BRAC Bank has become the first Bangladeshi Bank to be rated the best by three of the top domestic credit rating agencies in Bangladesh and two of the world's leading credit rating agencies.

**Rated Domestically by:**

- CRAI (AA+/ST-1)
- CHISL (AA+/ST-1)
- EMERGING ECONOMIES (AA+/ST-1)

**Rated Internationally by:**

- S&P Global Ratings (B+)
- Moody’s Investors Service (Baa3)

These credit rating agencies recognize that BRAC Bank has:

- Diversified business model with steady growth
- Higher capital base with lower NPL trend
- Diversified and better quality loan portfolio
- Sound liquidity with stable deposit base
- Dynamic management strategy and good governance culture
- State of the art technological infrastructure and wide distribution network

These ratings are a testament that the bank is more stable than other local banks and has the capacity to meet its financial commitments in a timely manner.

We express our gratitude to our valued customers and stakeholders for their continued support and unwavering trust.
Forward Looking Statements

This presentation and accompanying oral remarks may contain or incorporate by reference “forward looking statements” regarding the belief or current expectations of BRAC Bank Ltd., the Board of the Directors and other members of its Senior Management about the strategy, businesses and performance of the Company and its subsidiaries and the other matters described in this document. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions are intended to identify forward looking statements.

Forward looking statements involve inherent risks and uncertainties. They are not guarantees of future performance and actual results could differ materially from those contained in the forward looking statements. Recipients should not place reliance on, and are cautioned about relying on, any forward looking statements. Forward looking statements are based on current views, estimates and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Group and are difficult to predict. Such risks, factors and uncertainties may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements.

No statement in this document is intended to be a profit forecast or to imply that the earnings of BRAC Bank Ltd. and/or its subsidiaries for the current year or future years will necessarily match or exceed the historical or published earnings of the Company and/or its subsidiaries. Each forward looking statement speaks only as of the date of the particular statement. Except as required by any applicable law or regulations, the BRAC Bank Ltd. expressly disclaims any obligation or undertaking to release publicly or make any updates or revisions to any forward looking statement contained herein whether as a result of new information, future events or otherwise.

Important notice

Nothing in this document shall constitute, in any jurisdiction, an offer or solicitation to sell or purchase any securities or other financial instruments, nor shall it constitute a recommendation or advice in respect of any securities or other financial instruments or any other matter.
• **Challenging Environment**
  - Current account deficit, trade imbalance - pressure on exchange rate
  - Pressure on liquidity, volatility in interest rate
  - Pressure to reduce Corporate & Commercial lending rates
  - Fund flow to National Savings Certificates continues
  - NPLs deteriorate across Banking Sector

• **Regulatory Changes**
  - ADR change from 85.0% to 83.5% (effective Sep’19)
  - CRR Reduced to 5.50% from 6.50%
  - Repo reduced to 6.0% from 6.75%
  - Govt. Deposits with PCB – Limit increase from 25% to 50%
  - Corporate Tax reduction – From 40% to 37.5%
SOLO Performance – FY 18 (BRAC Bank)

**Total Revenue**
- FY 2018: 1,916
- FY 2017: 1,871

**PAT**
- FY 2018: 555
- FY 2017: 525

**ROE**
- FY 2018: 19.25%
- FY 2017: 22.14%

**ROA**
- FY 2018: 1.87%
- FY 2017: 2.02%

**EPS**
- FY 2018: 5.17
- FY 2017: 4.91

**NPL Coverage***
- FY 2018: 3.1%, 123%
- FY 2017: 3.6%, 132%

**Deposit (EOP)**
- FY 2018: 22,862
- FY 2017: 19,622

**Loan (EOP)**
- FY 2018: 23,801
- FY 2017: 20,256

**CIR**
- FY 2018: 54%
- FY 2017: 52%

**CAR**
- FY 2018: 13.67%
- FY 2017: 12.72%

**NAV**
- FY 2018: 29.50
- FY 2017: 24.23

**Spread**
- FY 2018: 6.1%
- FY 2017: 6.7%

**EPS**
- FY 2018: 5.17
- FY 2017: 4.91

**PAT**
- FY 2018: 555
- FY 2017: 525

**ROE**
- FY 2018: 19.25%
- FY 2017: 22.14%

**ROA**
- FY 2018: 1.87%
- FY 2017: 2.02%

**EPS**
- FY 2018: 5.17
- FY 2017: 4.91

**NPL Coverage***
- FY 2018: 3.1%, 123%
- FY 2017: 3.6%, 132%

**Deposit (EOP)**
- FY 2018: 22,862
- FY 2017: 19,622

**Loan (EOP)**
- FY 2018: 23,801
- FY 2017: 20,256

**CIR**
- FY 2018: 54%
- FY 2017: 52%

**CAR**
- FY 2018: 13.67%
- FY 2017: 12.72%

**NAV**
- FY 2018: 29.50
- FY 2017: 24.23

**Spread**
- FY 2018: 6.1%
- FY 2017: 6.7%

**EPS**
- FY 2018: 5.17
- FY 2017: 4.91

**NPL Coverage***
- FY 2018: 3.1%, 123%
- FY 2017: 3.6%, 132%

**Deposit (EOP)**
- FY 2018: 22,862
- FY 2017: 19,622

**Loan (EOP)**
- FY 2018: 23,801
- FY 2017: 20,256

**CIR**
- FY 2018: 54%
- FY 2017: 52%

**CAR**
- FY 2018: 13.67%
- FY 2017: 12.72%

**NAV**
- FY 2018: 29.50
- FY 2017: 24.23

**Spread**
- FY 2018: 6.1%
- FY 2017: 6.7%

*NPL Coverage (Excl. GP): 76% (YTD 2017: 86%)*
### Consolidated PAT – by Entity

#### Consolidated ↑3% and Solo ↑6%

<table>
<thead>
<tr>
<th>Subsidiary/Associate</th>
<th>2018 PAT</th>
<th>BBL PAT Share</th>
<th>2017 PAT</th>
<th>BBL PAT Share</th>
<th>Δ 2018 vs 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRAC EPL Inv Ltd</td>
<td>(22)</td>
<td>(22)</td>
<td>(49)</td>
<td>(49)</td>
<td>27</td>
</tr>
<tr>
<td>BRAC EPL Sec Ltd</td>
<td>2</td>
<td>2</td>
<td>20</td>
<td>18</td>
<td>(18)</td>
</tr>
<tr>
<td>biTS</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>2</td>
<td>(3)</td>
</tr>
<tr>
<td>BRAC Sajaan Exch Ltd</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>bKash</td>
<td>18</td>
<td>8</td>
<td>49</td>
<td>22</td>
<td>(30)</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>4</td>
<td>(8)</td>
<td>26</td>
<td>(4)</td>
<td>(22)</td>
</tr>
<tr>
<td>BRAC Bank Ltd</td>
<td>555</td>
<td>555</td>
<td>525</td>
<td>525</td>
<td>30</td>
</tr>
<tr>
<td>Share of Profit/ (Loss) from Associates – biTS</td>
<td>0.2</td>
<td>0.2</td>
<td>1</td>
<td>1</td>
<td>(1)</td>
</tr>
<tr>
<td>Goodwill Amortization *</td>
<td>8</td>
<td>8</td>
<td>(3)</td>
<td>(3)</td>
<td>11</td>
</tr>
<tr>
<td><strong>Conso PAT</strong></td>
<td>567</td>
<td>555</td>
<td>550</td>
<td>519</td>
<td>17</td>
</tr>
</tbody>
</table>

*Goodwill Impairment Reversal of BDT 21 Cr in line with IAS 36*
## Financial Results: Income Statement (SOLO)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2018</th>
<th>2017</th>
<th>Δ Amount</th>
<th>Δ %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>1,352</td>
<td>1,215</td>
<td>137</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Other Operating Income</strong></td>
<td>565</td>
<td>656</td>
<td>(91)</td>
<td>-14%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>1,916</td>
<td>1,871</td>
<td>46</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Staff Cost</strong></td>
<td>470</td>
<td>436</td>
<td>34</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Operating Expenditure</strong></td>
<td>565</td>
<td>530</td>
<td>35</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>1,034</td>
<td>966</td>
<td>68</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>882</td>
<td>905</td>
<td>(23)</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Net Debt Charge</strong></td>
<td>75</td>
<td>115</td>
<td>(40)</td>
<td>-35%</td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>807</td>
<td>790</td>
<td>17</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Tax Charges</strong></td>
<td>253</td>
<td>265</td>
<td>(12)</td>
<td>-5%</td>
</tr>
<tr>
<td><strong>Profit After Tax</strong></td>
<td>555</td>
<td>525</td>
<td>30</td>
<td>6%</td>
</tr>
</tbody>
</table>
## Financial Results: Income Statement (CONSO)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2018</th>
<th>2017</th>
<th>Δ Amount</th>
<th>Δ %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>1,580</td>
<td>1,353</td>
<td>227</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Other Operating Income</strong></td>
<td>1,020</td>
<td>1,017</td>
<td>4</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>2,601</td>
<td>2,370</td>
<td>231</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Staff Cost</strong></td>
<td>645</td>
<td>588</td>
<td>57</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Operating Cost</strong></td>
<td>1,016</td>
<td>840</td>
<td>176</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>1,661</td>
<td>1,428</td>
<td>234</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>940</td>
<td>944</td>
<td>(4)</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Net Debt Charge</strong></td>
<td>75</td>
<td>115</td>
<td>(40)</td>
<td>-35%</td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>864</td>
<td>828</td>
<td>36</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Tax Charges</strong></td>
<td>297</td>
<td>279</td>
<td>19</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Profit After Tax</strong></td>
<td>567</td>
<td>550</td>
<td>17</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Attributable to BBL Shareholders</strong></td>
<td>555</td>
<td>519</td>
<td>35</td>
<td>7%</td>
</tr>
</tbody>
</table>
Customer Deposits (EoP)

**BBL**
- 3 year CAGR 15%
- FY'16: 16,886
- FY'17: 19,622 (+2,736)
- FY'18: 22,862 (+3,240)

**SME**
- FY'16: 8,411
- FY'17: 9,322 (+1,111)
- FY'18: 11,682 (+2,360)

**Retail**
- FY'16: 4,413
- FY'17: 6,149 (+1,736)
- FY'18: 6,584 (+435)

**Corporate**
- FY'16: 0
- FY'17: 0
- FY'18: 0

2018 growth driven by Retail, SME deposit drive picking up
Growth in SME and Corporate continued, Retail gaining momentum

* MFI portfolio 972 Cr reclassified from SME to Corporate, ’16 & ’17 restated
Asset distribution aligned to strategy

* MFI portfolio 972 Cr reclassified from SME to Corporate, ‘16 & ‘17 restated
YoY Asset Quality
(30 day portfolio at risk)

BBL

SME

Retail

Corporate

Continuous Improvement
Continuous Improvement
130K value destroying customers exited in Q1’18
63K New Customers in 2018
2018 - Overview

- **Balance Sheet**
  - Satisfactory Growth in Customer Business
  - Improvement in CAR

- **Portfolio Quality**
  - Continues to improve

- **Margin**
  - 65 bps reduction

- **NFI & Investment Income**
  - Regulatory Challenges, shift in yield curve

- **Credit Rating**
  - S&P downgrades BD banking sector, BRAC Bank maintained

- **Technology Projects**
  - Core Banking upgrade successful
  - ERP Roll out successful
  - Agent Banking launched
  - Real Time Disaster Recovery implemented
  - Digital Roadmap initiated

- **Cyber Security Initiatives**
  - Security Operation Centre (SOC) Implemented
  - Data Leakage Prevention (DLP) Implemented
  - Security Incident and Event management (SIEM)
  - Automated Privileged Management (PAM)
  - Anti-APT (Advance Persistent Threat) and NBA (Network Behavior Monitoring)

- **Infrastructure**
  - New Call Centre premises
  - Branches – 4 Reloc, 8 Renov.
  - New Agent Outlets – 50

- **People**
  - 71 New Managers
  - 24 New Management Trainees
  - 40 New Young Professionals

Values based Strategic Agenda continue to be progressed
Outlook 2019

External

- Banking Sector Reforms
- Regulatory Changes
- Liquidity Challenges
- Margin pressure likely to continue
- Taka may continue to be under pressure against FCY
- More competition in SME & Retail landscape

Internal

- Customer Experience –
  - Customer Journey Mapping
  - Human Centric Design
  - Focus Group Discussion
- Customer Deposit –
  - Continue focus on Retail deposit drive
  - Improve momentum in SME deposit drive
  - Grow CASA
- Customer Lending –
  - Further accelerate SME
  - Re-ignite Retail
  - Continue new strategy in Corporate
- Digital Roadmap –
  - Innovation Studio
  - Process Re-engineering
- Technology Infrastructure –
  - DC & DR Projects
  - Cyber Security Initiatives

BRAC BANK
THANK YOU
Q&A
APPENDIX
Maintaining Spread is a challenge in 2018
SUBSIDIARY FINANCIALS

FY 18

AS AT AND FOR THE PERIOD ENDED

31 Dec 2018
## Subsidiary Financials - bKash Limited

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2018</th>
<th>2017</th>
<th>Δ Amount</th>
<th>% Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Income</td>
<td>231.7</td>
<td>128.1</td>
<td>103.6</td>
<td>81%</td>
</tr>
<tr>
<td>Other income/Commission</td>
<td>342.1</td>
<td>301.2</td>
<td>40.9</td>
<td>14%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>573.8</td>
<td>429.3</td>
<td>144.5</td>
<td>34%</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>519.9</td>
<td>350.2</td>
<td>169.7</td>
<td>48%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>53.9</td>
<td>79.1</td>
<td>(25.2)</td>
<td>32%</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>53.9</td>
<td>79.1</td>
<td>(25.2)</td>
<td>32%</td>
</tr>
<tr>
<td>Provision for Tax</td>
<td>35.4</td>
<td>30.3</td>
<td>5.1</td>
<td>17%</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>18.5</td>
<td>48.8</td>
<td>(30.3)</td>
<td>62%</td>
</tr>
</tbody>
</table>
## Subsidiary Financials – BRAC EPSL

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2018</th>
<th>2017</th>
<th>Δ Amount</th>
<th>% Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Income</td>
<td>2.7</td>
<td>3.2</td>
<td>(0.4)</td>
<td>-14%</td>
</tr>
<tr>
<td>Other income/Commission</td>
<td>44.8</td>
<td>66.1</td>
<td>(21.4)</td>
<td>-32%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>47.5</td>
<td>69.3</td>
<td>(21.8)</td>
<td>-31%</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>37.3</td>
<td>39.8</td>
<td>(2.5)</td>
<td>-6%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>10.2</td>
<td>29.5</td>
<td>(19.3)</td>
<td>-65%</td>
</tr>
<tr>
<td>Total Provision</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>10.2</td>
<td>29.5</td>
<td>(19.3)</td>
<td>-65%</td>
</tr>
<tr>
<td>Provision for Tax</td>
<td>7.8</td>
<td>9.0</td>
<td>(1.2)</td>
<td>-14%</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>2.4</td>
<td>20.5</td>
<td>(18.1)</td>
<td>-88%</td>
</tr>
</tbody>
</table>
# Subsidiary Financials - BRAC Saajan

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2018</th>
<th>2017</th>
<th>Δ</th>
<th>% Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Income</td>
<td>(1.5)</td>
<td>(0.8)</td>
<td>(0.7)</td>
<td>90%</td>
</tr>
<tr>
<td>Other income/Commission</td>
<td>79.7</td>
<td>51.6</td>
<td>28.1</td>
<td>54%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>78.2</td>
<td>50.8</td>
<td>27.4</td>
<td>54%</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>71.2</td>
<td>46.7</td>
<td>24.5</td>
<td>53%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>7.0</td>
<td>4.1</td>
<td>2.8</td>
<td>69%</td>
</tr>
<tr>
<td>Total Provision</td>
<td>0.3</td>
<td>0.5</td>
<td>(0.3)</td>
<td>-</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>6.7</td>
<td>3.6</td>
<td>3.1</td>
<td>87%</td>
</tr>
<tr>
<td>Provision for Tax</td>
<td>1.4</td>
<td>0.6</td>
<td>0.81</td>
<td>144%</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>5.4</td>
<td>3.0</td>
<td>2.3</td>
<td>77%</td>
</tr>
</tbody>
</table>
### Subsidiary Financials – BRAC EPIL

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2018</th>
<th>2017</th>
<th>Δ Amount</th>
<th>% Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Income</td>
<td>(4.1)</td>
<td>8.1</td>
<td>(12.2)</td>
<td>-151%</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>3.1</td>
<td>4.9</td>
<td>(1.8)</td>
<td>-37%</td>
</tr>
<tr>
<td>Net (loss)/gain from investment in securities</td>
<td>(14.6)</td>
<td>(78.1)</td>
<td>63.5</td>
<td>-81%</td>
</tr>
<tr>
<td><strong>Total operating income/(loss)</strong></td>
<td>(15.7)</td>
<td>(65.2)</td>
<td>49.5</td>
<td>-76%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>5.7</td>
<td>9.6</td>
<td>(3.9)</td>
<td>-41%</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>0.2</td>
<td>0.2</td>
<td>0.0</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>5.9</td>
<td>9.8</td>
<td>(3.9)</td>
<td>-40%</td>
</tr>
<tr>
<td><strong>Operating profit/(loss)</strong></td>
<td>(21.6)</td>
<td>(74.9)</td>
<td>53.4</td>
<td>-71%</td>
</tr>
<tr>
<td>Net finance income</td>
<td>(0.04)</td>
<td>(0.1)</td>
<td>0.01</td>
<td>-15%</td>
</tr>
<tr>
<td>Share of profit of equity in associate company</td>
<td>0.01</td>
<td>0.02</td>
<td>(0.001)</td>
<td>-5%</td>
</tr>
<tr>
<td><strong>Profit/(loss) before provisions</strong></td>
<td>(21.6)</td>
<td>(75.0)</td>
<td>53.4</td>
<td>-71%</td>
</tr>
<tr>
<td>Provision for loans and advances</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Loss before tax</strong></td>
<td>(21.6)</td>
<td>(75.0)</td>
<td>53.4</td>
<td>-71%</td>
</tr>
<tr>
<td>Tax expenses</td>
<td>0.2</td>
<td>(26.0)</td>
<td>26.2</td>
<td>-101%</td>
</tr>
<tr>
<td><strong>Loss after tax</strong></td>
<td>(21.8)</td>
<td>(49.0)</td>
<td>27.2</td>
<td>-55%</td>
</tr>
</tbody>
</table>