,945,611	13,390,953,803
Special general provision Covid-19		784,207,224	784,207,224	784,207,224	784,207,224
Provision for interest receivable from loan		24,200,123	20,676,127	24,200,123	20,676,127
Provisions for off balance sheet Items		1,017,348,220	911,486,554	1,017,348,220	911,486,554
Provision for diminution in value of Investments		27,530,587	34,119,549	27,530,587	34,119,549
Provision for other assets	12.1	247,696,695	247,263,926	247,696,695	247,263,926
Provision against non banking assets (NBA)		6,800,000	6,800,000	6,800,000	6,800,000
Interest suspense		1,859,873,715	1,710,681,546	1,859,873,715	1,710,681,546
Withholding tax payable		167,131,263	546,837,799	167,131,263	546,837,799
VAT payable		298,039,727	231,322,683	298,039,727	231,322,683
Excise duty payable		439,309,033	329,663,279	439,309,033	329,663,279
Provision for taxation net off AIT	12.2	5,789,591,342	5,448,621,002	4,224,727,003	4,144,359,024
Deferred tax liability	8.3	305,252,824	347,178,871	1,670,021,194	1,696,104,735
Interest payable on borrowings		816,443,030	733,123,758	816,443,030	733,123,758

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
Accrued expenses		4,242,303,464	4,781,984,329	922,725,818	1,367,743,072
CSR Fund (FX gain)		-	188,198,573	-	188,198,573
Share subscription - IPO (refund warrant)		285,858	273,606	285,858	273,606
Payable to off-shore banking unit		6	4	6	4
Unclaimed and undistributed dividend	12.3	169,817,675	11,588,296	169,817,675	11,588,296
Suppliers payable		145,944,609	162,427,092	145,944,609	162,427,092
Leased liabilities as per IFRS 16		4,362,030,934	4,465,075,566	3,846,189,674	3,861,470,127
Payable against exchange houses		-	60,200	-	60,200
Payable against insurances		6,277,675	6,260,997	6,277,675	6,260,997
Payable against proxy account		2,405,248	1,366,816	2,405,248	1,366,816
Payable against SWIFT charge		31,510,395	27,144,741	31,510,395	27,144,741
Start-up Fund	12.4	188,808,905	158,509,361	188,808,905	158,509,361
Other payables		5,382,827,024	4,188,126,315	5,382,827,024	4,188,126,315
Other liabilities of subsidiaries		2,882,180,376	2,058,793,026	-	-
		45,481,597,333	42,004,580,813	37,352,066,312	34,760,769,207

12.1 Provision for other assets

Total required provision for other assets				236,260,772	232,869,007
Total provision maintained				247,696,695	247,263,926
Excess/(shortfall) in provision				11,435,923	14,394,919

12.2 Provision for taxation net off AIT (BBL only)

A. Provision for tax:

Balance at the beginning of the year				31,267,764,084	27,502,064,330
Net adjustment during the year				2,196,243,007	3,765,699,754
Balance at the end of the year				33,464,007,091	31,267,764,084

B. Advance income tax:

Balance at the beginning of the year				27,123,405,060	22,480,505,827
Add: Paid during the year				2,115,875,028	4,642,899,233
Balance at the end of the year				29,239,280,088	27,123,405,060
Provision for taxation (A-B)				4,224,727,003	4,144,359,024

12.3 Unclaimed and undistributed dividend

As on 30 June 2023, the Unclaimed/undistributed dividend was BDT 169,817,675/- (Including 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).

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022

12.4 Start-up Fund

As per SMESPD circular O4 dated March 29, 2021 and SMESPD circular letter O5 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		158,509,361	100,877,625
Addition during the period (1% of PAT)		30,299,544	57,631,736
Closing balance at the end of the period		188,808,905	158,509,361

13 Issued, Subscribed and Paid up capital

100,000,000 Ordinary Shares of Tk. 10/- each issued for cash		1,000,000,000	1,000,000,000
1,254,598,981 Ordinary Shares of Tk. 10/- each issued as bonus share		12,545,989,810	11,423,550,820
26,400,000 Right Shares of Tk. 10/- each issued in 2008		264,000,000	264,000,000
221,652,288 Right Shares of Tk. 10/- each issued in 2014		2,216,522,880	2,216,522,880
1,149,589 Ordinary Shares of Tk. 10/- each issued as 1st bond converted share in 2016		11,495,890	11,495,890
2,237,835 Ordinary Shares of Tk. 10/- each issued as 2nd bond converted share in 2017		22,378,350	22,378,350
2,790,534 Ordinary Shares of Tk. 10/- each issued as 3rd bond converted share in 2018		27,905,340	27,905,340
		16,088,292,270	14,965,853,280

13.1

Particulars	No. of Shares (30 June 2023)	% of shareholding (30 June 2023)	30 June 2023 Taka	31 December 2022 Taka
Director	743,975,773	46.24%	7,439,757,730	6,920,418,390
Govt.	-	-	-	-
Institutions	218,275,369	13.57%	2,182,753,690	1,966,600,350
Foreign	531,212,538	33.02%	5,312,125,380	5,034,035,480
General public	115,365,547	7.17%	1,153,655,470	1,044,799,060
	1,608,829,227	100%	16,088,292,270	14,965,853,280

Notes to the financial statements as at and for the half year ended 30 June 2023

Particulars	Note	<i>Amount in Taka</i>			
		Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
14 Fair value gain/(loss) on equity investment (Standalone)					
Balance at the beginning of the year				7,643,913,224	7,384,920,564
Net change during the year				89,774,210	258,992,660
				7,733,687,434	7,643,913,224
15 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.					
16 Surplus in profit and loss account/Retained earnings (standalone)					
Balance at the beginning of the year				18,798,934,455	16,329,861,552
Add: Remeasurements gain/(loss) of defined benefits liabilities (assets)				-	(104,081,055)
Add: Gain on disposal of NBA				522,000	-
Add: Net profit during the period				3,029,954,407	5,763,173,573
Less: Transfer to statutory reserve				-	1,044,129,290
Less: Start-up Fund				30,299,544	57,631,736
Less: Cash dividend paid				1,122,438,996	1,044,129,299
Less: Bonus share issued				1,122,438,990	1,044,129,290
Closing balance				19,554,233,332	18,798,934,455
16.1 Surplus in profit and loss account/Retained earnings (Consolidated)					
BRAC Bank Limited	16			19,554,233,332	18,798,934,455
BRAC EPL Investment Limited					
Opening balance		(1,334,655,599)	(1,607,496,637)		
Add: Retained Surplus/(deficit) for the year		(17,917,386)	272,841,038		
Sub total		(1,352,572,985)	(1,334,655,599)		
BRAC EPL Stock Brokerage Limited					
Opening balance		988,635,674	943,567,598		
Add: Retained Surplus/(deficit) for the year		8,565,851	68,281,410		
Less: Transfer to statutory reserve		(6,957,639)	(23,213,334)		
Add: Reserve for stock dividend		-	-		
Sub total		990,243,886	988,635,674		

Notes to the financial statements as at and for the half year ended 30 June 2023

Particulars	Note	Amount in Taka			
		Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
bKash Limited					
Opening balance		10,790,569,760	10,742,740,197		
Add: Retained Surplus/(deficit) for the year		136,700,342	59,554,596		
Add: Remeasurements of defined benefits liability (assets)		-	1,145,219		
Less: Transfer to statutory reserve		-	(12,870,252)		
Sub total		10,927,270,102	10,790,569,760		
BRAC SAAJAN Exchange Limited					
Opening balance		(155,267,498)	3,364,585		
Add: Prior year adjustment		11,895,538	-		
Add: Retained Surplus/(deficit) for the year		(52,308,125)	(101,881,820)		
Add: Effect of change of shareholding		-	(1,844,745)		
Less: Impairment of goodwill		-	(54,905,518)		
Sub total		(195,680,085)	(155,267,498)		
Associates					
Opening balance - (biTS)		(2,165,162)	(9,074,763)		
Add: Share of profit/(loss) of equity in associate company - (biTS)		(7,198,714)	4,860,182		
Gain/(loss) on disposal/loss of control of associates		-	2,049,419		
Sub total		(9,363,876)	(2,165,162)		
		29,914,130,374	29,086,051,630		
17 Non Controlling Interest					
BRAC EPL Investments Limited	17.1	706,904	716,701		
BRAC EPL Stock Brokerage Limited	17.1	146,356,541	145,404,780		
bKash Limited	17.1	19,974,242,014	19,728,452,974		
BRAC SAAJAN Exchange Limited	17.1	(1,160,174)	1,408,426		
		20,120,145,285	19,875,982,881		
17.1 Reconciliation of Non Controlling Interest					
		BRACEPL Investments Ltd.	BRAC EPL Stock Brokerage Ltd.	bKash Limited	BRAC SAAJAN Exchange Limited
Opening balance		716,701	145,404,780	19,728,452,974	1,408,426
Share of profit/(loss)		(9,797)	951,761	245,789,040	(3,487,208)
Add: Prior year adjustment in Saajan		-	-	-	793,036
Translation adjustment		-	-	-	125,572

Notes to the financial statements as at and for the half year ended 30 June 2023

Particulars	Note	<i>Amount in Taka</i>			
		Consolidated		BRAC Bank Limited	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		<u>706,904</u>	<u>146,356,541</u>	<u>19,974,242,014</u>	<u>(1,160,174)</u>

Notes to the financial statements as at and for the half year ended 30 June 2023

Particulars	Note	Amount in Taka			
		Consolidated		BRAC Bank Limited	
		Jan to Jun 2023	Jan to Jun 2022	Jan to Jun 2023	Jan to Jun 2022
18 Interest income					
Interest on loans and advances		17,428,120,472	12,520,254,892	17,345,785,776	12,461,033,547
Interest on balance with other banks		749,279,000	392,197,046	91,832,596	836,552
Interest on fixed deposits with other banks		1,442,801,267	2,013,313,098	442,394,657	466,753,872
Other interest income		459,642,519	98,793,003	459,642,519	98,793,003
		<u>20,079,843,258</u>	<u>15,024,558,039</u>	<u>18,339,655,548</u>	<u>13,027,416,974</u>
Less: Elimination of inter unit/company transactions		577,756,837	409,694,627	392,647,272	123,580,093
		<u>19,502,086,421</u>	<u>14,614,863,412</u>	<u>17,947,008,276</u>	<u>12,903,836,881</u>
19 Interest paid on deposits and borrowings etc.					
A. Interest paid on deposits:					
Current account		828,165,899	507,213,821	734,116,291	311,242,549
Short term deposit		89,431,379	82,114,920	89,431,379	82,114,920
Savings deposit		381,488,987	348,915,800	381,488,987	348,915,800
Term deposit		6,282,942,593	4,031,909,016	6,282,942,593	4,031,909,016
		<u>7,582,028,858</u>	<u>4,970,153,557</u>	<u>7,487,979,250</u>	<u>4,774,182,285</u>
B. Interest paid for borrowings:					
Interest on money at call and short notice		28,782,264	82,467,829	28,782,264	82,467,829
Interest on borrowings from banks and FIs		1,728,633,979	483,077,441	1,675,412,895	451,429,175
Interest on funding SWAP		21,998,882	14,778,348	21,998,882	14,778,348
Interest on finances from central bank & government agencies		312,297,063	221,007,170	312,297,063	221,007,170
Interest on Repurchase agreement (REPO)		79,723,890	66,486,281	79,723,890	66,486,281
Interest expense-Affordable Housing Bond		129,578,644	-	129,578,644	-
		<u>2,301,014,722</u>	<u>867,817,069</u>	<u>2,247,793,638</u>	<u>836,168,803</u>
		<u>9,883,043,580</u>	<u>5,837,970,626</u>	<u>9,735,772,888</u>	<u>5,610,351,088</u>
Less: Elimination of inter unit/company transactions		577,756,837	409,694,627	392,647,272	123,580,093
		<u>9,305,286,743</u>	<u>5,428,275,999</u>	<u>9,343,125,616</u>	<u>5,486,770,995</u>
20 Investment income					
Interest on government securities		1,956,761,398	1,623,922,003	1,956,761,398	1,623,922,003
Interest on reverse repo		357,336,468	72,836,184	357,336,468	72,836,184
Interest on corporate & subordinated bond		106,370,284	127,422,402	106,370,284	127,422,402
Interest on interest rate swap (IRS)		2,711,705	2,462,490	2,711,705	2,462,490
Dividend on shares & mutual funds		56,413,016	130,831,670	56,413,016	130,831,670
Capital gain (loss) on government securities		1,084,961,733	454,765,761	1,084,961,733	454,765,761

Notes to the financial statements as at and for the half year ended 30 June 2023

Particulars	Note	Amount in Taka			
		Consolidated		BRAC Bank Limited	
		Jan to Jun 2023	Jan to Jun 2022	Jan to Jun 2023	Jan to Jun 2022
Capital gain (loss) on shares & mutual funds		481,412	35,596,897	481,412	35,596,897
Gain (loss) on interest rate swap (IRS) position		(2,454,916)	(3,370,403)	(2,454,916)	(3,370,403)
Investment income of subsidiaries		2,317,565,578	652,409,907	-	-
		5,880,146,678	3,096,876,911	3,562,581,100	2,444,467,004
21 Commission, exchange and brokerage					
Commission Income		894,961,323	456,523,105	894,961,323	456,523,105
Other Income		743,261,268	928,521,824	743,261,268	928,521,824
Fees Income		1,238,216,348	1,177,882,735	1,238,216,348	1,177,882,735
Commission and brokerage income of subsidiaries		3,105,641,026	2,587,402,861	-	-
		5,982,079,965	5,150,330,525	2,876,438,939	2,562,927,664
Less: Elimination of inter unit/company transactions		77,271,195	23,082,725	-	-
		5,904,808,770	5,127,247,800	2,876,438,939	2,562,927,664
22 Other operating income					
Profit on sale of fixed assets		1,984,186	8,429,355	1,984,186	8,429,355
Profit share from other bank		53,865,441	49,725,034	53,865,441	49,725,034
Miscellaneous income		1,243,852	31,516,832	1,243,852	31,516,832
Other operating income of subsidiaries		5,992,858	13,391,373	-	-
		63,086,337	103,062,594	57,093,479	89,671,221
23 Rent, taxes, insurance, electricity, etc.					
Rent, rates and taxes	23.1	204,677,470	165,754,977	177,628,249	141,096,944
Insurance		49,591,070	43,766,967	11,126,704	7,186,606
Power and electricity		135,328,467	115,113,243	92,795,013	86,843,718
WASA and sewerage		5,058,029	4,500,155	5,022,466	4,442,786
		394,655,036	329,135,342	286,572,432	239,570,054
23.1 Rent, rates and taxes					
Rent, taxes, insurance, electricity, etc.		774,859,889	708,613,419	638,464,227	573,102,978
Less: Reversal due to depreciation and interest expenses under IFRS 16		570,182,419	542,858,442	460,835,978	432,006,034
		204,677,470	165,754,977	177,628,249	141,096,944

Notes to the financial statements as at and for the half year ended 30 June 2023

		<i>Amount in Taka</i>			
Particulars	Note	Consolidated		BRAC Bank Limited	
		Jan to Jun 2023	Jan to Jun 2022	Jan to Jun 2023	Jan to Jun 2022
24 Postage, stamp, telecommunication, etc.					
Postage and courier		32,494,939	35,028,978	21,921,084	22,580,467
Telegram, telex, fax and network		78,273,738	69,039,459	62,460,580	55,703,936
Court fees and stamps		34,478,897	44,920,227	34,478,897	44,920,227
Telephone		56,705,528	53,309,871	33,090,913	27,012,190
		201,953,102	202,298,535	151,951,474	150,216,820
25 Stationery, printing, advertisements, etc.					
Stationery and Printing		104,368,153	86,469,263	96,312,545	79,466,754
Security Stationery		105,686,160	44,040,001	105,686,160	44,040,002
Advertisement		1,766,830,126	1,483,857,148	143,328,696	88,601,992
		1,976,884,439	1,614,366,412	345,327,401	212,108,748
26 Chief Executive's salary and fees					
Basic salary		8,505,000	8,505,000	8,505,000	8,505,000
Bonus and others		2,835,000	1,417,500	2,835,000	1,417,500
House rent allowance		750,000	750,000	750,000	750,000
Annual LFA		2,126,250	-	2,126,250	-
		14,216,250	10,672,500	14,216,250	10,672,500
27 Depreciation and repair of the bank's assets					
Depreciation of Property, plant and equipment					
Furniture and fixtures		80,490,180	75,267,394	73,137,583	69,442,002
Office floor space		273,825	273,557	50,429	50,429
Office equipment		47,667,441	47,374,075	43,167,154	42,145,959
IT hardware		548,156,559	480,177,377	227,539,444	178,886,292
Motor vehicles		19,780,906	37,406,078	14,686,835	31,554,859
Leasehold improvement		23,968,773	18,681,740	-	-
Right of use assets (ROU) as per IFRS 16		512,559,823	491,948,550	392,885,390	381,096,142
IT software		644,069,109	575,943,415	204,548,272	157,201,612
		1,876,966,616	1,727,072,186	956,015,107	860,377,295

Notes to the financial statements as at and for the half year ended 30 June 2023

Particulars	Note	<i>Amount in Taka</i>			
		Consolidated		BRAC Bank Limited	
		Jan to Jun 2023	Jan to Jun 2022	Jan to Jun 2023	Jan to Jun 2022
Repairs and Maintenance expenses					
Transportation costs		320,891,833	288,243,250	231,011,016	196,560,390
Equipment repairing		44,265,613	42,455,111	11,461,187	9,835,778
Hardware and software maintenance		868,585,205	457,610,909	8,551,533	5,788,836
Premises maintenance		86,818,667	72,361,806	37,385,507	29,450,964
		<u>1,320,561,318</u>	<u>860,671,076</u>	<u>288,409,243</u>	<u>241,635,968</u>
		<u>3,197,527,934</u>	<u>2,587,743,262</u>	<u>1,244,424,350</u>	<u>1,102,013,263</u>
28 Other expenses					
Conveyance expense		40,441,159	57,601,438	40,441,159	57,601,438
Fuel expenses	28.1	26,628,459	13,693,260	26,628,459	13,693,260
Traveling cost		26,039,240	23,369,101	26,039,240	23,369,101
Professional fees		25,260,838	27,380,063	25,260,838	27,380,063
Entertainment		59,490,506	38,534,148	59,490,506	38,534,148
Business promotion and development		126,044,403	27,493,338	126,044,403	27,493,338
Books, news papers and periodicals		317,438	346,593	317,438	346,593
Donation and subscription		102,375,811	92,621,148	102,375,811	92,621,148
Government Levy, VAT and excise duty		2,316,233	4,637,113	2,316,233	4,637,113
Other operational loss		18,000	309,436	18,000	309,436
Staff training and development		13,614,000	14,003,996	13,614,000	14,003,996
Staff recruitment		5,371,443	1,979,224	5,371,443	1,979,224
Salaries and allowance -outsourcing staff		508,610,316	331,300,371	508,610,316	331,300,371
Staff sales incentives		373,226,262	312,725,822	373,226,262	312,725,822
Bank charges		11,416,569	10,950,451	11,416,569	10,950,451
Interest expense for leased liability as per IFRS 16		208,612,690	210,759,013	133,581,914	131,621,067
Documentation Charges - CIB		16,000,000	6,000,000	16,000,000	6,000,000
IT enabled services		473,598,494	311,811,770	473,598,494	311,811,770
Security guard cost		109,607,369	104,567,119	109,607,369	104,567,119

Notes to the financial statements as at and for the half year ended 30 June 2023

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		Jan to Jun 2023	Jan to Jun 2022	Jan to Jun 2023	Jan to Jun 2022
Commission paid- Vendor		5,944,330	6,371,256	5,944,330	6,371,256
Cash carrying charges		36,435,809	33,258,748	36,435,809	33,258,748
Spare parts expense		54,117,530	40,860,794	54,117,530	40,860,794
Archiving expense		17,831,805	15,489,033	17,831,805	15,489,033
Covid prevention expense		66,628	8,035,373	66,628	8,035,373
Miscellaneous		5,287,692	6,458,698	5,287,692	6,458,698
Other expenses of subsidiaries		331,975,758	264,497,646	-	-
		2,580,648,782	1,965,054,952	2,173,642,248	1,621,419,360
Less: Elimination of inter unit/company transactions		77,271,195	23,082,725	-	-
		2,503,377,587	1,941,972,227	2,173,642,248	1,621,419,360

28.1 Bangladesh Bank, vide BRPD circular letter no. 28 dated 26 July 2022 and subsequent clarification, instructed all commercial banks to bring down the fuel expenses by 10% and electricity expenses by 12.5% from the budgeted amount in the first half of 2023 considering the global economic crisis arising from Covid-19 and Russia-Ukraine war. The bank has taken following initiatives to bring down the fuel and electricity costs:

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

The progress status has been summarized below:

SL	Particulars	Budget-H1, 2023	Actual-H1, 2023	Saving in exp.	Savings in %
1	Fuel expense	31,957,844	26,628,459	5,329,385	17%
2	Power and electricity expenses	111,285,252	92,795,013	18,490,239	17%

29 Share of profit/(loss) of associates

BRAC IT Services Limited	(7,198,714)	(6,345,977)
	(7,198,714)	(6,345,977)

30 Provisions

Provision for loans and advances

Specific provision charged during the year	1,571,115,841	1,016,236,806	1,563,846,441	1,016,236,806
Recovery of written off bad debts	(344,945,754)	(386,974,068)	(344,945,754)	(386,974,068)
Specific provision (net off recovery) for the year	1,226,170,087	629,262,738	1,218,900,687	629,262,738
General provision charged during the year	407,787,391	456,086,188	407,787,391	456,086,188
Total provision for loans and advances	1,633,957,478	1,085,348,926	1,626,688,078	1,085,348,926

Notes to the financial statements as at and for the half year ended 30 June 2023

Particulars	Note	Amount in Taka			
		Consolidated		BRAC Bank Limited	
		Jan to Jun 2023	Jan to Jun 2022	Jan to Jun 2023	Jan to Jun 2022
Off Balance Sheet items		105,861,666	217,155,939	105,861,666	217,155,939
Diminution in value of Investments		(6,588,962)	7,900,000	(6,588,962)	7,900,000
Other provisions:					
Other assets		432,769	26,884,285	432,769	22,664,199
Interest receivable		3,059,721	-	3,059,721	
		1,736,722,672	1,337,289,150	1,729,453,272	1,333,069,064
31 Provision for taxation					
Current tax expense		2,495,951,875	1,940,327,632	2,196,243,007	1,770,339,523
Deferred tax expense/ (income) (Net)		(663,523,000)	(413,073,196)	(582,647,645)	(418,837,839)
Total provision for Taxation		1,832,428,875	1,527,254,436	1,613,595,362	1,351,501,684

31.1 Reconciliation of effective tax rate

Particulars	30 June 2023 (Standalone)		30 June 2022 (Standalone)	
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		4,643,549,769		3,888,848,393
Income tax as per applicable tax rate	37.50%	1,736,132,665	37.50%	1,458,318,148
Factors affecting the tax charge for current year				
Inadmissible expenses	19.19%	891,040,635	19.26%	748,815,306
Admissible expenses in the current year (i.e. write-off etc.)	-1.44%	(66,809,237)	-5.19%	(201,810,570)
Tax exempted income	0.00%	-	0.00%	-
Tax savings from reduced tax rates for dividend	-0.21%	(9,872,278)	-0.59%	(22,895,542)
Tax loss/(savings) from reduced tax rates for capital gain	-5.26%	(244,248,778)	-2.88%	(112,111,443)
Reversal of previous years' excess tax (2009 - 2016)	-2.37%	(110,000,000)	-2.57%	(100,000,000)
Effect of deferred tax	-12.55%	(582,647,645)	-10.77%	(418,814,215)
Total income tax expenses	34.86%	1,613,595,362	34.75%	1,351,501,684

Notes to the financial statements as at and for the half year ended 30 June 2023

Particulars	Amount in Taka					
	Consolidated			BRAC Bank Limited		
	30 Jun 2023	31 Dec 2022	30 Jun 2022	30 Jun 2023	31 Dec 2022	30 Jun 2022
32 Net asset value (NAV) per share						
Net asset value attributable to shareholders of parent	62,618,974,443	61,153,627,729	57,649,523,765	59,864,054,613	58,390,554,773	55,018,052,538
No. of ordinary share outstanding at the end of the period	1,608,829,227	1,608,829,227	1,608,829,227	1,608,829,227	1,608,829,227	1,608,829,227
	38.92	38.01	35.83	37.21	36.29	34.20

Explanation regarding significant change in NAV in Half yearly financial statements:

Both consolidated and standalone NAV per share increased due to the impact of net profit earned (attributable to shareholders) during the first half of 2023 (Consolidated: BDT 320 crore; Standalone: BDT 303 crore).

Particulars	Consolidated		BRAC Bank Limited	
	Jan to Jun 2023	Jan to Jun 2022	Jan to Jun 2023	Jan to Jun 2022
33 Earnings Per Share				
Profit attributable to ordinary shareholders of parent	3,097,796,376	2,198,279,644	3,029,954,407	2,537,346,709
No. of ordinary share outstanding at the end of the period	1,608,829,227	1,608,829,227	1,608,829,227	1,608,829,227
Earnings Per Share (EPS)	1.93	1.37	1.88	1.58
	Consolidated		BRAC Bank Limited	
	Apr-Jun 2023	Apr-Jun 2022	Apr-Jun 2023	Apr-Jun 2022
Profit attributable to ordinary shareholders of parent	1,660,584,266	1,040,638,832	1,679,111,165	1,198,121,332
No. of ordinary share outstanding at the end of the period	1,608,829,227	1,608,829,227	1,608,829,227	1,608,829,227
Earnings Per Share (EPS)	1.03	0.65	1.04	0.74

Explanation regarding significant change in EPS in half yearly financial statements:

Both the consolidated and standalone EPS increased due to higher profit earned during the first half of 2023 compared to corresponding first half of 2022. Profit increased mainly for increased net interest income on loan assets growth, investment income from Govt securities and higher commission, exchange and brokerage income compared to corresponding period.

Particulars	Consolidated		BRAC Bank Limited	
	Jan to Jun 2023	Jan to Jun 2022	Jan to Jun 2023	Jan to Jun 2022
34 Net operating cash flow per share (NOCFPS)				
Net operating cash flow	34,704,049,387	11,880,089,651	11,020,762,665	873,809,680
No. of ordinary share outstanding at the end of the period	1,608,829,227	1,608,829,227	1,608,829,227	1,608,829,227
	21.57	7.38	6.85	0.54

Explanation regarding significant change in NOCFPS in half yearly financial statements:

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

BRAC Bank Limited and its subsidiaries
Highlights on the overall activities
As at and for the half year ended 30 June 2023

Amount in Taka unless otherwise specified

Particulars	Consolidated		BRAC Bank Limited	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Paid-up capital	16,088,292,270	16,088,292,270	16,088,292,270	14,965,853,280
Core Capital	69,883,693,479	67,995,350,767	44,924,972,104	43,433,328,377
Supplementary Capital	6,239,036,261	5,685,272,837	6,239,036,261	5,685,272,837
Total capital including general provisions	76,122,729,740	73,680,623,604	51,164,008,365	49,118,601,214
Total Risk Weighted Assets	421,732,110,537	380,318,534,649	386,203,932,699	349,831,724,733
Capital surplus	23,406,215,923	26,140,806,772	2,888,516,778	5,389,635,623
Total assets	756,376,516,134	655,937,320,087	638,869,755,265	563,238,978,302
Total deposits	527,249,050,244	447,058,816,329	440,962,671,512	384,466,775,242
Total loans and advances	472,067,467,312	412,084,750,584	470,888,409,708	410,676,406,960
Amount of classified loans during the current year	17,722,508,964	16,493,938,006	16,510,673,194	15,268,631,102
Provision kept against classified loans	17,067,988,605	15,386,996,797	15,856,152,835	14,175,161,027
Provisions surplus/deficit	2,600,174,653	1,945,401,965	2,600,174,653	1,945,401,965
Credit deposit ratio (Loans and Advances/Deposits)*	-	-	78.36%	79.94%
Percentage of classified loans against total loans and advances	3.75%	4.00%	3.51%	3.72%
NPL coverage ratio (incl. GP)	114%	110%	115%	111%
Total Capital to Risk-weighted Asset Ratio	18.05%	19.37%	13.25%	14.04%
Cost of fund	4.34%	4.33%	4.88%	4.83%
Return on Investment (ROI) [PAT/(Shareholders equity+Borrowings)]**	3.99%	4.78%	3.98%	4.69%
Return on Assets (ROA) [PAT/Average assets]**	0.88%	1.02%	1.01%	1.14%
Return on Equity (ROE) [PAT/Average shareholders equity]**	10.01%	10.16%	10.25%	10.22%

* 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 2023

(Amount in Taka)

Particulars	Cost				Depreciation				Written down value as at 30 June 2023
	Opening balance as on 01 January 2023	Addition/ Revaluation during the year	Disposals/Transfer/ Adjustments during the year	Total balance as at 30 June 2023	Opening balance as on 01 January 2023	Charge during the year	Disposals/ Adjustments during the year	Total balance as at 30 June 2023	
Property, plant & equipments									
Land	527,275,400	-	-	527,275,400	-	-	-	-	527,275,400
Office floor space	4,034,334	-	-	4,034,334	1,024,048	50,429	-	1,074,477	2,959,857
Furniture & fixture	2,170,822,095	119,636,867	-	2,290,458,962	1,583,624,101	73,137,583	-	1,656,761,684	633,697,278
Office equipments	1,361,168,512	69,654,915	44,804,380	1,386,019,047	1,216,914,086	43,167,154	44,804,380	1,215,276,860	170,742,187
IT Hardware	3,275,504,031	235,800,556	42,549,245	3,468,755,342	2,320,466,258	227,539,444	42,549,245	2,505,456,457	963,298,885
Motor vehicles	422,497,790	4,501,008	-	426,998,798	338,310,899	14,686,835	-	352,997,734	74,001,064
Right of use assets (ROU)	6,103,024,179	266,452,851	71,344,888	6,298,132,142	1,919,247,278	392,885,391	60,550,643	2,251,582,026	4,046,550,116
Capital expenditure work in progress	207,119,222	124,845,616	139,879,885	192,084,953	-	-	-	-	192,084,953
Sub-total	14,071,445,563	820,891,813	298,578,398	14,593,758,978	7,379,586,670	751,466,836	147,904,268	7,983,149,238	6,610,609,740
Intangible assets:									
With definite useful lives:									
IT Software	2,800,445,366	73,218,435	-	2,873,663,801	1,712,957,565	204,548,272	-	1,917,505,837	956,157,964
Sub-total	2,800,445,366	73,218,435	-	2,873,663,801	1,712,957,565	204,548,272	-	1,917,505,837	956,157,964
As at 30 June 2023	16,871,890,929	894,110,248	298,578,398	17,467,422,779	9,092,544,235	956,015,108	147,904,268	9,900,655,075	7,566,767,704
As at 31 December 2022	15,484,088,844	2,664,955,198	1,277,153,112	16,871,890,930	8,029,221,445	1,792,138,336	728,815,544	9,092,544,237	7,779,346,693

BRAC Bank Limited
Details of transactions with related parties
For the half year ended 30 June 2023

(Amount in Taka)

SL No.	Name of the related parties (Companies)	Relationship with BBL	Balance type	Balance as on 01 Jan 2023	Balance as on 30 June 2023
1	BRAC and Its associated organization	Parent Company	Deposits	14,937,516,424	16,721,945,496
2	bKash Limited	Subsidiary	Deposits	5,206,931,799	7,628,119,475
3	BRAC EPL Investments Limited	Subsidiary	Deposits	110,943,186	144,557,757
4	BRAC EPL Stock Brokerage Limited	Subsidiary	Deposits	577,640,828	655,310,765
5	BRAC IT Services Limited (biTS)	Associates	Deposits	55,818,313	85,421,526
6	BRAC SAAJAN Exchange Limited	Subsidiary	Deposits	4,020,519	15,246,521
7	Association of Bankers, Bangladesh	Common Board member	Deposits	-	58,725,933
8	Edotco Bangladesh Co. Limited	Common Board member	Deposits	699,815	435,052
9	Policy Research Institute of Bangladesh (PRI)	Common Board member	Deposits	911,960	718,796
10	RSA Advisory Ltd.	Common Board member	Deposits	3,897,828	-
11	Blue-Wealth Assets Limited	Common Board member	Deposits	51,903	-
12	Walton Hi-Tech Industries Limited	Common Board member	Deposits	1,980,000	2,460,000
13	Water Garden Resort and Spa	Common Board member	Deposits	123,610	2,083,280
14	Affordable Health Care	Common Board member	Deposits	73,550	-
15	BRAC EPL Investments Limited	Subsidiary	Continuous loan	916,634,124	1,069,876,581
16	BRAC Saajan Exchange Limited	Subsidiary	Continuous loan	72,261,724	227,410,206
17	IPDC Finance Limited	Common Board member	Term placement	3,000,000,000	1,000,000,000
18	BRAC IT Services Limited (biTS)	Associates	Receivables	154,857,249	142,164,029
19	Key Management Personnel	Senior Management	Loans and Advances	113,952,814	128,448,712

SL No.	Name of the related parties (Directors)	Relationship with BBL	Balance type	Balance as on 01 Jan 2023	Balance as on 30 June 2023
1	Asif Saleh	Director	Credit card	58,602	88,407
2	Selim Reza Farhad Hussain	Director	Credit card	509,113	339,982
3	Fahima Choudhury	Director	Credit card	63,702	146,789
4	Shameran Bahar Abed	Director	Credit card	346,672	263,350

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 2023, the Bank has credit exposures amounting to BDT 3,422,637,535. 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.

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

Particulars	(Amount in Taka)	
	Jan to Jun 2023 Taka	Jan to Jun 2022 Taka
Profit before tax as per profit and loss account	4,643,549,769	3,888,848,393
Adjustment for non-cash items:		
Provision for Loans and advances	1,971,633,832	1,472,322,994
Provision for Off balance sheet items	105,861,666	217,155,939
Provision for Diminution in value of investments	(6,588,962)	7,900,000
Provision for other assets	3,492,490	22,664,199
Depreciation of Property plant and equipment	956,015,107	860,377,295
Foreign exchange gain/(loss)	230,948,968	(346,155,483)
Profit on sale of fixed assets	(1,984,186)	(8,429,355)
Increase/decrease in operating assets & liabilities:		
Loans and advances	(60,212,002,748)	(51,171,419,869)
Other assets	(4,925,607,260)	(226,627,600)
Borrowings from other banks and financial institutions	15,070,083,747	13,443,806,907
Deposits from customers	56,592,186,947	34,693,478,010
Other liabilities	(1,620,951,677)	685,203,346
Income tax paid	(1,785,875,028)	(2,665,315,096)
Cash flows from operating activities as per cash flow statement	11,020,762,665	873,809,680

BRAC Bank Limited
Statement of Segment Reporting
For the half year ended 30 June 2023

Particulars	<i>(Amount in Taka)</i>				
	SME	Retail	Corporate	Treasury	Total
Total external revenue	8,530,945,093	219,367,895	1,707,267,866	4,642,415,324	15,099,996,178
Inter segment revenue /(expenses)	(4,315,527,336)	4,719,570,173	1,119,923,118	(1,523,965,955)	-
Total segment revenue	4,215,417,757	4,938,938,068	2,827,190,984	3,118,449,369	15,099,996,178
Total segment operating expenses	3,893,344,743	3,697,955,585	928,530,138	207,162,671	8,726,993,137
Segment operating profit	322,073,014	1,240,982,483	1,898,660,846	2,911,286,698	6,373,003,041

For the half year ended 30 June 2022

Particulars	<i>(Amount in Taka)</i>				
	SME	Retail	Corporate	Treasury	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 income /(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	724,376,994	491,777,030	1,327,494,445	2,678,268,988	5,221,917,457