

Values-based Banking

annual report
2022

BRAC BANK
আস্থা অবিচল

Banking with a Conscience

BRAC Bank is deeply committed to values-based banking, and its business model reflects this unwavering conviction. The bank's focus on good governance, transparency, ethics, and compliance has laid a solid foundation for delivering sustainable development and empowering individuals and communities. At BRAC Bank, values-based banking is not solely about making a profit. It fosters shared prosperity while prioritizing economic, social, and environmental considerations.

The bank recognizes its responsibility to use its banking and financing interventions responsibly to contribute to the sustainable development journey of the country. Its Pro-People, Pro-Planet, and Pro-Society mission ensures that it considers both its customers and the planet while working towards collective prosperity. By fulfilling the United Nations Sustainable Development Goals (SDGs) and promoting women's empowerment, BRAC Bank strives to reduce its carbon footprint and contribute to society's value.

BRAC Bank has promoted grassroots entrepreneurship in rural Bangladesh through its inclusive banking model and innovative small-ticket SME loans without collateral, leading to employment creation and real economic growth. BRAC Bank's values-based banking practices have enabled it to achieve superior financial performance, market capitalisation, international investor shareholding, and top-notch credit ratings.

The bank is proud to be associated with the Global Alliance for Banking on Values (GABV). It intends to sow the seeds of a sustainable banking movement in Bangladesh and beyond. Taking inspiration from its parent organization, BRAC, the world's largest development organization, BRAC Bank has become a beacon of good governance, diversity, inclusion, trust, and reliability in the country.

BRAC Bank is committed to promoting values-based banking passionately and continuously nurturing it for a sustainable future.



Global Alliance for Banking on Values (GABV) Summit 2022

BRAC Bank hosted the annual meeting of Global Alliance for Banking on Values (GABV) in Dhaka during November 08-10, 2022.

More than 50 delegates, particularly CEOs and MDs of member-banks, participated in the conference with the theme 'From Perspectives to Action: Transformational Practice in Action'. This is the second time the GABV is holding the annual summit in Bangladesh since inception of the forum in 2009. Bangladesh Parliament Speaker Dr. Shirin Sharmin Chaudhury, MP, graced the inaugural ceremony on November 8, 2022.





▲ *Parliament Speaker Dr. Shirin Sharmin Chaudhury, MP, inaugurated the GABV Summit.*





▲ *A session of BRAC Universe 'BRAC at 50 – remaining relevant for the next 50 years'*



▲ *Parliament Speaker Dr. Shirin Sharmin Chaudhury, MP posed with GABV women delegates.*



▲ *GABV press conference*



▲ *Bangladesh Night showcasing local art, culture and heritage.*

The leaders of the world's leading sustainable banks reiterated their strong commitment to values-based banking and stressed the need to spread the message across communities and countries for a sustainable and secure future.

The delegates participated in several discussion sessions that touched upon important transformation issues in the banking industry, the significance of values-based banking, decarbonisation, financial inclusion, microfinance, sustainability integration, human capital and organisational transformation. They observed Banking on Values Day on November 10, 2022 where all members joined in person and virtually.

As part of the conference, the delegates also visited BRAC Bank customers who have set the exemplary benchmark in a sustainable way of doing business.



▲ *GABV delegates took part in BRAC Bank Learning Journey project visit.*



▲ *GABV delegates are seen with the workers of a factory of BRAC Bank customer.*



▲ *Delegates visited few branches of BRAC Bank.*



▲ *Delegates received warm welcome as they visited customers of BRAC Bank.*

In prelude to in-person meeting in Dhaka, earlier in March 2022, BRAC Bank hosted a virtual annual summit themed 'Banking for Good in an Age of Change - How Values Can Secure a Positive Future' from 8-10 March, 2022.

BRAC Bank takes great pride in being associated with the values-based banking movement. We believe through this annual meeting, we would be able to disseminate the message to a larger audience and sow the seed of sustainable banking movement in Bangladesh and beyond. We will continue to work with the GABV to adopt best practices and pursue values-based banking for a sustainable future



Letter of Transmittal

To
All shareholders
Bangladesh Bank (BB)
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms (RJSC & F)
Financial Reporting Council (FRC)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange PLC (CSE)

Dear sir(s),

Ref: Annual Report for the year ended December 31, 2022

We are pleased to enclose a copy of BRAC Bank Limited's Integrated Annual Report, together with the Audited Financial Statements as on December 31, 2022, for your kind information and record.

Yours sincerely,

M Mahbubur Rahman FCS
Company Secretary

Notice of the Twenty-fourth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-fourth Annual General Meeting (AGM) of BRAC Bank Limited will be held on May 31, 2023, Wednesday, at 11:00 a.m. through digital platform to transact the following business:

Ordinary Business:

24th AGM 2023-01:	To receive, consider and adopt the Audited Financial Statements for the year ended December 31, 2022 and the Auditors' and Directors' Reports;
24th AGM 2023-02:	To declare dividend for the year ended December 31, 2022;
24th AGM 2023-03:	To elect/re-elect Directors;
24th AGM 2023-04:	To appoint Statutory Auditors of the Bank for the year 2023 and to fix their remuneration;
24th AGM 2023-05:	To appoint Corporate Governance Compliance Auditors for the year 2023 and to fix their remuneration.

Special Business:

1. To increase authorized capital

RESOLVED THAT the proposal for enhancement of the Authorized Share Capital of the Company from TK. 2000,00,00,000 (two thousand crore) only divided into 200,00,00,000 (two hundred crore) ordinary shares of TK. 10 each to TK. 5000,00,00,000 (taka five thousand crore) only divided into 500,00,00,000 (five hundred crore) ordinary shares of TK.10 each as well as amendment of Clause-6 of the Memorandum of Association and Clause-4 of the Articles of Association of BRAC Bank Limited as proposed below be and is hereby approved as Special Resolution subject to the approval of Regulatory bodies and shareholders in Annual General Meeting;

i) Amendment of clause-6 of the Memorandum of Association;

Clause No.	Existing Clause	Proposed Clause
6	The Authorized capital of the Company is TK. 2000,00,00,000 (Two thousand crore) divided into 200,00,00,000 (two hundred crore) ordinary shares of TK. 10/- (taka Ten) each with the rights and privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the company in accordance with the Articles of Association of the Company and the law for the time being in force.	The Authorized capital of the Company is TK. 5000,00,00,000 (Five thousand crore) divided into 500,00,00,000 (Five hundred crore) ordinary shares of TK. 10/- (TK. Ten) each with the rights and privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the company in accordance with the Articles of Association of the Company and the law for the time being in force.

ii) Amendment of clause-4 of the Articles of Association

Clause No.	Existing Clause	Proposed Clause
4	The Authorized capital of the Company is TK. 2000,00,00,000 (Two thousand crore) divided into 200,00,00,000 (two hundred crore) ordinary shares of TK. 10/- (TK. Ten) each with power to increase or reduce the capital and to divide the share into different class to attach thereto any special rights or privileges or conditions as regards dividends, repayment of capital, voting or otherwise or to consolidate or sub-divide the shares.	The Authorized capital of the Company is TK. 5000,00,00,000 (Five thousand crore) divided into 500,00,00,000 (Five hundred crore) ordinary shares of TK. 10/- (TK. Ten) each with power to increase or reduce the capital and to divide the share into different class to attach thereto any special rights or privileges or conditions as regards dividends, repayment of capital, voting otherwise or to or consolidate or sub-divide the shares.

2. Amendment of clauses 109 and 110 of Articles of Association for the post of Vice Chairman

RESOLVED FURTHER THAT the proposal for amendment of clauses 109 and 110 of Articles of Association for the post of Vice Chairman of BRAC Bank Limited as proposed below be and is hereby approved as Special Resolution; subject to the approval of Regulatory bodies and shareholders in Annual General Meeting;

iii) Amendment of the clause-109 and clause-110 of the Articles of Association

Clause No.	Existing Clause	Proposed Clause
109	The Directors shall elect a Chairman of the Company from the Directors.	109 (i) The Directors shall elect a Chairman of the Company from the Directors. 109 (ii) The Directors may elect a Vice Chairman of the Company from the Directors.
110	All meetings of Directors shall be presided over by the Chairman, but if at any meeting be not present at the time appointed for holding the same, then and in that case only, the Directors shall choose another Director to preside over the meeting.	All Meetings of Directors shall be presided over by the Chairman, but if at any meeting be not present at the time appointed for holding the same, then and in that case only, Vice Chairman will preside over the meeting and in the absence of both Chairman and Vice Chairman; the Directors shall choose another Director to preside over the meeting.

3. To change the registered name of the Bank

RESOLVED FURTHER THAT the proposal for changing of registered name of the Bank to '**BRAC Bank PLC**' from the existing 'BRAC Bank Limited' in accordance with Companies Act 1994 (amendment 2020) and to effect the change in the registered name of the Bank as '**BRAC Bank PLC**', the amendment in the relevant clauses of the Memorandum and Articles of Association of the Bank be and is hereby approved as Special Resolution, subject to approval of shareholders and Regulatory bodies.

All shareholders are requested to make it convenient to attend the meeting.

On behalf of the Board

M Mahbubur Rahman FCS
Company Secretary

May 01, 2023

NOTES:

i. The "Record Date" are **May 09, 2023** for cash dividend and **May 15, 2023** for stock dividend. Members whose names appear in the Members'/Depository Register on respective Record Date will be eligible to attend/ participate and vote in the Annual General Meeting and entitled to the Dividends.

ii. The Board of Directors has recommended **15% Dividend comprising 7.50% Cash and 7.50% Stock** (The proposed Bonus share is subject to approval of Bangladesh Securities and Exchange Commission).

iii. Pursuant to the Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2009-193/08 dated March 10, 2021, and Letter No. SEC/SRMIC/94-231/91 dated March 31, 2021, the AGM will be held virtually (using digital platform), which will be conducted via live webcast.

iv. Link for joining the AGM through digital platform and details of the login process will be notified to the respective member's email address and also by SMS.

v. The soft copy of the Integrated Annual Report 2022 will be sent to the email address of the members available in their Beneficial Owner (BO) accounts maintained with the Depository. The Integrated Annual Report 2022 will also be made available on the Company's website: www.bracbank.com

vi. Link for joining the AGM will be open 48 hours before the meeting. The procedure or manual of login, submission question/comments, casting votes will be uploaded in the virtual site in due course.

vii. A member entitled to attend and vote at the AGM may appoint a proxy to attend and vote on his/her behalf. The scanned copy of the "Proxy Form", duly signed and affixed with BDT 20 revenue stamp must be sent to BRAC Bank's Share Office not later than 72 hours before the commencement of the AGM.

viii. The Tax (AIT) will be applicable as per law of land; members are requested to update their 12 digit Taxpayer's Identification Number (e-TIN) through their member house. Without having e-TIN, Income Tax will be deducted @ 15% instead of 10% from payable cash dividend.

ix. **Merchant banks and depository participant (DPs) are requested to email the soft copy of their margin clients' list (in MS Excel format) as on 'Record Date' to sharedept@bracbank.com by May 18, 2023 for facilitating payment of cash dividend.**

x. Members are requested to update their respective Bank Account information. (Bank Name, Branch Name, 13-digit A/C No., 9-digit Routing no.), Address, Mobile Number, etc., through their respective Depository Participant (DP)/ member house before the 'Record Date'.

Value for Stakeholders

FOR SOCIETY

BDT 10,247 Mn
Contributed to National Exchequer in 2022 (BDT 37,332 Mn over last 5 years)

BDT 100 Mn
Contributed to the Prime Minister's Relief and Welfare Fund to stand beside the flood affected people of Sylhet

BDT 30 Mn
Contributed to 'Dakchhe Amar Desh' – BRAC's emergency flood relief programme

BDT 1.1 Mn
Supported 7 Sitakunda fire victims through BRAC Limb and Brace Centre

250
Monthly Scholarship to 250 meritorious students

171
BRAC Bank-Prothom Alo Trust Adamya Medhabi scholarships awarded to 171 students

BDT 11.5 Mn
Contributed to the Prime Minister's Education Assistance Trust

75,000
Contributed 75,000 pieces of blankets to the Prime Minister's Relief and Welfare Fund

BDT 1 Mn
Contributed to Bangladesh Scouts for organizing the 32nd Asia Pacific Regional Scouts Jamboree

BDT 189 Mn
Spent on CSR during 2022

FOR CUSTOMERS

BDT 410,676 Mn
Loans and advances

BDT 384,467 Mn
Deposits

187 Branches

11 Sub-branches

457 SME Unit Offices

19
Premium Banking Lounges

1,000
Agent Banking Outlets

1.4 Mn
Customers

324
ATMs

48
RCDMs & CRMs

FOR INVESTORS Consolidated

BDT 37,833 Mn
Total revenue

BDT 9,264 Mn
Operating profit

BDT 40.86
NAV per share

BDT 6,122 Mn
Net profit after tax

BDT 4.02
EPS

15%
Average dividend over the last 5 years

1.02%
ROA

10.16%
ROE

19.37%
CRAR

BDT 57,619 Mn
Market capitalisation

Top-notch credit ratings

CRAB : AAA/ST-1
CRISL : AA+/ST-1
ECRL : AA+/ST-1
S&P Global : B+
Moody's : Ba3

SAFA BPA Award

Joint Gold Award - Banking Sector

Joint Silver Award - Overall Winner

ICMAB Best Corporate Award

Gold Award - 2021

ICAB BPA Award 2021

First Runner Up

FOR EMPLOYEES

7,863
Employees

7,012
Unique training participants

19
Person-hour average training

224
Unique training programs conducted

223,243
Training hours

1,246
FTE onboarded

Equal opportunity employer
05 transgender working in mainstream roles

25%
Growth in female employment

'ALO' App
Launched video-based and self-paced internal e-learning platform - 'ALO'



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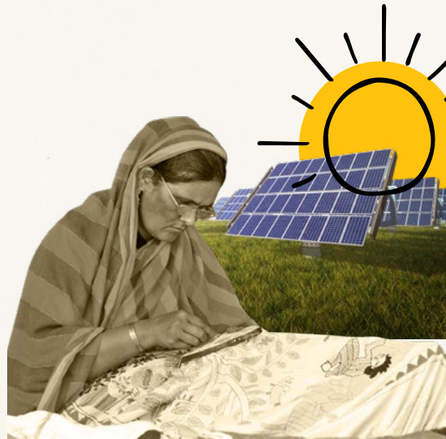
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ABOUT OUR INTEGRATED REPORT

About the Integrated Annual Report

This Integrated Annual Report of 2022 presents a holistic view of the strategy undertaken by BRAC Bank Limited to achieve its short, medium and long-term goals while ensuring value creation for its stakeholders. It outlines a detailed analysis of the bank's performance, an overview of the bank's governance structure, it's risk mitigation policies and activities, and its approach towards sustainability. This Integrated Report is the bank's primary communication to all stakeholders. It enables them to make an informed assessment of our performance and prospects and the value we create and preserve through our activities.

The Board of Directors of BRAC Bank Limited reaffirm its commitment to continue the journey of integrated reporting to deliver a holistic view of our financial and non-financial strategic goals following the guiding principles and content elements of the Integrated Reporting <IR> Framework 2021 issued by International Integrated Reporting Council (IIRC). As the IFRS Foundation assumed responsibility for the <IR> Framework in 2022, we will adopt any subsequent integration and modification made by IFRS Foundation on this framework.

This Integrated Report is scrutinized by the management committee and concerned Board members before being published to the stakeholders.

Our Reporting Suite, Reporting Regulations, Frameworks & Guidelines

Reporting Suite	Relevant Reporting Regulations, Frameworks & Guidelines
Integrated Annual Report (IAR) 2022 ▪ Organizational overview and external environment ▪ Our Strategy ▪ How We Create Value ▪ Governance structure ▪ Business model ▪ Risks and opportunities ▪ Strategy and resource allocation ▪ Performance ▪ Outlook ▪ Basis of preparation and presentation	**Regulations** ▪ Companies Act, 1994 ▪ Bank Company Act, 1991 (and amendments thereof) ▪ Circulars, rules and regulations issued by Bangladesh Bank ▪ Financial Reporting Act, 2015 (issued by Financial Reporting Council) ▪ Bangladesh Securities and Exchange Commission rules and regulations ▪ Income Tax Ordinance, 1984 (and amendments thereof) ▪ Value Added Tax Act, 2012 and Value Added Tax Rules, 2016 (and amendments thereof) ▪ Corporate Governance Code ▪ Listing regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) ▪ Rules and regulations of Central Depository Bangladesh Limited
Governance and Audited Financial Statements 2022 ▪ Directors' Report ▪ Certification on Corporate Governance ▪ Corporate Governance Compliance report ▪ Report of the Board Audit Committee ▪ Statement of the Board Audit Committee ▪ Independent Auditors' Report ▪ Audited financial statements of BRAC Bank and its subsidiaries	**Frameworks and Guidelines** ▪ International Financial Reporting Standards (IFRSs) and related interpretations ▪ Integrated Reporting Framework issued by International Integrated Reporting Council ("IIRC") and adopted by IFRS Foundation ▪ SAFA and ICAB Reporting requirements ▪ ICSB Corporate Governance Checklist ▪ ICMAB Best Corporate Checklist ▪ Global Reporting Initiative (GRI) Sustainability Reporting Standards

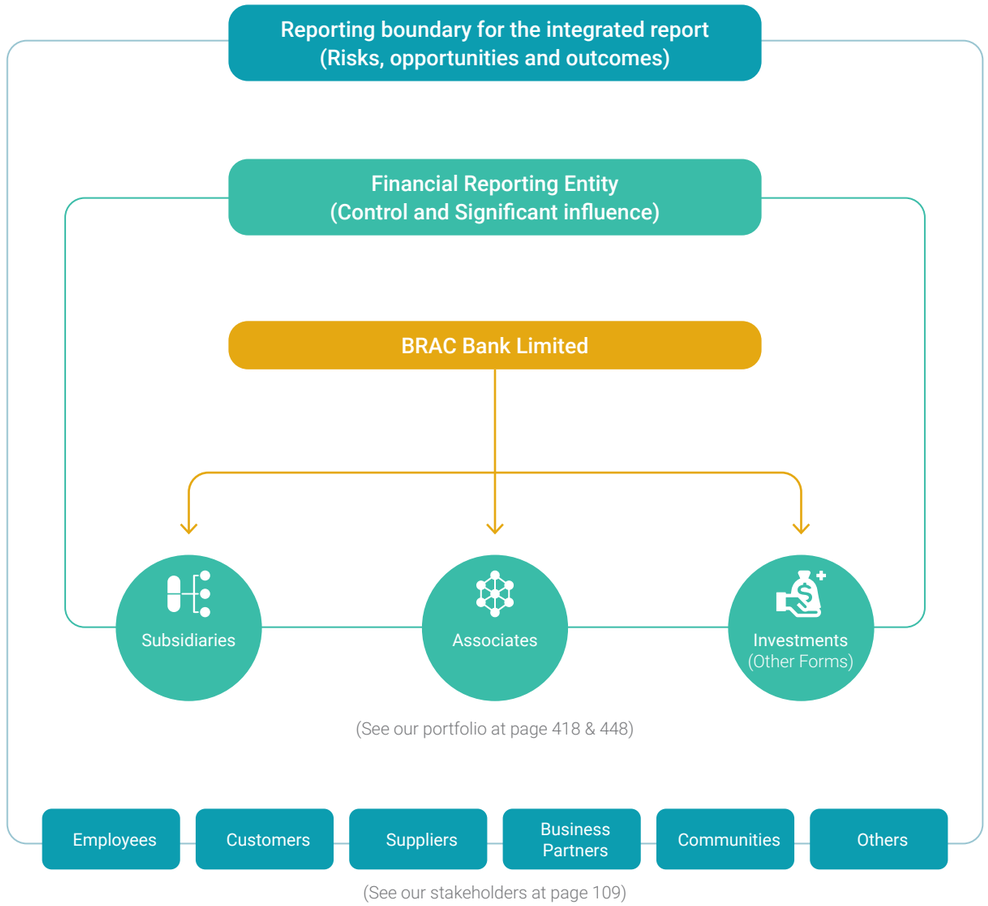
Key Matters and Materiality Assessment Process

BRAC Bank's materiality assessment process for the purpose of preparing and presenting this integrated report involves identifying relevant matters, evaluating the significance of those matters, prioritizing the matters based on their relative importance and determining the information to disclose about those matters following <IR> Guiding Principle: "Materiality in Integrated Reporting".

In determining its content, we assess the issues that materially impact our ability to create and preserve value and those that could erode value. The assessment applies to positive and negative matters, including risks and opportunities and favourable and unfavourable performance or prospects. This applies to both financial and other information. Such matters may have direct implications for the organization itself or may affect the capitals owned by or available to others. The material matters, and the materiality assessment process are presented on page 21.

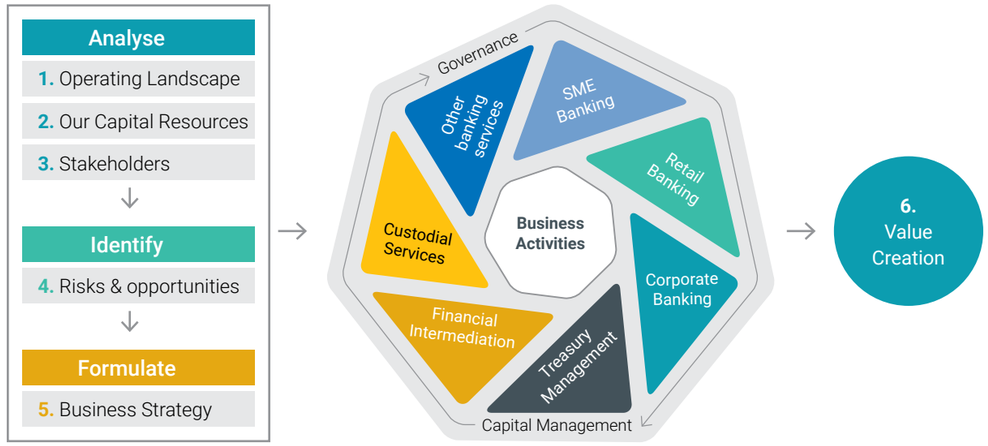
Scope and Boundary

This IAR provides our stakeholders with a brief and clear narrative of how we utilise our capitals to generate financial and non-financial performance, analyse our risks and opportunities, as well as the outputs and outcomes of our value creation model that encompasses our business activities. It includes all business segments and operations of BRAC Bank. Unless otherwise stated, it spans the period of 1 January 2022 to 31 December 2022 and includes significant subsequent events up to date of issuing this report.



Our Approach to Integrated Thinking

At BRAC Bank, our value creation framework highlights the interrelationships between the many factors in accomplishing our stakeholder objectives. We can better plan and adapt our business by understanding the aspects that influence our ability to produce sustainable value for our stakeholders.



OPERATING LANDSCAPE

We analyze our operational environment to identify the risks and opportunities that impact our capacity to create value in the short, medium, and long term.

OUR CAPITAL RESOURCES

Human Capital

Our people, with their knowledge, skills and innovation capabilities, are our true value creators that enable us to attain our goals and objectives. We nurture them to realise our vision and remain competitive in the long-term.

For more detail, please see page 115

Infrastructure Capital

Our workplace premises, including branches and other outlets are actively managed to deliver financial services to all customers nationwide that generate cash flow and capital appreciation.

For more detail, please see page 116

Financial Capital

Funds comprising customer deposits, borrowing and shareholders' fund that we use and recycle for enabling our operations, allowing us to deliver capital appreciation for sustainable growth.

For more detail, please see page 113

Natural Capital

We optimise the use of our precious natural resources required by business in a cautious and responsible manner to minimise our environmental impact.

For more detail, please see page 118

Social and Relationship Capital

Our collaborative stakeholder relationships along with society-centric initiatives allow us to foster a sustainable positive impact to the communities where we operate.

For more detail, please see page 119

Intellectual Capital

Our values-driven culture, financial expertise, and knowledge-based intangible assets facilitate us to fulfill our customer and operational objectives.

For more detail, please see page 116

Stakeholders

Customers · Employees · Suppliers · Shareholder/ Investor

Government & Regulators · Community · Business Partners

For detail discussion on our stakeholder engagement process, please refer to page 109 of this IAR.

Risks and Opportunities

We identify the relevant risks and opportunities in our operating context, capitals and stakeholder relationships and effectively respond to those risks, which enables us to develop a long-term strategic approach.

For more detail, please see page 334-352

Business Strategy

We prioritise the matters that are most material to our short, medium and long-term value creation, so that, we are able to identify strategic priorities that will create value for stakeholders.

- Innovative products and services
- Widespread distribution network
- Customer convenience
- Effective risk mitigation, control and monitoring system

For more detail, please see page 103

Value Creation

Our integrated approach embedded with best customer service, effective fund mobilization, asset liability management, timely investment of surplus funds, recovery efforts etc. allows us to deliver sustained value to all our stakeholders.

For more detail, please see page 104-106

Contributing to the United Nations' Sustainable Development Goals (UNSDGs) through our purpose

BRAC Bank's purpose is to improve people's lives using innovative thinking, enabling technologies and collaborative partnerships to shape an industry that is safer, more sustainable, and better harmonised with the needs of our communities and society. As a bank with a largescale impact on society, we create value aligned with the Sustainable Development Goals (SDGs). Our impact is two-pronged: through our business and through our community outreach and citizenship programs. In all, we impact 12 SDGs.



Icons used in this report

Navigation icons

Our Capitals

- Financial Capital
- Infrastructure Capital
- Intellectual Capital
- Human Capital
- Social & Relationship Capital
- Natural Capital

Stakeholders

- Customers
- Shareholders
- Investors
- Employees
- Business Partners
- Government & Regulators
- Community/ NGO/Civil Society
- Suppliers

External Assurance

We use a combined assurance model that includes assurance obtained from management and our internal and external assurance providers. Our Audit Committee provides internal assurance to the Board while the bank's financial, operating, compliance and risk management controls are assessed by the internal audit function, overseen by the Audit Committee. The Audit Committee report is on page 293 of this IAR.

Various content components of this IAR have been externally assured by reputed assurance providers. The bank has obtained external assurance on the following report sections for the reporting period under consideration:

Report section	External assurance
Financial Statements Audit	Hoda Vasi Chowdhury & Co., Chartered Accountants
Certification of Custodian Service	Hoda Vasi Chowdhury & Co., Chartered Accountants
Nostro Certification	Hoda Vasi Chowdhury & Co., Chartered Accountants
Provident Fund Financial Audit	ACNABIN, Chartered Accountants
Gratuity Fund Financial Audit	ACNABIN, Chartered Accountants
Entity Credit Rating	• S&P Global • Moody's • Credit Rating Agency of Bangladesh Ltd • Credit Rating Information and Services Ltd • Emerging Credit Rating Ltd
Corporate Governance Certification	Hussain Farhad & Co., Chartered Accountants
Gratuity Fund Actuarial Valuation	Z. Halim & Associates
Investment Promotion and Financing Facilities (IPFF) certification	Hoda Vasi Chowdhury & Co., Chartered Accountants

Disclaimer on Forward-Looking Statements

Our public interactions include spoken or written forward-looking statements. Forward-looking statements involve assumptions, inherent risks and uncertainties, both general and specific. The estimations and other forward-looking statements may not be accurate, and hence readers are advised to exercise caution and analyse any forward-looking statements or such statements based on their own judgement. Statements with such considerations and future prospects are included in this annual report and may be included in other filings with Bangladesh Securities and Exchange Commission (BSEC) or other communication. The bank and its affiliates disclaim any future liabilities arising from forward-looking statements.

Availability of the report

We have printed limited copies of this report as part of our ongoing commitment to further our sustainability practices. However, all shareholders and the general public can access the e-report published on the bank's website. Further, our report can also be immediately downloaded from the QR code given alongside.

We solicit your feedback

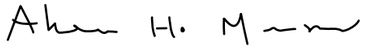
BRAC Bank engages with stakeholders continuously, and we value your feedback and comments on this report. You may direct your feedback to our Investor Relations team: sharedept@bracbank.com

Board's responsibility statement

The Management scrutinised the content of this IAR for accuracy, completeness and relevance of information presented, and also reviewed and approved by the Board. The Board and the Management acknowledge their responsibility for preparing and presenting this IAR.

On behalf of the Board of Directors, I acknowledge our responsibility to ensure the integrity of this Integrated Annual Report and opine that the Report has been prepared in accordance with the guiding principles and content elements of the Integrated Reporting <IR> Framework 2021 issued by International Integrated Reporting Council (IIRC).

Sincerely,



Dr. Ahsan H. Mansur
Chairman, BRAC Bank Limited

Navigating through the Integrated Annual Report

Content Elements	What to look for	Referred topic	Page no.
Organizational overview and external environment	Organization's strategic objectives	Overall Strategic Objectives	103
	Mission, vision and values	Mission, Vision & Values	50
	Ownership and operating structure	Distribution of Shareholding	63
	Principal activities and markets	Financial Statements (note 1.2)	417
	Competitive landscape and market positioning	Competitive Intensity and Our Tactical Responses	123
	Key quantitative information	Five Years' Financial Summary	156
	Significant factors affecting the external environment	PESTEL Analysis Framework	186
Governance	Leadership structure and their skills and diversity	Board of Directors Management Committee Senior Officials	64 84 86
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	Processes used to make strategic decisions and establish and monitor the culture of the organization	Our Value Creation Framework Our Value Creating Business Model Directors' Responsibility Statement	116 104 75
	Attitude to risk and mechanisms for addressing integrity and ethical issues	From the Desk of Chief Risk Officer Corporate Governance Report	334 268
Business model	Entity's business model including key inputs, business activities, outputs & outcomes	Our Value Creating Business Model	104
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	Assessment of the likelihood of occurrence and the magnitude of effect		
	Steps taken to mitigate or manage key risks		
Strategy and resource allocation	Organization's short, medium and long-term strategic objectives	Overall Strategic Objectives Strategy & Resource Allocation	103 121
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Performance	Quantitative performance indicators with respect to targets, risks and opportunities	Financial Statements	394-551
	The organization's effects on the capitals	Our Six Capitals	113
	Key stakeholder relationships and the organization's response to them	Stakeholders Identification Stakeholder Engagement	17 109
	Linkages between organization's past and current performance	Five Years' Financial Summary	156
Outlook	Organization's expectations about external environment, risks, opportunities and challenges and their effects	SWOT Analysis PESTEL Analysis Framework	188 186
	Availability, quality and affordability of capitals the organization uses or affects including how key relationships are managed	Our Six Capitals Stakeholder Engagement	113 109
	Organization's ability to create value over time	Value for Stakeholders Our Value Creation Framework	8 116
Basis of preparation and presentation	Organization's materiality determination process and key judgements	Materiality Assessment & Key Matters	21
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Materiality Assessment & Key Matters

Materiality Assessment

This integrated report discloses information about matters that substantively affect the bank's ability to create value over the short, medium and long term. Such matters inform our strategy to manage risks and maximise opportunities that present themselves in our operating landscape. Bank's materiality assessment process involves identifying relevant matters, evaluating their importance, prioritizing the matters and determining the information to disclose.



Key Matters

We systematically manage material matters that have the most potential to impact our long-term business performance and growth. We integrate our material matters into our strategy by contextualising them into our strategic priorities that guide our integrated approach to premeditated choices. Performance against this strategy is tracked by setting well-defined and clearly identified key performance indicators (KPIs) that are cascaded throughout our business to deliver on our strategic priorities.

CUSTOMER SATISFACTION

Customers need are evolving at pace. An increasing demand for faster turnaround time, convenient banking and tailored products and services are being observed.

Link to	Risks	Our approach
Capitals	We may lose consumers to our competitors if we don't engage with them properly or understand our customers' banking needs.	▪ Introducing innovative products and services to cater the needs of target segments; ▪ Conducting routine client engagement to efficiently discover and fix common consumer pain points; ▪ Dedicated customer experience team to analyze customer feedback and data and share insight; ▪ Leverage our digital channels to deliver a convenient and seamless customer experience.
Stakeholders	**Opportunities**	
	Providing an intuitive and customised customer experience enhances client acquisition and loyalty, we can lead an increase in financial performance.	

GEOPOLITICAL AND ECONOMIC TRENDS

Dynamic and changing macro-environment highly impact our ability to create value. Geopolitical risks are increasingly interconnected and technology is changing the nature of geopolitical risks.

Link to	Risks	Our approach
Capitals	Our financial performance and growth potential can be significantly impacted by ongoing macroeconomic uncertainty and external factors.	▪ We remaining susceptible to geopolitical and economic developments across our operating landscape; ▪ Capacity building to effectively navigate and capitalise on the changing environment; ▪ To developing a comprehensive risk-management strategy and monitoring geopolitical risks continuously.
Stakeholders	**Opportunities**	
	By anticipating trends and proactively responding to them, we can open up new market opportunities.	

TECHNOLOGY AND DIGITAL TRANSFORMATION

New developments in technology, intensifying competition, and evolving customer needs are transforming the banking industry. To adapt to these rapid changes, we must incorporate digitalization into all facets of our organization.

Link to	Risks	Our approach
Capitals	With digital transformation came a rise in risks of cybersecurity breach and data loss, thereby affecting business continuity and stakeholder confidence.	▪ To expand and improve our digital touchpoints for retail and SME and corporate clients continually; ▪ Digital products and solutions launched that open new business stream for SMEs and Corporate clients; ▪ Fostering partnerships with cross-industry players to deliver integrated and seamless banking services; ▪ Strengthening cybersecurity by continuously enhancing cybersecurity posture and enhancing end-to-end IT landscape visibility.
Stakeholders	**Opportunities**	
	Leveraging new and emerging technologies enhances operational efficiency, costs, and customer experience.	

GOVERNANCE AND COMPLIANCE

Banking, as one of the most regulated sectors with constantly evolving regulatory landscape, good governance and compliance are essential for guaranteeing a stable, secure, and sustainable working environment.

Link to	Risks	Our approach
Capitals	Noncompliance with the law may result in monetary and non-monetary penalties, including regulatory punishments, fines, and loss of public trust.	▪ Ensuring constant compliance with applicable rules and regulations by working closely with appropriate regulators and authorities; ▪ To promote our compliance culture, in which we drive continuous education and awareness initiatives that drive a culture of adherence; ▪ To establish a robust compliance system through stringent policies and guidelines, which are overseen by our compliance department; ▪ To perform routine reviews and assessments of our policies and processes to ensure their continued relevance.
Stakeholders	**Opportunities**	
	Active participation with regulatory authorities and agencies would enable us to anticipate future legislation, so enhancing our resilience and competitiveness.	

LEADERSHIP AND TALENT

The roles and skillsets required for our sustainable growth is influencing by rapidly changing landscape of our business. Our long-term resilience rests on a workforce that is digitally savvy and flexible.

Link to	Risks	Our approach
Capitals	Our ability to meet customer needs as well as growth aspirations will be greatly impacted by gaps in skills and knowledge within our human resources.	▪ Offering benchmarked compensation and benefits; ▪ Career advancement opportunities; ▪ To arrange employee training programs to develop future-ready skills, transferable competencies, and an attitude for continual learning; ▪ To arrange employee engagements and off-sites that help us understand and respond to their key needs and concerns; ▪ To setting a welcoming, inclusive, and caring work environment to continue attracting and retaining the best talent within the industry.
Stakeholders	**Opportunities**	
	Well nurtured human capital would contribute to a productive and engaged workforce and create an environment to thrive.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

As a values-based bank, environmental and social considerations are embedded into our business strategies. Moreover, regulators, investors and other stakeholders are also increasingly concerned about ESG practices.

Link to	Risks	Our approach
Capitals	Environmental and social practices that are not sustainable expose the Bank to regulatory noncompliance, penalties, and punishments.	▪ To establish a sustainable finance unit to govern the efficient decision-making, implementation and accountability of sustainability matters; ▪ Sustainable impact through citizenship programs; ▪ Promoting values-based banking through Global Alliance for Banking on Values (GABV).
Stakeholders	**Opportunities**	
	Integrating sustainability into every facet of our business will illustrate our dedication to become a leader in sustainable banking.	

LEADERSHIP INSIGHTS

MESSAGE FROM THE CHAIRMAN

Delivering sustainable economic, social and environmental development is our prime objective. With sustained efforts over the years, we are now in a position to reap the benefits of values-based banking.

Dr. Ahsan H. Mansur, Chairman



Dear Stakeholders,

On behalf of the Board of Directors of BRAC Bank, it gives me immense pleasure to present our Integrated Annual Report and audited financial statements for the financial year ending 31 December 2022.

I would like to take this opportunity to thank the valued shareholders who stood by the bank at time of the ongoing global economic stress. Because of their trust and support, BRAC Bank stands where it is today.

The prolonged pandemic has made us united and more resilient. In two years of prevalence, we learnt how to serve customers digitally, make business more sustainable, and prepare for unforeseen challenges. This lifetime learning will keep us guarded in the future as we move on to face new challenges in the banking sector.

As a part of the Board of Directors, I feel proud to see BRAC Bank unfolding itself as one of Bangladesh's leading full-service private commercial banks. Over the years, the bank has distinguished itself in the banking industry regarding values, ethics, governance, transparency, compliance and presence in economic needs. The bank's consistent focus on this governance area has enhanced the bank's reputation, credibility and profile, and at the same time, exerted a very positive impact on business growth. Bank's astounding deposit and loan growth in a tumultuous year marks bank's distinctive identity and greater acceptability to the customers.

2022 consolidated performance at a glance

32%
Net profit growth

BDT 4.02
Earnings per share (EPS)
2021: BDT 3.65

23%
Deposit growth

28%
Loan growth

10.16%
Return on equity (RoE)
2021: 10.38%

1.02%
Return on assets (RoA)
2021: 1.11%

Our values-based approach – the right path for sustainability

BRAC Bank is a performance-driven organization whose values are at every activity's core. The visionary founder Sir Fazle Hasan Abed established BRAC Bank with a unique vision to provide banking solutions to the 'unbanked' small and medium entrepreneurs. Its collateral-free loans bring the grassroot SME entrepreneurs under the umbrella of formal banking service, significantly uplifting the people and impacting the societal fabric.

To BRAC Bank, banking does not mean making profit only. It is about banking for shared prosperity while keeping the economic, social and environmental considerations at the front and centre of what we do. Today, sustainable banking is one of the core pillars of bank's business strategy.

BRAC Bank shares the 3P Philosophy – People, Planet and Prosperity with the other Global Alliance for Banking on Values (GABV) partners. We believe we are responsible for the people we work with and the places we operate. That commitment was reaffirmed as GABV leaders met in Dhaka for the 2022 annual meeting.

Diversity & inclusion

In pursuit of diversity and social inclusion, BRAC Bank has created employment opportunities for transgender and physically challenged individuals. BRAC Bank believes in 'leaving no one behind'. It respects and recognizes the importance of unique life journeys that extend beyond the paradigms of gender. Our work focuses on creating equitable processes and policies that allow us to create space for everyone to thrive. The initiative will usher in a new era of creating an inclusive society where no one will be judged by their gender or other needs but by their talent and potential.

Unique milestone of serving one million SME customers

BRAC Bank has achieved the milestone of serving one million SME customers, an unprecedented accomplishment in the industry. In fulfilling the entrepreneurial dreams of the customers, the bank has disbursed SME loans worth BDT 1,000 billion to grassroots entrepreneurs across Bangladesh in 21 years of its operations. Our vibrant culture within the organization and passionate and dedicated people drive SME business to the pinnacle.

Over the years, the bank has emerged as Bangladesh's largest financier of collateral-free SME loans. BRAC Bank is the only bank in the country with an SME portfolio comprising more than 50% of its total loan portfolio. Presently, the bank's SME loan outstanding stands at around BDT 20,000 crore, of which 85% is without collateral, unprecedented in Bangladesh's banking sector. The SME loan rural penetration of BRAC Bank is 60%, directly impacting revitalizing of the rural economy and creating employment.

Following the footsteps of Sir Fazle Hasan Abed, the bank will continue to focus on SME Banking and make the portfolio bigger. In this digital age, we will use technology, adopt innovative ways to achieve more milestones, and break new ground in SME frontiers.

Contribution to development of Bangladesh

Bangladesh has set sight to graduate into an upper-middle income bracket country by 2031 and a high-income country by 2041. Despite many macroeconomic challenges, the country is marching forward to achieve its goals. Rapid industrialization, massive infrastructure projects, expanding export volume, remittance, vibrant consumer base, rising per capita income and hardworking people have put the country on the path of consistent growth. A vibrant private sector has led the country to consistent GDP growth of 6.5%+ over the last decade, which is the highest in South Asia. Over the years, sustained economic development has been accompanied by improved social indicators, such as higher literacy rates, women empowerment, better healthcare, increased life expectancy, etc.

As a corporate entity entrenched in Bangladesh's socio-economic fabric, BRAC Bank takes pride in playing a catalytic role in the development journey of Bangladesh, significantly supporting the national priorities of industrialisation, financial inclusion, entrepreneurship development and employment creation.

Harvesting Digital Dividends

Over the last few years, BRAC Bank has invested significantly in technology. Technology projects are going live one after another, bringing customers many conveniences and savings og time and cost. This has helped increase customer loyalty leading to a rapid business growth.

Digital app 'Astha' and the internet banking platform for institutions 'CORPnet' are the harbinger of a digital transformation journey. Apart from banking transactions, 'Astha' has become a lifestyle solution with the super-app's availability of music, entertainment, and religious and educational contents. 'CORPnet' has introduced exciting new transaction features providing seamless services to enterprises.

The rollout of core banking, card management system, IVR-equipped call center, e-commerce and POS platform, e-KYC, agent banking mobile app, lending app 'Obichol', digital loan app 'Shubidha', and unified communication have together helped the bank achieve service excellence. Now we are implementing cash management, trade and supply chain financing solutions, loan origination system - e-LAP, document management systems, bulk MFS transactions and data analytics to take the bank's service to more excellent standards.

Strong Balance sheet growth: the highlight of 2022 performance

Despite the challenging business environment triggered by Ukraine war, surge in fuel prices, inflation, foreign currency crunch and interest rate cap, BRAC Bank achieved significant balance sheet growth in 2022. The consolidated BRAC Bank entity (i.e., BRAC Bank with all its subsidiaries) achieved a staggering deposit growth of 23% and loan and advances growth of 28%, which speaks of customer's confidence in the bank.

Consolidated net interest income grew by 13% to BDT 18,411 million thanks to economic activities gaining momentum. Total revenue increased by 20% to BDT 37,833 million, up from BDT 31,623 million in the previous year.

On a consolidated basis, the bank achieved net profit growth of 32% (BDT 6,122 million, up from BDT 4,653 million in 2021). Earnings per share increased to BDT 4.02, from BDT 3.65 in 2021.

Despite significant growth in consolidated profit, return on equity (ROE) and return on assets (ROA) slightly decreased to 10.16% from 10.38% and 1.02% from 1.11%, respectively mainly for a significant increase in average asset and equity base. The consolidated Net Asset Value (NAV) per share stood at BDT 40.86 in 2022, which was BDT 38.21 in the preceding year.

The subsidiaries also showed a resilient performance in the challenging year. While bKash has earned a profit of BDT 175 million for the first time, other subsidiaries also showed resilient performance in the lacklustre share market and year 2022. BRAC Saajan has resumed its business after winning the legal battle in the United Kingdom and rebuilding its business.

Based on the 2022 financial performance and considering a sanguine view of the future, the Board has recommended a total dividend of 15% (Cash 7.50% and Stock 7.50%) for 2022. Maintaining our dividend policy in this challenge-filled year reflects our unwavering commitment to rewarding our shareholders. Our ability to do so underlines our strong forward outlook, prudent risk management culture, intrinsic capabilities to remain agile and able to adapt to the prevalent conditions.

Good governance – the backbone of the bank

I am pleased to note that there were no departures from any of the provisions of the bank's code of business conduct and ethics and our governance practices,

as advocated by the regulators. I also affirm our commitment to upholding the bank's organisational policies, where emphasis is placed on ethical and legal dealings and zero tolerance to corruption, bribery and any form of harassment or discrimination in the workplace and in any work-related situations. We strictly enforce our standards and have appropriate mechanisms in place to bring to notice such incidents.

Further details on governance initiatives and compliance can be found in the Corporate Governance section of this report.

Strengthening bank-wide sustainability is an ongoing endeavour at BRAC Bank. Going green and being socially responsible are among our strategic priorities, as we mainstream sustainability by integrating ESG considerations into our policies and decision-making. We made advances in 2022 by setting up critical governance structures to drive forward this strategic priority. In keeping with our commitments, we have also deepened our accountability by embedding sustainability as key performance indicators into the bank's performance scorecard.

Acknowledgements

We understand just how vital our stakeholders are to our sustainable growth journey. Interdependency and interconnectedness of organisations and their ecosystems were made even more evident by the challenges, highlighting, on the other side, the importance and power of multi-stakeholder collaborations and cooperation. With this in mind, I would like to thank all our stakeholders for their continued and invaluable support extended to the bank.

In this context I must express a special note of appreciation to my fellow colleagues on the Board and our senior leadership team for their wise guidance and sincere efforts underpinning the great achievements outlined above.

I also appreciate all regulatory bodies of the Bangladesh Government, especially Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, National Board of Revenue, Dhaka and Chittagong stock exchanges, Central Depository Bangladesh and Financial Reporting Council. Your continuing support and guidance are acknowledged and appreciated.

Finally, my sincere appreciation to all in the BRAC Bank team who continue to uphold our core values and, in doing so, add value to all the lives we touch in one way or another.

Sincerely,

Dr. Ahsan H. Mansur
Chairman

চেয়ারম্যানের প্রতিবেদন

টেকসই অর্থনৈতিক, সামাজিক ও পরিবেশগত উন্নয়ন আমাদের প্রধান লক্ষ্য। বছরের পর বছর ধরে নিরন্তর প্রচেষ্টার ফলে আমরা এখন মূল্যবোধ ভিত্তিক ব্যাংকিংয়ের সুফল পাওয়ার মতো অবস্থানে এসেছি।

ড. আহসান এইচ. মনসুর
চেয়ারম্যান

প্রিয় শেয়ারহোল্ডারবৃন্দ,

ব্র্যাক ব্যাংকের পরিচালনা পর্ষদের পক্ষ থেকে অত্যন্ত আনন্দের সাথে আমি ৩১ ডিসেম্বর, ২০২২ সমাপ্ত অর্থ বছরের সমন্বিত বার্ষিক প্রতিবেদন এবং নিরীক্ষিত আর্থিক বিবরণী উপস্থাপন করছি।

আমি এই সুযোগে সম্মানিত শেয়ারহোল্ডারদের ধন্যবাদ জানাতে চাই যারা বিশ্বব্যাপী অর্থনৈতিক সংকটের সময়ে ব্যাংকের পাশে ছিলেন। তাদের আস্থা ও সমর্থনের কারণেই ব্র্যাক ব্যাংক আজ এ পর্যায়ে আছে।

দীর্ঘায়িত মহামারী আমাদের ঐক্যবদ্ধ এবং ঘুরে দাঁড়াতে সক্ষম করে তুলেছে। গত দুই বছরে আমরা শিখেছি কীভাবে গ্রাহকদের ডিজিটাল পদ্ধতিতে সেবা দিতে হয়, ব্যবসাকে আরও টেকসই করতে হয় এবং অপ্রত্যাশিত চ্যালেঞ্জের জন্য প্রস্তুত থাকতে হয়। ব্যাংকিং সেক্টরে নতুন চ্যালেঞ্জ মোকাবেলা করার জন্য সারা জীবনের এই শিক্ষা ভবিষ্যতে আমাদেরকে সুরক্ষিত রাখবে।

ব্র্যাক ব্যাংককে বাংলাদেশের একটি শীর্ষস্থানীয় ফুল-সার্ভিস বেসরকারি বাণিজ্যিক ব্যাংক হিসেবে পরিণত হতে দেখে পরিচালনা পর্ষদের অংশ হিসেবে আমি গর্বিত বোধ করছি। বছরের পর বছর ধরে ব্যাংকিং খাতে মূল্যবোধ, নৈতিকতা, সুশাসন, স্বচ্ছতা, কমপ্লায়েন্স এবং নেটওয়ার্ক বিস্তৃতির ক্ষেত্রে নিজেকে আলাদা করেছে ব্যাংকটি। সুশাসনের ক্ষেত্রে ব্যাংকের ধারাবাহিক ফোকাস ব্যাংকের সুনাম, বিশ্বাসযোগ্যতা এবং প্রোফাইল বাড়িয়েছে এবং একই সাথে ব্যবসায়িক প্রবৃদ্ধিতে অত্যন্ত ইতিবাচক প্রভাব ফেলেছে। অনিশ্চয়তাপূর্ণ একটি বছরে আমানত এবং ঋণে ব্যাংকের বিস্ময়কর প্রবৃদ্ধি গ্রাহকদের কাছে ব্যাংকের স্বকীয়তা ও অধিকতর গ্রহণযোগ্যতাকে তুলে ধরে।

আমাদের মূল্যবোধ ভিত্তিক পন্থা – টেকসইতার জন্য সঠিক পথ

ব্র্যাক ব্যাংক একটি কর্মদক্ষতা ভিত্তিক প্রতিষ্ঠান যার প্রতিটি কর্মকাণ্ডের মূলে রয়েছে মূল্যবোধ। স্বপ্নদর্শী প্রতিষ্ঠাতা স্যার ফজলে হাসান আবেদ ব্যাংকের সেবার আওতার বাইরে থাকা ক্ষুদ্র ও মাঝারি উদ্যোক্তাদের ব্যাংকিং সমাধান প্রদানের জন্য একটি অনন্য ভিশন নিয়ে ব্র্যাক ব্যাংক প্রতিষ্ঠা করেছিলেন। এর জামানত-মুক্ত ঋণ তৃণমূলের এসএমই উদ্যোক্তাদের আনুষ্ঠানিক ব্যাংকিং সেবার আওতায় নিয়ে আসে, উল্লেখযোগ্যভাবে জনগণের আর্থিক অবস্থার উন্নয়ন করে এবং সামাজিক কাঠামোকে প্রভাবিত করে।

ব্র্যাক ব্যাংকের কাছে ব্যাংকিং মানে শুধু মুনাফা করা নয়। আমাদের কাছে ব্যাংকিং হলো আমাদের সব কাজে অর্থনৈতিক, সামাজিক এবং পরিবেশগত বিবেচনাগুলির প্রতি গুরুত্ব দিয়ে একসঙ্গে সমৃদ্ধির পথে চলা। বর্তমানে ব্র্যাক ব্যাংকের ব্যবসায়িক কৌশলের মূল স্তম্ভগুলির মধ্যে একটি হচ্ছে টেকসই ব্যাংকিং।

ব্র্যাক ব্যাংক এখন গ্লোবাল অ্যালায়েন্স ফর ব্যাংকিং অন ভ্যালুস (জিএবিভি)-এর অন্যান্য অংশীদারদের সাথে 3P দর্শন – 'পিপল, প্ল্যানেট ও প্রসপারিটি' ধারণ করে। আমরা বিশ্বাস করি, আমরা যাদের সাথে কাজ করি এবং যেখানে পরিচালনা করি তার প্রতি আমাদের দায়িত্ব আছে। ২০২২ সালে ঢাকায় জিএবিভি-এর বার্ষিক সভায় নেতৃবৃন্দ মিলিত হয়ে সেই প্রতিশ্রুতি পুনর্ব্যক্ত করেছেন।

বৈচিত্র্যময়তা এবং অন্তর্ভুক্তি

বৈচিত্র্যময়তা ও সামাজিক অন্তর্ভুক্তির নিশ্চিত করতে ব্র্যাক ব্যাংক ট্রান্সজেন্ডার এবং শারীরিকভাবে প্রতিবন্ধী ব্যক্তিদের জন্য কর্মসংস্থানের সুযোগ তৈরি করেছে। ব্র্যাক ব্যাংক 'কেউ পিছিয়ে থাকবে না' দর্শনে বিশ্বাস করে। এটি লিঙ্গের ব্যাপ্তির বাইরে প্রসারিত অনন্য

একনজরে ২০২২ সালের সাফল্য সামষ্টিকভাবে (কনসলিডেটেড ভিত্তিতে)

৩২%
নিট মুনাফা প্রবৃদ্ধি

৪.০২ টাকা
শেয়ার প্রতি আয়
২০২১: ৩.৬৫ টাকা

২৩%
আমানতে প্রবৃদ্ধি

২৮%
ঋণ ও অগ্রিমে প্রবৃদ্ধি

১০.১৬%
রিটার্ন অন ইকুইটি
২০২১: ১০.৩৮%

১.০২%
রিটার্ন অন অ্যাসেটস
২০২১: ১.১১%

জীবন যাত্রার গুরুত্বকে সম্মান করে এবং স্বীকৃতি দেয়। আমাদের কর্মকাণ্ডে ন্যায়সঙ্গত প্রক্রিয়া এবং নীতি তৈরিতে জোর দেওয়া হয়, যেগুলো আমাদের প্রত্যেকের উন্নতির জন্য সুযোগ তৈরি করে। এই উদ্যোগ একটি অন্তর্ভুক্তিমূলক সমাজ গঠনের একটি নতুন যুগের সূচনা করবে, যেখানে কাউকে তাদের লিঙ্গ বা অন্যান্য দৃষ্টিকোণ দিয়ে নয়, মূল্যায়ন করা হবে তাদের প্রতিভা ও সম্ভাবনা দিয়ে।

১০ লাখ এসএমই গ্রাহকদের সেবা দেওয়ার অনন্য মাইলফলক

ব্র্যাক ব্যাংক প্রতিষ্ঠার শুরু থেকে ১০ লাখ এসএমই গ্রাহকদের সেবা দেওয়ার মাইলফলক অর্জন করেছে, যা এ ব্যাংকিং খাতে একটি নজিরবিহীন অর্জন। গ্রাহকদের উদ্যোক্তা হওয়ার স্বপ্ন পূরণে, ব্যাংকটি তার কার্যক্রমের ২১ বছরে সারা বাংলাদেশে তৃণমূল উদ্যোক্তাদের জন্য এক লাখ কোটি টাকার এসএমই ঋণ বিতরণ করেছে। প্রতিষ্ঠানের মধ্যে আমাদের প্রাণবন্ত সংস্কৃতি এবং উৎসাহী ও নিবেদিত কর্মীরা এসএমই ব্যবসাকে শীর্ষে নিয়ে গেছেন।

বছরের পর বছর ধরে ব্র্যাক ব্যাংক জামানতবিহীন এসএমই ঋণে বাংলাদেশের সবচেয়ে বড় অর্থায়নকারী প্রতিষ্ঠান হিসেবে আবির্ভূত হয়েছে। ব্র্যাক ব্যাংক দেশের একমাত্র ব্যাংক যার এসএমই পোর্টফোলিও মোট ঋণ পোর্টফোলিও'র ৪৫% এর বেশি। বর্তমানে ব্যাংকের এসএমই ঋণের স্থিতি ১৮,৭০০ কোটি টাকার বেশি, যার ৮৫% জামানত ছাড়াই, যা বাংলাদেশের ব্যাংকিং খাতে নজিরবিহীন। ব্র্যাক ব্যাংকের এসএমই ঋণে গ্রামীণ সংশ্লিষ্টতা ৬০%, যা গ্রামীণ অর্থনীতির পুনরুজ্জীবন এবং কর্মসংস্থান সৃষ্টিতে সরাসরি প্রভাব ফেলছে।

স্যার ফজলে হাসান আবেদের পদাঙ্ক অনুসরণ করে, ব্র্যাক ব্যাংক এসএমই ব্যাংকিংয়ে গুরুত্ব দেওয়া অব্যাহত রাখবে এবং পোর্টফোলিওকে আরও বড় করে তুলবে। এই ডিজিটাল যুগে আমরা প্রযুক্তি ব্যবহার করব, আরও মাইলফলক অর্জনের জন্য উদ্ভাবনী উপায় অবলম্বন করব এবং এসএমই খাতে আরও নতুন সেবা নিয়ে আসব।

বাংলাদেশের উন্নয়নে অবদান

বাংলাদেশ ২০৩১ সালের মধ্যে উচ্চ মধ্যম আয়ের দেশ এবং ২০৪১ সালের মধ্যে একটি উচ্চ আয়ের দেশে উন্নীত হওয়ার লক্ষ্য স্থির করেছে। সামষ্টিক অর্থনীতিতে অনেক চ্যালেঞ্জ সত্ত্বেও দেশ তার লক্ষ্য অর্জনে এগিয়ে যাচ্ছে। দ্রুত শিল্পায়ন, বড় বড় অবকাঠামো প্রকল্প, রপ্তানির পরিমাণ বৃদ্ধি, রেমিট্যান্স, কাস্টমার বেস, মাথাপিছু আয় বৃদ্ধি এবং পরিশ্রমী মানুষ দেশকে ধারাবাহিক প্রবৃদ্ধির পথে নিয়ে গেছে। একটি প্রাণবন্ত বেসরকারি খাত গত এক দশকে দেশকে ধারাবাহিকভাবে ৬.৫%+ জিডিপি প্রবৃদ্ধিতে নিয়ে গেছে, যা দক্ষিণ এশিয়ার মধ্যে সর্বোচ্চ। বছরের পর বছর ধরে উচ্চ শিক্ষার হার, নারীর ক্ষমতায়ন, উন্নত স্বাস্থ্যসেবা, আয়ু বৃদ্ধি ইত্যাদির মতো সামাজিক সূচকগুলিতে উন্নতির মাধ্যমে টেকসই অর্থনৈতিক উন্নয়ন হয়েছে।

বাংলাদেশের আর্থ-সামাজিক কাঠামোতে সুপ্রতিষ্ঠিত একটি কর্পোরেট প্রতিষ্ঠান হিসেবে ব্র্যাক ব্যাংক বাংলাদেশের উন্নয়ন যাত্রায় সহায়কের ভূমিকা পালন করতে পেরে গর্বিত। শিল্পায়ন, আর্থিক অন্তর্ভুক্তি, উদ্যোক্তা উন্নয়ন এবং কর্মসংস্থান সৃষ্টিতে জাতীয় পর্যায়ের অগ্রাধিকারগুলোকে উল্লেখযোগ্যভাবে সমর্থন করছে ব্যাংকটি।

ডিজিটাল প্রযুক্তি গ্রহণের সুফল

বিগত কয়েক বছরে ব্র্যাক ব্যাংক প্রযুক্তি খাতে উল্লেখযোগ্য বিনিয়োগ করেছে। একের পর এক প্রযুক্তি প্রকল্পগুলি চালু হচ্ছে এবং গ্রাহকদের জন্য অনেক স্বাচ্ছন্দ্য নিয়ে আসছে এবং সময় ও খরচ বাঁচাচ্ছে। এটি ব্যাংকের প্রতি গ্রাহকের বিশ্বস্ততা বাড়াতে সাহায্য করায় দ্রুত ব্যবসা বেড়েছে।

ডিজিটাল অ্যাপ 'আস্থা' এবং কর্পোরেট প্রতিষ্ঠানগুলোর ইন্টারনেট ব্যাংকিং প্ল্যাটফর্ম 'কর্পনেট' ডিজিটাল রূপান্তর যাত্রায় অগ্রদূত। ব্যাংকিং লেনদেন ছাড়াও সঙ্গীত, বিনোদন এবং ধর্মীয় ও শিক্ষামূলক বিষয়বস্তুর লভ্যতা নিয়ে 'আস্থা' একটি লাইফস্টাইল সলিউশন হয়ে উঠেছে। 'কর্পনেট' উদ্যোক্তাদের নিরবচ্ছিন্ন সেবা দেওয়া জন্য আকর্ষণীয় ও নতুন লেনদেন ফিচার চালু করেছে।

কোর ব্যাংকিং, কার্ড ম্যানেজমেন্ট, আইভিআর- সমৃদ্ধ কল সেন্টার, ই-কমার্স ও পিওএস প্লাটফর্ম, ই-কেওয়াইসি, এজেন্ট ব্যাংকিং মোবাইল অ্যাপ, ঋণের অ্যাপ 'অবিচল', ডিজিটাল ঋণ অ্যাপ 'সুবিধা' এবং ইউনিফাইড কমিউনিকেশন্স ব্যবস্থার মতো বিষয়গুলো ব্যাংককে সেবা প্রদানে শ্রেষ্ঠ অবস্থানে নিয়ে গেছে। ব্যাংকের সেবার মানদণ্ডকে আরও উন্নত করতে এখন আমরা ক্যাশ ম্যানেজমেন্ট, ট্রেড ও সাপ্লাই চেইন ফাইন্যান্সিং, লোন অরিজিনেশন সিস্টেম - ই-ল্যাপ, ডকুমেন্ট ম্যানেজমেন্ট সিস্টেম, বাল্ক এমএফএস লেনদেন এবং ডেটা অ্যানালিটিক্স প্রকল্পগুলো বাস্তবায়ন করছি।

ব্যালেন্স শিটে শক্তিশালী প্রবৃদ্ধি অর্জন ২০২২ সালের সেরা সাফল্য

ইউক্রেনে যুদ্ধ, জ্বালানি তেলের মূল্য বৃদ্ধি, মুদ্রাস্ফীতি, বৈদেশিক মুদ্রা সংকট এবং আমানতের ওপর ইন্টারেস্ট হারে বেঁধে দেয়া সীমারেখার জন্য উদ্ভূত চ্যালেঞ্জিং ব্যবসায়িক পরিবেশেও ব্র্যাক ব্যাংক তার ব্যালেন্স শিটে উল্লেখযোগ্য প্রবৃদ্ধি দেখিয়েছে। সামষ্টিকভাবে ব্র্যাক ব্যাংক (অর্থাৎ, ব্র্যাক ব্যাংক ও তার সব সহযোগী প্রতিষ্ঠানসমূহসহ) বিস্ময়করভাবে আমানতে ২৩% এবং ঋণ ও অগ্রিমে ২৮% প্রবৃদ্ধি অর্জন করেছে যা ব্যাংকের প্রতি গ্রাহকের আস্থার প্রমাণ দেয়।

অর্থনৈতিক কর্মকাণ্ড গতি পাওয়ায় সামষ্টিকভাবে (কনসলিডেটেড) ব্র্যাক ব্যাংকের নিট ইন্টারেস্ট আয় ১৩% বৃদ্ধি পেয়ে ১,৮৪১ কোটি টাকা হয়েছে। মোট রেভিনিউ পূর্বের বছরের ৩,১৬২ কোটি টাকা থেকে ২০% বৃদ্ধি পেয়ে ৩,৭৮৩ কোটি টাকায় দাঁড়িয়েছে।

সামষ্টিকভাবে (কনসলিডেটেড) নিট মুনাফা ৩২% বেড়ে হয়েছে ৬১২ কোটি টাকা। ২০২১ সালে এই মুনাফা ছিল ৪৬৫ কোটি টাকা। শেয়ারপ্রতি আয় বেড়ে দাঁড়িয়েছে ৪.০২ টাকা । ২০২১ সালে এর পরিমাণ ছিল ৩.৬৫ টাকা।

সামষ্টিকভাবে নিট মুনাফা উল্লেখযোগ্য বাড়লেও প্রধানত সম্পদ এবং ইকুইটি বেসে উল্লেখযোগ্য বৃদ্ধির জন্য কনসলিডেটেড ভিত্তিতে রিটার্ন অন ইকুইটি আগের বছরের ১০.৩৮% থেকে কমে ১০.১৬% এবং রিটার্ন অব অ্যাসেটস ১.১১% থেকে কমে ১.০২% হয়েছে। কনসলিডেটেড ভিত্তিতে শেয়ারপ্রতি নিট অ্যাসেট ভ্যালু আগের বছরের ৩৮.২১ টাকা থেকে বেড়ে ২০২২ সালে ৪০.৮৬ টাকায় দাঁড়িয়েছে।

এই চ্যালেঞ্জিং বছরে আমাদের সহযোগী প্রতিষ্ঠানসমূহও ঘুরে দাঁড়ানোর মত আর্থিক ফলাফল নিয়ে এসেছে। বিকাশ টানা তিন বছর ক্ষতির পর ২০২২ সালে ১৭.৫০ কোটি টাকা মুনাফা করেছে। অন্যান্য সহযোগী প্রতিষ্ঠানও ২০২২ সালে মন্দার শেয়ার বাজারে দৃঢ় পারফরমেন্স দেখিয়েছে। ব্র্যাক সাজন যুক্তরাজ্যে আইনি লড়াইয়ে জয়ী হয়ে আবার ব্যবসা শুরু করেছে।

২০২২ সালের আর্থিক সাফল্য এবং একটি সুন্দর ভবিষ্যতের জন্য, পরিচালনা পর্ষদ ২০২২ সালের জন্য মোট ১৫% লভ্যাংশ (৭.৫০% নগদ এবং ৭.৫০% স্টক) সুপারিশ করেছে। চ্যালেঞ্জপূর্ণ একটি বছরেও আমাদের লভ্যাংশ প্রদানের নীতি আমাদের শেয়ারহোল্ডারদের পুরস্কৃত করার প্রতিশ্রুতিরই প্রতিফলন। এই সক্ষমতা আমাদের এগিয়ে চলার দৃষ্টিভঙ্গি, বিচক্ষণ ঝুঁকি ব্যবস্থাপনা, দ্রুত সিদ্ধান্ত গ্রহণ ও বাস্তবায়ন এবং প্রতিকূল পরিবেশেও প্রচলিত অবস্থার সঙ্গে খাপ খাইয়ে নেওয়ার অন্তর্নিহিত ক্ষমতার কথা জানায়।

সুশাসন - ব্যাংকের মেরুদণ্ড

আমি আনন্দের সঙ্গে জানাচ্ছি যে, নিয়ন্ত্রণ সংস্থাগুলো দ্বারা নির্ধারিত ব্যাংকের ব্যবসায়িক আচরণবিধি এবং নৈতিকতার কোনো বিধান থেকেই আমরা সরে যাইনি। ব্যাংকের সাংগঠনিক নীতি সমুন্নত রাখাতে আমাদের প্রতিশ্রুতি আমি নিশ্চিত করেছি। এক্ষেত্রে নৈতিক ও বৈধ লেনদেনের ওপর জোর দেওয়া হয়। আর কর্মক্ষেত্র ও এই সম্পর্কিত স্থানে দুর্নীতি, ঘুষ ও যেকোনো বৈষম্যকে কোনো প্রশ্রয় দেওয়া হয় না। আমরা কঠোরভাবে মান নিয়ন্ত্রণ করি এবং এবং এই ধরনের ঘটনাগুলি নজরে আনার জন্য উপযুক্ত ব্যবস্থা রয়েছে।

প্রশাসনিক উদ্যোগ এবং কমপ্লায়েন্স সম্পর্কে আরও বিশদ বিবরণ এই প্রতিবেদনের কর্পোরেট গভর্নেন্স বিভাগে পাওয়া যাবে।

ব্যাংকজুড়ে টেকসই ব্যবস্থার প্রচলন ব্র্যাক ব্যাংক এর একটি চলমান কার্যক্রম। টেকসই এবং সামাজিকভাবে আরও দায়বদ্ধ হওয়া আমাদের কৌশলগত অগ্রাধিকারের বিষয়গুলোর অন্যতম একটি। নীতি ও সিদ্ধান্ত গ্রহণে "ইএসজি" কে বিবেচনায় নেওয়ার মাধ্যমে আমরা টেকসই হওয়ার বিষয়টিকে মূল ধারায় নিয়ে এসেছি। এই কৌশলগত অগ্রাধিকারকে এগিয়ে নিয়ে যাওয়ার লক্ষ্যে অত্যন্ত প্রয়োজনীয় ব্যবস্থাপনা কাঠামো স্থাপন করে আমরা ২০২২ সালে অগ্রগতি অর্জন করেছি। প্রতিশ্রুতি বজায় রেখে জবাবদিহিতাকে বাড়িয়ে টেকসই হওয়াকে আমরা ব্যাংকের সাফল্যের অন্যতম সূচক হিসেবে গণ্য করছি।

কৃতজ্ঞতা স্বীকার

আমরা জানি স্টেকহোল্ডাররা আমাদের টেকসই প্রবৃদ্ধির জন্য কতোটা গুরুত্বপূর্ণ। চ্যালেঞ্জিং এই সময়ে কর্পোরেট প্রতিষ্ঠানগুলোর মধ্যে আন্তঃসংযুক্তি ও পারস্পরিক নির্ভরশীলতার যৌক্তিকতা আরও স্পষ্ট হয়েছে। অন্যদিকে বহু স্টেকহোল্ডারের সহযোগিতা ও ঐক্যের গুরুত্ব ও শক্তি বোঝা গেছে। এই বিষয়গুলো মাথায় রেখে ব্যাংকের প্রতি তাদের অব্যাহত সমর্থন ও সহযোগিতার জন্য আমাদের সব স্টেকহোল্ডারকে আমি ধন্যবাদ জানাই।

এই প্রেক্ষাপটে বিজ্ঞ দিকনির্দেশনা এবং আন্তরিক প্রচেষ্টা দিয়ে উপরে বর্ণিত গুরুত্বপূর্ণ অর্জনগুলির ভিত্তি গড়ে দেওয়ায় আমি পরিচালনা পর্ষদে আমার সহকর্মী ও সিনিয়র নেতৃত্বকে বিশেষভাবে ধন্যবাদ জানাই।

একই সঙ্গে আমি ধন্যবাদ জানাই বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, যৌথ মূলধন কোম্পানি ও ফার্মসমূহের পরিদপ্তর, জাতীয় রাজস্ব বোর্ড, ঢাকা ও চট্টগ্রাম স্টক এক্সচেঞ্জ, সেন্ট্রাল ডিপোজিটরি বাংলাদেশ এবং ফিন্যান্সিয়াল রিপোর্টিং কাউন্সিলকে। আপনাদের অব্যাহত সমর্থন ও দিকনির্দেশনা অত্যন্ত প্রশংসনীয়।

পরিশেষে, ব্র্যাক ব্যাংক টিমের সবার প্রতি আমার আন্তরিক কৃতজ্ঞতা জানাই। আমাদের মূল্যবোধগুলো ধারণ করে তারা এগিয়ে চলছেন। আর এরই মাধ্যমে সংশ্লিষ্ট সকলের জীবনে কোনো না কোনোভাবে তারা ইতিবাচক প্রভাব ফেলতে পেরেছেন।

ধন্যবাদান্তে,

ড. আহসান এইচ. মনসুর
চেয়ারম্যান

FROM THE MANAGING DIRECTOR & CEO'S DESK

"Navigating challenges, exploring opportunities"

Selim R. F. Hussain, Managing Director & CEO



Dear Shareholders,

I would like to express my sincere appreciation to our esteemed shareholders for their unwavering trust, which has enabled us to remain resilient during the testing times faced by the banking sector.

The banking industry started 2022 with great optimism and enthusiasm, expecting a year of resurgence after two years of pandemic-induced disruptions. Business activities, including trade and commerce, industrial production, and consumer spending, were gradually returning to normalcy. However, the outbreak of war in Ukraine triggered an oil crisis, resulting in a price surge, followed by events such as a forex crunch, devaluation of the Taka against the US dollar, and inflationary pressure, which rattled the economy, including the banking sector. As the war continued, the oil crisis worsened, leading the government to implement power rationing. Frequent power outages hampered industrial production, adversely impacting the overall economy.

Furthermore, the situation was exacerbated by implementing regulatory guidelines for officials' salary hikes, loan rescheduling rules, and the requirement for income tax return submission documents for credit card and loan applications. Shrinking interest income due to lending rate caps further eroded the revenue. As loan payment forbearance ended, bad loans shot up throughout the industry, with some banks struggling with liquidity pressure. This led to stiff competition for deposits. Nevertheless, banks with a good reputation and credibility won the race for new deposits despite the deposit rate ceiling.

Despite the numerous challenges, BRAC Bank expanded its customer base and growth in the balance sheet. Our loyal and strong customer base, vast distribution network, fast-expanding digital channels, and hard work and dedication of our co-workers contributed to our balance sheet growth. While many other banks struggled to attract depositors, BRAC Bank achieved an impressive deposit growth. Loans and advances also grew significantly, leading to significant balance sheet growth, which aligns with the bank's goal of doubling its business within four years.

BRAC, our perpetual inspiration, celebrates 50 years

BRAC, the world's largest development organization and the largest institutional investor in BRAC Bank, has been committed to serving marginalized communities for the past five decades. Its efforts to empower underprivileged individuals to become self-sufficient extend to Bangladesh and nine other countries. As BRAC commemorates its golden jubilee, its leadership promises to continue following the development philosophy of its founder, Sir Fazle Hasan Abed, which emphasizes the importance of extending a helping hand to those who need it the most.

At BRAC Bank, we look to this remarkable organization for inspiration and guidance as we strive to uphold good governance, ethics, transparency, diversity, and inclusion. We aim to become a beacon of trust and dependability for the people of our nation.

Big infrastructure brings boon for economy

Bangladesh's history witnessed a remarkable transformation with the launch of major infrastructure projects. The Padma Bridge now directly links the South with the rest of the country, while the country has entered the era of metro transport, bringing forth a new age of convenient urban transportation. The communication infrastructure is set to improve with the Karnaphuli Tunnel and the Mawa-Bhanga Expressway, which will significantly enhance long-distance communication. Furthermore, ongoing projects such as the Bus Rapid Transit, rail link through the Padma Bridge, Railway Bridge over Jamuna, Rooppur Nuclear Power Plant, Matarbari projects, economic zones, and hi-tech parks are expected to transform the infrastructure landscape and facilitate GDP growth on a large scale. The impact of these massive projects is likely to create economic and business opportunities for the banking sector.

Reiterating values we stand for

BRAC Bank hosted the Global Alliance for Banking on Values (GABV) summit in 2022, a network of independent banks dedicated to utilizing finance to promote sustainable economic, social, and environmental development. During the event, the leaders reiterated their strong commitment to values-based banking and emphasized the importance of spreading the message across communities and countries for a secure and sustainable future. BRAC Bank will continue collaborating with the GABV to adopt best practices and cultivate a sustainable banking movement in Bangladesh for a sustainable future.

BRAC Bank is now flourishing due to its values-based banking practices. Its superior financial performance, market capitalisation, international investor shareholding, and top-notch credit rating are a testament to its ethical and values-based banking practices. Its inclusive banking model provides easy access to finance for grassroots SMEs. Bangladesh Bank's recognition of BRAC Bank as one of the top 10 sustainable banks attests to the bank's sustainability stature.

As a value-based organization, BRAC Bank believes in leaving no one behind. The bank believes that race, religion, sexual orientation, gender identity, or physical disability should not hinder individuals from discovering their talent and realising their potential. As part of its diversity and social inclusion agenda, BRAC Bank has emerged as the first bank in the industry to recruit people from the transgender community. This marks a new era of fostering an inclusive society where individuals are not judged by their gender but by their potential and talent. BRAC Bank will continue to be a beacon of values and a role model for banking and corporate Bangladesh.

A role model of corporate governance, transparency, ethics, and compliance

BRAC Bank has a well-defined separation of duties between the Board and the management. The Board, comprised mostly of independent directors who are specialists in their respective fields, sets policies and guidelines and monitors performance while entrusting the management with the freedom to oversee the bank's day-to-day operations.

Sub-Branch adds to multi-channel strategy and strengthen inclusive banking network

In 2022, BRAC Bank launched a new distribution channel called Sub-Branch to deliver best-in-class banking services to customers' doorsteps nationwide. Sub-Branch is part of our multi-channel strategy to reach more people and cover a broader demographic. The bank is committed to promoting financial inclusion by expanding its semi-urban and rural networks.

Sub-Branch will provide the unbanked population access to formal financial services, invigorating rural and semi-urban economies. The bank plans to rapidly expand the sub-branch channel with 360 branches across the country. In addition to this inclusive alternate delivery channel, the bank has achieved a significant milestone of 1,000 Agent Banking outlets that reach every nook and corner of the country. The channel has already reached 419 upazilas in all 64 districts.

These new distribution channels, combined with our core competency in SME Banking, make BRAC Bank's inclusive banking network the most pervasive and robust in the country, serving the unbanked missing middle, as envisioned by our founder, Sir Fazle Hasan Abed.

Technology innovation, digital push and partner integration

The year 2022 was a period of digital realization, with several digital projects implemented and the bank's investment in technology starting to bear fruit. It is gratifying to witness our valued customers benefiting from our digital services.

As the first bank in the country, BRAC Bank completed the integration of bKash QR payment, allowing users of the digital app 'Astha' to pay at over 300,000 bKash merchant points. This groundbreaking facility will be crucial in paving the way for Bangladesh's transition to a cashless society.

In a first for the Bangladesh banking industry, BRAC Bank launched the Digital Banking Super App - 'Astha Lifestyle,' enabling customers to watch movies, listen to music, access Islamic content, learning modules, and travel solutions. By integrating banking solutions with lifestyle services, 'Astha' App will become a part of our customers' daily lives. The lifestyle features will position 'Astha' as an 'all-rounder' app where customers can access banking and lifestyle amenities all in one place.

In a series of integrations, bKash has been integrated with Payoneer to facilitate freelancers, and 'Astha' with Bangladesh Bank-led Interoperable Digital Transaction Platform - Binimoy. 'Astha' now caters to SME proprietorship customers with digital banking services. 'Astha' will soon be connected with BRAC EPL Stock Brokerage Limited's system to facilitate stock trade.

'Astha' and internet banking for corporate customers, 'COPRNet,' are central to the bank's digital transformation journey. 'COPRNet' has completely transformed transaction banking services, with straight-through payment immensely benefiting our corporate customers. With API connectivity with the NBR system, 'COPRNet' facilitates online VAT and tax payment, much to the delight of our corporate customers. 'CorpNet' will soon be integrated with Dhaka North City Corporation's Online Holding Tax & Trade License Fees collection service and other government and private institutions to facilitate payment.

As part of our digital transformation journey, we are deploying a loan origination system - e-LAP and document management solution that will speed up loan processing and help manage documents efficiently. Our customers are already benefiting from e-KYC, trade and supply chain financing solutions, lending app Obichol and digital loan app Shubidha, agent banking mobile app, e-commerce & POS platform, customer service request and complaint management system-at your service (AYS), toll-free call center, and many more.

An enabling and more supportive regulatory environment has played a significant role in the transition to digital banking, and we hope for continued favourable policy measures that align digital banking more closely with the Digital Bangladesh vision of the government.

Strong balance sheet growth speaks of solid foundation and future potential

Like many developing nations, Bangladesh's economy was significantly impacted by global economic challenges in 2022. Despite the difficult business environment, BRAC Bank demonstrated strong growth in its balance sheet. We achieved an astounding deposit growth of 22% and loan and advances growth of 28%, a remarkable feat that will serve as a stepping stone towards doubling our business within four years. Importantly, we maintained our high standards of scrutiny and underwriting while onboarding quality credit.

Although CASA deposits constituted 51% of the total deposit base, 6 percentile points down from the previous year, we still experienced an expansion in our low-cost fund base, contributing to our strong liquidity position. We emphasise cost efficiency and have implemented efficient and effective cost management practices for long-term stability. However, despite these efforts, external factors such as minimum salary for staff set by regulator, fuel price spikes etc. led to a cost-to-income ratio of 58% in 2022, which was 53% in 2021.

Thanks to our sustained operational efficiency initiatives, we were able to expand our profit before tax by 13% to BDT 8,939 Mn and profit after tax by 4% to BDT 5,763 Mn in 2022, a remarkable achievement given the multiple challenges faced during the year, including pressure on interest income due to the interest rate cap.

Key performance indicators (Standalone)

(BDT in Mn unless otherwise stated)

Particulars	2022	2021	2020
Profit before tax	8,939	7,890	6,735
Net profit after tax	5,763	5,547	4,541
Earnings per share (BDT)	3.85	3.71	3.26
Growth in deposits	22%	9%	8%
CASA as a percentage of total deposits	51%	57%	54%
Growth in loan portfolio	28%	18%	3%
Cost-to-income ratio	58%	53%	58%
Non-performing loans	3.72%	3.90%	2.93%
CRAR	14.04%	14.36%	14.55%
Net asset value per share (BDT)	39.02	36.36	33.38
Return on equity	10.22%	11.00%	10.69%
Closing market price (DSE, BDT)	38.5	55.3	44.3
Closing market price (CSE, BDT)	38.7	54.6	44.3

BRAC Bank has always performed exceptionally well regarding non-performing loans (NPLs) compared to industry standards. Our bank is well-managed, with an uncompromising focus on KYC and credit scrutiny, resulting in much lower NPLs than the general industry average. Nevertheless, we continue to make efforts to reduce overdue loans on our books, which will receive further attention in the coming year. In 2022, our NPLs decreased to 3.72%, down from 3.90% in 2021, thanks to our outstanding underwriting team's efforts in acquiring quality clients and monitoring the existing portfolio. Moreover, we set aside provisions amounting to BDT 2,960 Mn in 2022 to avoid any credit shock, resulting in an NPL coverage ratio of 111% for 2022.

On the capital markets front, the prolonged pandemic had a negative impact on investor sentiment. However, by the end of December 2022, BRAC Bank's closing market price stood at BDT 38.5 on the Dhaka Stock Exchange (DSE), down from BDT 55.3 at the close of the previous year, resulting in linear depreciation during the year mainly due to the overall bearish conditions of the capital market.

Customer-centricity continues to reign supreme

At the heart of our product design is a commitment to customer-centricity. Our team approaches product development from our customers' perspective, striving to align product propositions with their needs and preferences to create the best product-market fit. This approach has resulted in various innovative products, including digital loans, current interest-free accounts for SMEs, the country's first premium banking (borenno) for SME customers, financial inclusion products like, tally loan - druti, quick loan for marginalized business, shabolombi (SME loan for remittance earner's family members), government officials and teachers loans, laptop loans, and affordable home loans. We continuously seek to innovate and cater to the changing needs of our customers.

We believe in shared prosperity and view our role as a bank to serve our customers and help them realize their full potential and reach the next level. To this end, we have partnered with Bangladesh Bank for the Skills for Employment Investment Programme (SEIP), BRAC University for Uddokta 101, and SME Foundation for women entrepreneur training. These customer-focused initiatives will help entrepreneurs sustain and expand their businesses, contributing to their growth and prosperity.

Accolade from Boston Consulting Group

Boston Consulting Group (BCG), a US-based management consulting firm, has praised BRAC Bank and BRAC Family in its report "The Trillion-Dollar Prize - Local Champions Leading the Way," identifying them as companies "Growing Beyond to Realize Global Ambitions with Societal Impact at Heart." BRAC Bank focuses on small and medium-sized enterprises (SMEs), particularly cottage-size and micro-enterprises, which are the backbone of the economy. This sets us apart from traditional financial institutions focusing on retail segments to become the leading SME bank in Bangladesh.

Our governance practices have also received significant recognition. Bangladesh Bank selected BRAC Bank as one of the top 10 sustainable banks in Bangladesh in 2020 and 2021, acknowledging our green and sustainable financing practices. Encouraged by this recognition, we will continue to explore avenues for green climate funds, bankable climate adaptation projects, green bonds, and the bank's contribution to the Sustainable Development Goals (SDGs) in the future.

Bangladesh's Best Credit Rating

CRAB, Bangladesh's leading credit rating agency, has assigned BRAC Bank a top-notch issuer credit rating of 'AAA' with a 'Stable' outlook. This rating reflects the bank's stability and ability to meet its financial obligations promptly, indicating minimal credit risk. The bank's continuous efforts in maintaining an above-industry capital base, superior liquidity position, and exemplary corporate governance have contributed to this achievement. Moreover, BRAC Bank is the only bank in Bangladesh with a credit rating equivalent to the Sovereign Rating of Bangladesh by Moody's Investors Service and the only Bangladeshi bank rated by the renowned agency, S&P Global Rating, making it a unique accomplishment in the country's banking industry.

BRAC Bank Credit Ratings at a glance:

S&P Global Rating	Moody's Investor Service	CRAB	CRISL	Emerging Credit Rating
B+	Ba3	AAA	AA+	AA+

The value system of our bank is deeply rooted in compliance culture. Our firm commitment to compliance has earned us numerous tax accolades from the National Board of Revenue (NBR), highlighting our position as one of the most compliant banks in the country.

Standing Ovation

The memories of the pandemic may continue to haunt us even though it has subsided. I would like to express my sincere appreciation to our co-workers for their extraordinary efforts in bringing the bank back on track after two years of pandemic-related difficulties. I extend my heartfelt gratitude to our team of more than 7,800 co-workers who remained committed to our purpose and served our 1.42 million customers during this tumultuous time. I am deeply thankful for your dedication and resilience. I would also like to thank all of our other stakeholders, including our clients and customers, shareholders, regulators, business partners, and members of society, for their support and cooperation with the bank. At BRAC Bank, we will continue to prevail and ensure that our stakeholders are deeply affected by our collective pursuit of doing good for all. We will remain resilient and relevant by standing up for our values.

With best wishes,



Selim R. F. Hussain
Managing Director & CEO

ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তার বক্তব্য

প্রতিকূলতার মাঝেও অন্তর্নিহিত সম্ভাবনার পথে এগিয়ে চলা।

সেলিম আর. এফ. হোসেন
ব্যবস্থাপনা পরিচালক ও
প্রধান নির্বাহী কর্মকর্তা

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আমি আমাদের সম্মানিত শেয়ারহোল্ডারদের আমার আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাই ব্র্যাক ব্যাংকের উপর অবিচল আস্থা রাখার জন্য, যা ব্যাংকিং খাতের কঠিন সময়েও আমাদের দৃঢ় থাকতে সহায়তা করেছে।

দেশের ব্যাংকিং খাতে ২০২২ সালটা শুরু করেছিল দারুণ আশাবাদ ও উদ্দীপনা নিয়ে। মহামারীর কারণে দুই বছর নানা ব্যাঘাতের পর এ বছরকে পুনরুত্থানের একটি বছর হিসেবে আশা করা হচ্ছিল। ব্যবসা-বাণিজ্য, শিল্প উৎপাদন এবং ভোক্তা ব্যয়সহ ব্যবসায়িক কার্যক্রম ধীরে ধীরে স্বাভাবিক অবস্থায় ফিরে আসছিল। তবে ইউক্রেনে যুদ্ধের ফলে জ্বালানি তেল সংকটের সূত্রপাত হওয়ায় তেলের মূল্য বেড়ে যায়। এর পর বৈদেশিক মুদ্রার সংকট, মার্কিন ডলারের বিপরীতে টাকার অবমূল্যায়ন এবং মুদ্রাস্ফীতির চাপ দেখা দেয় যা ব্যাংকিং খাতসহ অর্থনীতিকে বিপর্যস্ত করে তোলে। যুদ্ধ চলতে থাকলে তেল সংকট আরও ঘনীভূত হয়, যার ফলে সরকার বিদ্যুতের রেশনিং করতে বাধ্য হয়। ঘন ঘন বিদ্যুৎ বিভ্রাট শিল্প উৎপাদন ব্যাহত করে, যা সামগ্রিক অর্থনীতিতে বিরূপ প্রভাব ফেলে।

উপরন্তু, কর্মকর্তাদের বেতন বৃদ্ধি, ঋণ পুন:তফসিলীকরণের নিয়ম এবং ক্রেডিট কার্ড ও ঋণের আবেদনের জন্য আয়কর রিটার্ন জমা দেওয়ার নথির বাধ্যবাধকতার ক্ষেত্রে নিয়ন্ত্রক সংস্থার নির্দেশনা বাস্তবায়ন করায় পরিস্থিতি আরও খারাপ হয়। ঋণের ইন্টারেস্ট হার বেঁধে দেওয়ার কারণে ইন্টারেস্ট থেকে আয় কমায় রাজস্ব আরও কমে যায়। ঋণ পরিশোধের বাধ্যবাধকতা শিথিলকরণ শেষ হওয়ার সাথে সাথে পুরো শিল্প জুড়ে মন্দ ঋণ বেড়ে যায় এবং কিছু ব্যাংক তারল্য সংকটে ভোগা শুরু করে। ফলে আমানতের জন্য কঠিন প্রতিযোগিতা শুরু হয়। তবে যাই হোক, ব্যাংকের আমানতের ওপর সুদ হারে বেঁধে দেয়া সীমারেখা সত্ত্বেও যেসব ব্যাংকের ভালো সুনাম এবং বিশ্বাসযোগ্যতা আছে তারা নতুন আমানতের প্রতিযোগিতায় জেতে।

অসংখ্য চ্যালেঞ্জ সত্ত্বেও ব্র্যাক ব্যাংক তার গ্রাহক বেস এবং ব্যালেন্স শিটে প্রবৃদ্ধি অর্জন করেছে। আমাদের বিশ্বস্ত এবং শক্তিশালী গ্রাহক বেস, সুবিশাল ডিস্ট্রিবিউশন নেটওয়ার্ক, দ্রুত সম্প্রসারিত হতে থাকা ডিজিটাল চ্যানেল এবং আমাদের সহকর্মীদের কঠোর পরিশ্রম এবং নিষ্ঠা আমাদের ব্যালেন্স শিটে উল্লেখযোগ্য প্রবৃদ্ধি অর্জনে অবদান রেখেছে। অন্যান্য অনেক ব্যাংককে আমানতকারীদের আকৃষ্ট করতে সংগ্রাম করতে হলেও ব্র্যাক ব্যাংকের আমানতে উল্লেখযোগ্য প্রবৃদ্ধি হয়েছে। ঋণ এবং অগ্রিমও উল্লেখযোগ্যভাবে বৃদ্ধি পেয়েছে, যার ফলে ব্যালেন্স শিট উল্লেখযোগ্য প্রবৃদ্ধি পেয়েছে, যা চার বছরের মধ্যে ব্যাংকের ব্যবসা দ্বিগুণ করার লক্ষ্যের সাথে সামঞ্জস্যপূর্ণ।

আমাদের সবসময়ের অনুপ্রেরণা ব্র্যাক-এর ৫০ বছর উদযাপন

বিশ্বের বৃহত্তম উন্নয়ন সংস্থা এবং ব্র্যাক ব্যাংকের বৃহত্তম প্রাতিষ্ঠানিক বিনিয়োগকারী ব্র্যাক বিগত পাঁচ দশক ধরে প্রান্তিক জনগোষ্ঠীর সেবা করার জন্য প্রতিশ্রুতিবদ্ধ। স্বাবলম্বী করতে সুবিধাবঞ্চিত ব্যক্তিদের ক্ষমতায়নের জন্য ব্র্যাকের প্রচেষ্টা বাংলাদেশ এবং অন্যান্য নয়টি দেশে প্রসারিত হয়েছে। ব্র্যাকের সুবর্ণ জয়ন্তী উদযাপনের সময় এর নেতৃত্ব ব্র্যাকের প্রতিষ্ঠাতা স্যার ফজলে হাসান আবেদের উন্নয়ন দর্শন অনুসরণ করার প্রতিশ্রুতি দিয়েছে, যেখানে সমাজে যাদের সবচেয়ে বেশি প্রয়োজন তাদের প্রতি সাহায্যের হাত প্রসারিত করার গুরুত্বের প্রতি জোর দেওয়া হয়েছে।

ব্র্যাক ব্যাংকে সুশাসন, নৈতিকতা, স্বচ্ছতা, বৈচিত্র্যময়তা এবং অন্তর্ভুক্তি সমুন্নত রাখার চেষ্টা করার সময় আমরা এই অসাধারণ প্রতিষ্ঠানটির কাছ থেকে অনুপ্রেরণা ও দিকনির্দেশনার প্রত্যাশা করি। আমাদের দেশের জনগণের জন্য আস্থা ও নির্ভরযোগ্যতার আলোকবর্তিকা হয়ে ওঠা আমাদের লক্ষ্য।

বৃহৎ অবকাঠামো অর্থনীতির জন্য আশীর্বাদ নিয়ে আসে

বড় বড় অবকাঠামো প্রকল্প চালুর মাধ্যমে বাংলাদেশের ইতিহাস এক অসাধারণ পরিবর্তনের সাক্ষী হয়েছে। পদ্মা সেতু এখন দক্ষিণকে দেশের বাকি অংশের সঙ্গে সরাসরি যুক্ত করেছে। অন্যদিকে বাংলাদেশ মেট্রো রেল পরিবহনের যুগে প্রবেশ করেছে, এসেছে সুবিধাজনক শহুরে পরিবহনের একটি নতুন যুগ। কর্ণফুলী টানেল এবং মাওয়া-ভাঙ্গা এক্সপ্রেসওয়ের মাধ্যমে যোগাযোগের অবকাঠামো উন্নত হতে চলেছে, যা দূরপাল্লার যোগাযোগ উল্লেখযোগ্যভাবে বাড়াবে। এ ছাড়াও, চলমান প্রকল্প যেমন বাস র‍্যাপিড ট্রানজিট, পদ্মা সেতু দিয়ে রেল সংযোগ, যমুনার উপর দিয়ে রেলওয়ে সেতু, রূপপুর পারমাণবিক বিদ্যুৎ কেন্দ্র, মাতারবাড়ি প্রকল্প, অর্থনৈতিক অঞ্চল এবং হাই-টেক পার্কগুলি অবকাঠামোর ল্যান্ডস্কেপ পরিবর্তন করবে এবং জিডিপি প্রবৃদ্ধি সহজতর করবে বলে আশা করা হচ্ছে। এসব বিশাল প্রকল্পের কারণে ব্যাংকিং খাতের জন্য অর্থনৈতিক ও ব্যবসায়িক সুযোগ সৃষ্টি হয়েছে।

মূল্যবোধ পুনর্ব্যক্ত করা

ব্র্যাক ব্যাংক ২০২২ সালে গ্লোবাল অ্যালায়েন্স ফর ব্যাংকিং অন ভ্যালুস (জিএবিভি) শীর্ষ সম্মেলনের আয়োজন করে। জিএবিভি টেকসই অর্থনৈতিক, সামাজিক এবং পরিবেশগত উন্নয়নে অর্থায়নকে ব্যবহার করার জন্য নিবেদিত স্বাধীন ব্যাংকগুলির একটি নেটওয়ার্ক। শীর্ষ সম্মেলন চলার সময় জিএবিভি নেতৃবৃন্দ মূল্যবোধ ভিত্তিক ব্যাংকিংয়ের প্রতি তাদের দৃঢ় প্রতিশ্রুতি পুনর্ব্যক্ত করেন এবং একটি নিরাপদ ও টেকসই ভবিষ্যতের জন্য কমিউনিটি এবং দেশগুলিতে বার্তা ছড়িয়ে দেওয়ার গুরুত্বের উপর জোর দেন। একটি টেকসই ভবিষ্যতের জন্য বাংলাদেশে একটি টেকসই ব্যাংকিং আন্দোলন গড়ে তুলতে সর্বোত্তম চর্চাগুলো গ্রহণ করতে ব্র্যাক ব্যাংক জিএবিভি-এর সাথে কাজ করে যাবে।

ব্র্যাক ব্যাংক এখন তার মূল্যবোধ ভিত্তিক ব্যাংকিং চর্চার কারণে সমৃদ্ধ হচ্ছে। এর উচ্চতর আর্থিক কর্মক্ষমতা, বাজার মূলধন, আন্তর্জাতিক বিনিয়োগকারীদের শেয়ারহোল্ডিং এবং শীর্ষস্থানীয় ক্রেডিট রেটিং ব্র্যাক ব্যাংকের নৈতিকতা এবং মূল্যবোধ ভিত্তিক ব্যাংকিং চর্চার প্রমাণ। এর অন্তর্ভুক্তিমূলক ব্যাংকিং মডেল তৃণমূল এসএমইগুলির জন্য সহজ অর্থায়ন নিশ্চিত করে। দেশের শীর্ষ ১০টি টেকসই ব্যাংকের মধ্যে একটি হিসাবে ব্র্যাক ব্যাংককে দেওয়া বাংলাদেশ ব্যাংকের স্বীকৃতি ব্যাংকটির টেকসই অবস্থানের প্রমাণ দেয়।

মূল্যবোধ ভিত্তিক একটি প্রতিষ্ঠান হিসেবে ব্র্যাক ব্যাংক 'কেউ পিছিয়ে থাকবে না' দর্শনে বিশ্বাস করে। ব্যাংক বিশ্বাস করে জাতি, ধর্ম, যৌন অভিমুখীতা, লিঙ্গ পরিচয় বা শারীরিক অক্ষমতা কারও তাদের প্রতিভা বিকাশ এবং তাদের সম্ভাবনা পূরণে বাধা হতে পারে না। আর তাই বৈচিত্র্যময়তা এবং সামাজিক অন্তর্ভুক্তির অংশ হিসাবে ব্যাংকিং খাতে ব্র্যাক ব্যাংকই প্রথম ব্যাংক হিসাবে ট্রান্সজেন্ডার সম্প্রদায়ের লোকদের নিয়োগ দিয়েছে। আর এর মাধ্যমে অন্তর্ভুক্তিমূলক সমাজ গড়ে তোলায় নতুন যুগের সূচনা হয়েছে যেখানে লিঙ্গের ভিত্তিতে নয় বরং কারও মূল্যায়ন হবে তার মেধা ও প্রতিভার ভিত্তিতে। ব্র্যাক ব্যাংক মূল্যবোধের আলোকবর্তিকা এবং ব্যাংকিং ও কর্পোরেট বাংলাদেশের জন্য একটি রোল মডেল হিসেবে পরিচিতি অর্জন করেছে।

কর্পোরেট সুশাসন, স্বচ্ছতা, নৈতিকতা এবং নিয়মানুবর্তিতার একটি রোল মডেল

ব্র্যাক ব্যাংকের পরিচালনা পর্ষদ এবং ব্যবস্থাপনার মধ্যে দায়িত্বের একটি সুস্পষ্ট সীমারেখা আছে। ব্যাংকের পর্ষদের এর বেশিরভাগ পরিচালক স্বতন্ত্র এবং তাঁদের নিজস্ব ক্ষেত্রে বিশেষজ্ঞ। পরিচালনা পর্ষদ নীতি ও নির্দেশনা নির্ধারণ করে কর্মদক্ষতা পর্যবেক্ষণ করেন। ব্যাংকের দৈনন্দিন বিষয়গুলো পরিচালনার জন্য ম্যানেজমেন্টকে তারা সম্পূর্ণ স্বাধীনতা প্রদান করেছেন।

মাল্টি-চ্যানেল কৌশলে উপশাখা যুক্ত হওয়ায় অন্তর্ভুক্তিমূলক ব্যাংকিং নেটওয়ার্ক শক্তিশালী হয়েছে

২০২২ সালে, ব্র্যাক ব্যাংক দেশব্যাপী গ্রাহকদের দোরগোড়ায় সর্বোত্তম মানের ব্যাংকিং সেবা পৌঁছে দেওয়ার জন্য উপশাখা নামে একটি নতুন ডিস্ট্রিবিউশন চ্যানেল চালু করে। আরও বেশি মানুষের কাছে পৌঁছানো এবং আরও বৃহৎ সংখ্যক জনগোষ্ঠীকে ব্যাংকিং সেবার আওতায় আনার জন্য আমাদের মাল্টি-চ্যানেল কৌশলের একটি অংশ এই উপশাখা। ব্র্যাক ব্যাংক তার উপশহর ও গ্রামীণ নেটওয়ার্ক সম্প্রসারণের মাধ্যমে আর্থিক অন্তর্ভুক্তির প্রসারে প্রতিশ্রুতিবদ্ধ।

উপশাখা ব্যাংকিং সেবার বাইরে থাকা জনগোষ্ঠীকে আনুষ্ঠানিক আর্থিক সেবা নেওয়ার সুযোগ করে দিয়ে গ্রামীণ এবং উপশহরের অর্থনীতিকে শক্তিশালী করছে। ব্র্যাক ব্যাংক সারাদেশে ৩৬০টি উপশাখা চালুর মাধ্যমে শাখা ভিত্তিক চ্যানেল দ্রুত সম্প্রসারণের পরিকল্পনা করেছে। এই অন্তর্ভুক্তিমূলক বিকল্প ডেলিভারি চ্যানেলের পাশাপাশি, ব্যাংক ১,০০০টি এজেন্ট ব্যাংকিং আউটলেটের একটি অনন্য মাইলফলক অর্জন করেছে, যা দেশের প্রতিটি প্রান্তে পৌঁছেছে। এই চ্যানেল ইতোমধ্যে ৬৪টি জেলার ৪১৯টি উপজেলায় পৌঁছে গেছে।

এসএমই ব্যাংকিংয়ে আমাদের মূল সক্ষমতার সাথে এই নতুন ডিস্ট্রিবিউশন চ্যানেলগুলি যোগ হওয়ায় ব্র্যাক ব্যাংকের অন্তর্ভুক্তিমূলক ব্যাংকিং নেটওয়ার্ককে দেশের সবচেয়ে ব্যাপক এবং শক্তিশালী নেটওয়ার্কে পরিণত করেছে, যা আমাদের প্রতিষ্ঠাতা স্যার ফজলে হাসান আবেদের স্বপ্ন অনুযায়ী ব্যাংকিং সেবার বাইরে থাকা মানুষদের সেবা দিচ্ছে।

প্রযুক্তি উদ্ভাবন, ডিজিটাল সেবা জোরদার করা এবং পার্টনার ইন্টিগ্রেশন

বেশ কয়েকটি ডিজিটাল প্রকল্প বাস্তবায়িত হওয়ায় এবং প্রযুক্তিতে ব্যাংকের বিনিয়োগ ফলপ্রসূ হতে শুরু করায় ২০২২ সাল ছিল ডিজিটাল সেবার সুবিধা উপভোগের সময়। আমাদের ডিজিটাল সেবাগুলো থেকে আমাদের সম্মানিত গ্রাহকদের উপকৃত হওয়া দেখতে পারাটা তৃপ্তিদায়ক।

দেশের প্রথম ব্যাংক হিসেবে, ব্র্যাক ব্যাংক বিকাশ কিউআর পেমেন্টের ইন্টিগ্রেশন সম্পন্ন করেছে। এর ফলে ডিজিটাল অ্যাপ আস্থা ব্যবহারকারীরা তিন লাখ বিকাশ মার্চেন্ট পয়েন্টে পেমেন্ট করতে পারবেন। 'ক্যাশলেস সোসাইটি'তে বাংলাদেশের উত্তরণের পথে এই যুগান্তকারী সুবিধাটি গুরুত্বপূর্ণ হয়ে থাকবে।

বাংলাদেশ ব্যাংকিং খাতে প্রথমবারের মতো, ব্র্যাক ব্যাংক ডিজিটাল ব্যাংকিং সুপার অ্যাপ- 'আস্থা লাইফস্টাইল' চালু করেছে, যার মাধ্যমে গ্রাহকরা সিনেমা দেখতে, গান শুনতে এবং ইসলামিক বিষয়বস্তু, লার্নিং মডিউল ও ট্রাভেল সল্যুশন অ্যাক্সেস করতে পারবেন। লাইফস্টাইল সেবাগুলোর সাথে ব্যাংকিং সল্যুশন একীভূত করার মাধ্যমে আস্থা অ্যাপ আমাদের গ্রাহকদের দৈনন্দিন জীবনের একটি অংশ হয়ে উঠবে। লাইফস্টাইল বৈশিষ্ট্যগুলি

আস্থাকে একটি 'অল-রাউন্ডার' অ্যাপে পরিণত করবে যেখানে গ্রাহকরা এক জায়গায় ব্যাংকিং এবং লাইফস্টাইলের সুযোগ-সুবিধাগুলি পাবেন।

একীভূতকরণের ধারাবাহিকতায়, ফ্রিল্যান্সারদের সুবিধার্থে বিকাশকে পেওনিয়ারের -এর সাথে এবং 'আস্থা'-কে বাংলাদেশ ব্যাংক-এর নেতৃত্বাধীন ইন্টারঅপারেবল ডিজিটাল লেনদেন প্ল্যাটফর্ম - বিনিময়-এর সাথে ইন্টিগ্রেশন করা হয়েছে। 'আস্থা' এখন ডিজিটাল ব্যাংকিং সেবার মাধ্যমে এসএমই-এর একক ব্যক্তিমালিকানা প্রতিষ্ঠানের গ্রাহকদের সেবা দিয়ে যাচ্ছে। স্টক ট্রেডের সুবিধার্থে আস্থা শিগগিরই ব্র্যাক ইপিএল স্টক ব্রোকারেজ লিমিটেডের সিস্টেমের সাথে সংযুক্ত হবে।

'আস্থা' এবং কর্পোরেট গ্রাহকদের জন্য ইন্টারনেট ব্যাংকিং 'কর্পনেট' ব্যাংকের ডিজিটাল রূপান্তর যাত্রার কেন্দ্রবিন্দু। 'কর্পনেট' ট্রানজেকশন ব্যাংকিং সেবাগুলোকে সম্পূর্ণরূপে রূপান্তরিত করেছে, যা সরাসরি পেমেন্ট সুবিধা প্রদানের মাধ্যমে আমাদের কর্পোরেট গ্রাহকদের ব্যাপকভাবে উপকৃত করেছে। জাতীয় রাজস্ব বোর্ডের সিস্টেমে এপিআই সংযোগের মাধ্যমে, 'কর্পনেট' অনলাইনে ভ্যাট ও ট্যাক্স প্রদানের ব্যবস্থা সহজ করেছে, যা আমাদের কর্পোরেট গ্রাহকদের জন্য অনেক আনন্দের। পেমেন্ট সহজ করতে 'কর্পনেট'কে শীঘ্রই ঢাকা উত্তর সিটি কর্পোরেশনের অনলাইন হোল্ডিং ট্যাক্স এবং ট্রেড লাইসেন্স ফি সংগ্রহ সেবা এবং অন্যান্য সরকারি ও বেসরকারি প্রতিষ্ঠানের সিস্টেমের সঙ্গে ইন্টিগ্রেশন করা হবে।

আমাদের ডিজিটাল রূপান্তর যাত্রার অংশ হিসাবে আমরা একটি লোন অরিজিনেশন সিস্টেম ও ডকুমেন্ট ম্যানেজমেন্ট সল্যুশন চালু করতে যাচ্ছি, যা ঋণ প্রক্রিয়াকরণকে ত্বরান্বিত করবে এবং দক্ষতার সাথে নথিপত্র ব্যবস্থাপনা করতে সাহায্য করবে। আমাদের গ্রাহকরা ইতিমধ্যেই ই-কেওয়াইসি, ট্রেড অ্যান্ড সাপ্লাই চেইন ফাইন্যান্সিং সল্যুশন, ঋণদান অ্যাপ 'অবিচল' ও ডিজিটাল লোন অ্যাপ 'সুবিধা', এজেন্ট ব্যাংকিং মোবাইল অ্যাপ, ই-কমার্স ও পিওএস প্ল্যাটফর্ম, কাস্টমার সার্ভিস রিকোয়েস্ট অ্যান্ড কমপ্লায়েন্স ম্যানেজমেন্ট সিস্টেম - অ্যাট ইয়োর সার্ভিস (এওয়াইএস), টোল-ফ্রি কল সেন্টার এবং আরও অনেক সেবা থেকে উপকৃত হচ্ছেন।

নিয়ন্ত্রণ সংস্থার সহায়ক পরিবেশ ডিজিটাল ব্যাংকিংয়ে রূপান্তরের ক্ষেত্রে গুরুত্বপূর্ণ ভূমিকা পালন করেছে। আমরা আশা করি, সরকারের ডিজিটাল বাংলাদেশ ভিশনের সঙ্গে আরও নিবিড়ভাবে যেন ডিজিটাল ব্যাংকিং চলতে পারে, এমন সহায়ক নীতি অব্যাহত থাকবে।

শক্তিশালী ব্যালেন্স শিট বৃদ্ধি শক্ত ভিত্তি এবং ভবিষ্যতের সম্ভাবনার প্রমাণ দেয়

২০২২ সালে বৈশ্বিক অর্থনৈতিক চ্যালেঞ্জের প্রভাব অনেক উন্নয়নশীল দেশের মতো বাংলাদেশের অর্থনীতিতেও পড়েছিল। কঠিন ব্যবসায়িক পরিবেশ সত্ত্বেও, ব্র্যাক ব্যাংক তার ব্যালেন্স শিটে লক্ষ্যণীয় প্রবৃদ্ধি দেখিয়েছে। আমরা আমানতে ২২% এবং ঋণ ও অগ্রিমে ২৮% প্রবৃদ্ধি অর্জন করেছি। এটি একটি অসাধারণ কৃতিত্ব, যা আমাদের ব্যবসাকে চার বছরের মধ্যে দ্বিগুণ করার লক্ষ্যে একটি সোপান হিসাবে কাজ করবে। গুরুত্বপূর্ণ বিষয় হলো, মানসম্পন্ন ঋণ প্রদান করার সময় আমরা আমাদের যাচাই ব্যবস্থা ও মানদণ্ডের সঙ্গে কোনো আপস করিনি।

যদিও চলতি ও সঞ্চয়ী অ্যাকাউন্টে আমানত মোট আমানতের ৫১% আগের বছরের চেয়ে ৬ শতাংশ পয়েন্ট কম, আমাদের স্বল্প খরচের তহবিলের ভিত্তি এখনও বেড়ে চলায় তারল্যের শক্তিশালী অবস্থা বিরাজমান আছে। আমরা ব্যয়ের ব্যবস্থাপনায় দক্ষতার উপর জোর দিই এবং দীর্ঘমেয়াদী স্থিতিশীলতার জন্য দক্ষ ও কার্যকর ব্যয় ব্যবস্থাপনার চর্চা করেছি। তবে এই প্রচেষ্টা সত্ত্বেও, বাহ্যিক কারণগুলি যেমন জ্বালানি তেলের দাম বৃদ্ধির কারণে আয়ের বিপরীতে খরচের অনুপাত ৫৮% হয়েছে, যা ২০২১ সালে ছিল ৫৩%।

আমাদের পরিচালনার কার্যকর উদ্যোগগুলোর কল্যাণে ২০২২ সালে আমদের কর পূর্ববর্তী মুনাফা ১৩% বেড়ে ৮,৯৩৯ মিলিয়ন টাকা এবং কর পরবর্তী মুনাফা ৪% বেড়ে ৫,৭৬৩ মিলিয়ন টাকা হয়েছে। ইন্টারেস্টের হার বেঁধে দেওয়ার ইন্টারেস্ট আয়ে চাপসহ বছরে একাধিক চ্যালেঞ্জের সম্মুখীন হওয়ার কথা বিবেচনা করলে এটি একটি উল্লেখযোগ্য অর্জন।

সাফল্যের মূল সূচক

(কোটি টাকায়, অন্যভাবে কিছু সজ্ঞায়িত না হলে)

বিবরণ	২০২২	২০২১	২০২০
কর পূর্ববর্তী মুনাফা	৮৯৪	৭৮৯	৬৭৪
কর পরবর্তী মুনাফা	৫৭৬	৫৫৫	৪৫৪
শেয়ারপ্রতি আয় (টাকায়)	৩.৮৫	৩.৭১	৩.২৬
আমানতে প্রবৃদ্ধি	২২%	৯%	৮%
মোট আমানতে চলতি ও সঞ্চয়ী আমানতের হার (সিএএসএ)	৫১%	৫৭%	৫৪%
ঋণ ও অগ্রিমে প্রবৃদ্ধি	২৮%	১৮%	৩%
আয়ের বিপরীতে খরচের অনুপাত	৫৮%	৫৩%	৫৮%
খেলাপি ঋণ	৩.৭২%	৩.৯০%	২.৯৩%
সিআরএআর	১৪.০৪%	১৪.৩৬%	১৪.৫৫%
শেয়ারপ্রতি নিট অ্যাসেট ভ্যালু (টাকায়)	৩৯. ০২	৩৬.৩৬	৩৩.৩৮
রিটার্ন অন ইক্যুইটি	১০.২২%	১১.০০%	১০.৬৯%
শেয়ারের সর্বশেষ লেনদেন মূল্য (ডিএসই, টাকায়)	৩৮.৫	৫৫.৩	৪৪.৩
শেয়ারের সর্বশেষ লেনদেন মূল্য (সিএসই, টাকায়)	৩৮.৭	৫৪.৬	৪৪.৩

খেলাপি ঋণের (এনপিএল) ক্ষেত্রে ব্র্যাক ব্যাংক সবসময় শিল্পের মানদণ্ডের তুলনায় ব্যতিক্রমীভাবে ভালো পারফর্ম করেছে। আমাদের ব্যাংক সু-পরিচালিত হওয়ায় এবং নো ইয়ুর কাস্টমার (কেওয়াইসি) ও ঋণের ব্যাপারে যাচাইয়ে আপসহীন থাকায় এনপিএল এর ক্ষেত্রে ব্যাংকিং খাতের এনপিএল গড়ের চেয়ে আমাদের অবস্থান ভালো। এরপরও খেলাপি ঋণ কমিয়ে আনায় আমাদের ধারাবাহিক প্রচেষ্টা অব্যাহত থাকবে এবং আগামী বছর এত আরও মনোযোগ দেওয়া হবে। ২০২২ সালে, আমাদের এনপিএল কমে ৩.৭২ % হয়েছে, যা ২০২১ সালে ছিল ৩.৯০%। এটি সম্ভব হয়েছে মানসম্পন্ন গ্রাহক অর্জন এবং বিদ্যমান পোর্টফোলিও পর্যবেক্ষণে আমাদের অসাধারণ আন্ডাররাইটিং টিমের নিবেদিত প্রচেষ্টার জন্য। এছাড়া খেলাপি ঋণের মন্দাবস্থা এড়াতে ঋণে ২০২২ সালে ২,৯৬০ মিলিয়ন টাকা প্রভিশনের জন্য আলাদা করে রাখা হয়েছে। যার ফলে ২০২২ সালে এনপিএল কভারেজ অনুপাত হয়েছে ১১১%।

দীর্ঘায়িত মহামারি পুঁজিবাজারে বিনিয়োগকারীদের মনোভাবের ওপর নেতিবাচক প্রভাব ফেলে। তবে ২০২২ সালের ডিসেম্বরের শেষে ঢাকা স্টক এক্সচেঞ্জে ব্র্যাক ব্যাংকের বাজার দর ছিল ৩৮.৫ টাকা, যা পূর্ববর্তী বছরের এই সময়ের বাজার দর ৫৫.৩৩ টাকার চেয়ে কম। সামগ্রিকভাবে পুঁজিবাজারে মন্দাভাবের জন্য এ বছরে দর কমেছে।

গ্রাহক-কেন্দ্রিকতাতে সর্বোচ্চ গুরুত্ব আরোপ

গ্রাহক কেন্দ্রিকতাই ব্যাংকের প্রোডাক্ট ডিজাইনের কেন্দ্রবিন্দুতে আছে। আমাদের টিম আমাদের গ্রাহকদের দৃষ্টিকোণ থেকে প্রোডাক্টের সুযোগ সুবিধা নিয়ে চিন্তা করে যেন সবচেয়ে উৎকৃষ্ট প্রোডাক্টগুলোই তাদের চাহিদা এবং পছন্দ অনুযায়ী আমরা মার্কেটে নিয়ে আসতে পারি। ফলে ডিজিটাল লোন, সুদমুক্ত চলতি অ্যাকাউন্ট হিসাব, প্রান্তিক ব্যবসায়ীদের জন্য দেশের প্রথম পিমিয়াম ব্যাংকিং (বরেণ্য) এবং টালী লোন - দ্রুতি, রেমিটেন্স প্রেরণকারীদের পরিবারের জন্য ব্যবসায়িক লোন স্বাবলম্বী, সরকারি কর্মকর্তা ও শিক্ষকদের ঋণ, ল্যাপটপ ঋণ এবং অ্যাফোর্ডেবল হোম লোন-সহ বিভিন্ন উদ্ভাবনী প্রোডাক্ট তৈরি হয়েছে। আমরা ক্রমাগত উদ্ভাবন এবং আমাদের গ্রাহকদের পরিবর্তিত চাহিদা পূরণ করতে চেষ্টা করি।

আমরা পারস্পরিক সমৃদ্ধিতে বিশ্বাস করি। আমরা মনে করি একটি ব্যাংক হিসাবে আমাদের ভূমিকা হচ্ছে আমাদের গ্রাহকদের সেবা দেওয়া এবং তাদের পূর্ণ সম্ভাবনা বাস্তবায়নে এবং পরবর্তী স্তরে পৌঁছাতে সহায়তা করা। এই লক্ষ্যে আমরা স্কিলস ফর এমপ্লয়মেন্ট ইনভেস্টমেন্ট প্রোগ্রাম (এসইআইপি) এর জন্য বাংলাদেশ ব্যাংক, 'উদ্যোক্তা ১০১' এর জন্য ব্র্যাক বিশ্ববিদ্যালয় এবং নারী উদ্যোক্তা প্রশিক্ষণের জন্য এসএমই ফাউন্ডেশনের অংশীদার হয়েছি। এই গ্রাহক-কেন্দ্রিক উদ্যোগগুলি উদ্যোক্তাদের তাদের ব্যবসা টিকিয়ে রাখতে এবং প্রসারিত করতে সাহায্য করে তাদের ব্যবসা সম্প্রসারণ ও সমৃদ্ধিতে অবদান রাখবে।

বোস্টন কনসাল্টিং গ্রুপের প্রশংসা

যুক্তরাষ্ট্র ভিত্তিক ব্যবস্থাপনা পরামর্শক প্রতিষ্ঠান বোস্টন কনসাল্টিং গ্রুপ (বিসিজি) তাদের 'দ্য ট্রিলিয়ন-ডলার প্রাইজ - লোকাল চ্যাম্পিয়নস লিডিং দ্যা ওয়ে,' প্রতিবেদনে ব্র্যাক ব্যাংক এবং ব্র্যাক পরিবারের প্রশংসা করে তাদেরকে 'গ্রোয়িং বিয়ন্ড টু রিয়ালাইজ গ্লোবাল অ্যাম্বিশনস উইথ সোসাইটাল ইমপ্যাক্ট অ্যাট হার্ট' প্রতিষ্ঠান হিসাবে উল্লেখ করেছে। ব্র্যাক ব্যাংক ক্ষুদ্র ও মাঝারি ব্যবসায়ী প্রতিষ্ঠানের (এসএমই) বিশেষ করে অর্থনীতির মেরুদণ্ড কুটির শিল্প এবং ক্ষুদ্র ব্যবসায়ী প্রতিষ্ঠানগুলোকে অর্থায়নে জোর দিয়ে থাকে। এটি আমাদেরকে রিটেইল সেগমেন্টে নজর দেওয়া আর্থিক প্রতিষ্ঠানগুলি থেকে আলাদা করে বাংলাদেশের শীর্ষস্থানীয় এসএমই ব্যাংকে পরিণত করেছে।

আমাদের পরিচালনা নীতিও উল্লেখযোগ্য স্বীকৃতি পেয়েছে। বাংলাদেশ ব্যাংক ২০২০ ও ২০২১ সালে ব্র্যাক ব্যাংককে দেশের শীর্ষ ১০টি টেকসই ব্যাংকের একটি হিসেবে আখ্যায়িত করেছে, ব্যাংকের পরিবেশবান্ধব ও টেকসই অর্থায়নের চর্চার স্বীকৃতি দিয়েছে। এই স্বীকৃতি থেকে পাওয়া অনুপ্রেরণা থেকে আমরা সবুজ জলবায়ু তহবিল, ব্যাংকের জন্য উপযোগী জলবায়ু অভিযোজন প্রকল্প, পরিবেশবান্ধব বন্ড এবং টেকসই উন্নয়ন লক্ষ্যমাত্রায় (এসডিজি) ব্যাংকের অংশগ্রহণ ভবিষ্যতে আরও বৃদ্ধি করবো।

বাংলাদেশের সেরা ক্রেডিট রেটিং

বাংলাদেশের শীর্ষস্থানীয় ক্রেডিট রেটিং এজেন্সি - ক্রেডিট রেটিং এজেন্সি অব বাংলাদেশ (ক্র্যাব) ব্র্যাক ব্যাংককে 'স্থিতিশীল' আউটলুকসহ সর্বোচ্চ ক্রেডিট রেটিং 'এএএ' (ট্রিপল এ) দিয়েছে। এই রেটিং ব্যাংকের স্থিতিশীলতা এবং সময়মতো এর আর্থিক প্রতিশ্রুতি পূরণ করার সক্ষমতাকে প্রতিফলিত করে, যা ন্যূনতম ঋণ ঝুঁকি নির্দেশ করে। শক্তিশালী মূলধন ভিত্তি, উন্নত তারল্য স্থিতি এবং দৃষ্টান্তমূলক কর্পোরেট গভর্ন্যান্স বজায় রাখার জন্য ব্যাংকের ক্রমাগত প্রচেষ্টা এই অর্জনে অবদান রেখেছে। তাছাড়া, ব্র্যাক ব্যাংক বাংলাদেশের একমাত্র ব্যাংক যার ক্রেডিট রেটিং মুডিস ইনভেস্টরস সার্ভিস কর্তৃক বাংলাদেশের সার্বভৌম রেটিং-এর সমতুল্য। এছাড়াও একমাত্র বাংলাদেশি ব্যাংক হিসেবে ব্র্যাক ব্যাংক বিশ্বের সবচেয়ে বিখ্যাত ক্রেডিট রেটিং এজেন্সি - এসঅ্যান্ডপি গ্লোবাল রেটিং দ্বারা রেটিং প্রাপ্ত, যা দেশের ব্যাংকিং শিল্পে একটি অনন্য অর্জন।

এক নজরে ব্র্যাক ব্যাংকের ক্রেডিট রেটিং :

এস অ্যান্ড পি গোবাল রেটিং	মুডিস ইনভেস্টর সার্ভিস	সিআরএবি	সিআরআই-এসএল	ইমার্জিং ক্রেডিট রেটিং
বি+	বিএগ্রি	এএএ	এএ+	এএ+

আমাদের ব্যাংকের মূল্যবোধ গভীরভাবে কমপ্লায়েন্স সংস্কৃতিতে নিহিত। কমপ্লায়েন্সের প্রতি আমাদের দৃঢ় প্রতিশ্রুতি আমাদেরকে জাতীয় রাজস্ব বোর্ড (এনবিআর) থেকে অসংখ্য ট্যাক্স প্রদান বিষয়ক পুরস্কার এনে দিয়েছে, যা দেশের সবচেয়ে কমপ্লায়েন্ট ব্যাংকগুলির মধ্যে একটি হিসাবে আমাদের অবস্থানকে প্রতিষ্ঠিক করেছে।

ধন্যবাদ জ্ঞাপন

মহামারীর প্রকোপ প্রশমিত হলেও স্মৃতিগুলি আমাদের এখনও তাড়া করতে পারে। দুই বছরের মহামারী-সম্পর্কিত নানা প্রতিবন্ধকতার পর ব্যাংককে স্বাভাবিক প্রবৃদ্ধির পথে ফিরিয়ে আনার ক্ষেত্রে অসাধারণ প্রচেষ্টার জন্য আমি আমাদের সহকর্মীদের প্রতি আমার আন্তরিক কৃতজ্ঞতা প্রকাশ করতে চাই। আমি আমাদের ৭,৮০০ জনের বেশি সহকর্মী দলকে আন্তরিক কৃতজ্ঞতা জানাই, যারা আমাদের লক্ষ্যে প্রতিশ্রুতিবদ্ধ ছিলেন এবং এই অস্থির ও অনিশ্চয়তাপূর্ণ সময়ে আমাদের ১৪.২০ লাখ গ্রাহককে সেবা দিয়েছেন। আপনাদের নিষ্ঠা ও দৃঢ়তার জন্য আমি গভীরভাবে কৃতজ্ঞ। ব্র্যাক ব্যাংককে সার্বক্ষণিক সমর্থন ও সহযোগিতা প্রদানের জন্য আমি আমাদের ক্লায়েন্ট ও গ্রাহক, শেয়ারহোল্ডার, নিয়ন্ত্রক সংস্থা, ব্যবসায়িক অংশীদার এবং সমাজের সদস্যসহ আমাদের অন্যান্য স্টেকহোল্ডারদের ধন্যবাদ জানাতে চাই। আমরা জয়যাত্রা অব্যাহত রাখবো এবং নিশ্চিত করব যে সবার মঙ্গলের জন্য আমাদের সম্মিলিত প্রচেষ্টার মাধ্যমে আমাদের স্টেকহোল্ডাররা যেন উপকৃত হয়। আমরা আমাদের মূল্যবোধ বজায় রেখে সমাজে দৃঢ় অবস্থান ধরে রাখবো এবং প্রাসঙ্গিক থাকবো।

আন্তরিক শুভেচ্ছাসহ,

সেলিম আর. এফ. হোসেন
ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা



OVERVIEW OF BRAC BANK

BRAC Bank - Values-driven Banking in a Changing Globe

A story of glory, story of achievement

BRAC Bank Limited, from the very beginning of its journey in 2001, embraced values-based banking approach for sustainable economic development, strongly focusing on governance, transparency, ethics and compliance culture. Established with the noble vision of providing formal banking solutions to the 'unbanked' small and medium enterprises, it has now become one of the leading financial institutions contributing to country's economic development through inclusive banking, collateral free financing as well as a key partner of government for broader economic policy implementation.



Fostering values-based inclusive banking

As a member of the prestigious Global Alliance for Banking on Values (GABV), BRAC Bank is committed to humanising finance, embracing the holistic '3P' philosophy of People, Planet and Prosperity. With a partnership mindset, we are focused on accelerating social, cultural, environmental and economic transformation across Bangladesh, enhancing our impact in ways that help to build more inclusive communities and improve the well-being of people. We will continue exploring and embracing opportunities in green climate funds, bankable climate adaptation projects and green bonds while aligning our impacts with the SDGs and the government's development priorities.

We thrive, we impact

BRAC Bank is amongst Bangladesh's largest private sector commercial banks in terms of total assets, which stood at BDT 563 bn (USD 5.5 bn) at the end of 2022. The bank accounts for approximately 2.9% and 2.6% of the sector's loans & advances, and deposits, respectively. The total staff cadre of the bank stood at 7,863 as of the end of 2022, and they serve over 4.4 lac SME customers, about eight thousand corporate clients, and around 9.7 lac retail customers, through a wide network of branches, subsidiaries and correspondent banking relationships. The bank also has a sound base of around 13.8 lac deposit-holders.

To be more impactful and a driving force in the financial sector, the management took strategy to be the leader in terms of market presence, balance sheet size, quality portfolio, exemplary corporate culture and good governance. In its journey to becoming the best bank in Bangladesh, we will play as a change maker for building a sustainable financial sector rooted in values-based operations.

Diversified business to support customized needs

In addition to charting its own trailblazing path in SME finance, today, BRAC Bank has built large and thriving businesses around its three other pillars – Small Business, Retail and Corporate segments. Furthermore, BRAC Bank's subsidiary, bKash, is the largest and fastest-growing mobile finance services (MFS) business with 3.4 lac agents and more than 65 Mn verified accounts. Besides business diversification, the bank has successfully accomplished a high level of diversification in its operations across many other parameters, such as customer profile, products and services portfolio, funding profile, maturity profile, economic sectors and sources of revenue.

Highest creditworthiness reflected by AAA rating

BRAC Bank, the first bank in the industry to achieve "AAA" credit rating by the Credit Rating Agency of Bangladesh (CRAB), demonstrated its superior long-term solvency position on which customers can rely. S&P and Moody's credit rating bear testimony to its strong focus on governance and compliance. Thanks to this creditworthiness, the bank is reaping the benefit

of customer trust even in the turbulent financial environment of 2022. A staggering 22% deposit growth proves the point.

Solid Capital Base

BRAC Bank's Tier-1 Capital Ratio and Total Capital Ratio stood at 12.42% and 14.04%, respectively, as of December 31, 2022, compared to the regulatory minimum ratios of 6% and 12.5%. The bank's growth was prudent, with gearing in terms of on-balance sheet assets and risk-weighted assets remaining at 9.7 times and 6.0 times, respectively, as of the end of 2022. Demonstrating the franchise's strength, the bank's shares reported a satisfactory price-to-book value (PBV) of 0.99 times and a market capitalisation of BDT 58 billion on the Dhaka Stock Exchange at year's end.

Our Many Firsts!

1 Mn
SME Customers served since inception

BDT 1,000 Bn
SME loan disbursement since inception

Astha
Launch of super lifestyle app

1st Bank
To complete integration with bKash QR platform

GABV
Only member of the Global Alliance for Banking on Values from Bangladesh

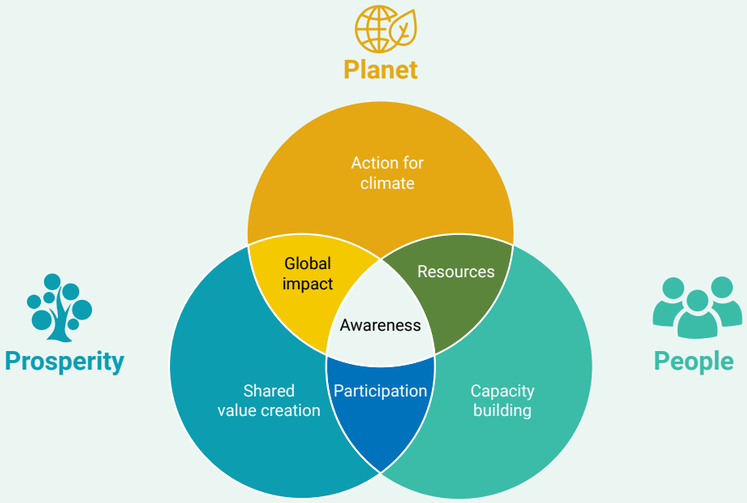
AAA
1st in the industry to achieve highest credit rating from CRAB

BDT 58 Bn
Highest market capitalisation in the banking sector

34%
Largest international investor shareholding in the banking industry

Our Philosophy – 3Ps in Alignment with GABV Principles

At BRAC Bank, our focus on sustainability is driven by our underlying emphasis on the "3P" philosophy of People, Planet and Prosperity. Guided by the underlying principles of this approach, our conduct is rooted in nurturing a comprehensive impact that benefits all constituents of our stakeholders, especially in alignment with the principles of the Global Alliance for Banking on Values (GABV), of which we are the only member from Bangladesh.



The culture of sustainability, good governance and compliance is embedded in the bank's value system. As a member of the GABV, BRAC Bank has embraced the following principles:

PRINCIPLE 1

Social and environmental impact and sustainability are at the heart of our business model

PRINCIPLE 2

Grounded in communities, we serve the real economy and enable new business models to meet the needs of both

PRINCIPLE 3

We forge long-term relationships with clients and enable a direct understanding of their economic activities and the risks involved

PRINCIPLE 4

We focus on the long-term, are self-sustaining and remain resilient to outside disruptions

PRINCIPLE 5

We foster transparent and inclusive governance

PRINCIPLE 6

All these principles are embedded in our culture as a financial institution of repute

People Focus

- Diverse products and solutions cater to the widest range of needs and requirements – from corporate loans to SME credit to personal loans and easy loans to women entrepreneurs - enabling us to closely integrate with the lives of our customers.
- Over the past 20 years, we have continually evolved to maximise our developmental impact, most notably as pioneers in SME loans in Bangladesh. In 2022, the bank served 168,000 SME entrepreneurs with a SME loan portfolio of over BDT 200 billion, which is the market capitalisation of several other smaller banks put together.
- The bank has a robust financial foundation and an excellent reputation built on its exemplary record of governance controls and oversight, which helps reinforce people trust on the bank.

Planet Focus

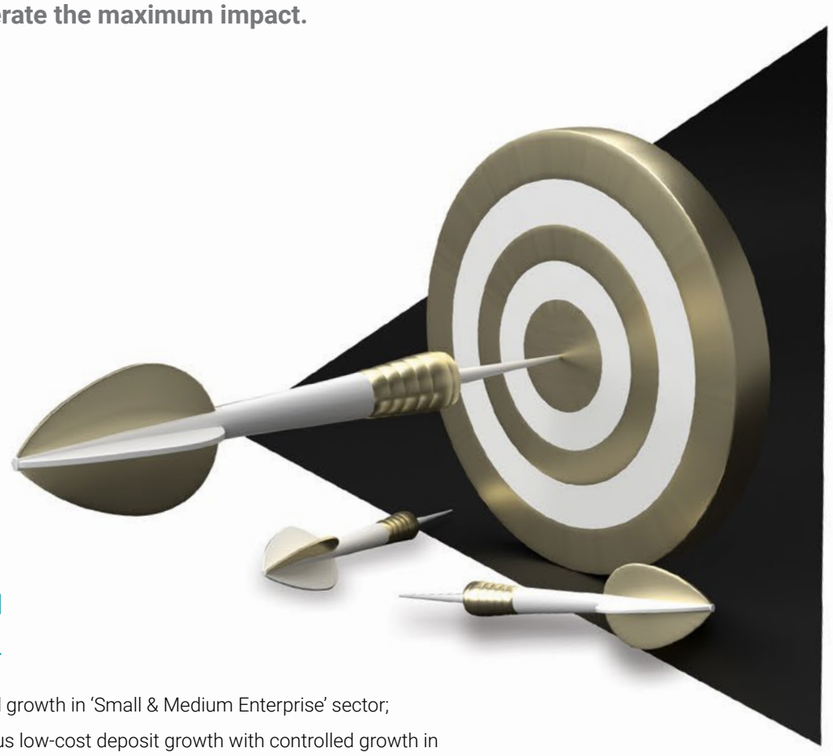
- In 2021 and 2020, BRAC Bank was recognised by Bangladesh Bank as one of the top-10 sustainable banks of Bangladesh, a commendation alluded to the bank's green and sustainable financing initiatives and values-based banking.
- As a member of the GABV, the bank ensures that enterprises which receive our financing meet common environmental standards.
- In 2022, BRAC Bank hosted annual conference of GABV in Dhaka where 50 CEOs of international banks reiterated their strong commitment to values-based banking and emphasized on the need to spread the message across communities and countries for a sustainable future.
- The bank availed JICA and Citibank NA fund for Renewable Energy, Energy & Resource Efficiency, & Efficient Waste Management projects.
- We have instituted partnerships with renowned international organisations and local banks to initiate capacity-building programmes to support the culture of responsible credit

Prosperity Focus

- As part of our focus on shared prosperity, we are advancing the developmental impact in Bangladesh by expanding access to finance.
- For a shared prosperity, the bank organized entrepreneur accelerator programme 'Uddokta 101' with BRAC Bank University, where women entrepreneurs get intensive training without any cost.
- The bank conducted capacity building training for up-and-coming entrepreneurs under Bangladesh Bank's Skills for Employment Investment Programme (SEIP).
- The bank availed DEG fund for CMSMEs. As part of 'Gender Action Plan', 50% of the fund is earmarked for businesses run by women.
- We are effectively integrating and implementing sustainable development solutions to support holistic socio-economic growth

Mission, Vision and Values

Since its inception, BRAC Bank has been a trusted partner to large corporations and small agencies, large deposit-holders, and micro account holders. Thus, anchored on its core philosophies, the bank is renowned in the financial services industry for delivering innovative, value-added and adaptive finance-led transformation solutions that help generate the maximum impact.



MISSION

- Sustained growth in 'Small & Medium Enterprise' sector;
- Continuous low-cost deposit growth with controlled growth in Retained Assets;
- Corporate assets to be funded through self-liability mobilization;
- Growth in assets through syndications and investment in faster-growing sectors;
- Continuous endeavor to increase fee-based income;
- Keep our debt charges at 2% to maintain a steady profitable growth;
- Achieve efficient synergies between the bank's branches, SME Unit Offices and BRAC field officers for delivery of remittance and the bank's other products and services;
- Manage various lines of business in a fully controlled environment with no compromise on service quality;
- Keep a diverse, far-flung team fully motivated and driven towards materializing the bank's vision into reality.



VISION

Building a profitable and socially responsible financial institution focused on markets and businesses with growth potential, thereby assisting BRAC and stakeholders to build a "just, enlightened, healthy, democratic and poverty-free Bangladesh".

VALUES

BRAC Bank is an organization, where its values are at the core of every activity. As a values-based bank, it believes in 3P philosophy of People, Planet and Prosperity. It shares the Principles of Values-Based Banking which underpin all that the bank does.

- **Integrity** - Manifesting the quality of being honest, exhibiting consistent behavioral traits guided by principals of morals and ethical code of conduct defined by the bank;
- **Innovation** - It is an act or process of introducing new ideas, methods, devices or technologies aimed to get better results with less input;
- **Inclusiveness** - 'Inclusiveness' means diverse mix of feelings, ideas, and people from all sections or society;
- **Customer Centricity** - 'Customer Centricity' means engaging with customer to provide any service and continuously enhancing customer experience;
- **Effectiveness** - 'Effectiveness' means producing an output expected by the stakeholders and also making an impact to the business.

Our Code of Conduct

Expected behaviours and conduct among BRAC Bank employees are enshrined in its written code of conduct, which is available on the bank's intranet. Excerpts from the code are presented below:

Code of Conduct for Employers

BRAC Bank will maintain a pleasant working environment in the Bank in terms of a well-set and well-defined compensation package, clearly set goals and a performance-led job description for employees of all levels. The Bank will ensure the scope for the employees' professional and career development. Such an environment with well-designed strategic and logistic support would reinforce the employees' satisfaction, ultimately making them loyal to the Bank and its culture.

The working environment and procedures in BRAC Bank are well designed and well maintained to make it reasonably and promptly responsive to customer needs, along with compliance with legal and regulatory requirements. Hence, the employees should be expected to be well-trained and well-mannered to perform their duties efficiently, which will eventually enhance the Bank's goodwill and expand the customer base and increase the market share. Importantly, to motivate the employees towards the goals of the Bank and enable them to perform to the best of their levels, responsibilities are clearly defined and carefully allocated, along with requirements and procedures for accountability and performance reporting and evaluation.

Serving the Customers and the Stakeholders

To ensure standardized services and ethical business development, BRAC Bank should identify its existing and potential users while selecting service providers at various levels. Efficient and effective selection and categorization enable us to make a proper business plan.

Responsibility to the Customers

To satisfy the customers-needs efficiently, we must:

a. Understand and honor the customer needs, as well as serve them indifferently, promptly and honestly;

b. Ensure complete secrecy of customers affairs/account information always unless asked by any competent court or any other lawful authority;

c. Issue notice with reasonable time in case of closure of bank accounts for any legitimate reason(s);

d. Provide customers with requested account statements accurately and promptly;

e. Keep the customers updated regarding any suspicious operations in his account;

f. Exercise due diligence in the operation of customer accounts; and

g. Keep customers fully informed with all banking and financial products.

Responsibility to the Shareholders

a. To preserve the lawful benefits and interests of shareholders;

b. To make an utmost endeavor to maximize profit and increase payout ratio for the stakeholders, and

c. To make best effort to maximize company profit and manage the same ethically and properly.

Responsibility to Community/Society

All financial activities of BRAC Bank must comply with the recognized/established legal, regulatory, as well as social/community norms, customs and values.

Fair Treatment of Customers

Treating customers fairly and without prejudice fosters good rapport and helps to build long-term sustainable business relationships. Moreover, in the advent of the global financial crisis, both local and global lawmakers and regulators are increasingly focusing on ensuring that banks employ fair practices in dealing with customers. BRAC Bank is focused on ensuring fair practices in dealing with customers that entails:

a. Ensuring that communications are fair, concise, clear and not misleading so that clients are fully aware of the product features, relevant fees and associated risks for financial products and services.

b. Creating products that meet customer needs and take into account their financial situation, profile and risk tolerance.

c. Providing quality customer service, delivering on service level promises, and handling complaints in an efficient, prompt and friendly manner; and

d. Identifying and managing possible customer conflicts openly and clearly.

Privacy and Security of Information

a. All information gathered from customers/clients during the course of providing service shall be considered confidential.

b. All information of an individual's employment in the bank shall be considered confidential unless it is clearly stated otherwise and shall be used only for the performance of said job duties in line with all rules, regulations, laws and other policies governing the individual's employment.

c. An employee must respect and maintain confidentiality about their own and colleagues' compensation and other employment-related information that is confidential in nature.

Transparency and Accuracy of Financial, Tax and other Reporting

Employees of the bank shall ensure that its reports and communication are true, complete and accurate and shall not be misleading. It shall maintain transparency in its business operations and dealings with clients, stakeholders and regulators.

Diversity

BRAC Bank respects all employees as unique individuals regardless of their ethnicity, race, religion, gender or any other background with fundamental human rights and supports the cultural and ethnic diversity of its workforce. It believes that creating a work environment that attracts, retains and fully engages diverse talents, leads to enhanced innovation and creativity in the services of the Bank.

A Glimpse of BRAC Bank

Brief synopsis

BRAC Bank takes immense pleasure in playing a pivotal role in providing banking services that have a major economic, social and environmental impact. As a values-based bank, BRAC Bank believes in the all-encompassing '3P' philosophy of People, Planet and Prosperity.

BRAC Bank has also emerged as the first bank in Bangladesh to be endorsed by the ISO 27001:2013 certification, acknowledging its pioneering role in furthering financial inclusion through a robust technology apparatus, while ensuring full regulatory compliance.

This philosophy is enshrined in our shared values that emphasize our need to measure the value beyond the measurement of financial outcomes. As a member of GABV, the bank enables responsible financial facilitation concerning promulgating values-based banking and sustainable credit practices.

3P

'3P' philosophy of People, Planet and Prosperity.

ISO 27001:2013

First bank in Bangladesh to be endorsed by the ISO 27001:2013 certification

GABV

Only member of the Global Alliance for Banking on Values from Bangladesh

BRAC Bank has been one of the country's fastest-growing banks since its inception in 2001, with a particular focus on the SME segment. The bank has generated strong financial performance over the past years and now leads the industry in most financial metrics. With more than 1.4 million customers, the bank has already proved to be the largest collateral-free SME financier in just 21 years of its operation in Bangladesh and continues to serve as a benchmark for governance, transparency and compliance in the banking sector.

Share Capital	2022 (BDT)	2021 (BDT)
Authorized	20,000,000,000	20,000,000,000
Issued, subscribed and paid-up	14,965,853,280	13,921,723,990

Credit rating

Based on the financial statements of December 31, 2021 and December 31, 2022, as well as other quantitative and qualitative information, BRAC Bank's ratings are as follows:

Credit rating agency	Based on FS 2021		Based on FS 2020	
	Long-term	Short-term	Long-term	Short-term
CRAB*	AAA	ST-1	AA1	ST-1
ECRL	AA+	ST-1	AA+	ST-1
CRISL	AA+	ST-1	AA+	ST-1
S&P Global	B+	B	B+	B
Moody's	Ba3	NP	Ba3	NP

** Based on FS 2022*

BRAC Bank has been assessed by several renowned credit rating agencies worldwide. The ratings signify that BRAC Bank is one of Bangladesh's most financially solvent banks, with a secure ability to fulfil all its financial obligations. Furthermore, even amidst all the economic turmoil and the post-pandemic challenges, in comparison to 2021, the bank was able to secure superior credit ratings in 2022.

KEY INFORMATION OF THE BANK

BRAC Bank's business can be broadly classified around its three major wings:

- Retail Banking
- SME Banking
- Corporate Banking

NETWORK

The bank has established an expansive network of service touch-points across Bangladesh in its efforts towards making access to banking, a reality for all. The bank serves 1.3 million people mostly in rural and semi-urban parts of the country, with the bank's rural penetration hitting the industry highest at 77%. Furthermore, the bank's agent banking network, comprising an effective branchless banking model dispensing all the services of a typical branch, conducts 186,000+ transactions. The bank's overall distribution network comprises:

- **8** Business Regions
- **187** Branches
- **11** Sub-branches
- **19** Premium Lounges
- **324** ATMs
- **39** RCDMs
- **457** SME Unit Offices
- **1,000** Agent Banking Outlets
- **9** CRMs

Office address

Corporate office address	Share Department
BRAC Bank Limited Head Office: Anik Tower, 220/B, Tejgaon-Gulshan Link Road, Tejgaon I/A, Dhaka-1208, Bangladesh	**BRAC Bank Limited** Head Office: Anik Tower (Ground Floor), 220/B, Tejgaon Gulshan Link Road, Tejgaon I/A, Dhaka-1208, Bangladesh Phone: 09677555124, 09677555125

Subsidiary information

Within Bangladesh			Outside Bangladesh
BRAC EPL Investment Limited Medona Tower, Level 04, 28 Mohakhali, C/A Dhaka-1213, Bangladesh.	**BRAC EPL Stock Brokerage Limited** DSE Annex Branch, Suite 1001-3 (9th floor), 9/E Motijheel C/A, Dhaka-1000, Bangladesh.	**bKash Limited** Shadhinata Tower, Bir Sreshtha Shaheed Jahangir Gate, 546 Shaheed Sharani, Dhaka-1206, Bangladesh.	**BRAC Saajan Exchange Company Limited** 160-162, Lozells Road, Birmingham, West Midlands, B19 2SX, United Kingdom.

Financial calendar

Quarterly results

Particulars	Submission date to regulatory bodies
Un-audited consolidated results for the 1st quarter ended 31 March 2022	May 11, 2022
Un-audited consolidated results for the 2nd quarter and half year ended 30 June 2022	July 28, 2022
Un-audited consolidated results for the 3rd quarter ended 30 September 2022	October 30, 2022

Dividend

Particulars	Submission date to regulatory bodies	Event Date
Notice date of the 23rd Annual General Meeting	April 04, 2022	-
Record date	March 15, 2022	April 06, 2022
23rd Annual General Meeting held on	March 15, 2022	April 28, 2022
Date of distribution of bonus shares	May 11, 2022	-

Taxation on dividend income

Stock dividend is tax-exempt. In case of cash dividend, the following is the current deduction of tax at source on dividend income, as per the current Fiscal Act:

- If the shareholder is a company, either resident or non-resident, the taxation rate applicable is 20%.
- If the shareholder is a resident or non-resident Bangladeshi, other than a company, the taxation rate is 10%.
- If the shareholder is a non-resident (other than Bangladeshi), other than a company, the taxation rate is 20%.

Price sensitive information disclosures

Particulars	Date of disclosure
Corporate disclosure for the approval of the Financial Statements 2021, recommendation of dividend, record date for dividend entitlement of 23rd AGM (April 28, 2022)	March 15, 2022
Corporate disclosure for the first quarter financial information (un-audited) ended on 31 March, 2022	May 10, 2022
Corporate disclosure for the half-year financial information (un-audited) ended on 30 June, 2022	July 28, 2022
Corporate disclosure for the 3rd quarter financial information (un-audited) ended on 30 September, 2022	October 30, 2022

Capital market details

Particulars	DSE	CSE
Stock symbol	BRACBANK	BRACBANK
Company/scrip code	11138	22029
Year of listing	2007	2007
Market category	A	A
Electronic share availability	Yes	Yes
Market lot (Nos)	1	1
Face value of each share (BDT)	10	10
Total number of securities	1,496,585,328	1,496,585,328

Products and Services

SME

ASSET PRODUCTS & SERVICES

- Shabolombi (business loan for remittance earners' families)
- Startup Builder (financing for new entrepreneurs)
- Uddom (for BCS members)
- Digonto (for BASIS members)
- Swipe Load (Financing for POS Merchant)
- Sufola (Agriculture Finance)
- Baki (Retailer Financing)
- Supply Chain Finance
- Supply Chain Finance
- Nirman (for commercial building construction and/or renovation)
- Tara uddokta (Women Entrepreneur loan)
- Somriddhi (Trade Finance)
- Apurbo (Secured Loan)
- Druti (Unsecured Quick Loan for CMS)
- Annono (Unsecured Loan)
- Anonno Plus (Unsecured Loan with unsecured higher loan limit)
- Bahon (Commercial vehicle financing)
- Sohoj (Cash secured loan)
- Prabartan (Loan for e-commerce and f-commerce businesses)
- Kuri (Loan for local tea growers)

DEPOSIT PRODUCTS & SERVICES

- Prothom Account
- Shadhin Current Account
- Prapti (Current Account)
- Prottasha Current Account
- Tara Uddokta Account
- Prachurjo Fixed Deposit
- Shonchoy SME Deposit

CORPORATE

- **SERVICES**
  - Cash Management Service
  - Custodial Service
  - Probashi Biniyog Deposit
  - Agency Services
  - Buying House Solution
  - Digital Banking
  - Employee Banking
- **DEPOSIT PRODUCTS**
  - Current Account
  - SND Account
  - Term Deposit
  - FCY Account
- **FUNDED FACILITIES**
  - Overdraft
  - Working Capital
  - Trade Finance
  - Project Finance
  - Work Order Finance
  - Re-finance Facility
  - Lease Finance
  - Bill Discounting
  - Invoice Financing
  - Syndication Loans
  - Supply Chain Finance
- **NON-FUNDED FACILITIES**
  - Import LC
  - Export LC
  - Letter of Guarantee
  - Documentary Collections

RETAIL

DEPOSIT PRODUCTS

- **DEPOSIT SCHEME**
  - Flexi DPS
  - Classic DPS
- **SAVINGS ACCOUNT**
  - Future Star
  - Agami Savers TARA Agami Savers
  - Triple Benefit Savings (TBS), TARA TBS
  - Golden Benefits Savings (GBS) TARA GBS
  - Premium Savers
  - Probashi Savings Account
  - Savings suite for Employee Banking
  - Freelancer Matrix Savings Account
- **CURRENT ACCOUNT**
  - Current Plus
  - EZEE Account
  - Campus Account
  - Resident Foreign Currency Deposit (RFCD)
  - Probashi Shubidha Account
  - Freelancer Matrix Account (ERQ & LCY)
  - Mukti Account
  - Expat Salary Accounts
  - Mariner's Account
- **FIXED DEPOSIT**
  - Golden Fixed Deposit
  - General Fixed Deposit
  - Freedom Fixed Deposit (FFD)
  - Abiram Fixed Deposit
  - Special Fixed Deposit
  - Non-Resident Foreign Currency (NFCD) Account
  - Probashi Shubidha Fixed Deposit

LOAN PRODUCTS

- Personal Loan
- Auto Loan
- Home Loan
- Secured Loan/Overdraft
- Credit Cards

21 Years of Excellence

Journey towards becoming the best bank of Bangladesh

1999
Date of Incorporation

2001
Banking Operations Inauguration

2002
Establishment of First SME Unit Office

2004
IFC Onboarded as Investor

2006
Launch Of Initial Public Offering (IPO)

2007
Listed on DSE & CSE

2011
Launch of bKash for Mobile Financial Services

2013
Bestowed with "Best Managed Bank" Award from Asian Banker

2017
First Bank in Private Sector to Have MCap Crossing US$ 1 Bn

Launch of Comprehensive Women Banking "TARA"

2018
Launch of Agent Banking

2020
Inauguration of "Mujib Corner" to Celebrate Birth Centenary of Bangabandhu Sheikh Mujibur Rahman

2021
Completion of Historic 20 Years of Operations

2022

June 1
Inauguration of Sub-branch Network

July 4
Launch of Bangladesh's First Ever Housing Bond

December 7
Milestone of Serving 1 Mn SME Customers

December 13
Astha App and bKash QR Integration

Service Distribution Points

Reaching out to the doorsteps by unparalleled presence

Bangladesh's whole length and breadth are covered by the distribution network of BRAC Bank. Our nationwide presence not only enhances the quality of customer service we provide, but it also enables us to actively contribute to the inclusive development objective of the country. The bank's network includes physical channels comprising branches, agent banking outlets, SME unit offices, ATMs and RCDMs, and our diverse digital channels – Astha mobile banking app, internet banking, Obichol - digitalized loan approval system and Subidha - digital lending app etc.

From account-opening to cash withdrawal, loan disbursement to EMI payment, remittance service, and utility bill payment – Agent Banking Outlets are now the place to go for the local people for any day-to-day banking. The channel creates new employment opportunities and significantly uplifts the economy, especially in rural areas. RCDMs were introduced in 2022 to provide customers with a hassle-free cash deposit facility without standing in a queue in the branch.

Serving clients through our growing digital presence

Digital presence allows us to engage our clients while they socialize, shop and do business. BRAC Bank has built digital channels to serve clients' demands as part of an ongoing drive toward online banking and in response to increased demand for cutting-edge banking services.

187
Branches

11
Sub-branches

457
SME unit offices

1,000
Agent Banking Outlets

324
ATMs

39
RCDMs

9
CRMs

280,130
Total Astha Users

Division	Branches	Sub-Branches	Agent Banking Outlets	SME Unit Offices	ATMs & Cash Deposit Machines
Dhaka	89	6	197	127	249
Chattogram	38	2	217	95	47
Sylhet	13	0	43	28	18
Khulna	15	1	152	59	18
Barishal	6	1	80	31	6
Mymensingh	5	0	47	23	6
Rajshahi	14	0	132	57	19
Rangpur	7	1	132	41	9

** SME unit offices includes 4 virtual units*

Our International Presence

Through our international remittance service provider, BRAC Saajan Exchange (UK) Limited, we are facilitating the expatriate community to easily remit funds to Bangladesh. This remittance inflow greatly contributes to the Bangladesh economy during this foreign currency crunch.

Distribution of Shareholding

BRAC Bank has a robust shareholding structure distributed amongst three major entities:

46.24%
Sponsors and Directors' Shareholding

33.64%
Foreign Shareholding

20.12%
Other Shareholding

SL. No.	Name	Sponsors/Directors/ Others	No. of shares held as on 31.12.2022	% Paid-up Shares
1	BRAC	Sponsor	690,899,127	46.165%
2	Late Sir Fazle Hasan Abed, KCMG	Sponsor	14,692	0.001%
3	Late A. S. Mahmud	Sponsor	12,288	0.001%
4	Dr. Saleh Uddin Ahmed	Sponsor	10,095	0.001%
5	Dr. Ahsan H. Mansur (Chairman)	Independent Director	Nil	Nil
6	Mr. Asif Saleh (Nominated by BRAC)	Nominated Director	33,325	0.002%
7	Ms. Fahima Choudhury	Independent Director	Nil	Nil
8	Ms. Farzana Ahmed	Independent Director	Nil	Nil
9	Dr. Zahid Hussain	Independent Director	Nil	Nil
10	Mr. Meheriar M Hasan (Nominated by BRAC)	Nominated Director	Nil	Nil
11	Mr. Shameran Bahar Abed (Nominated by BRAC)	Nominated Director	1,072,312	0.072%
12	Dr. Mustafa Kamal Mujeri	Independent Director	Nil	Nil
13	Mr. Faruq Mayeenuddin Ahmed	Independent Director	Nil	Nil
14	Mr. Salek Ahmed Abul Masrur	Independent Director	Nil	Nil
15	General public, institute and foreign	Other than sponsor/ Director	804,543,489	53.758%
Total shares			**1,496,585,328**	**100%**

Board of Directors

Guardians of Stakeholders' Trust

The Board of BRAC Bank endeavors to create relevance to the business model by delivering on the Bank's overarching objective of financial inclusion and empowerment while ensuring sustainability, maximizing organizational value and meeting stakeholder expectations, which informs the bank's business strategy. In addition, BRAC Bank's Board monitors the macro environment, availability and volume of capital inputs.

Some of the major focus areas of Board discussion in 2022 comprised:

- Analysis of impacted clients due to Covid-19
- Banks strategy around digital transformation
- Strategy of the corporate social responsibility of the Bank.
- Driving innovation for customer value.

58
Board and Board Committee meetings held in 2022

01
Member appointed to the Board in 2022

Nil
Members resigned from the Board in 2022

Board composition at a glance

Name of Director	Board Position	Sub-committee membership		
		Executive Committee Meeting	Board Audit Committee Meeting	Board Risk Management Committee Meeting
Dr. Ahsan H. Mansur	Independent Director			
Mr. Asif Saleh	Nominated Director			
Ms. Fahima Choudhury	Independent Director		✓	✓
Ms. Farzana Ahmed	Independent Director		✓	✓
Dr. Zahid Hussain	Independent Director		✓	✓
Mr. Meheriar M. Hasan	Nominated Director			
Mr. Shameran Bahar Abed	Nominated Director			
Dr. Mustafa Kamal Mujeri	Independent Director	✓		
Mr. Faruq Mayeenuddin Ahmed	Independent Director	✓		
Mr. Salek Ahmed Abul Masrur	Independent Director	✓		✓



Dr. Ahsan H. Mansur
Chairman

Dr. Ahsan H. Mansur was inducted as an Independent Director to the Board of BRAC Bank Limited in April 2017. Afterward, he was elected as Chairman of BRAC Bank Limited on August 26, 2019, taking over from the Founder Chairman late Sir Fazle Hasan Abed KCMG.

Dr. Mansur started his career in 1976 as a Lecturer of Economics at the University of Dhaka. The same year, he left for Canada for higher studies in Economics. As a graduate student and research assistant, he also offered regular Economics courses at the undergraduate level at the University of Western Ontario, Canada, from 1978 to 1981. Dr. Mansur joined the International Monetary Fund (IMF) under its Economist Programme in 1981 and then completed his Ph.D. in Economics (on general equilibrium analysis) from the University of Western Ontario in 1982.

During his long career at the IMF, Dr. Mansur worked with Middle Eastern, Asian, African, and Central American countries. He worked in some important functional departments (Fiscal Affairs and Policy Review and Development departments) and area departments (the Middle East and Central Asia and Asian departments) of the IMF. He also served as the IMF Senior Resident Representative to Pakistan during 1998-2001 and as the Fiscal Advisor to the Minister of Finance, Government of Bangladesh (1989-91). During his assignment in Bangladesh, Dr. Mansur was involved with the successful introduction of Value Added Tax in Bangladesh in 1991. He also served as the Division Chief of the Gulf Cooperation Council (GCC) Division and was the IMF Mission Chief for Saudi Arabia, Kuwait, and Oman. After taking early retirement, Dr. Mansur joined hands with some professionals to establish an institute for policy analysis and joined the Policy Research Institute of Bangladesh as its founder Director and Executive Director.

Dr. Mansur has published extensively in various prestigious journals (including Econometrical, Journal of Economic Theory, and IMF Staff Papers), edited books on special economic topics, and the IMF Occasional Paper and Working Paper series. His most recent edited book (with Fernando Delgado) is Stock Market Developments in the Countries of the Gulf Cooperation Council, published by Palgrave Macmillan in its Finance and Capital Markets Series, November 2008.

Dr. Mansur received Ford Foundation Dissertation Fellowship in International Economics, awarded through an open worldwide competition, 1979–81; Special University Scholarship, University of Western Ontario, 1977–81; Graduate Students Award, University of Western Ontario, 1977–81; McMaster University Graduate Scholarship, 1976–77 and First Grade Merit Scholarship, University of Dhaka, 1970–75.

Dr. Mansur obtained a Ph.D. (University of Western Ontario, Canada, 1982); M.A. McMaster University, Canada, 1977) and B.A. Economics (Hons. First class with distinction in Math), University of Dhaka, Bangladesh, 1974.



Asif Saleh
Nominated Director

Asif Saleh is the executive director of BRAC. He brings with him a diverse multi-sectoral experience in senior leadership roles in private, public, and non- government sectors, with a proven track record of effectively managing interfaces of development programming, operational and financial sustainability, and building effective partnerships, both within and outside BRAC.

Prior to joining BRAC, Mr Saleh worked as a policy specialist for the Access to Information (A21) Programme at the Prime Minister's Office in Bangladesh. As part of the Government's Digital Bangladesh initiative, he led the policy effort to expand affordable broadband connectivity across Bangladesh and devised the Government's m-governance strategy. He spent 12 years in Goldman Sachs in different fin-tech roles in New York and London ending his term there as an Executive Director. He has also worked in Glaxo Wellcome, IBM and Nortel.

Mr. Saleh is a non-resident fellow at the Center for Global Development in Washington, D.C. He is also an active member in a range of international networks and alliances advocating inclusive achievement of the Sustainable Development Goals. He is a member of the Millions Learning International Advisory Group, Brookings Institute, a member of the advisory group of South Africa-based Innovation Edge, an institution promoting early childhood development. He is a member of the global board for Generate Unlimited, a global body of UNICEF promoting youth skills, and also a member of the global governing council of Water Resource Group 2030.

Mr Saleh chairs BRAC IT Services Limited, co-chairs BRAC Net, and is on the Board of BRAC Bank, bKash, and edotco Bangladesh Ltd. He also chairs the Institute of Informatics and Development.

He was recognised for his work by Asia Society's Asia 21 programme in 2008, the Bangladeshi American Foundation in 2007, and was selected as an Asia 21 Fellow in 2012. He was selected as a Young Global Leader by the World Economic Forum in 2013.

Mr. Saleh holds a Bachelor's degree in computer science and an MBA in management and marketing from the Stern School of Business New York University.



Fahima Choudhury
Independent Director

Ms. Fahima Choudhury was appointed as an Independent Director to the Board of BRAC Bank Limited in April 2018. At present, she is also the member of the Board Risk Management Committee and the Board Audit Committee.

Since end-2018, Ms. Choudhury also serves as a BRAC Bank Nominated Director on the boards of BRAC-EPL Investments Ltd. and BRAC-EPL Stock Brokerage Ltd.; and is currently the Chair of both these companies. She is also Director of bKash Limited, nominated by BRAC Bank Limited.

Ms. Choudhury is a management consultant and a marketing communications & advertising specialist with over 25 years of experience in various entrepreneurial and leadership roles across multiple firms. Due to her long involvement in the advertising business, she has had the opportunity to serve diverse range of local and international clients across a number of sectors and industries.

Ms. Choudhury started her career in Adcomm Limited (one of the oldest and most renowned advertising agencies in the country) rising to the position of Director, before moving on to establish her own integrated marketing communications agency called Marka. Later, Marka was acquired by Ogilvy & Mather Worldwide (part of the WPP Group), and Ms. Choudhury became the Managing Director (and shareholder) of Ogilvy & Mather Bangladesh. In the past she was also a member of Ogilvy APAC regional council, as well as Assistant General Secretary in the Advertising Agencies Association of Bangladesh. Ms. Choudhury left the advertising industry in 2020 in order to focus on her consultancy business.

Aside from this, Ms. Choudhury is also a Director of Adcomm Holdings which has business involvements in various other industries (including hospitality, media and IT).

Ms. Choudhury did her B.Sc. (Hons.) Management and M.Sc. Management from the London School of Economics & Political Science in the United Kingdom.



Farzana Ahmed
Independent Director

Ms. Farzana Ahmed was appointed as an Independent Director of BRAC Bank Limited on February, 2020. She is also the Chairman of the Board Audit Committee and the Member of Board Risk Management Committee.

Ms. Farzana has over 35 years of working experience as a chartered accountant in the public and private sectors in the United Kingdom, Australia and the Philippines. Prior to joining BRAC Bank Limited, she worked at the Asian Development Bank (ADB), the Philippines for over 20 years from where she took voluntary early retirement in October 2019. Whilst at ADB, Ms. Farzana worked in various capacities with her most recent position as Lead, Evaluation Specialist in the Independent Evaluation Department. Before that she served as a Lead Results Management Specialist (Public Sector Management) in ADB's Strategy and Policy Department where she was also the Principal Coordinator of the Asia Pacific Community of Practice on Managing for Development Results. Ms. Farzana worked in ADB operations as Senior Portfolio Management Specialist, South East Asia Regional Department where she joined in 2008 following a 7 year posting to ADB's Indonesia Office. At the Resident Office she was the Senior Financial Management Specialist from where she was seconded as Advisor to the Australian Government to help coordinate Australia's support to the reconstruction of Aceh, after the 2004 tsunami.

Ms. Farzana started her working career in 1982 as a trainee chartered accountant at Peat Marwick Mitchell in United Kingdom. Following a move to Australia in 1986, she joined Peat Marwick Mitchell in Sydney prior to moving to Rothmans Holdings Ltd in 1987 to start the Internal Audit Department. From there she worked in various accounting capacities at Port Waratah Services Ltd and the Australian Manganese Company Ltd and the Broken Hill Proprietary Limited. In 1996, she joined Westfield Ltd. Australia as Finance Manager - Corporate & International, which she left in 1998 to join the ADB.

Ms. Farzana was awarded a BA (Hons) in Philosophy, Politics and Economics from Oxford University, England and this was followed by an MA (Hons) in 1991. She was admitted to the Institute of Chartered Accountants in England & Wales in 1987 and then also became a member of the Institute of Chartered Accountant in Australia in the same year. Ms. Farzana has a keen interest in the education sector and is currently the Principal of Kids Tutorial, an English Medium School based in Shantinagar, Dhaka.



Dr. Zahid Hussain
Independent Director

Dr. Zahid Hussain was appointed as Independent Director to the Board of BRAC Bank Limited on September, 2020. He is also the Member of Board Audit Committee and Board Risk Management Committee of BRAC Bank Limited.

At present, Dr. Hussain is a Director of BRAC EPL Investment Limited and BRAC EPL Stock Brokerage Limited. He is also currently associated as a Consultant in the World Bank, Dhaka Office.

Dr. Hussain retired from the World Bank, which he joined on May 1, 1995, as a Lead Economist on June 30, 2019. During this time, he was a key member of the bank's macro, trade, and investment global practice providing budgetary support (development support credit) and technical assistance to the government, and prepared growth diagnostics, public expenditure reviews, periodic macroeconomic updates, and policy notes on macroeconomic management and structural issues.

Dr. Hussain was also engaged as a Lecturer at Boston University, the University of Massachusetts Boston and Framingham State College, Framingham, Massachusetts in the USA during 1987-1992.

Dr. Hussain obtained Ph.D. in Economics from Boston University, USA, in 1992 and completed Master of Arts in Political Economy from Boston University, USA, in 1987. He earned his MBA from the Institute of Business Administration, University of Dhaka, Bangladesh in 1979 where he was a member of the faculty from 1980-1984..

Dr. Hussain has published in numerous journals and articles on Economics, Management, and Business.



Meheriar M. Hasan
Nominated Director

Mr. Meheriar M. Hasan is a global thought leader, an innovator, and a voice of authority in the realm of digital banking. He brings with him over 35 years of rich experience in breakthrough innovation and pathbreaking disruption, building direct/digital distribution channels to generate new profit sources at some of the world's largest financial institutions. He possesses an unparalleled track record in enabling businesses to accelerate profitable growth through design thinking and building multi-channel sales/ service processes and platforms.

Mr. Hasan founded Terafina Inc, a leading digital omnichannel sales solution provider in financial services. He also served as Senior Advisor to McKinsey from 2012 to 2014 and was a guest lecturer at the University of Southern California, Marshall School of Business, from 2006 to 2008. Mr. Hasan holds a Master of Science in Finance, Master of Arts in Economics, and Bachelor of Arts in Economics with a minor in Mathematics from the University of Arizona.

Some of Mr. Hasan's distinguished engagements include:

- Defined the vision and led the building of Terafina, which was ranked amongst the toptwo fintech disruptors by Celent. Terafina was acquired by NCR Corporation in February 2021.
- As head of digital banking at the US Bank, he led the build-out of one of the largest digital banking channels in the country in record time, which now delivers millions of dollars of bottomline. The digital channel ranked first in over customer experience by Keynote, a third-party benchmark.
- As Executive Vice President at Wells Fargo, he designed and developed one of the largest direct-to-consumer/ digital lending channels in the financial services industry, resulting in 100 percent growth in revenue, 118 per cent growth in net income, and 104 per cent growth in portfolio balance over three years.
- He designed and delivered the largest digital sales channel in the financial services industry at Wells Fargo, integrating call center and branch, which resulted in a 190 per cent growth in core bank product and investment product sales over two years.
- He was responsible for the design, engineering, and management of B2B and B2C products for Digital Insight, the largest online banking application service provider in the US to serve credit unions and small/mid-sized banks.
- At Transamerica, he pioneered the first private-labeled direct-to-consumer channel in the insurance industry, fully integrated with independent agencies and business back-office operations.

Over his long and resplendent career, Mr. Hasan, in addition to his current role as the Director of the Board of BRAC Bank, bKash Limited also holds Board membership across other prominent companies such as Toyota Financial Savings Bank (since 2015), and Mechanics Bank (since 2013).



Shameran Bahar Abed
Nominated Director

Mr. Shameran Abed is the Executive Director of BRAC International.

Shameran joined BRAC Bangladesh in 2009 and BRAC International in 2012, and has been instrumental in bringing BRAC's flagship programmes of microfinance and ultra-poor graduation to global scale. Under his leadership, BRAC International's microfinance portfolio has seen impressive growth and a renewed focus on client impact. Since 2016, Shameran has also led BRAC's ultra-poor graduation work and played an instrumental role in setting up the UPGI to spearhead global advocacy and provide technical assistance to governments and other organisations.

Shameran has significant Board experience on several non-profit and corporate entities, chairing the board of bKash, BRAC Bank's mobile financial services subsidiary and one of the world's largest mobile money providers, and serving on the boards of several institutions. Shameran holds a Bachelor's Degree in Economics from Hamilton College in the United States and is a qualified Barrister in the UK.



Dr. Mustafa Kamal Mujeri
Independent Director

Dr. Mustafa K. Mujeri was appointed as an Independent Director to the Board of BRAC Bank Limited in December 2021. He is also the member of the Board Executive Committee of BRAC Bank Limited.

Dr. Mujeri is currently the Executive Director of the Institute for Inclusive Finance and Development (InM) and Chairman of the Center for Inclusive Development Dialogue (CIDD). He also served as the Director General of the Bangladesh Institute of Development Studies (BIDS) and the Chief Economist of the Bangladesh Bank. During his professional career, he served as the Poverty Monitoring and Analysis Advisor of UNDP in Cambodia; Project Leader of the IDRC's Programme on Micro Impact of Macroeconomics and Adjustments Policies (MIMAP) in Bangladesh; Director Research of the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP); Visiting Faculty at the Department of Economics, University of Queensland, Brisbane; National Expert in the Bangladesh Planning Commission; and Associate Professor of Economics, University of Rajshahi.

Dr. Mujeri obtained his Ph.D. from McMaster University in Canada in 1978 and M.A in Economics from McMaster University in 1974 after completing an M.A. in Economics from the University of Rajshahi, Bangladesh in 1972. He has wide-ranging experience in research and policy-focused analysis on development issues in different UN and other international organizations and multilateral, bilateral, and private sector organizations, including NGOs. He has the experience of working and traveling in many countries and attended workshops, seminars, and meetings on a wide range of development issues.

Dr. Mujeri has published extensively in national and international journals and written several books on Bangladesh's economy that was published by some of the leading international publishing houses. He was also a part of various policy-making and other committees at both the national and international levels.



Faruq Mayeenuddin Ahmed
Independent Director

Mr. Faruq Mayeenuddin Ahmed was appointed as an Independent Director to the Board of BRAC Bank Limited in December 2021. He is also the Chair of the Board Executive Committee of the bank.

Mr. Ahmed led Trust Bank Limited as its Managing Director and CEO from February 2018 to February 2021. Before taking up the position, he served as the Additional Managing Director of the bank.

Prior Joining Trust Bank, Mr. Ahmed served as the Additional Managing Director of The City Bank Limited and held the positions of their Chief Risk Officer and CAMLCO. He also served Mercantile Bank and AB Bank Limited as Deputy Managing Director.

After completing BSS Honours and MSS in Economics from the University of Dhaka, Mr. Ahmed started his career as a Probationary Officer with AB Bank Limited in 1984. He received Bangladesh Bank Gold Medal and BCCI (erstwhile) Gold Medal in the Banking Diploma examination in 1987 for securing the first position obtaining above 60 per cent mark. He gained hands-on experience and knowledge through working in different capacities in almost all the banking fields at home and abroad. He served the Mumbai office of AB Bank for five years as Country Manager facilitating correspondent and reimbursement banking services in India to the Bangladeshi banks. He is a well-rounded banker and has led different major sectors of banking areas in different phases of his service tenure.

Mr. Ahmed is the founder Chairman of the Association of Anti Money Laundering Compliance Officers of Banks in Bangladesh (AACOBB) and a life member of the Bangladesh Economic Association.

Mr. Ahmed has participated in various professional trainings, workshops and seminars at home and abroad. A regular columnist on banking and economic issues in the national dailies, Mr. Ahmed has so far authored more than two dozen of books and numerous articles on economy and banking, capital market, accounting, literature and travel. For his noteworthy contributions to Bangla language and literature, he received Bangla Academy Award in 2019 in the travel writing category. He also received IFIC Bank Literary Award 2011 for the excellent translation of 'A Poet Apart' - the literary biography of poet Jibanananda Das originally written by Clinton B. Seely and "City-Anando Alo Award 2019 for one of his travelogues.



Salek Ahmed Abul Masrur
Independent Director

Mr. Salek Ahmed Abul Masrur was appointed as an Independent Director to the Board of BRAC Bank Limited in March 2022. He is also the Chair of the Board Risk Management Committee and member of the Board Executive Committee.

Presently, he is the Chief Executive Officer of The Consolidated Tea & Lands Co. (Bangladesh) Limited (known as Finlay Tea).

Mr. Masrur is a seasoned banker with 35 years of banking experience in Bangladesh and international market in senior positions.

Mr. Masrur was the Country Head of Bank Alfalah, Bangladesh from 2009 to 2019, the longest-serving CEO of any Foreign Bank. He served as Global Head of Origination and Client Coverage Islamic Banking at Standard Chartered Bank, UAE. He was also the Director Portfolio Management of Standard Chartered Bank, Singapore from Sept 2005 to June 2007. He served as Head of Client Relationship from 2002 to 2005 at Standard Chartered Bank, Bangladesh, and as Head of Corporate Banking of Citibank NA, Bangladesh from 2000 to 2001. He also served as the Head of Corporate Banking in Standard Chartered Bank from 1995 to 1999.

He started his career at ANZ Grindlays Bank as Management Trainee in 1985. He led different major sectors of banking areas in different phases during his service tenor.

Mr. Masrur was recognized for his strong leadership skills displayed through leading teams to success both locally and abroad. He also participated in a good number of professional trainings, workshops, and seminars both at home and abroad.

Mr. Masrur obtained his MBA Degree from the University of Tennessee, USA, and BBA from the Trine University in Indiana. He is CSA qualified.

Directors' Responsibility Statement

Committed to open and transparent communication and interaction, specifically on our response measures, we recognise that our business sustainability is rooted in the trust we build with our shareholders and all other stakeholders.

As a financial services institution that is embedded in Bangladesh's socio-economic fabric, we remain dedicated to strengthening trust and relationships, as well as collaborate and shape policy that support our business and the broader economy towards common prosperity.

This objective is reflected in our business conduct and our focus on adopting the benchmarked governance standards. Advancing this responsibility and commitment is our Board of Directors who broadly own the responsibility of:

- Establishing core structural policies for the bank;
- Managing and mitigating major risks;
- Ensuring the robustness of internal control mechanisms;
- Implementing internal audit and fulfillment of all requirements necessary to achieve full compliance;
- Engaging with human resource capacity-building and development.

In compliance with Bangladesh Bank BRPD Circular No. 11, dated 27 October 2013, and BSEC Corporate Governance Code, dated 3 June 2018, the following directives are issued as the key responsibilities of the Board of BRAC Bank for ensuring best-in-class governance, operational sustainability and organisational value creation.

Work planning and strategic management

BRAC Bank's Board is responsible for shaping the objectives and goals of the bank, while also ensuring that performance is achieved within the framework of our values and expected behaviours. Towards this extent, the Board formulates strategies and operating guidelines on an annual basis to achieve the desired outcomes. The Board also works towards:

- Aligning the bank's strategies with target objectives and outcomes;
- Implementing key changes to bring forward appropriate structural amendments;
- Ensuring enhancement of institutional efficiencies for improved future preparedness;
- Engaging across other applicable policy matters;
- Evaluating and monitoring implementation of the bank's workflow on a quarterly basis.

As part of its disclosure and reporting responsibilities, the Board offers an analytical dashboard review of the operating environment and the performance of the business in the context of the operating environment, which is narrated in the Annual Report. It also articulates practicable plans to achieve business and other performance targets, thus highlighting the bank's ability to create value in the short-, medium- and long-term. Through the Annual Report, the Board also familiarises shareholders on its strategic future plans and initiatives, especially from the point of view of expressing sustainment of shareholder and stakeholder value and establishing the bank's position as a going concern.

Further, as part of its resource management or engagement responsibilities, the Board has established key performance indicators (KPIs) for the Managing Director & CEO and other officers, two tiers below the Managing Director & CEO, and also engages in the evaluation of their performance from time-to-time.

Credit risk and risk governance

Credit risk is a key risk facing a financial institution, and controlling this risk is an important mandate of the Board's executive responsibilities. Policies, strategies, procedures, etc., in respect of evaluation of loan/investment proposals, sanctions, disbursements, recovery measures, payment rescheduling and write-offs are initiated with the Board's approval under the ambit of existing laws, rules and regulations.

The Board gives the authority of loan/investment sanction to the Managing Director & CEO and executives under him. Importantly, no Director interferes directly or indirectly, explicitly or tacitly, with the loan approval process, recusing themselves in the event of any apparent or perceived conflict of interest.

The Board also frames policies for enabling effective risk control, monitoring compliance with the risk framework on a regular basis and also retuning this framework as per the evolving business environment. The Board also engages in the review of the risk compliance report on a quarterly basis, and discussions and conclusions of the Board are incorporated in the minutes of the Board meeting for future reference. The Board also monitors compliance with guidelines of Bangladesh Bank with regards to risk management.

Put together, these activities ensure solidity and reliability in the bank's risk management process, enabling it to safeguard its operations and secure its credibility/reputation.

Internal control management

The Board remains watchful on the internal control systems of the bank in order to sustain satisfactory standards across its loan/investment portfolio. Notably, the Board's assurance on effective internal control systems is endorsed by internal audit. The Board also reviews reports submitted by its Audit Committee on a quarterly basis, ensuring compliance with recommendations made in internal and external audit reports and also with Bangladesh Bank's inspection reports.

Human resources management and development

Human resource management and development policies relating to recruitment, promotion, transfer, disciplinary and punitive action, training and up-skilling, etc., and even terms of employment, are framed and approved by the Board. The Chairman or any of the Directors do not involve or interfere with or exert influence over any administrative affair with regards to human resources.

Further, no member of the Board is included in the selection committee/s for staff recruitment or promotion, thereby demarcating the executive responsibilities of the Board with the operational responsibilities of the management.

Recruitment, promotions, transfers and penal actions of officers, two tiers below the MD & CEO however rests with the Board. It is ensured that all recruitments and promotions are conducted in compliance with the bank's service rules, including policies for recruitment and promotion.

The Board embraces a proactive role in skills development, specifically focusing on building human resource capacity in strategic planning, credit underwriting, customer service, digital skills and loan recovery, emphasising on alignment with the bank's values and ethics in all activities. The Board also engages in holistic 360-degree appraisal, thus ensuring attainment of goals and objectives and also how the performance was achieved.

Overall, the Board sets a leadership tone for ensuring appropriate business conduct and adherence to ethics, while also confirming compliance. This approach has ensured that compliance remains as a critical part of the bank's culture and operations.

Financial management

The annual budget and statutory financial statements are finalised with the approval of the Board. The Board engages in a comprehensive quarterly review of the bank's position with respect to its income, expenditure, liquidity, non-performing assets, capital adequacy, loan loss provisions and steps taken for loan recovery of default accounts, including legal measures.

The Board also frames policies and procedures for the bank's procurement activities and has deputed empowered teams with decentralised responsibilities for taking decisions with regards to effecting key procurement activities. The maximum possible delegation of responsibility for expenditure rests with the MD & CEO and his team. Decisions on matters relating to the bank's infrastructure development, including acquisition of land, buildings, vehicles, etc., for the purpose of advancing business activity are adopted with the approval of the Board. Further, the Board also reviews the performance of the bank's Asset-Liability Committee (ALCO), as per Bangladesh Bank guidelines.

Appointment of Managing Director & CEO

In order to strengthen the foundations of the bank and bolster stakeholder confidence in the bank's position as a sustainable enterprise, one of the major responsibilities of the Board is to appoint a Managing Director & CEO, aligned with the bank's explicit policy on such an appointment. Further, this appointment is made with the accord of Bangladesh Bank.

The Directors are responsible for the overall governance and administration of the bank and, in satisfying this responsibility, the Directors confirm to the best of their knowledge and belief that:

a. The financial statements prepared by the bank's management present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

b. Proper books of accounts of the bank have been maintained.

c. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

d. The international financial reporting standards (IFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements, and any departure therefrom has been adequately disclosed.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. There is no doubt whatsoever on the bank's ability to continue as a going concern.

On behalf of the Board of Directors,

Dr. Ahsan H. Mansur
Chairman

> **A strong resilient growth amid challenging times and continue to build capabilities for higher growth**

Chief Financial Officer's Review



M Masud Rana FCA, DMD & Chief Financial Officer

The year 2022 got underway with the high hope of rapid recovery of Bangladesh economy from pandemic, but shortly turns into another challenging year - Russia-Ukraine war with the accompanying supply chain disruptions and volatility on international commodity markets. The banking sector of Bangladesh also confronted trying times in terms of economic uncertainties, surge in Non-Performing Loans (NPLs) and availability of foreign exchange.

In conditions that remained difficult, BRAC Bank once again stood out with its sustainable business model focused on values and exemplary corporate governance. The bank earned an admirable growth in balance sheet mainly driven by customers assets i.e. loan portfolio of all three business segments. Alongside the bank continued its capacity building initiatives (investments) to support business growth and optimized operating costs.

Enhancing Capabilities to Support Growth

With a firm focus on digital transformation, process optimization, and employee training, BRAC Bank is thriving on its way to enhancing its capabilities that laid up a strong foundation to become the largest bank of Bangladesh.

- Launched country's first digital lending app "Shubidha" to facilitate micro loans for retail customers;
- Introduced "Supply chain financing solution" as a new business channel for SMEs;
- "Document Management System (DMS)" significantly reduced Turn-Around-Time, improving client experience;
- Incorporated diverse transactional platform and lifestyle product and services in "ASTHA" Mobile Banking App;
- Launched "BBL ALO", an effective eLearning platform to enable that employees learn anytime, anywhere;
- Organized 224 unique learning programs with a total training hour of 223,243 to accommodate employee capacity development requirements.

Performance Review

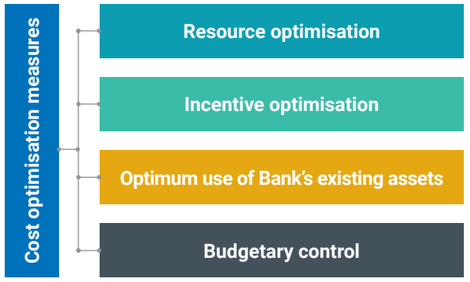
Our ability to read the market early and timely actions helped the bank to face economic adversities better than market. Despite the adverse macroeconomic condition and interest rate cap imposed by the regulator, our interest income has amplified significantly during 2022 thanks to management and Board for their contribution in achieving a huge 28% growth in our loan portfolio.

Bank's interest expense also grew mainly due rising interest rates coupled with 22% growth in deposits

base. However, the cost of fund optimisation measures taken by management safeguarded the interest rates lower than market rate and that facilitated the bank to earn a handsome 9% growth in net interest income.

We continued our focus on enhancing fee-based income opportunities and accelerating international Trade business, digital products to widen market positioning. During 2022, we have experienced a healthy growth in fees and commission-based income in return. Non-funded income became a key contributor in achieving a growth of 14% in total operating income.

To support the profitability of the bank amid rising commodity price and inflation, cost optimisation measures played a pivotal role. These initiatives together with budgetary control activities brought down the cost-to-income ratio to a tolerable limit that leads to a comfortable operating profit of BDT 1,113 crore.



In addition, the bank set aside a surplus provision of BDT 195 crore for loans and advances to absorb possible future shocks usher NPL coverage ratio to 111%. Our business growth together with cost and profit optimisation efforts culminated to a net profit after taxes of BDT 576 crore, a 4% rise from the previous year.

On consolidated basis (BRAC Bank along with its subsidiaries) the bank earned a net profit after tax of BDT 612 crore during 2022, which is 32% higher than previous year. Among the subsidiaries, bKash, the pioneer of Mobile Financial Services (MFS) in Bangladesh has achieved a net profit after three years due to its continued strategic investments over the last few years. Other two subsidiaries in brokerage business and investment banking are cautiously moving in the bearish capital market, strengthening their capacities to grasp the opportunity once the market situation improves. It is pleasure to update the investors that BRAC Saajan Exchange Limited resumed its operations in the late 2022 wining litigation in His Majesty's Revenue and Customs (HMRC), UK. Rigorous monitoring of subsidiaries' process and performance has been a key differentiator in streamlining them in recent days.

Key Consolidated Financial Highlights 2022

▲ 24%
BDT 655,937 Mn
Total Asset
2021: BDT 527,913 Mn

▲ 28%
BDT 412,085 Mn
Loan (EoP)
2021: BDT 322,135 Mn

▲ 23%
BDT 447,059 Mn
Deposit (EoP)
2021: BDT 364,330 Mn

▲ 20%
BDT 37,833 Mn
Total Revenue
2021: BDT 31,623 Mn

▲ 32%
BDT 6,122 Mn
Profit After Tax
2021: BDT 4,653 Mn

▲ 10%
BDT 4.02
EPS
2021: BDT 3.65

Capital Optimisation to Support Organizational Growth Strategy

Preserving optimum capital level to support the growth pace of business was one of the key challenges in 2022. Incessant monitoring and evaluation of capital consumed by business segments and scrutinizing their potential return resulted efficient capital rationing. Without inoculating fresh capital, bank was able to maintain a Total Capital to Risk-weighted Asset Ratio (CRAR) of 14.04 per cent and a Common Equity Tier 1 (CET1) ratio of 12.42 per cent at the end of 2022.

Investor and Stakeholder Relations

Our investor and borrower relations has been sturdier than ever as we maintained firm tie with foreign stakeholders as well as the local counterparts. Our primacy in engagement with shareholders and stakeholders resulted in a well-managed environment of cooperation and collaboration. BRAC Bank has emerged as the employer of choice, thanks to its people-care initiatives, working environment, ethics, transparency, brand value and upright corporate governance.



Winner of SAFA Gold award in Private Sector Banks Category and Joint Silver Overall

Outlook and strategic focus areas

BRAC Bank, as part of its strategic growth objectives, will continue its focus on enhancing its low cost deposit base to support the loan growth and maximise its market share in the industry, while addressing customised financing needs of the clients. Bank's focus on small ticket-based lending, driven by the financial inclusion dream of our founder, will remain a priority to us like previous years. We will continue to introduce innovative products and services to reach out to the unbanked while also implement government's inclusive development agenda.

The growth objective of the Bank will be fully supported by our drive to maximise efficiency of organizational capitals through our all-out capacity building initiatives. We will continue to invest in new tech platform as well as enhance the old ones as part of enhancing our digital capabilities at the same time improving the skill-sets of our human capital which in turn will help in achieving cost efficiency.

In current and upcoming challenging macro-economic environment, bank's underwriting activities will play a key role in acquiring good businesses as well as maintaining quality of existing portfolio. Our priority in strengthening risk governance and management systems and maintaining proactive engagement with borrowers to address asset quality concerns will further deepen.

Despite of Ukraine-Russia war affected the Bangladesh economy severely, inflation is expected to fall in 2023 and the growth will eventually bounce back. As Bangladesh's economy shifts to a more sustained retrieval in late 2023, we hope will maintain our capital and liquidity strength.

I would like to thank all shareholders, Board of Directors, senior management colleagues, central bank and all other regulators for their spontaneous support and conviction on BRAC Bank in this rapidly changing macro-economic environment. We will continue our sustainable journey upholding organizational values and transparency in governance as well as maximizing value to the community.

Warm wishes,



M Masud Rana FCA
DMD & Chief Financial Officer

Satisfying personalized customer needs had always been challenging. To support ever-changing customer demand, BRAC Bank offers robust Digital products and services, supported by seamless backend Operations, round the clock.

From the Desk of Chief Operating Officer



Sabbir Hossain, DMD and Chief Operating Officer

Dear stakeholders,

I am privileged to offer you a glimpse of BRAC Bank's 2022 journey regarding technology, digital banking, operations, information security and general support services.

At BRAC Bank, customer experience is at the core of our differentiation strategy. In the pursuit of sustaining excellence in customer service, we have implemented several developments to further improve the digital face of our organization, "Astha".

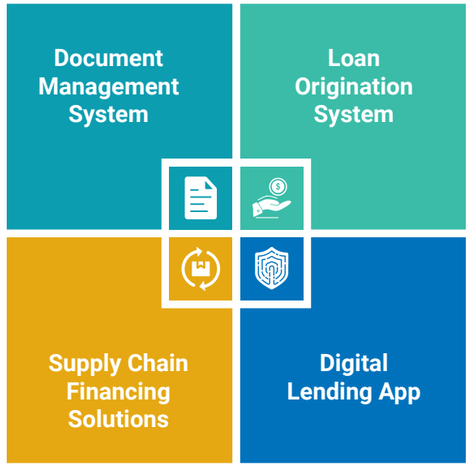
Following the introduction of various exciting features, products and services in our mobile application, we expect significant improvement in customer satisfaction.



Our partnership with bKash grew even stronger over the year, where both organizations have worked closely to offer new products and services like bKash QR through Astha, remittance to bKash, bKash NPSB etc. As a result, transaction volume increased by 53% between the bank and bKash. This partnership will continue to grow this year, offering new products to excite customers.

Furthermore, to ensure superior customer experience, we continued to digitalize our internal processes and practices to reduce turnaround time and ensure the straight-through processing of manual interventions.

A few key initiatives include:



Innovation and continuous improvement are embedded into our DNA. Every day we challenge ourselves how to improve further. To this end, we are developing one of the finest payment partnership ecosystems in the financial industry. In doing so, we have already completed over 150 integrations with local and global partners.

While digitalization and innovation are at the core of our mindset, we keep looking out for the prying eyes of cyber threats. Amid the change in world economic outlook, recession and tech job cut – cyber threats have been mounting to new heights. In the face of this, we have continued to invest in cyber security to maintain a robust and secure organizational ecosystem. Our state-of-the-art Security Operation Center was in place to monitor and detect cyber threats 24/7/365. Mobile device management and data leakage protection has been among the several key security initiatives, to strengthen data security.

In pursuit of superior customer experience and enhanced efficiency, our Operations team is now set for a journey towards "Design for No Ops.". With time, our internal operations have become more agile and efficient. Our core focus has continuously been streamlining existing processes and practices, while challenging the status quo. Over the year, we have improved the existing account, card, loan, remittance, and other processes. Advancing on every opportunity identified, we have made the processes straight through to reduce manual interventions and errors. A proper mix of centralized and decentralized operations had been implemented to pursue and ensure the highest level of customer benefits.

Digital solutions with artificial intelligence capabilities have significantly reduced human interventions in less value-adding activities. Many robotic process automation took place during the year to run processes more efficiently and reduce human efforts.

Uniform and seamless support services were ensured throughout the country, across all branches, sub-branches, ATMs/CDMs and agent banking networks. Our infrastructure development and management service has been working relentlessly to maintain and expand this network.

Bringing transparency in every procurement is the core focus of the procurement team. Every procurement decision had to pass through a rigorous pre-audit check to ensure clarity to all stakeholders. A online bidding system and digital signature solution were implemented as part of that pursuit. Likewise, the team is continuously evolving their processes and practices to offer better transparency.

Looking forward - Are we satisfied yet? The answer is no. While the world is moving forward, we cannot stay behind with the concept of "One Size Fits All". Thus, to facilitate the "Segment of One" approach, we will continue to develop ourselves and further enable the organization to assess customer behaviour and offer tailored products and services as per their needs. In the upcoming days, to maintain excellence in customer service, we will continue to invest in IT infrastructure development, distribution network expansion, customer relationship management, and other relevant areas.

Finally, I humbly thank you for being a part of BRAC Bank. We will continue to focus on sustainable growth aligned with our values and ethics to ensure you the best banking experience.

Thank you,

Sabbir Hossain
DMD and Chief Operating Officer

Leaving No One Behind

Welcoming transgender and persons living with disabilities as coworkers

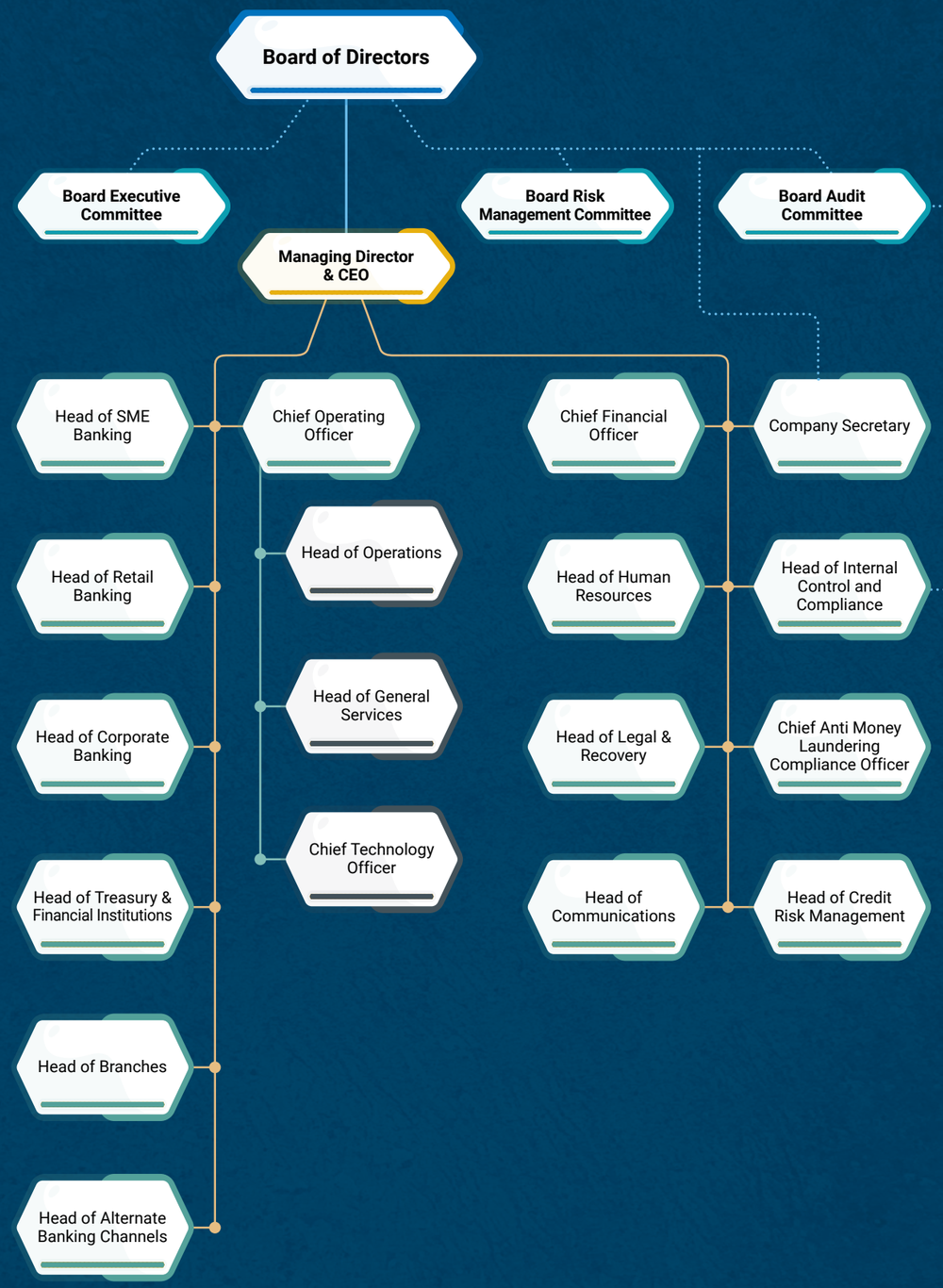
BRAC Bank is committed to promoting diversity and social inclusion by providing job opportunities to transgender individuals and those living with disabilities. The bank firmly believes in the principle of 'leaving no one behind' and acknowledges the unique life journeys that extend beyond conventional gender norms.

Our primary focus is establishing equitable policies and procedures that enable us to provide equal opportunities to all individuals. This initiative aims to create a more inclusive society where people are evaluated based on their skills and potential rather than their gender or specific needs. This endeavour represents a significant step towards building a society that celebrates diversity and promotes social cohesion.

BRAC BANK
আস্থা অবিচল



Corporate Organogram



Management Committee

Standing from left to right

Brig Gen Md. Amin Akbar (Retd.)
Head of General Services - Designate

Nazmur Rahim
Head of Alternate Banking Channels

Brig Gen Tushar Kanti Chakma (Retd.)
Head of General Services

Ekram Kabir
Head of Communications

Akhteruddin Mahmood
Head of Human Resources

M Sarwar Ahmed
Head of Internal Control & Compliance

Muniruzzaman Molla
Head of Operations

Ahmed Rashid Joy
Head of CRM & Acting CRO

Barrister Rasheed Ahmed
Head of Legal & Recovery

Sheikh Mohammad Ashfaque
Head of Branches

Sitting from left to right

Syed Abdul Momen
DMD & Head of SME Banking

Chowdhury Moinul Islam
Deputy Managing Director & CAMLCO

Tareq Refat Ullah Khan
DMD & Head of Corporate Banking

Nurun Nahar Begum
Chief Technology Officer

Selim R. F. Hussain
Managing Director & CEO

M Masud Rana FCA
Deputy Managing Director & CFO

Md. Shaheen Iqbal CFA
DMD & Head of Treasury & FI

Md Sabbir Hossain
Deputy Managing Director & COO

Md. Mahiul Islam
Head of Retail Banking

Senior Officials

In alphabetical order among grades



A. K. M. Tareq
Senior Zonal Head, North



Indrajit Sur
Head of Emerging Corporate



Kayesh Chowdhury
Head of Regional Corporate - Chattogram



Kazi Asaduzzaman
Head of Asset and ROC Operations



Md. Jabedul Alam
Head of Transaction Banking.



Md. Shahin Lasker
Head of Process Re-Engineering



Md. Taher Hasan Al Mamun
Senior Zonal Head, South



Mohammad Abdul Ohab Miah FCA
Financial Controller



Monzur Ul - Mowla
Head of Credit Administration



Najmus Sakeb Jamil
Head of Technology Infrastructure and Systems Management



S.M. Alomgir Hossain
Head of Small Business (Central)



Shah Ibnul
Head of Corporate SAM



Surajit Kumar Mutsuddi
Head of Trade Operations



Swapan Kumar Das
Head of Treasury and FI Operations



A.T.M. Zamal Uddin
Head of Commercial Banking



Abu Sadat Chowdhury
Area Head -1, Dhaka



Abu Sayem Ansari
Head of Premium Banking, Retail



Bidhan Barua
Head of Underwriting, WB, Unit-2



Biplab Kumar Biswas
Head of Small Business (North)



Dewan Shihab Minhaz
Area Head-2, Dhaka



Farhana Sharmin Sumi
Senior HR Business Partner, Retail Banking



Hasnain Mohammad Abid Zaman
Head of SAM-Retail



Imtiaz Ahmed
Head of ADC

Senior Officials

In alphabetical order among grades



Kazi A. B. M. Bashir Ahmed
Head of Governance and Reengineering



Khairuddin Ahmed
Head of Merchant Acquiring



Khaled Al Fesani
Area Head-3, Dhaka



Khan Md. Golam Shahriar
Deputy CAMLCO



Khan Mohammed Istiaque
Head of Relationship Unit 7



Lt. Col. Mahdi Nasrullah Shahir (Retd.)
Head of SAM-SME



Mahbubur Rahman
Head of SME Liability and Cash Management



Md. Abu Taher Mridha
Head of Payments and Transactions



Md. Ariful Islam
Head of Small Credit (South)



Md. Mahboob Ur Rahman
Head of Underwriting, WB, Unit-1



Md. Shah Shakir Neyaj Hasan Tarafder
Head of Organizational Development and Senior Business Partner



Mesbah Uddin Muntassir
Senior HR Business Partner, SME, Legal and Recovery



Mohammad Anamul Hoque
Unit Head, Direct Export



Mohammad Ashiqur Rahman
Head of Retail Underwriting



Mohammad Jakirul Islam
Head of Strategic Alliances, Digital Finance Service and Agri Finance



Mohammad Mahbubur Rahman FCS
Company Secretary



Mohammad Maroof Hossain
Deputy CAMLCO



Mohammad Monirul Islam
Head of Retail Lending



Mohammad Syed Bashir Ali FCA
Head of Regulatory Reporting and Taxation



Mohammed Aminul Hoque Sarwar
Head of Procurement



Muhammad Ali Talukder
Head of Branch Governance and Regional Head



Muntasir Rahman
Head of Application Development and Enterprise Systems



Shahrear Md. Zamil
Head of Remittance and Probashi Banking



Sk. Moinul Hassan
Head of Underwriting, Emerging Corporate

Senior Officials

In alphabetical order among grades



Sk. Sunjur Ahmed
Head of Digital Banking



Taimur Ali
Head of Marketing



Tapati Bose
Head of Account Services



Abdul Gaffar
Cluster Manager, Dhaka South East and Khulna Region



Abhijit Shil
Cluster Manager, Chattogram Region



Abu Naser Mohammad Faysal Haider
Regional Head, Dhaka West Region



Abu Shafique
Unit Head, Trade Development, Transaction Banking



Al Amin Shaikh
Cluster Manager, Dhaka South East and Khulna Region



Anowarul Islam
Head of Credit Inspection and Monitoring



Anwar Sadat
Cluster Manager, Dhaka South East and Khulna Region



Chowdhury Farzad Ali
Head of Relationship Unit 4



Dabasish Bhowmik
Cluster Manager, Dhaka North and Mymensingh Region



Debprasad Chowdhury
Head of Business Planning and Analysis



Fouzia Rahman
Head of Markets, Treasury & FI



Goutam Kumar Sarker
Unit Head, SME Loan Operations



Ishrat Jahan
Head of Cards, Bonds and Custodial Operations



Jamshed Ahmed Chowdhury
Regional Head, Chattogram Region



Joarder Tanvir Faisal
Head of Cards



Kazi Reshad Mahboob
Head of Customer Centricity



Khondker Emdadul Haq
Head of Government Relations



Mahfuz Nawaz Khan
Head of Administration



Md Tanimul Haque
Head of Assurance, Training and Awareness



Md. Abdul Wahed
Unit Head, Retail Loan Operations



Md. Abu Zaher
Head of Call Center

Senior Officials

In alphabetical order among grades



Md. Arifuzzaman
Cluster Manager, Dhaka Central and Narayanganj Region



Md. Borhan Uddin
Cluster Manager, Dhaka South West and Barishal Region



Md. Hafizur Rahman
Head of SAM, Small Business-East



Md. Mahabubul Farook Khan
Head of Retail Sales, Unit-03



Md. Moinul Ahsan
Head of Retail Sales, Unit-01



Md. Oliure Rahman Ripon
Head of Retail Sales, Unit-05



Md. Rafiqul Islam
Unit Head, Emerging Small Business-Unit 2



Md. Rashidul Hassan
Cluster Manager, Dhaka South West and Barishal Region



Md. Rezaur Rahman
Regional Head, Sylhet Region



Md. Sadekur Rahman
Head of Relationship Unit-10



Md. Shafiqul Islam
Head of Monitoring



Md. Shahariar Kamal
Senior Manager, Underwriting, Wholesale Banking, Unit-2



Md. Zakir Hossain Haider
Head of Alternate Delivery Channels



Mehruba Reza
Head of Tara and Agami



Mesbah Uddin Ahmed
Head of Relationship Unit 3



Mohammad Abdul Malek
Unit Head, Emerging Small Business, Unit-4



Mohammad Arif Chowdhury
Unit Head, Transaction Banking



Mohammad Mahbubur Rahman Khan
Senior HR Business Partner, Distribution Network and ABC



Mohammad Rubait Tauhid Siddique
Human Resources Chief Operations Officer



Mohammed Abdul Aziz
Head of Small Credit (North)



Mohammed Monir Hossain
Regional Head of SME Banking, Central



Mohammed Shohel Ahmed
Unit Head, Emerging Small Business-Unit 3



Mohd. Mahabubur Rashid
Unit Head, Public Sector, TB



Moin Hassan
Head of Relationship, Unit-1

Senior Officials

In alphabetical order among grades



Muhammad Tunvir Rahman
Regional Head, Dhaka North and Mymensingh Region



Muhammed Rishad Hossain
Head of Talent Acquisition and Employer Branding



Nakib Zaman
Regional Head, Dhaka South West and Barishal Region



Noman Nasir
Head of FI Relationships, Treasury & FI Advisory



S. M. Soeb
Unit Head, Deemed Export



Sabrina Faruk
Head of AML Trade and Business



Saiful Alom
Cluster Manager, Sylhet Region



Shah Mohammad Emdadul Haque
Regional Head, Dhaka South East and Khulna Region



Shankar Kumer Das
Unit Head, Credit-Emerging Business



Sheikh Mohammad Zulfiqer Amin
Head of Compliance



Sheikh Nabidur Rahman
Cluster Manager, Dhaka West Region



Sk. Shuvo Rahman
Head of Central Operations



Syed Niaz Ahmed
Senior Relationship Manager, Relationship, Unit-2



Syeda Mahzabeen
Cluster Manager, Dhaka South East and Khulna Region



Tanjina Anis
Head of Digital Business and Payments



Tapos Kumar Roy
Head of MFI and Agriculture Finance



Titas Roy
Head of Corporate Documentation and Custodian



Tofazzul Hossain
Regional Head of SME Banking, Central



Touhid Sarwar
Head of Relationship, Unit-5



Uttam Adhikari
Head of Core Banking Application



Wahid- Bin- Ahmed
Unit Head, Credit-Emerging Corporate



Yusuf Zaman Khan
Cluster Manager, Dhaka North and Mymensingh Region



Zahedul Matin
Cluster Manager, Dhaka West Region

AWARDS in 2022

Our Prestigious Accolades

2022 has been a stellar year for BRAC Bank, with the bank winning a number of local and international awards. The laurels reflect presence of strong governance, reputation and pursuit for excellence in the bank. The achievements gave BRAC Bank Family an occasion to celebrate and share the glory with its valued customers, shareholders and its people. The awards have been conferred for outstanding caliber in corporate governance, financial reporting, operational excellence, digital transformation, and sustainability. Some of the prestigious accolades bestowed upon us in 2022 have been mentioned below.

Joint Gold Award
Joint Silver Award
South Asian Federation of Accountants (SAFA)

Gold Award
ICMAB Best Corporate Award 2021

Excellence in POS Acquiring Business
Excellence in E-commerce Issuing Business
VISA

Excellence in Consumer Credit Cards Business
Excellence in Commercial Cards Business
VISA

Excellence in POS Acquiring Business
Mastercard Business Growth
Mastercard

Credit Business (Domestic)
Credit Business (International)
Mastercard

Top 5 Income Tax Payers FY 2021-22
National Board of Revenue

Recognition as one of the top-10 Sustainable Banks 2021
Bangladesh Bank

Best Transaction Bank in Bangladesh
Best Cash Management Bank in Bangladesh
Asian Banker Transaction Finance Award 2022

Data Champion Award 2022
Financial Alliance for Women

Sustainable Bank of the Year
Best Use of CSR Practices during Pandemic
South Asian Business Excellence Awards 2022

Best Internet Banking Service Provider
Best Use of IT & Technology
South Asian Business Excellence Awards 2022

Best use of Mobile Technology
South Asian Business Excellence Awards 2022

Global FinTech Innovation Award
IBS Intelligence

First Runner Up
ICAB Best Presented Annual Reports 2021

Key Event Highlights



▲ *BRAC Bank introduced a new distribution channel -- Sub-Branch -- to take best-in-class banking services to customers' doorsteps across the country.*



▲ *BRAC Bank achieved a milestone of serving 10 lakh SME customers and disbursing SME loans worth BDT 1 lakh crore in 21 years of its operations.*



▲ *BRAC Bank launched bKash QR integration for Astha App users which provide convenience and smart banking experience to the app users.*



▲ *BRAC Bank organized a subscription closure ceremony for its first ever Affordable Housing Bond subscribed by International Finance Corporation (IFC).*



▲ *BRAC Bank and BRAC University joined hands to launch a comprehensive Entrepreneur Accelerator Programme - 'Uddokta 101' - aimed at helping aspiring women entrepreneurs become successful in business.*



▲ *BRAC Bank extended financing facilities to up-and-coming entrepreneurs who have been given extensive training under the Skills for Employment Investment Program (SEIP).*



▲ *Bangladesh Bank and BRAC Bank signed an agreement to provide refinancing facilities to the cottage, micro, small and medium enterprises (CMSMEs) under Covid-19 Stimulus Package to help small businesses recover from the impact of the pandemic.*



▲ *Bangladesh Bank and BRAC Bank signed an agreement to provide refinancing facilities to the cottage, micro and small enterprises (CMSEs) run by returnee migrant workers, unemployed youth, and rural entrepreneurs and women business owners.*



▲ *Bangladesh Bank and BRAC Bank signed an agreement to provide loan under refinancing facilities for the cottage, micro, small and medium enterprises (CMSMEs).*



▲ *Bangladesh Bank recognized BRAC Bank for its outstanding role in successful and timely disbursement of agriculture refinancing credit under Covid-19 Stimulus Package.*



▲ *The National Board of Revenue (NBR) recognized BRAC Bank as one of the top five income taxpayers in Bangladesh under the Large Taxpayers Unit (LTU) in fiscal year (FY) 2021-22.*



▲ *Bangladesh Bank recognized BRAC Bank as one of the top 10 sustainable banks in Bangladesh of the year 2021 and 2020.*

Key Event Highlights



▲ *Bangladesh Institute of Bank Management (BIBM) and Germen Development Agency (GIZ) have honoured BRAC Bank for its outstanding works in sustainable banking in 2021.*



▲ *BRAC Bank won 'Gold Award' in "ICMAB Best Corporate Award 2021" for six years in a row.*



▲ *BRAC Bank won the prestigious 'The Asian Banker Transaction Finance Award 2022' in two categories: 'The Best Transaction Bank' and 'The Best Cash Management Bank' in Bangladesh.*



▲ *BRAC Bank and Nucleus Software jointly won IBS Intelligence Global FinTech Innovation Awards for deployment of Supply Chain Finance solution for SMEs.*



▲ *BRAC Bank signed a partnership agreement with BRAC University to provide preferential benefits of Agami, a complete range of student banking services.*



▲ *BRAC Bank and Department of Marketing, University of Dhaka conducted the Graduation Ceremony of Bangladesh's first-ever entrepreneur accelerator programme in the banking sector titled 'Uddokta 101'.*



▲ *BRAC Bank organized special training programme for the potential entrepreneurs in cottage, micro, small and medium enterprises (CMSMEs) sector under Skills for Employment Investment Programme (SEIP) Project of Bangladesh Bank*



▲ *BRAC Bank and SME Foundation jointly conducted a comprehensive entrepreneurship development training programme for women entrepreneurs in six districts.*



▲ *BRAC Bank in partnership with Bangladesh Bank conducted a month-long training programme to groom new and promising entrepreneurs of the Chattogram Hill Tracts region under the Skills for Employment Investment Programme (SEIP).*



▲ *BRAC Bank and BRAC Skills Development Program (SDP) joined hands to create employment opportunities for the youth of the country.*



▲ *BRAC Bank Limited signed a MoU with BRAC EPL Stock Brokerage Limited (BESBL) and BRAC EPL Investments Limited (BEIL) for technological integration, cross-selling of products and development of new products.*



▲ *BRAC Bank has organized Agent Banking Conference of its Sylhet Region.*

OUR STRATEGY TO CREATE VALUE



Overall Strategic Objectives

BRAC Bank benefits tremendously from its uncompromising governance structure, revered Board, and seasoned management. This is reflected in its consistent business growth and high market ratings by global agencies. Furthermore, its leadership role in global platforms like the GABV and its genuine commitment to increasingly important practices such as ESG sets it apart from the pack.

The bank embraces the '3P' philosophy of fostering a developmental imprint on people and planet in its pursuit of profit. This comprises the heart of the bank's responsible stewardship model as it pursues its 8 major strategic objectives.

Help Customers Prosper

BRAC Bank is a not merely a place of transaction, it is a place where potential is realized. In the last two decades, it has fulfilled entrepreneurial dreams of million of grassroots business owners. As a reliable partner of progress, the bank stands by the customers catering to their evolving needs with customized solutions. As the journey continues, the bank remains strongly committed to help the customers proper in their pursuit towards growth and progress.

Strong Focus on SME

The bank will continue to retain its SME portfolio around 50% of its total portfolio reiterating its strong commitment to the easy access to finance to the unbanked missing middle.

Doubling the Business in 4 Years

BRAC Bank wants to be more impactful in the society through its business coverage and size of portfolio. As a part of this strategy, in 2021 the management planned to double its business by 2025. During 2022 the bank achieved a remarkable 25% growth in balance sheet aligned with this strategy. The growth pace will continue in the upcoming years as well.

Multi-channel 'phygital'

Taking stock of socio-economic condition, state of technological infrastructure and different customer segments, it is so important to choose the right balance between physical branches and digital services, which is popularly coined as 'phygital' to reach to people of strata of society and become successful in Bangladesh. While it continues to serve through branches, agent banking outlets, SME unit offices, it plans to upgrade and expand the horizon of digital banking services to reach out to the people of all veins of the society.

Digital Transformation

BRAC Bank has embarked on a digital transformation journey to roll out new technology aiming at ensuring the best-in-class services to our customers. We have already deployed core banking system, card management system, mobile banking app 'Astha', internet banking for corporate customers - CorpNet, call center to provide comfort, delight and convenience in customer experience. A number of technology projects centering core infrastructure, data analytics and resource optimization are in different stages of completion.

Financial Inclusion

The very idea of establishing BRAC Bank was to take banking services to the unbanked people at the nook and corner of the country. It's pioneering small-ticket SME loan that too without any collateral helped grow millions of grassroots entrepreneurship and contribute greatly to employment generation. The bank is also rapidly expanding its agent banking network to take banking to the rural and semi-urban localities. The bank's pursuit for bringing the unbanked in the mainstream financial system will continue be a top agenda for the bank as it is committed for financial inclusion.

Corporate governance

Good governance, transparency, ethics and compliance are the pillars of the bank's business model. This governance culture leads to the highest market capitalization and the highest international investor shareholding in the local banking sector, a unique achievement in the context of Bangladesh. International credit rating agencies – S&P and Moody's have also affirmed the bank's financial stability and good governance.

Customer Centricity

Customer centricity lies at the heart of the bank's product design. The team continuously thinks at the perspective of the customers to align product propositions aiming to meet the evolving needs of the customers.

The bank is determined to go to the next level in terms of market share, while continuing to progress the financial inclusion and values-based development agenda of our founding Chairperson.

Our Value Creating Business Model

KEY INPUTS → KEY OUTPUTS

CAPITAL INPUTS

Human

- 7,863 full time employees (FTEs)
- Women in workforce: 14%
- 223,243 total training hours (224 training programs)
- People-centric culture

Financial

- BDT 58,391 Mn shareholders' funds
- BDT 384,467 Mn deposits
- BDT 85,621 Mn external borrowings

Intellectual

- Over 21 years of banking expertise
- Valuable homegrown brand
- Strong tech platforms
- Collaboration with FinTechs

Infrastructure

- Key Customer Touch Points: 187 branches nationwide
- 457 SME unit offices
- 1,000 agent banking outlets with all 64 districts covered
- ATMs, RCDMs and CRMs
- Digital banking ecosystem: Astha, Supply chain financing, Subidha, CorpNet
- Corporate office and other locations
- Data centres

Natural

- Natural resources consumed – electricity, fuel, land, water, paper, etc.
- ESG screening of portfolio

Social and Relationship

- More than 188 Mn invested in CSR
- Partnership with government for contributing to nation's interests
- Contributions during national/natural disasters

OUR BUSINESS

Business Activities

- **SME banking**
- **Corporate banking**
- **Retail banking**
- **Treasury management**
- **Financial Intermediation**
- **Custodial Services**
- **Non-funded services**
- **Other banking services**

Key Matters

- Geopolitical & economic trends
- Technology & digital transformation
- Customer satisfaction
- Governance, compliance & conduct
- Ethical and transparent business practices
- Leadership, talent development and retention
- Environmental, Social & Governance (ESG) factors
- Employee health and safety, wellness, workplace diversity and inclusion
- Anti-corruption, anti-money laundering
- Women empowerment

Our Strategy

- Investing in key growth areas, including technology, marketing and Infrastructure
- Delivering innovative market-leading client experiences in all our segments
- Delivering holistic customer value proposition leveraging a collaborative culture and partnerships
- Ramping Up the Next Wave of Digital Initiatives
- Future-Proofing the Workforce
- Integrating Environmental, Social and Governance (ESG) into Our Business
- Stewarding high-impact programs that enable grassroots upliftment

Key Risks

- **Credit**
- **Market**
- **Operational**
- **Liquidity**
- **Cyber**

OUTCOMES CREATED FOR STAKEHOLDERS

Human

- 1,246 new FTE recruitments
- 25% growth in female employment
- 05 transgender working in mainstream roles
- 30,988 training participants, 19 average man hour
- 72 females in senior management roles

Financial

- Revenues: BDT 26,571 Mn
- Operating profit: BDT 8,939 Mn
- Net profit: BDT 5,763 Mn
- Return on assets: 1.14%
- Return on equity: 10.22%
- Dividend: 15% (proposed)

Intellectual

International awards & recognition received:

- Gold - SAFA best presented annual report
- Global FinTech Innovation Award by IBS Intelligence
- Gold - ICMAB best corporate award
- Recognition as one of the top-10 Sustainable Banks 2021 by Bangladesh Bank
- Awards from Visa Mastercard

Infrastructure

- More than 1.4 Mn business customers
- 3.9 million - total no. of transactions through agent banking channel
- 50+ Features launched in Astha digital banking app
- 8k plus - loan processed through automated Loan System
- Supply Chain Financing Solution launched as new business channel for SME
- Document management system reduced turn-around-time, enhanced customer experience

Natural

- Reduced the fuel expenses by 17% and electricity expenses by 23% from the budget
- Minimisation of carbon emissions through virtual interactions

Social and Relationship

- BDT 100 Mn in Prime Ministers Relief Fund for flood effected people
- Donated 75,000 pieces of blankets to PM Relief Fund

Our Value Creation Framework

At BRAC Bank, we are focused on creating value for all our stakeholders. This is the primary reason for our existence and the basis of our business.

BRAC Bank's value creation foundations	Value creation drives
Governance and risk management	▪ Regulatory compliance ▪ Corporate governance ▪ Credit risk management ▪ Operational risk management ▪ Internal control ▪ Risk audit
Advancing technological infrastructure	▪ World-class core banking software (CBS) ▪ Data-driven decision-making system ▪ Process automation ▪ Best-in-class security standards ▪ Technology audits
World-class human resource practices	▪ Workforce planning ▪ Fair recruitment policies ▪ Employee training and development ▪ Transparent performance appraisal ▪ Strong rewards and recognition policies ▪ Career advancement opportunities ▪ Best-in-class compensation standards
Robust financial reporting standards	▪ Adoption of international accounting standards adhering to IFRSs ▪ Financial reporting following all regulatory guidelines ▪ MIS for improved decision-making
Extensive market strategy and product planning	▪ Customer need surveys and segmentation ▪ Design and development of products and services ▪ Development of key processes
Robust marketing and sales infrastructure	▪ Strong frontline sales force ▪ Marketing and communications ▪ Distribution network set-up ▪ Customer service and complaint management

End-to-end deposit management framework	▪ Expanded deposit origination/sourcing
	▪ Focus on lower-cost CASA
	▪ Diversified borrowings:
	  ▪ Short-term
	  ▪ Long-term

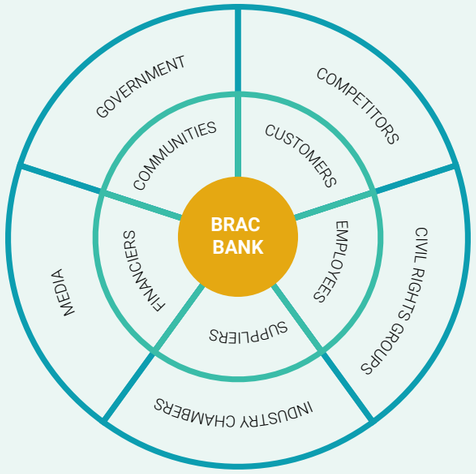
Robust asset management practices	▪ Stringent asset quality selection criteria ▪ Comprehensive suite of loan products ▪ Wide range of deposit products ▪ Quick loan TAT for eligible borrowers ▪ Strong collections efficiency ▪ Ongoing monitoring

Our stakeholder-centric value creation focus

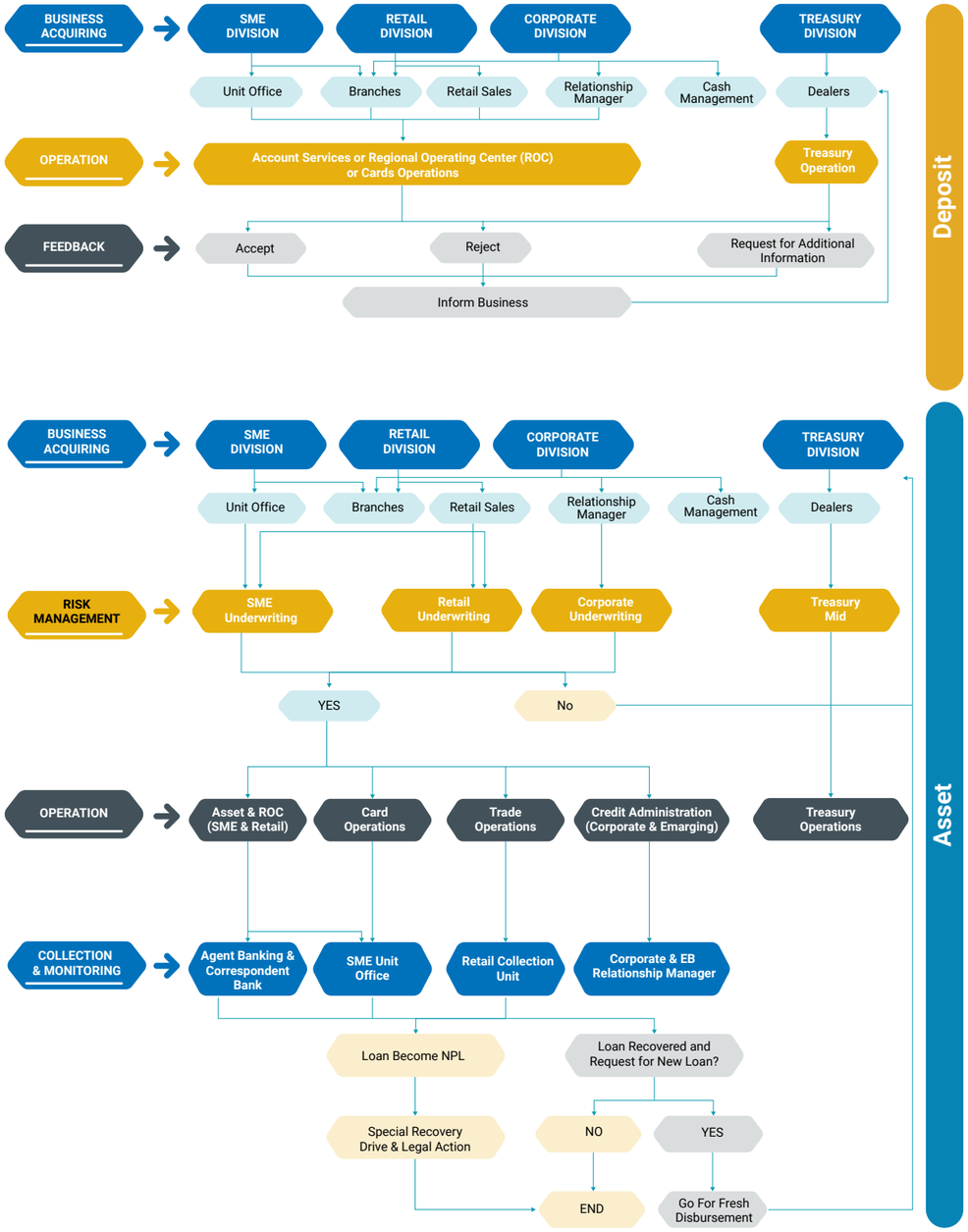
At BRAC Bank, we are focused on meeting the needs and expectations of all our stakeholders and furthering our sustainable value creation journey for all. Our value creation agenda is rooted in creating an enduring impact on all those associated with the bank.

The following infographic describes the broader value we foster amongst our diverse stakeholders.

- Upholding public trust as custodians of their financial welfare and wellbeing
- Empowering customers to enable them to make better financial choices and achieve their life and lifestyle goals
- Improving digital literacy and safety through our ongoing awareness sessions, as well as ensuring seamless digital access to our products and services
- Supporting employment creation across through our scale and presence
- Embracing ESG principles to ensure a stable and holistic socio-financial impact
- Extending positive support to vulnerable and underprivileged households through high-impact citizenship programs
- Fulfilling our role as a partner in nation-building through honouring all our regulatory requirements, including contribution to the state purse
- Supporting small businesses and suppliers through our procurement division, with one of the largest procurement budgets in the country's banking sector
- Fostering information disclosure transparency with the media and industry bodies
- Upholding the expectations of civil rights groups and others through human rights and fair labour practices



Work Flow of BRAC Bank



Stakeholders Engagement

As a values-based financial services provider, BRAC Bank is deeply connected to its environment. We create and protect value for our stakeholders by understanding their needs, interests and expectations. We take into account the feedback we receive from various stakeholder engagement platforms to better serve their needs.

CUSTOMERS

Why are they important?

Customers are at the heart of our business activities. They provide critical support to the bank by purchasing our products and services, which in turn enable us to achieve our strategic goals.

What are their key expectations?

- Safe and convenient access (channel of choice), increasingly through digital channels
- Seamless customer experience
- Products cater to evolving needs
- Financial inclusion and literacy
- Data security
- Value-for-money banking that is competitive and transparent in pricing

Engagement Platforms

- Astha digital app and other digital and online solutions for retail customers
- CORPnet banking platform for corporate customers
- Numerous customer touch points, including branches and alternate delivery channels
- Contact centres
- Corporate website
- Media campaigns/advertisements
- Social media

Our Approach

- Invest in digital platforms and solutions
- Deliver financial opportunities for different customer segments according to their financial needs and motivation
- Continuously enhance cybersecurity measures
- Digital innovation for easy anytime-anywhere access
- New product development
- Improvement of efficiency and service quality
- Expand geographical coverage area

EMPLOYEE

Why are they important?

The fulfilment of our strategic objective depends heavily on the commitment and efficiency of our personnel. Thus, we must foster an environment that attracts, cultivates, and retains the best talent.

What are their key expectations?

- A safe and healthy work environment, supported by flexible work practices
- Fair remuneration, effective performance management and recognition
- Career development and advancement opportunities
- Job security and career fulfillment
- Healthy work-life integration
- An empowering and enabling environment that embraces diversity and inclusivity

Engagement Platforms

- Training and professional development
- One-to-one interactions
- Townhalls
- Team building events (off-premises)

Our Approach

- Build ownership by motivating and engaging employees within the business
- Friendly HR practices
- Strong career development pathways
- Strengthen governance on employee well-being

SUPPLIER

Why are they important?

The execution of our strategy is contingent on the vital products and services procured from our dependable supply chain partners. Good supplier ties assist in maximising the value of our business.

What are their key expectations?

- Ethical procurement, guidance and effective communication
- Timely settlements

Engagement Platforms

- Business meetings
- Onboarding procurement process
- Performance evaluation
- Adhoc engagements

Our Approach

- Proper implementation of purchase orders
- Procurement policy vetted by Deloitte, ensuring strong controls and fair treatment
- Maintain fair engagement for all suppliers
- Streamlined payment processes
- Supplier development and extensive support initiatives
- Regular due diligence

SHAREHOLDERS & INVESTORS

Why are they important?

A company with competent management, a solid financial position, and ethical business practises will entice the investment community to become its owners, which will result in a strong valuation of the company as measured by its stock price.

What are their key expectations?

- Share price appreciation and an attractive dividend stream
- Sustainable growth in earnings and NAV, financial returns, with ROE exceeding COE
- Attractive and sustainable growth strategy
- Sound balance sheet to protect against downside risk
- Strong, experienced and transparent management
- Compliance with regulatory/legal requirements
- Transparent reporting and disclosure

Engagement Platforms

- Annual General Meeting
- Dissemination of briefing materials - Investor presentations, financial statements
- Media briefings/media releases on significant events
- Announcements to stock exchanges
- BRAC Bank corporate website and dedicated investor relations (IR) mailbox

Our Approach

- Long term business strategy focused on wealth maximization and shareholder value creation
- Standard and sustainable dividend policy
- Active engagement with shareholders and the investment community
- Timely disclosures on financial results, asset quality and material events
- Strong governance and compliance culture

GOVERNMENT & REGULATORS

Why are they important?

Regulatory bodies and government agencies determine the scope and boundary of our operations. In addition, considering the global and macroeconomic environment, they continuously guide us to prioritise operation for achieving broader economic goal and overcoming economic crisis. In return, we contribute to socio-economic growth and financial stability through policy support.

What are their key expectations?

- Responsible banking practices
- Compliance with all legal and regulatory requirements
- Good corporate governance and business ethics
- Socio-economic growth

Engagement Platforms

- Regular meetings and update sessions
- Directives and circulars
- Trainings, seminars and workshops
- Feedback to regulators' information requirements

Our Approach

- Timely and accurate reporting
- Active participation in implementing government policies
- Strong internal controls and corporate governance mechanism
- Consistent exchequer contribution
- Contribute to various development programs

COMMUNITY

Why are they important?

Being a bank founded on moral principles, we have an ethical obligation to help community organisations and the society in which we operate. Our sustainable business objectives include socially responsible funding and strong connections to the local community.

What are their key expectations?

- Support under-developed communities
- Contribute to grassroots development
- Partnering on common social and environmental issues
- Environmental preservation

Engagement Platforms

- Community projects
- Employee volunteerism
- Credit proposal analysis/vetting
- Customer site visits
- Contributions to relief, zakat and other funds
- CSR initiatives

Our Approach

- Invest in CSR programmes
- Financing of sustainable development to meet the SDGs
- Reducing our impact on the environment.
- Green finance and finance-linked to sustainability
- Finance responsibly
- Minimise carbon footprint

BUSINESS PARTNERS

Why are they important?

Strategic partnerships help us accomplish our goals and objectives by providing crucial skills and expertise. To be better equipped to manage the business successfully and efficiently, we must work together with our partners.

What are their key expectations?

- Ethical business practices
- Strong financial performance

Engagement Platforms

- Meetings, Knowledge Sharing Sessions and Webinars
- Seminars/Workshops

Our Approach

- Maintain good governance of partnerships
- Ensure mutual benefits for all parties

Our Six Capitals

FINANCIAL CAPITAL

The badge of the Bank's financial performance has been consistent growth across all key metrics, which has helped consolidate its leadership position. Its Balance Sheet continues to be healthy and strong which is evident by a growth of 25% in the current year.

Our strong balance sheet position, sustained cash flow growth and consistent shareholder returns speak of our disciplined approach towards raising, lending and managing our financial capital, which is primarily composed of customer deposits, shareholders' equity, retained earnings and external borrowings.

Sustaining all-round fiscal performance despite macroeconomic indicators are gloomy

The bank has maintained its position of strength and delivered consistent growth across most of its key financial parameters. Despite the challenges induced by the macroeconomic indicators, we continued to deliver hefty growth in net earnings, with our profit after tax expanding by 3.90% in 2022. Further, the continuous monitoring of costs and building of operational efficiencies has resulted in only a marginal increase of 5% in the cost to income ratio to 58% over the previous year.

The bank's resiliency is an important indicator of our credit risk evaluation and management progress. Our key strength continues to be maintaining one of the lowest levels of non-performing assets (NPAs) in the country's banking industry, which stood at 3.72% during the year.

BDT 563,239 Mn
Total balance sheet size

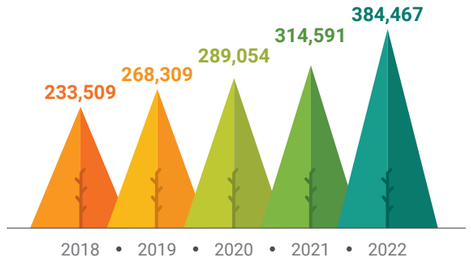
BDT 58,391 Mn
Total shareholders' equity

BDT 26,571 Mn
Operating income

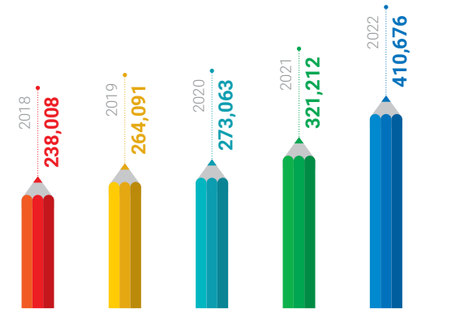
BDT 5,763 Mn
Net Profit after tax

BDT in Million

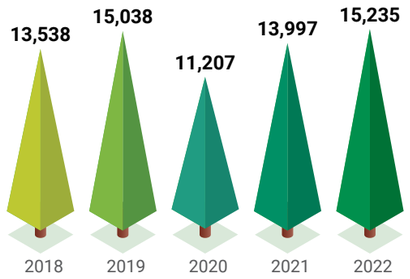
Deposit and other accounts



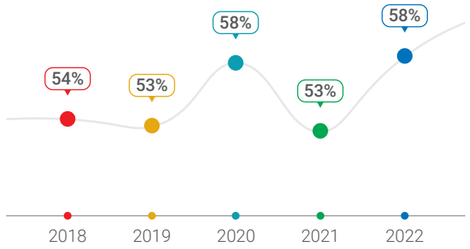
Loans and advances



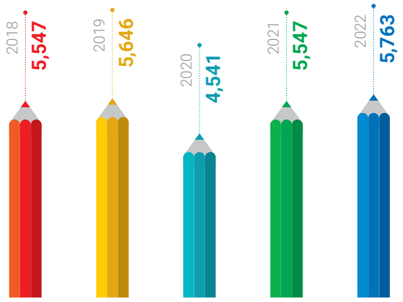
Net interest income



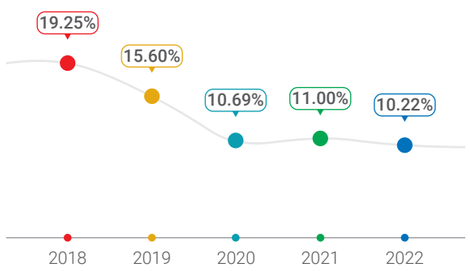
Cost to income ratio



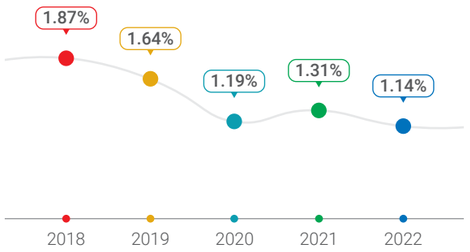
Net profit after tax



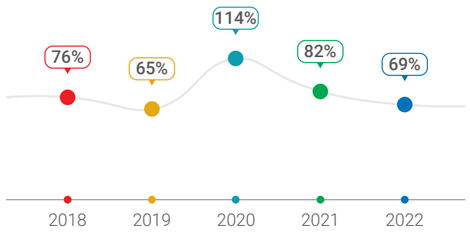
Return on equity



Return on assets



NPL coverage ratio (excl. GP)



Maintaining financial stability

Asset growth: The bank's total assets rose by 25% to BDT 563,239 Mn in 2022, driven by loan and investments growth and enhanced liquidity position, with the bank seeking to build-up its liquidity buffers. However, this stance mostly reversed in the last quarter of the year as the bank focused on building back its loan book, thus deploying liquidity into its core business.

Asset quality: Credit quality deteriorated was a factor witnessed across the broader industry environment in 2022, with continued pressure of the gloomy macroeconomic indicators and lifting-off forbearance.

Yet, at BRAC Bank, our NPL ratio decreased only slightly to 3.72% in 2022 from 3.90% in the previous year, reflects bank's strength over non-performing asset management.

Capital and funding

- The bank's funding profile is dominated by deposits, with a share of 68% of total deposits as at end December 2022
- Borrowings accounted for 15% of the bank's funding profile during the year
- Strong profit retention during the year resulted in the bank's equity base increasing by 7% to BDT 58,391 Mn. Further, the bank's total capital ratio reached to 14.04%, comfortably above the regulatory requirement of 12.5%.

Shareholder return

Earnings per share (EPS) increased by 3.90% to BDT 3.85, reflecting the bank's improved profitability, while net asset value per share also expanded by 7% to BDT 39.02, with the bank continuing to record sound balance sheet growth. Considering this, the Board of Directors have declared a 15% dividend for the year 2022, split equally between cash and stock.

Way Forward

- Diversification of loan portfolio
- Improving portfolio quality
- Deepening transactional banking footprint
- Accelerating increased contribution from fee-based income

INFRASTRUCTURE CAPITAL

BRAC Bank has a distribution network spanning the length and breadth of Bangladesh. Our presence across the country, not only enables us to serve customers better, but also facilitates active participation in the Nation's inclusive development agenda. The Bank's overseas branches and representative offices help us serve NRI customers.

Upholding a convenient and user-friendly omni-channel network

Infrastructure capital – Our workplace premises, including branches and other outlets that enable day-to-day business conduct.

Infrastructure excellence is a key pillar of the bank's strategic agenda and will play an increasingly important role in its transformation over the next few years.

At BRAC Bank, it is critical that we offer the choice to our customers in terms of accessing the bank the way they want to. Thus, we foster a "phygital" omni-channel network that comprises both branch-based physical banking as well as digital-based virtual banking.

Thus, our physical infrastructure comprises of our branches, sub-branches, SME unit offices, agent banking network and a wide number of ATMs and CDMs located across the country. These premises enable physical interactions and is crucial for us to maintain this network, also to ensure continued public and customer visibility.

With regards to digital banking, the bank has been better able to embrace and adapt to new technologies in a customer-centric manner, thus driving enhanced customer experiences and hence sharpening the competitive edge. Advanced digital capabilities have also paved the way for increased agility and efficiency of processes, reducing the cost to serve customers and enabling better optimization of resources.

HUMAN CAPITAL

At BRAC Bank, our culture and people are key enablers to continue creating value for our stakeholders. Their collective knowledge, diverse skill sets and deep experience constitute our human capital. Our people enable us to stay agile, adapt to changing times, innovate and deliver competitive solutions.

Transforming our people to be future ready

Our people represent our true value creators that enable us to attain our goals and objectives.

At BRAC Bank, talent attraction, acquisition, development and retention are mainstream HR activities that ensures the availability of quality human resources and also their level of engagement for value creation.

Our employee value proposition is all about making work enjoyable and rewarding, and the alignment between this proposition and the experience of our employees, together with a fair, equitable, meritocratic and diverse culture, has created a unique employer

brand for BRAC Bank, which helps us attract, retain and engage talent in our value creation process.

Our talent management strategy goes beyond training and development. In fact, we highlight the importance of individual transformation so that our people can keep up with the ongoing changes in the environment, especially in the realm of digital banking. This agenda is the focus of all of our HR activities. We also have a dedicated team of HR experts who ensures employee transformation across the bank.

Employee engagement is a key performance indicator to assess the level of employee engagement for value creation. It reflects employee alignment to our vision and purpose. During the year under review, the employee engagement was elevated, especially on account of reactivation of remote working during the second wave of the pandemic.

At the bank, we are also developing management systems that harness integrated thinking. Harnessing well-rounded individuals is routed though the management systems, including quality, environment, social accountability and performance management system. Indeed, management systems provide a systematic approach for managing what is material for value creation to the business unit-level managers.

It is true that changing business needs and volatility in the environment require constant streamlining of HR processes and practices. Together with the digital transformation, BRAC Bank is also automating HR practices and improving the availability and quality of HR insights. This is in line with the bank's focus on streamlining employee policies through a comprehensive assessment of on-job positions and also incentive payment schemes.

INTELLECTUAL CAPITAL

BRAC Bank has always been at the vanguard of innovation in the Bangladeshi financial services industry. Our Digital and Enterprise Factory along with our hybrid cloud strategy enables us to serve our customers and other stakeholders efficiently. The knowledge and expertise incorporated within our systems, processes and procedures and the equity built in the BRAC Bank brand, constitute our intellectual capital.

Intellectual capital includes the bank's IT infrastructure and digital assets that facilitate us to fulfill our customer and operational objectives.

The bank's Intellectual Capital is a key source of competitive edge and determines its capacity for innovation, resilience and agility and commercial and social viability. Brand value is strengthened through branding initiatives to targeted segments, while organizational capital is built internally through a culture of sharing, learning and empowerment.

Digitization: Staying ahead with smart banking

The bank's successful transformation over the last few years, coupled with targeted penetration of the Retail and SME segments and targeted customer engagement activities has enabled the bank to drive increased brand visibility and strengthen its brand value.

Over 280,000

People using digital channels

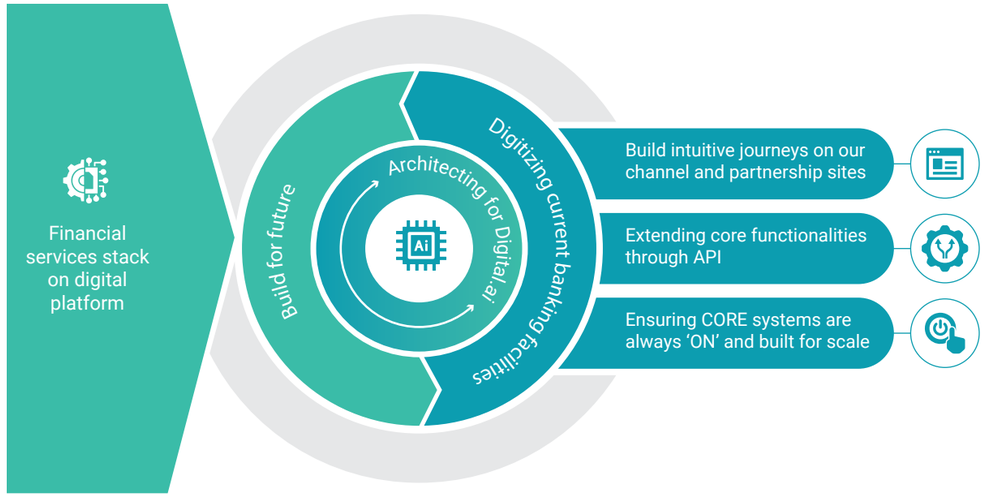
Over 356,000

Followers on Facebook

Over 152,000

Followers on LinkedIn

At the bank, our digitization initiatives are founded on our mission to emerge as a preferred bank with a "neo" customer experience, while also driving operational efficiencies, process optimization and productivity enhancements.



In our continuous desire for excellence, we observed the launch of #1 trending mobile and internet banking application, Astha. Hence, emerging as the most connected bank in the country with a large ecosystem of digital assets, Astha has given us yet another edge to reach more customers in a convenient and cost-effective manner. Further, our homegrown corporate internet banking solution, CORPNet, is also evidence of our focus on providing seamless end-to-end digital tools to our corporate banking clients.

Digitizing customer journeys

We strive to transform customer service by offering our potential and existing customers intuitive, zero-touch, paperless journeys. Integration of new-age technology and analytics in our processes, applications and APIs, enables us to offer differentiated experiences to our customers. Our aim is to extend end-to-end banking assistance throughout the transaction ecosystem for our customers.

Reimagining customer journeys and experiences

Digital factory

- Reimagining 'un-bank-like' customer experience
- Build secure and scalable platforms
- Using new age cloud native open-source technologies, micro services enabled

Enterprise factory

- Building enterprise tech capabilities to support digital factory
- Decoupling core systems into micro services-based business logic
- Moving from monolith to 'loosely coupled systems', micro services architecture

Enterprise IT

- Enhancing the core to sustain growth
- Ensuring that core technologies are 'always ON', building stack resiliency
- Modernizing legacy platforms

Way Forward

Our brand building strategy focuses on customer journeys, with digital as a key transformation tool. We will also leverage the learnings obtained from the bank's organization-wide operational efficiency and effectiveness improvement programmes to achieve further improvements in efficiency and cost rationalization.

NATURAL CAPITAL

Precious natural resources that we seek to conserve, including our climate action plans, help our business foster greater societal responsibility. As a service organization, the bank's environmental impact are limited; however, we see significant opportunities in driving environmental consciousness and propagating sustainable business practices through responsible lending.

Our three-pronged environmental response

- Our initiatives to reduce emissions
- Positive environmental impact through community initiatives
- Responsible Financing

Initiatives to reduce ESG risks

Our internal initiatives to reduce our climate change and ESG risks



Going paperless via digital banking initiatives

Reduction in paper usage and emissions footprint through:

- Implementation of digital banking initiatives, like mobile banking, net banking and ATM banking
- Introduction of several digital products and services, even in remote rural/semi urban markets
- Investment in R&D in innovative digital products

Green building

- Use of environment-friendly equipment to improve energy efficiency
- Leadership in Energy and Environmental Design (LEED)-certified green industry
- Implementing elevator and equipment scheduling to reduce energy consumption

Managing our carbon emissions

- Stated intent to become carbon neutral by 2023
- Mitigating our carbon footprint through digital transformation and sustainable financing.
- Working with PCAF to calculate the carbon footprint of the bank's entire loan portfolio

Use of renewable energy

- Increasing share of renewable energy in our total power consumption
- Installing solar plants in SME unit offices
- Installing solar panels in our upcoming office buildings, wherever feasible

Responsible financing

BRAC Bank have a substantial portfolio under green and socially responsible financing and we aim to double our portfolio over the next 5 years.

BDT 50,674 Mn
Green finance disbursement (FY 2022)

BDT 46,494 Mn
Green finance disbursement (FY 2021)

Way Forward

- Continue to focus on lending to the renewable energy sector
- Continue with employee volunteerism activities centering on environmental preservation

SOCIAL & RELATIONSHIP CAPITAL

Social & Relationship Capital includes our society-centric initiatives that allow us to foster a sustainable positive impact.

As an organization with deep-rooted relationships across customer segments and communities, we understand that consistently enhancing the quality of these relationships is critical in ensuring our social license to operate. The bank continues to invest in strengthening stakeholder relationships through delivering unique value propositions that are aligned to our overall mission and strategy.

Customer-centricity

Our unflinching commitment to keep customers at the center of everything we do is reflected in the value and recall our brand enjoys.

As we cater to a diverse customer base – from individuals to the government, SMEs to large corporates, and farmers to start-ups – we undertake various initiatives focused on delivering a distinct and quality experience across their entire lifecycle experience with us.

Serving our customers

- **Bank the way you live**
- **Customer services and grievance redressal**
- **Service monitoring and measurement mechanism**

Building a customer-centric culture

At BRAC Bank, we believe that delivering an outstanding customer experience is a strong differentiator for a great product and is key to a sustained competitive advantage. The bank always believes in customer-centric actions and continuous improvements in its offerings, processes and policies.

Customer support and debt relief

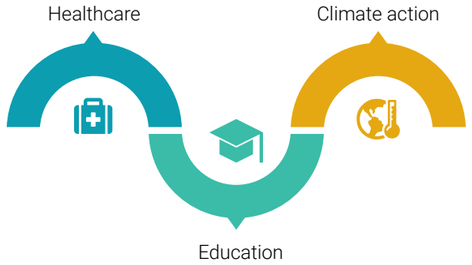
The bank always focus on quickly responded to provide the best customer services, like enabling access to cash and enabling seamless banking transactions. Accordingly, the bank also implemented numerous debt relief measures as per Bangladesh Bank's guideline to ensure survival of businesses during the pandemic.

Customer privacy

With the bank's increased thrust towards digital platforms, confidentiality of customer data has gained critical importance. We continue to invest in strengthening the bank's IT infrastructure while customer privacy has been included as an element of employee code of conduct to ensure the value of protecting customers privacy is reinforced at all levels.

Supplier relationships

We have over 380 suppliers who support our value creation and ensure the smooth continuity of operations. The bank procures a range of IT, office equipment and consumables from a network of suppliers with the bulk of these being local corporates and SMEs. The bank has formulated a sustainable procurement and supplier policy which sets out ethical and sustainability criteria to be adopted when screening suppliers.



This year the focus was on healthcare and contributing to the nation's response to the pandemic.

CSR highlights, 2022

- Contributed BDT 10 crore to the Prime Minister's Relief and Welfare Fund to stand beside the flood affected people of Sylhet;
- Contributed BDT 3 crore to 'Dakchhe Amar Desh' - BRAC's emergency flood relief programme;
- Supported the Shitakundo Fire Victims through financial assistance of BDT 1.1 million to BRAC Limb and Brace Centre (BLBC) for treatment of the seven identified victims;
- BRAC Bank-Prothom Alo Trust Adamya Medhabi scholarships awarded to 171 students;
- Scholarships awarded to 250 students of Dhaka University who are struggling financially;
- Contributed 75,000 pieces of blankets to the Prime Minister's Relief and Welfare Fund;
- Conceived the third batch of "Uddokta 101", the first comprehensive Entrepreneur Accelerator Program in the country for women entrepreneurs;
- Contributed 5% of its annual CSR budget to the Prime Minister's Education Assistance Trust;
- Contributed of BDT 1 million to Bangladesh Scouts for organizing the 32nd Asia Pacific Regional Scouts Jamboree in Bangladesh.

Strategy and Resource Allocation

At BRAC Bank, we manage and assign our capitals to support our strategic objectives and achieve long term organizational goals. Our strategic plans are developed by the leadership team under the guidance of the Board detailing how we will allocate resources to support our business activities. The effective allocation of financial, infrastructure, intellectual, social, natural and human capitals that support our strategies helps maximize the impact on our resources while still achieving bank's goals.

Financial Inclusion
Bringing unbanked in the mainstream financial system

Sustainable Banking
Together we prosper

Growth Strategy
Be bigger, be impactful

Customer Centricity
Addressing evolving customers' needs

'Phygital' Strategy
To reach people of strata of society

For detail of overall strategic objectives of BRAC Bank, please refer to page 103 of this integrated annual report.

Our goals to achieve overall strategic objectives

Short-term goals

- Develop new products/ services to generate additional income
- Sustained growth in 'Small & Medium Enterprise' sector
- Digital innovation to be more competitive
- Footprint coverage across the country
- Financial inclusion through new products and channels for unbanked populations
- Become the number no. 1 employer of choice
- Supporting our employees to acquire new skills or update existing ones

Medium-term goals

- Implement more tech-based solutions to provide faster customer onboarding, client service & internal processes
- Optimise client reach through existing distribution channels and adopting new digitized distribution networks
- Introduce enriched hiring tools to improve person-job fit, reduce recruitment times and lower hiring cost
- Implement more elaborate analytics solutions for improved credit appraisal, faster customer acquisition and forecasting needs
- Expand digital lending

Long-term goals

- Catering to the customers evolving needs with customized solutions.
- Strong focus on SMEs to ensure easy access to finance for the unbanked missing middle
- Improve credit & collection processes to restrict NPLs within desired levels and further review policies and processes to ensure portfolio quality in the backdrop of business growth objectives
- Establish a detailed data strategy and initiate, among other things, a drive towards improved analytics for management reporting
- Develop more measures to monitor and manage environmental footprint

Resource allocation at BRAC Bank



Current allocation of assets and bottom-line composition

Particulars	Total asset composition		External assurance	
	2022	2021	2022	2021
BRAC Bank Limited	83%	82%	93%	120%
bKash Limited	16%	17%	3%	-27%
BRAC EPL Stock Brokerage Ltd.	0.3%	0.4%	1%	6%
BRAC EPL Investment Ltd.	0.6%	0.6%	4%	5%
BRAC Saajan Exchange Limited	0.02%	0.06%	-2%	-4%
BRAC Bank Group	**100%**	**100%**	**100%**	**100%**

Portfolio composition within BRAC Bank (Standalone)

Particulars	Portfolio Amounts (BDT Mn)		Composition	
	2022	2021	2022	2021
SME	187,247	150,749	46%	47%
Retail	77,051	66,014	19%	21%
Corporate	146,378	104,450	36%	33%
Total Loan Book (Standalone)	**410,676**	**321,212**	**100%**	**100%**

Our consistent and forward-thinking initiatives in strategy execution, aligned with smart resource allocation has placed us in a strong position today. We are meeting the challenges, both collectively and individually, thanks to our financial strength and our values and ability to adapt to the evolving conditions and circumstances. We have remained agile in the past and this is helping us to remain resilient in withstanding the current crisis, while also preparing for growth in the aftermath of the pandemic.

Competitive Intensity and Our Tactical Responses

At BRAC Bank, we remain mindful of our operating environment that is characterised by a high degree of competitive intensity. Yet, we are also focused on growing the share of the market in the true spirit of financial inclusion, as nearly half of Bangladesh remains outside of the formal banking ambit. Thus, onboarding the next millions of customers comprises our constant pursuit. We fulfill our objectives through key thrusts, including:

- Digital innovation
- Personalised solutions
- Superlative customer experiences
- Service excellence

As a bank with a longstanding heritage, we are focused on operating our business efficiently, managing risk prudently and delivering value to our clients and stakeholders. Thus, though the competitive intensity is high, our key competitive differentiators enable us to carve a niche and hence ensure sustainable growth.

Major forces in our operating environment and our responses

BUYER POWER — HIGH

External factors influencing buyer power	BRAC Bank's responses and forward strategy
▪ Large corporates and high net-worth individuals can exert influence on a bank ▪ Low switching costs enforces higher competitive intensity ▪ Location-agnostic services (alternative delivery channels, digital channels, etc.) can help sway customer decisions	▪ We focus on service as key differentiator. While it may be easy to copy a product, it is impossible to replicate service ▪ We offer amongst the industry's lowest loan TAT (turnaround time) to eligible borrowers ▪ Our digital banking channels, including app, ensure banking at the fingertips ▪ We focus on developing best-fit personalised product offerings that meet precise customer needs and expectations ▪ The pandemic has reinforced public trust in bigger and well-managed banks and such a shift represents a major advantage for us

SUPPLIER POWER — MODERATE

External factors influencing supplier power	BRAC Bank's responses and forward strategy
▪ Depositors comprise the primary source of capital and hence they are a major supplier group for the banking industry ▪ The threat from individual depositors is minimal, similar to their bargaining power ▪ Major corporate customers and high net-worth individuals have a sway on account of their typically more sizeable deposits ▪ Suppliers of goods and services have very low bargaining power, but large IT service/ infrastructure providers exercise a higher power because of their size	▪ We focus on attracting new CASA (current account, savings account) customers, offering various propositions and also ensuring lower cost funds origination ▪ We offer the most attractive interest rates on deposits, bolstered by our ability to draw low-cost funds through our superior credit ratings ▪ We offer a wide range of fixed deposit products across varying maturities that meet the myriad financial and socio-economic needs of our deposit-holders ▪ We manage bargaining power of goods and services suppliers through best practices in terms of our procurement policy

THREAT OF SUBSITUTES — MODERATE

External factors influencing threat of substitutes	BRAC Bank's responses and forward strategy
▪ Threat of substitutes is negligible in the context of Bangladesh, as there is no direct replacement of credit/savings products in the economy ▪ However, suppliers accepting payments from customers in EMI (equated monthly installments), as a means of financing is a rising threat ▪ FinTech/digital first entities, although operating at a limited scale in the country, may represent a threat in the future	▪ We focus on innovation on digitisation of products and services that enable us to stave-off any substitute threats ▪ With our proven and trusted cash management and supply chain financing solutions, we ensure that our customers enjoy a diverse choice of financing options to meet their specific needs, thus ensuring another front to counter the risk of substitution

THREAT OF NEW ENTRANTS — LOW

External factors influencing threat of new entrants	BRAC Bank's responses and forward strategy
▪ The threat of new entrants in the banking sector is relatively low on account of enormous upfront capital requirements being a deterrent to new players ▪ This threat is contingent on regulators' decision to award new banking licenses ▪ However, established banks in other countries could enforce greater competitive intensity if regulator permits them to operate in Bangladesh	▪ Entering the market and competing on the same scale as BRAC Bank is not easy for a new bank. New entrant/s would have to establish a significant brand identity and delivery channel ▪ We are relentlessly focusing on tech and digital banking to maintain our competitive lead ▪ As a bank with a customer-first philosophy, we believe our continuous focus on excellence will help thwart any competitive pressures from new entrants

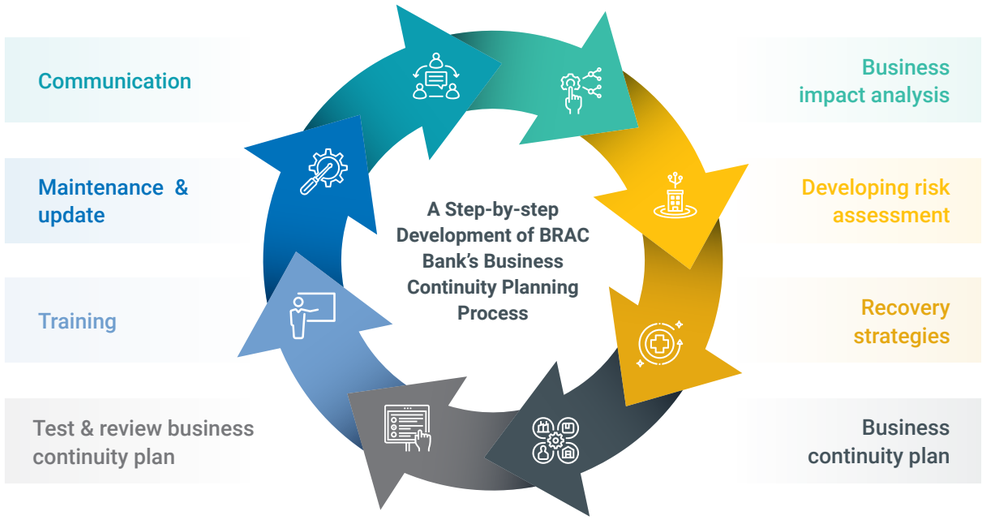
COMPETITIVE RIVALRY — HIGH

External factors influencing competitive rivalry	BRAC Bank's responses and forward strategy
▪ Competition in the domestic banking industry is very high, with 61 scheduled banks, 5 non-scheduled banks and 34 financial institutions (FIs) competing for share of a highly concentrated industry ▪ Non-differentiated products and services among competitors, insignificant customer brand loyalty of customers and high exit barriers induce greater competitive intensity	▪ We focus on financial inclusion and empowerment as a means to onboard customers that are unbanked or underserved ▪ We offer the most competitive rate on our loan products and most favourable rates on our deposit products ▪ We have adopted a "phygital" strategy combining the robust delivery network of our physical touchpoints along with our safe and secure digital banking channels that provide our customers to interface with the bank in multiple ways ▪ We foster enhanced customer trust through our strong and dependable governance practices ▪ We demonstrate empathetic, speedy and sensitive customer service and prompt grievance resolution that only helps build customer confidence

Business Continuity Plan

Business Continuity Plan (BCP) is a systematic approach to prepare for and manage disruptive events that may affect a business. It involves identifying potential threats, evaluating the impact of those threats, and developing strategies for quickly resuming critical business operations in the event of a disruption. Banks play a critical role in the financial system and the economy, and disruptions to their operations can have far-reaching consequences. Thus, having a well-defined BCP is imperative for us to ensure uninterrupted financial services to customers, even in the disruptive moment.

BRAC Bank has its own Enterprise Business Continuity Plan (EBCP) Policy with a defined plan to evoke in the event of crisis. The policy entails the formulation of a BCP Committee, their responsibilities in crisis management, criteria on identifying key personnel, executing Business Impact Analysis and Risk Assessment, guidelines to performing key business activities with the adequate physical and technological infrastructure and Training and Communication to key stakeholders. The policy also elaborates on developing recovery strategies to resume regular operational state from BCP.



Initiation of BCP Drill at BRAC Bank

We conducted our first BCP Drill on 07 June 2022, to test its effectiveness and familiarize all involved parties with their respective roles and responsibilities. At first, a thorough and comprehensive business impact analysis was driven which was focused on each function and its people's role in financial, reputational and regulatory impact. Based on such analysis, a total of 105 people across 17 departments who performed 155 critical tasks which was vital to bank's operational flow and could not be disrupted irrespective of any external situation. These critical resources were equipped with adequate logistics and network setup mirroring that of their respective workstations to ensure smoothest possible delivery of service.

The drill was scheduled on a predetermined location in BCDM, Savar, where the BCP participants were transported from Head Office by pre-arranged vehicle services. During the drill, participants executed their respective daily activities for one business day. Important operational functions like account services, asset operations, payments & transactions, trade services, treasury operations, and finance etc. performed their Business as usual (BAU) activities smoothly with minimum disruptions in that site. There was a support team of IT, GS and coordinators to provide any sort of immediate technical or logistic support. There was no reported technical or infrastructural failure at any point. The network setup and logistics have been retained in the recovery site and it has been installed to be immediately available in case BCP is needed.

Post the BCP Drill event, feedbacks were taken from every participant, their team leaders and unit heads about their experiences, challenges and resolutions. All these feedback were analyzed and incorporated into the BCP plan. The plan is continuously being updated to include new avenues and challenges, which is set to be tested every year.

A few snapshots from BCP Drill 2022









PERFORMANCE ANALYSIS

DIRECTORS' REPORT

Dear Shareholders,

We, the Board of Directors, present an overview of the bank's performance for 2022. Despite the challenging business environment, the bank has shown great resilience and continued its growth momentum. Such strong performance has once again validated the sustainability of our business model and further strengthened our foothold in the industry.

Governance overview: Setting the tone from the top

At BRAC Bank, all members of the Board recognize the prominence of good corporate governance and its role in accomplishing the Bank's strategic objectives and improving accountability and transparency to all stakeholders. Our business has a significant economic and social impact where we remain true to our values to ensure responsible lending practices and root us in consistent delivery in behaviour and action. We, therefore, embrace governance as a way of daily life rather than just a set of rules.

The Bank led by a competent and effective board with the knowledge, skills and experience and ability to challenge, inspire and support the business makes the Bank one of the leading banks in the country. The bank can significantly benefit from board members' expertise in industry and commerce.

BRAC Bank's Board is at the apex of the bank's good governance practices. As part of the Board's responsibilities, its role is regulated in a formal charter, which defines its authority and power. While retaining overall accountability, the Board has delegated authority to the MD and Chief Executive Officer to run the day-to-day affairs of the bank. The MD and Chief Executive Officer is supported by the Executive Management Committee. The Board has also created sub-committees to enable it to discharge its duties and responsibilities sufficiently and to fulfil its decision-making process effectively.

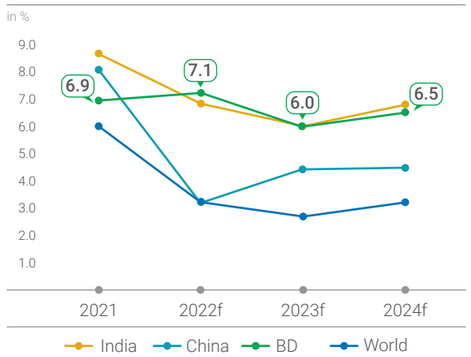
The Board plays a critical role in the bank's strategic planning process and in establishing governance benchmarks to measure the organisation's strategic objectives. In this realm, a more holistic approach of the bank is evaluated, rather than just a set of financial parameters. This approach comprises the people-planet-prosperity philosophy of the bank and is at the heart of our governance practices. Within the Board, Executive Directors implement strategies and operational decisions, while non-Executive Directors provide an independent perspective and complement the skills and experience of Executive Directors. They objectively assess strategy, budgets, performance, resources, transformation, diversity, employment equity and standards of conduct. Helps enrich Board discussions and is a key facet of our governance framework.

BRAC Bank always strives for sound corporate governance with the objective of transparent, fair, prompt and sound decision-making and disclosure of appropriate and timely information which will maintain a structure and continuously work for its progress and enhancement. This will instil confidence in our shareholders in consistent value creation and motivate them to stay with BRAC Bank.

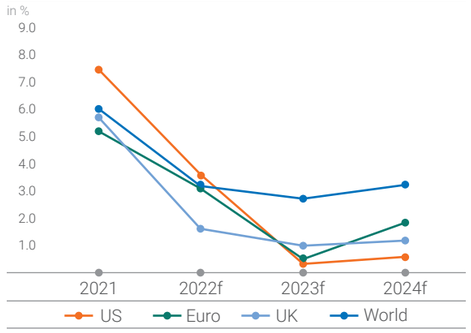
Global economic review and outlook

The global economy has been experiencing a variety of challenges. Multi-decade high inflation, along with monetary tightening in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic, all heavily affect the growth outlook in the near future. Policymakers continually aim to bring inflation back to target levels by cooling off demand with the withdrawal of unprecedented monetary and fiscal support provided during the pandemic. As a matter of course, most economies are facing a slowdown in growth or outright contraction. The global economy's future outlook critically depends on the successful recalibration of monetary policies, the developments of the war in Ukraine, and the possibility of further pandemic-induced supply side disruptions, particularly in China.

GDP growth forecast



GDP growth forecast



Global & **Bangladesh** growth projected to **decline**

According to IMF World Economic Outlook, October 2022, global growth is forecasted to be sluggish, and from 6.0% in 2021 it is expected to come down to 3.2% in 2022 and 2.7% in 2023 – which is the weakest growth profile since 2001 – except during the global financial crisis and the acute phase of the COVID-19

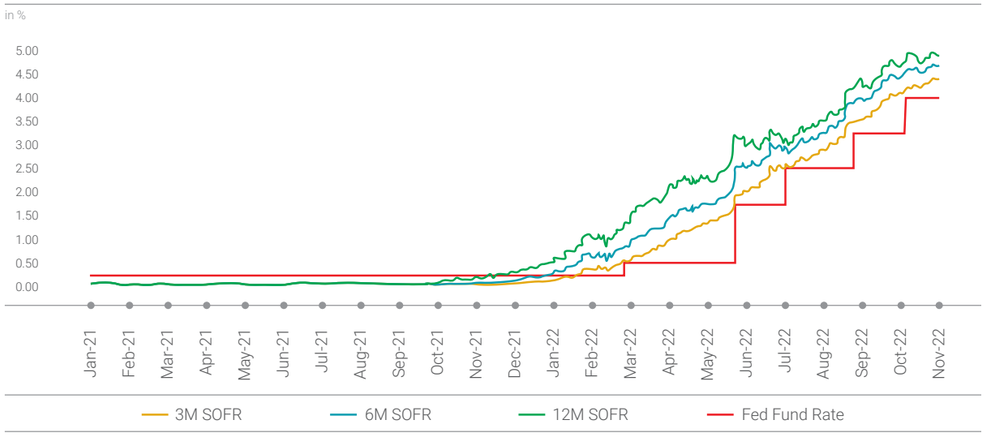


"The Board remains committed to achieving our strategic objectives through a culture that fosters openness, integrity, and confidence."

Dr. Ahsan H. Mansur
Chairman

pandemic. This profile mainly reflects a significant slowdown for the largest economies: a US GDP contraction in H1'2022, a euro area contraction in H2'2022, prolonged COVID-19 outbreaks and lockdowns in China with a growing property sector crisis, and a third of the world economies facing two consecutive quarters of de-growth.

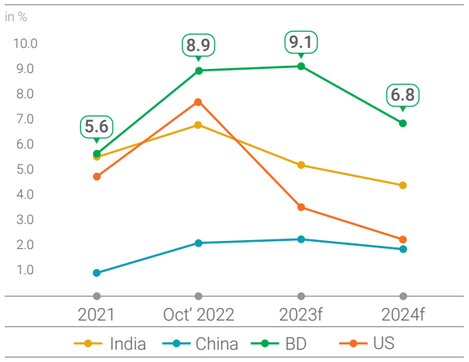
SOFR & FED fund rate



Cost of borrowing continues to rise with Fed rate hikes.

Global inflation is forecast to rise from 4.7% in 2021 to 8.8% in 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024. Upside inflation surprises have been predominant among advanced economies, but greatly varied in emerging and developing economies.

Inflation forecast



Central Banks struggling to tackle **stubborn inflation**, continue to be one of the main challenges.

Risks to the outlook remain unusually large to the downside for reasons such as potential misalignments in monetary policy, further US dollar appreciation, elevated cross-border tensions, energy and food price shocks, widespread emerging market debt distress, halting of gas supplies by Russia to Europe, a resurgence of COVID-19, and China's property sector crisis.

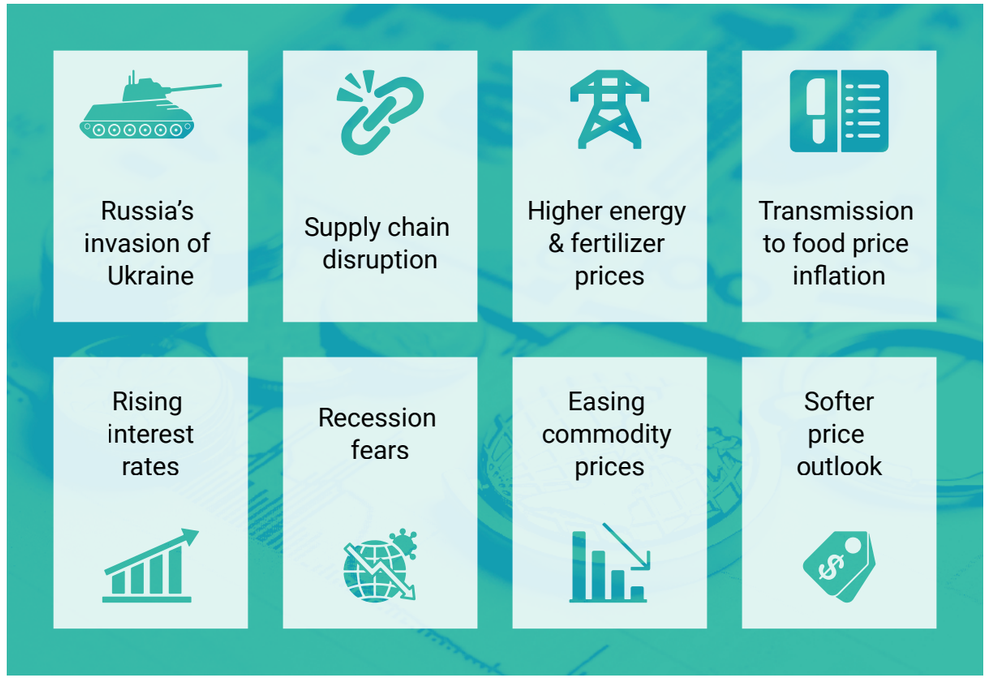
Commodity Prices

Commodity prices rose 19.1% between February and August 2022 because Russia invaded Ukraine. Energy prices such as oil, natural gas and coal, and food commodity prices such as wheat, soybean, palm oil and sugar remained elevated during this period. However, several factors, including improved supply chain conditions, a gradual end to Russia's blockade of Ukrainian grain exports, rising interest rates, and global recession concerns, eased price pressures towards the end of 2022.

Bangladesh economic overview

Bangladesh's economy has shown outstanding resilience in recent years while the world was still recovering from the coronavirus pandemic. Unlike the past decade, the country has achieved a higher degree of integration with the global economy, evident from the economic losses and rising pressure on the local economy due to the spill-over effects of the Russia-Ukraine war. Nevertheless, the Government of Bangladesh has introduced various austerity measures, and the Bangladesh Bank has taken many notable initiatives to counter the effects of war to stabilize the economy.

Despite multifaceted challenges, the economy successfully navigated the outgoing fiscal year 2021-22 with a growth rate of 7.10%. Completing a few mega projects, most prominently the Padma Bridge and the Metro Rail is expected to further strengthen the growth trajectory of Bangladesh for years to come.



Snapshot of Key Indicators

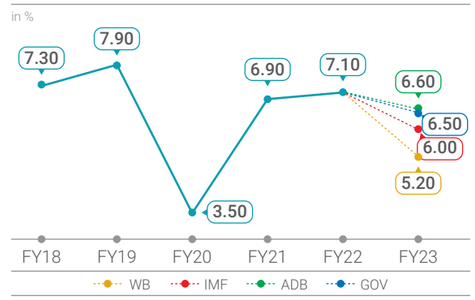
YoY Growth (%)	FY22	FY23	Latest Trend	Outlook
GDP Growth*	7.10%(actual)	5.20-6.60% (forecast)	Down	Down
Inflation P2P	6.05% (Dec'21)	8.71% (Dec'22)	Down	Up
Bank credit	10.08% (Dec'21)	14.20% (Dec'22)	Up	Down
Deposit Growth	9.21% (Dec'21)	5.56% (Dec'22)	Down	Down
USD Sale	$7.42 bn (FY22)	$7.80 bn (Jul-Dec)	Up	Down
BB Devolvement	28,103cr. (FY22)	40.158 cr. (Jul-Dec)	Up	Up

**FY23 Projections: World Bank: 5.2%, IMF: 6.0%, Government: 6.5%, ADB: 6.6%*

GDP growth performance

Bangladesh's economy achieved GDP growth of 7.10% in FY22, driven mainly by the expansion of manufacturing activities. In nominal terms, the country's GDP stood at $460 billion in the outgoing fiscal year, and it is set to cross the half-trillion dollar mark by 2024. The country's per capita income also rose to $2,793, which was $2,591 in FY21.

GDP growth trend of Bangladesh



V-Shaped recovery trend to sustain despite gloomy global outlook

External Sector Highlights for FY22

EXPORTS
$52.1 Bn
34%

IMPORTS
$82.5 Bn
36%

TRADE DEFICIT
$33.2 Bn
46%

REMITTANCE
$21.0 Bn
-15%

CURRENT ACCOUNT
-$18.7 Bn
+307%

FINANCIAL ACCOUNT
$13.7 Bn
-2%

BOP
-$5.4 Bn
158%

External sector overview

The external sector continued to ride the post-pandemic recovery path in FY22 as both external and internal demand remained strong. However, the breakout of the Russia-Ukraine war triggered significant volatility in energy and commodity prices, which exerted additional pressure on the country's current account and balance of payments.

Domestic credit overview

Domestic credit registered 16.1% growth in FY22 compared to 9.5% in FY21 – driven by both public and private sector credit growth. Private sector credit grew by a remarkable 13.7% - the highest in more than three and a half years – as demand for loans, particularly for trade financing, grew for settling import payments during the period. Public sector credit grew by 27.7% to finance the government's budget deficit.

KEY HIGHLIGHTS H1FY23

PRIVATE CREDIT
Dec'22 vs. Dec'21
+12.9%

PUBLIC CREDIT
Dec'22 vs. Dec'21
+24.8%

DOMESTIC CREDIT
Dec'22 vs. Dec'21
+15.0%

Bangladesh Economic outlook

Despite global economic challenges, Bangladesh has emerged as one of the world's fastest-growing economies. It has emerged as the 2nd largest ready-made garment exporter and 7th highest remittance recipient globally. The government of Bangladesh, in line with the recent performance of the economy, has projected a GDP growth rate of 6.5% for FY23. A brief outlook for the future is summarized below:

RMG
Demand for Bangladesh's RMG exports is expected to remain stable and register moderate growth in FY'23

Remittance
Growth in inward remittance has remained sluggish for the most of 2022 and is unlikely to gain any significant momentum

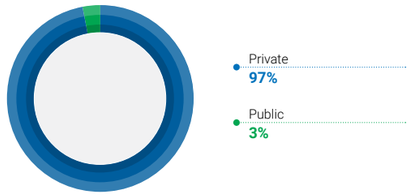
Import
Demand for imports has seen continual decline in recent months and this trend is expected to continue in the second half of FY'23

Continuous expansion of the central bank balance sheet through the development of government treasury bills and bonds is expected to elevate inflationary pressure in the medium term. Stable exports, remittances, reduced imports, and steady financial account inflows, are expected to bring some stability into the balance of payments in FY23.

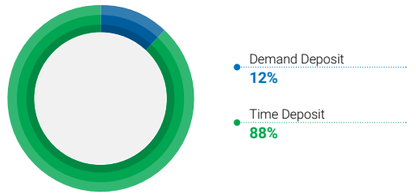
Banking Sector Outlook

The banking sector of Bangladesh is relatively small with assets less than 100% of the GDP. Although private sector banks are in better shape, there are notable risks in the state-owned commercial banks with higher non-performing loans ratio than peer commercial banks. Therefore, managing reasonably low non-performing loans (NPLs) and maintaining standard good governance practices have become critical for sustaining financial sector stability. Bangladesh Bank has undertaken various legal and regulatory measures to address it.

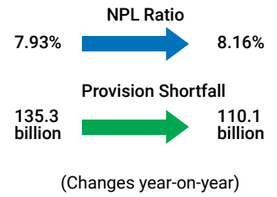
Advances
Grew 14.20% YOY from BDT **12.4** Trillion to BDT **14.1** Trillion



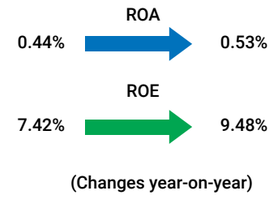
Deposits
Grew 5.66% YOY from BDT **14.1** Trillion to BDT **14.9** Trillion



NPL & Provisioning
NPL ratio remains at similar levels, provision shortfall decreased.



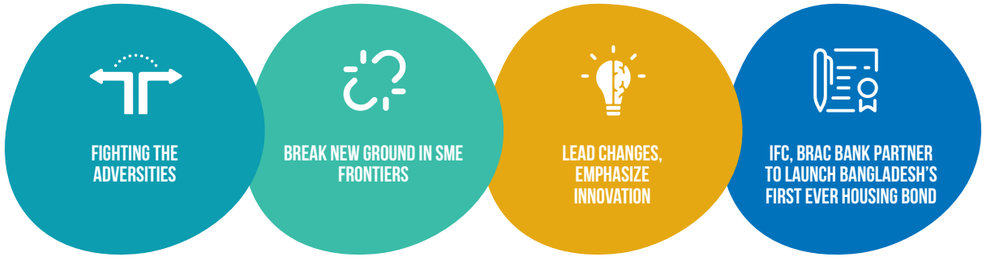
Profitability
Out of 60 banks, ROA of 36 banks and ROE of 26 banks was above 0.5% and 10% respectively



As per latest available Bangladesh Bank report for the period ending Dec'22
***9% of saving deposit included in demand deposit; remainder amount included in time deposit*

The banking sector is considering a new wave of technological innovation and digital services in ways that could lead to a deeper level of financial inclusion. Digitization of the banking sector, popularization of mobile financial services (MFS) and agent banking, the rise of online-based banking services, the introduction of payment systems operator (PSO) and payment service providers (PSP), and full interoperability of the financial sector, specifically the introduction of interoperable digital transaction platform "Binimoy" have been some of the critical developments in the financial sector.

Strategic Update

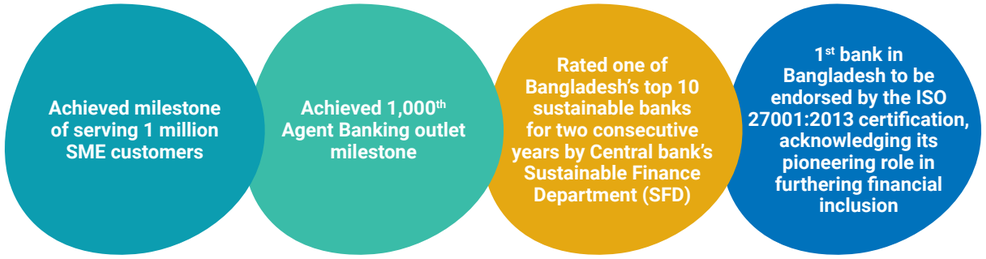


Fighting the adversities

Bangladesh and many other developing nations have been heavily impacted by global economic challenges triggered by Russia's war against Ukraine as discussed earlier. During these difficult times, we are pleased to validate our business model's sustainability. The bank's large physical distribution network allied with customer-centric digital services and product innovation has underpinned the strong growth achievements of 2022.

Our values-based banking approach, centred on governance, transparency, ethics and compliance, has laid the strong foundation to excel in business growth, profitability, and sustainable financing, serving the unbanked people and generating attractive returns for our investors. Glimpses of those mentioned above have been highlighted in the later part of this report. In addition, as a responsible corporate entity, we are now a reliable government partner for implementing green transformation funds and green refinancing programs to reduce the country's carbon footprint.

As a mission-driven organization, we are strongly committed to the UN Sustainable Development Goals. Our CSR initiatives also focus on programs that have a lasting impact on society and people.



Break new ground in SME frontiers

BRAC Bank has achieved the milestone of serving 1 million SME customers, an unprecedented accomplishment in the industry. In fulfilling the entrepreneurial dreams of the customers, the bank in 21 years of its operations, has disbursed SME loans worth BDT 1 lakh crore to grass root entrepreneurs across Bangladesh.

Our continuous focus on digital innovation paved the way for this unique achievement. We strivie to reach out to grassroots entrepreneurs through customized banking solutions, easily accessible platforms and digital initiatives that lead to greater customer convenience.

Signed a partnership agreement with Agri-fintech startup –iFarmer – to provide access to collateral-free finance to enlisted smallholder livestock farmers across the country.

Signed a tripartite agreement with courier service platform Delivery Tiger, and finance and credit scoring platform Dana Fintech to launch "Platform Based SME Lending" facilities to the cottage, micro, small and medium enterprises (CMSMEs).

Partnered with Heifer Bangladesh to facilitate livestock farmers' businesses in rural Bangladesh. BRAC Bank will finance the enlisted farmers of Heifer Bangladesh, which operates in Rajshahi, Sirajgonj, Tangail, Natore, and Kishorgonj.

Signed a joint-venture agreement with iDE on capacity building of the entrepreneurs of light engineering and Agri machinery sectors, customised screening, credit scoring tools, and people development.

Particularly following the footsteps of Sir Abed for financial inclusion, we will continue to focus on SME Banking and further grow the portfolio. In this digital age, we will use technology and adopt innovative ways to achieve more milestones, and break new ground in SME frontiers.

Leading Changes, Emphasizing Innovation

As BRAC Bank embarked on its digital journey, many innovative products, solutions and integrations were launched in 2022 to cater to customer needs and improve efficiency. Among the several initiatives, has been the launch of 'Shubidha' app - country's first ever end-to-end digital loan app enabling customers to apply for retail loans from anywhere in Bangladesh and get approval instantly. Furthermore, we have launched Quick Response (QR)-based transactions through the mobile app 'Astha', which now allows users to scan a BRAC Bank QR or other banks' QR displayed by the merchant points and make instant payments. Moreover, the introduction of supply chain financing solution, automated challan system etc., has created further business expansion opportunities. Modern solutions like document management system and early warning systems contributed immensely towards operational efficiency and cost optimization.

IFC, BRAC Bank Partner to Launch Bangladesh's First Ever Housing Bond

For the first time in the country, the International Finance Corporation (IFC) joined hands with BRAC Bank to issue a housing bond worth US$50 million to help provide affordable housing loans to low- and middle-income urban and rural families.

Through this initiative, the IFC and BRAC Bank jointly aim to demonstrate a commercially viable lending product that caters to the housing finance needs of the low- and middle-income groups, promotes inclusive development, and creates thousands of new jobs. This innovative deal marks an important milestone in developing the domestic long-term bond market and

Digital Initiatives 2022

'Shubidha' - country's first ever end-to-end Digital Loan App

Astha-bKash QR integration - in pursuit of a cashless payment ecosystem

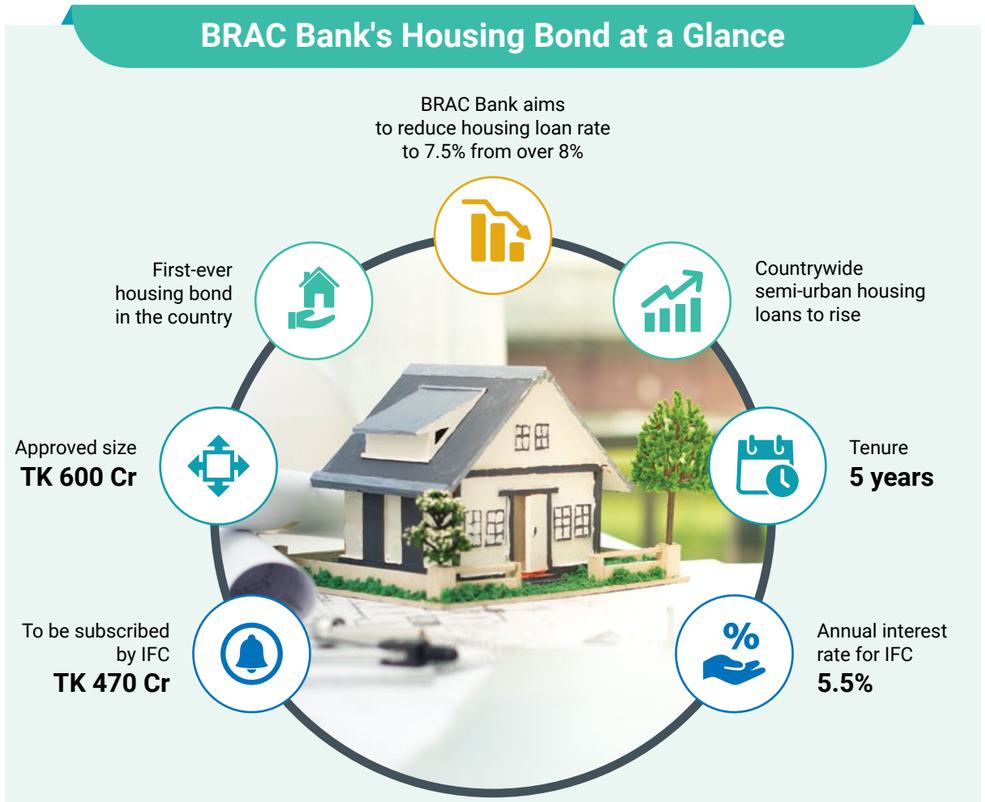
Supply Chain Financing – a new business stream for SME

Automated Challan System – a new business stream for corporate business

Document Management System - TAT reduction & easy access to archieved documents

Early Warning System- facilitate effective communication for collection team

offers multiple benefits for Bangladesh, including helping to tackle the acute need of low- and middle-income people to obtain affordable housing finance.



Excellence in Credit Rating demonstrating Strength and Stability

As the first bank in the country, BRAC Bank has been rated 'AAA' with a 'Stable' outlook by the Credit Rating Agency of Bangladesh (CRAB), Bangladesh's most renowned credit rating agency. This rating excellence reflects the bank's strong capital base, better asset quality, exemplary corporate governance, efficient balance sheet and liquidity management, strong compliance culture, and a professional and competent management team.

BRAC Bank earlier, in 2019, became the only bank to achieve a credit rating equivalent to the Sovereign Rating of Bangladesh by Moody's Investors Service and ever since, we have been able to secure the rating. BRAC Bank is the only Bangladeshi bank rated by the world's most renowned agency S&P Global Rating.



Our key HR Pillars

People strategy at BRAC Bank is guided by the three pillars: people, performance, and culture, to shape a thriving, diverse, and inclusive workplace. We expect our people to demonstrate value-driven behaviour. We place our people foremost in every decision to empower them to prosper and rise above challenges. To unleash our people's true potential and performance, various global standard tools and processes including competency-based assessments, coaching, counselling, and learning and development programs are in place.

Our bank's compensation and benefits policies highly inspire people to flourish and aid in building prosperity. In our bank, we strictly follow a culture of a strong and widely shared set of values and beliefs that help shape people's perceptions and behaviour.

Today, we continue to nurture a community of employees deeply committed to serving our purpose. Our robust HR value propositions create mutual value for our employees and the organization. Our ongoing learning and development opportunities and a safe and inclusive work environment result in higher employee engagement.

Adopting Diversity and Inclusion

"Keeping no one behind" is our philosophy at BRAC Bank as an equal employment opportunity provider. We always support our people by rigorously adhering to the Code of Conduct, Zero Tolerance and Safeguarding policies.

The bank strives to empower women by boosting the percentage of female coworkers in its workforce. Currently, 14% are women at the bank, whilst the female management composition (SPO and above grade) is at 15%.

BRAC Bank also happens to be one of the pioneers in Bangladesh to employ people from other gender and those with special needs. In 2022, 05 people from the transgender community have been employed in mainstream roles.

Financial Performance

Amidst all the uncertainties in the economy during 2022 - the global geo-political instability and the ups and downs in the financial sector - BRAC Bank performed exceptionally well in growth and profitability. This has not been possible without strong customer confidence backed by our values-based banking and transparent governance.

Performance summary

BDT 563,239 Mn
Total Assets
(2021: BDT 449,084 Mn)

BDT 410,676 Mn
Loans & advances
(2021: BDT 321,212 Mn)

BDT 384,467 Mn
Deposits
(2021: BDT 314,591 Mn)

3.72%
Non-performing loans
(2021: 3.90%)

BDT 26,571 Mn
Revenue
(2021: BDT 23,364 Mn)

58%
Cost-income ratio
(2021: 53%)

BDT 5,763 Mn
Net profit
(2021: BDT 5,547 Mn)

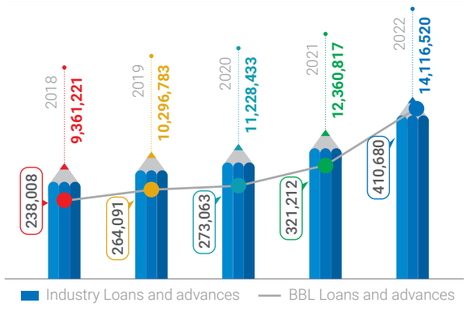
BDT 3.85
EPS
(2021: BDT 3.71)

Advances and Deposits Growth Surpassing Industry Trend

Bank's total assets registered a growth of 25 per cent YoY, or BDT 114,155 Mn, reaching BDT 563,239 Mn in 2022 from BDT 449,084 Mn in 2021. Growth in total assets was mainly driven by an increase in loans and advances of BDT 89,464 Mn (28 per cent). Despite adverse macroeconomic conditions, the asset portfolio was adequately supported by deposits growth of 22 per cent YoY, or BDT 69,876 Mn, demonstrating our operating strength and the trust that our customers have bestowed upon us.

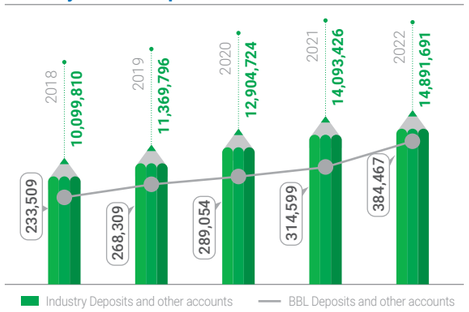
Industry vs BBL loans and advances

BDT in Million



Industry vs BBL deposit trend

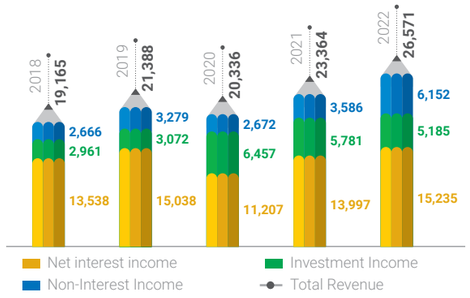
BDT in Million



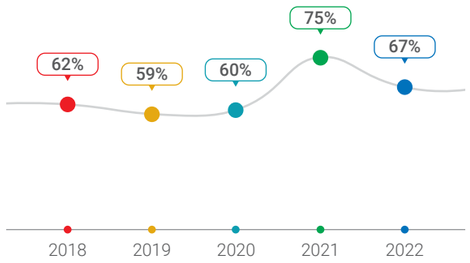
Revenue

Total Revenue (operating income) increased by 13.7 percent to BDT 26,571 million from BDT 23,364 million in the prior year, indicating a solid financial performance for the bank during the year ending on December 31, 2022. During 2022, Interest Income increased by BDT 6,876 million (32%), mainly for 28 percent growth in loan portfolio. Net interest income increased by 8.8 percent to BDT 15,235 Mn, while other operating income grew by 83 percent to BDT 267 Mn.

Breakdown of total revenue



Gross profit margin



Cost

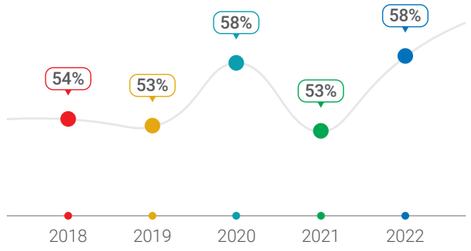
In 2022, the Central Bank set minimum interest rate floor on customer deposits that resulted in significant hike in interest cost.

On the other hand, total operating costs also increased by BDT 3,022 million (24%), mainly driven by higher staff cost arising from regulatory compensation restructure and overall hike in cost due to inflation.

As a socially responsible bank, BRAC Bank has contributed a sizable amount in various CSR initiatives. It will continue its active participation in social needs for shared properity of the people.

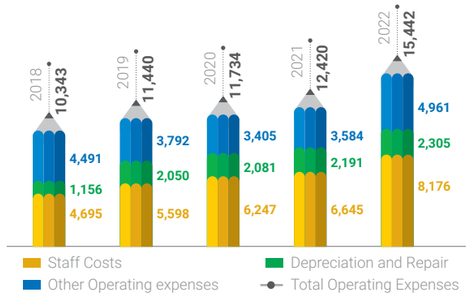
In addition, the bank also incurred higher cost for staff incentives to accelerate growth in balance sheet specifically loans and deposits in alignment with the bank's long term strategy.

Cost to income ratio



Operating expenses

BDT in Million



Operating Profit

The bank's operating profit stood at BDT 11,129 million in 2022 from BDT 10,944 million in 2021, registering a steady growth of 2% from last year. Despite an increase in operating cost, increase in net interest income (NII), commissions, exchange and brokerage and other operating income have been the key drivers behind the growth.

Operating profit/profit before provisions

BDT in Million



Being cautious in absorbing future Non Performing Loan (NPL) shock

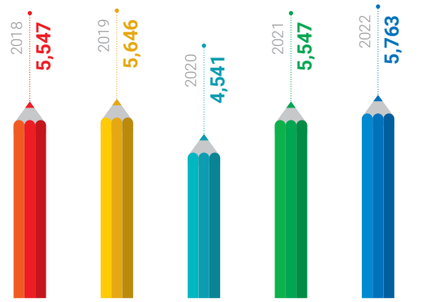
The Board and management of BRAC Bank take proactive measures to absorb any upcoming shocks arising from prospective macroeconomic distress. Like 2021, and additional provision of BDT 2,960 million (general plus specific) was set aside to face the recent turmoil in the global economy. The bank maintained 111% NPL coverage at the end of the year 2022.

Net profit for the year and EPS

Profit before tax grew by a satisfactory 13% to BDT 8,939 million in 2022, commensurate with revenue growth of 14%. After providing for income tax of BDT 3,176 million, net profit increased by 4% to BDT 5,763 million for 2022, vs. BDT 5,547 million in 2021.

Net profit after tax

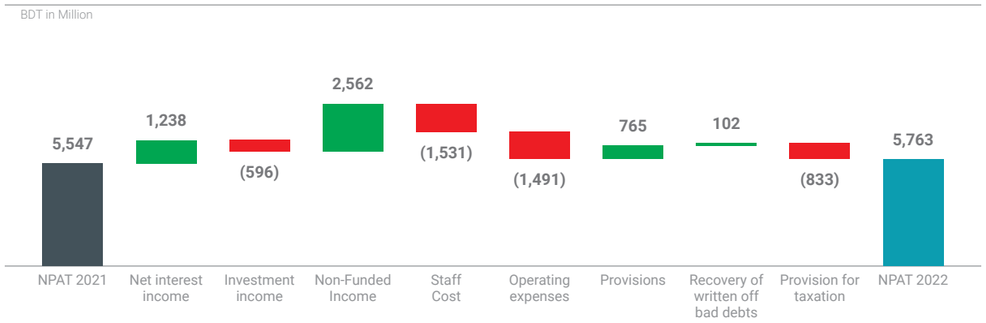
BDT in Million



Earnings per share (BDT)



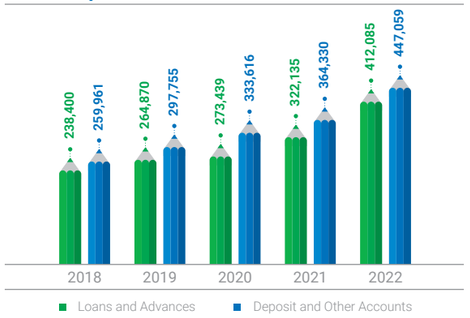
Profit growth in 2022 and its major constituents



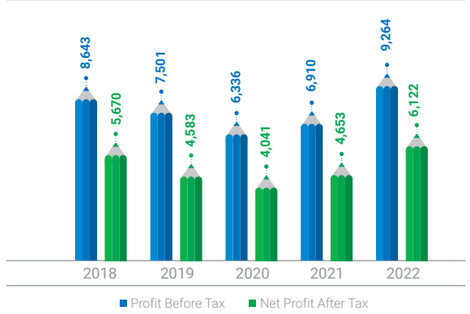
Consolidated performance

The consolidated BRAC Bank group (BRAC Bank with all its subsidiaries) has earned a net profit of BDT 6,122 million in 2022, reflecting a growth of 32 percent compared to 2021. Overall performance of the Group reflects its resilient nature, efficient management and good governance practices.

Financial position



Financial performance



BRAC Bank has four subsidiary companies in related but diverse operations. They are BRAC EPL Investment Limited, BRAC EPL Stock Brokerage Limited, bKash Limited and BRAC Saajan Exchange Limited.

Snapshot of subsidiaries

BDT in million

Name of Subsidiaries	Business Location	Nature of business	Total assets	Net Profit
BRAC EPL Investment Limited	Bangladesh	Merchant banking	BDT 2,647	BDT 265
BRAC EPL Stock Brokerage Ltd.	Bangladesh	Stock brokerage	BDT 2,184	BDT 77
bKash Limited	Bangladesh	Mobile financial services	BDT 105,584	BDT 172
BRAC Saajan Exchange Ltd.	United Kingdom	Remittance & exchange services	GBP 1.3	(GBP 0.95)

Amid the challenging capital market of 2022, the management of BRAC EPL Investment Limited took steps very cautiously and has been building its capacity to improve its performance in the coming days. Considering the industry's overall performance, it has performed comparatively well in terms of profitability and quality portfolio.

BRAC EPL Stock Brokerage Limited has remained a consistent performer over the years. Though the company's profit decreased slightly in 2022 due to the bear stock market, the company has built a sound reputation as a stock market intermediary of repute in Bangladesh.

The performance of bKash Limited has been very satisfactory in the year 2022. It has hit profitability this year after incurring loss in the last three years. The company further strengthened its superior position and acceptability in the market through its diverse services and technology based capacity.

The good news for BRAC Saajan Exchange Limited is that the UK Court published a verdict in favour of the company and gave permission to resume operations. The company resumed operations last December accordingly.

Please refer to page 418 (Note: 1.6) for BBL's percentage of shareholding in each subsidiary and page 511 to 551 for subsidiaries' Overview, Directors' Report, Independent Auditors' Report and Financial Statements.

Key Numbers in a Nutshell 2022

Amount in million

Particulars	Standalone		Consolidated	
	BDT	Equivalent USD	BDT	Equivalent USD
Total assets	563,239	5,453	655,937	6,350
Loans and advances	410,676	3,976	412,085	3,989
Deposits and other accounts	384,467	3,722	447,059	4,328
Total shareholders' equity	58,391	565	61,154	592
Total revenue	26,571	257	37,833	366
Total operating expenses	15,442	149	26,389	255
Operating profit	11,129	108	11,451	111
Net profit	5,763	56	6,122	59
Earnings per share (EPS) (in respective currency)	3.85	0.04	4.02	0.04

In 2022, we sustained our profitability despite the various challenges in the global and local economies. We adhered to our long-term growth strategy and focused on cost optimization, technological investments, ESG targets adoption, and operating efficiency management, thus representing a holistic approach to an evolving operating environment and stakeholder needs and expectations.

Quarterly Financial Performance, 2022

The Board and Board's Audit Committee (BAC) monitor the financial and non-financial performance of the bank and the Group (including subsidiaries). During 2022, BAC reviewed the quarterly financial statements, and the Board of Directors approved the same before disclosing it to shareholders and stakeholders.

There is no significant variance between Quarterly Financial performances and Annual Financial Statements. Key metrics under quarterly financial performance for 2022 are presented below.

Standalone Financial Performance

2022

26,571 Mn Revenue

15,442 Mn Operating Expenses

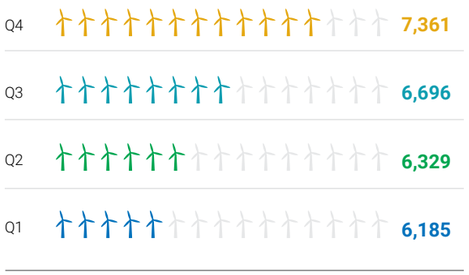
2,190 Mn Provisions

5,763 Mn PAT

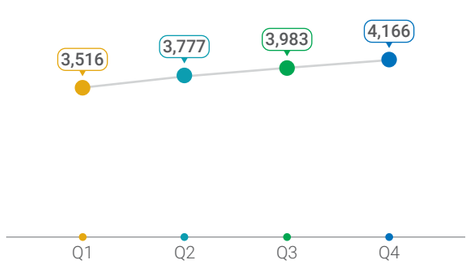
BDT 3.85 EPS

BDT in Million

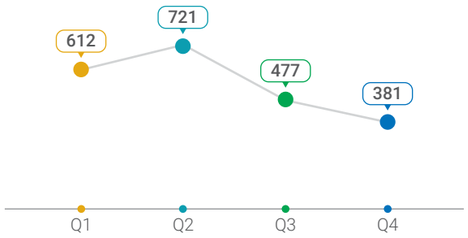
Total revenue



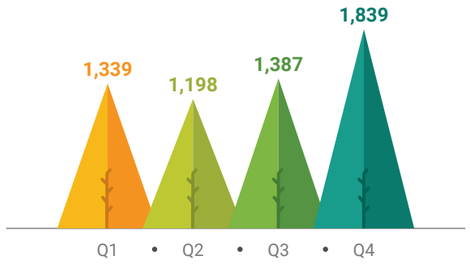
Total operating expenses



Total provisions

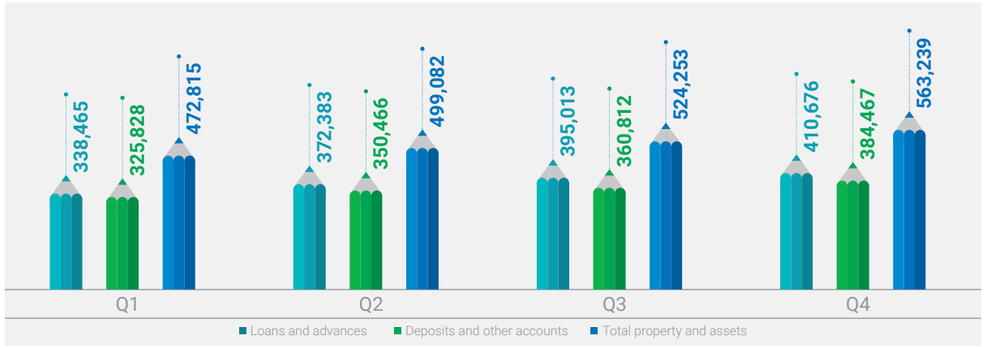


PAT

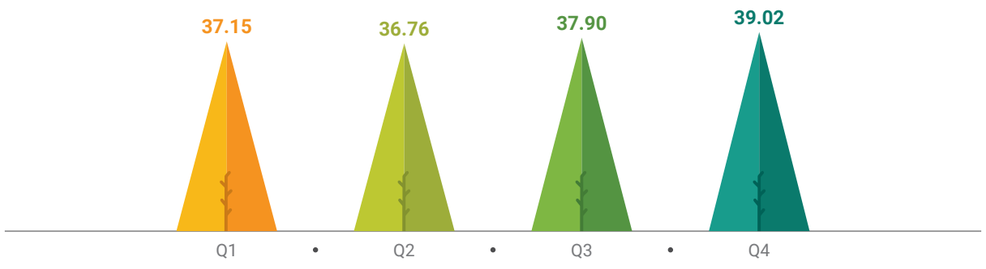


Standalone Financial Position

BDT in Million



NAV per share (BDT)



Consolidated Financial Performance

2022

37,833 Mn
Revenue

26,389 Mn
Operating Expenses

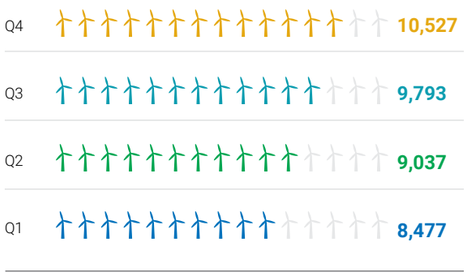
2,187 Mn
Provisions

6,122 Mn
PAT

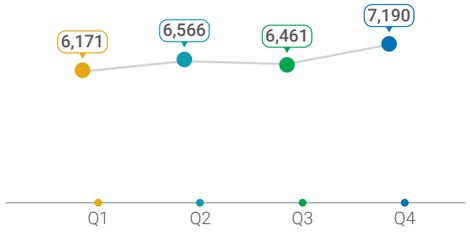
BDT 4.02
EPS

BDT in Million

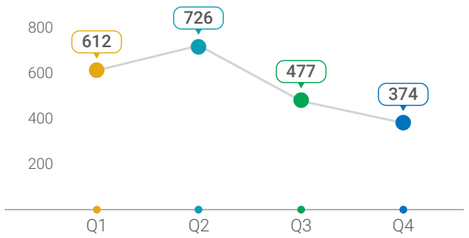
Total revenue



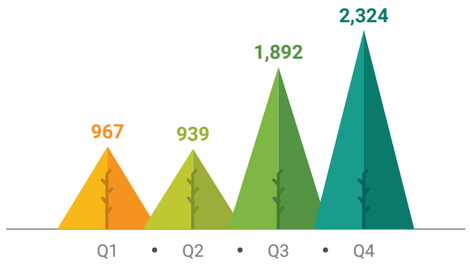
Total operating expenses



Total provisions

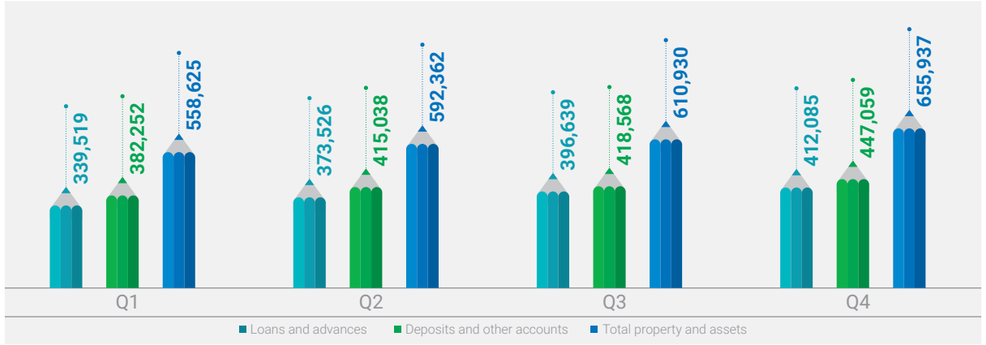


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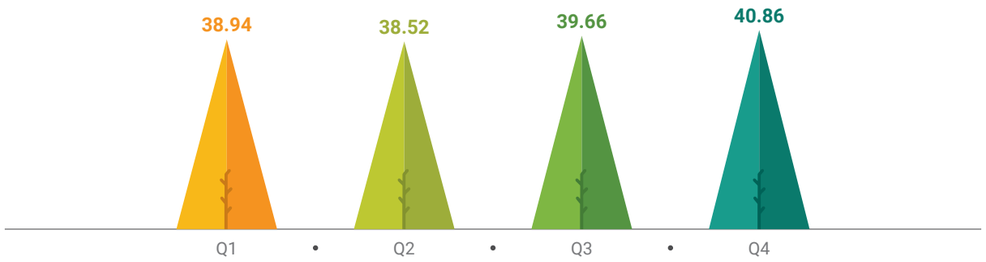


Consolidated Financial Position

BDT in Million



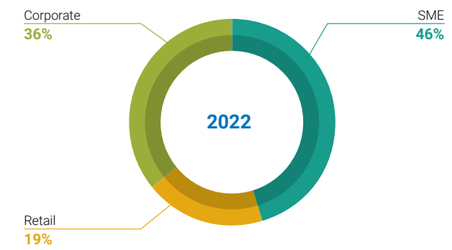
NAV per share (BDT)



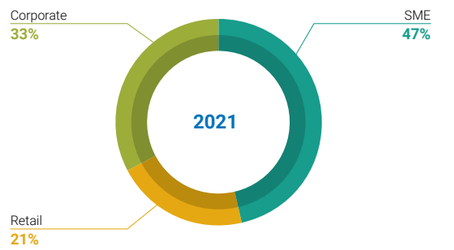
Segment and Product-wise Performance

BRAC Bank has three core business segments i.e. SME Banking, Retail Banking & Corporate Banking to facilitate the customer's needs through its diverse offerings and tailor-made products and services. In addition, the bank has an industry leading Treasury division to manage the balance between asset and liability position, maintain sufficient liquidity and ensure profitable investment of surplus funds. All major business segments of the bank contributed towards considerable balance sheet growth in 2022 defying the adversities. Among the operating segments, SME banking holds the highest portfolio of BDT 187,247 million.

Segmental composition of Loans portfolio



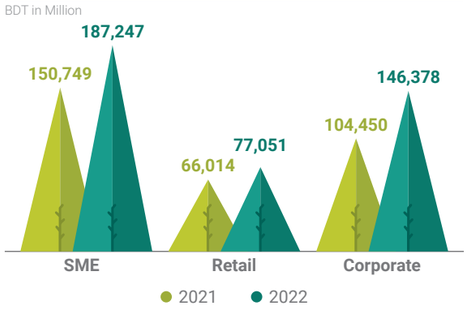
Segmental composition of Loans portfolio



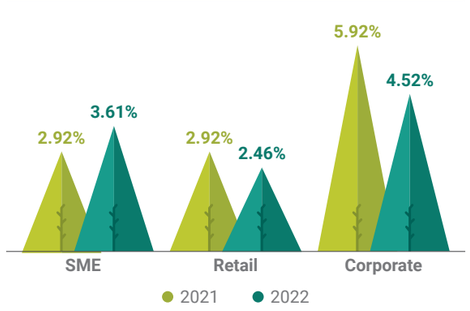
Segmental loan portfolio and quality

All three business segments of the bank witnessed considerable growth in the loan portfolio. Specifically, the Corporate division achieved a staggering 40% (BDT 41,928 million) growth in the portfolio. Through its conscious & supportive approach, BRAC Bank helped customers continue their business momentum and put their trust in us as the most preferred corporate banking partner during this challenging period. SME and Retail portfolio has also grown by 24% and 17%, respectively, contributing to the 28% overall growth in loans and advances during the year.

Segmental Loan Portfolio



Non Performing Loans

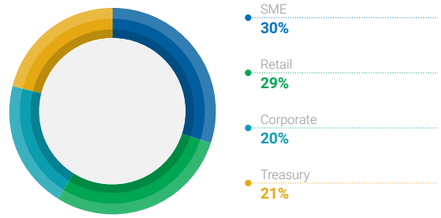


The bank's NPL stood at 3.72%, well below the industry average, and is comprehensive and well managed and has shown a decreasing trend from last year (3.90%) despite withdrawal of Covid forbearances. The Board and management have been highly cautious in selecting quality portfolios in this disruptive market. To absorb the credit risk of the current NPL and fight unforeseen shocks, the Bank maintained a 111% NPL coverage ratio (incl. GP).

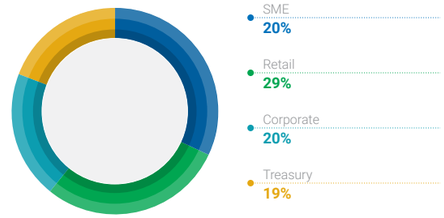
Segmental Revenue and Operating Profit

Total revenue grew by 14% compared to 2021 - although there was an 89 bps drop in the Net Interest Margin (NIM) due to higher deposit costs. Revenue growth was primarily driven by New to Bank Customer Acquisition and Balance Sheet growth. Treasury division has shown tremendous support amid war and rising inflation. SME Banking division earned BDT 7,912 million as revenue and contributed BDT 1,003 million towards operating profit, whereas Retail, Corporate & Treasury divisions contributed BDT 1,430 million, BDT 3,656 million and BDT 5,037 million to operating profit respectively.

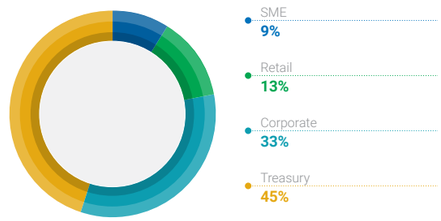
Revenue, 2022



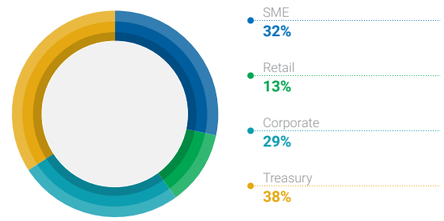
Revenue, 2021



Operating Profit, 2022

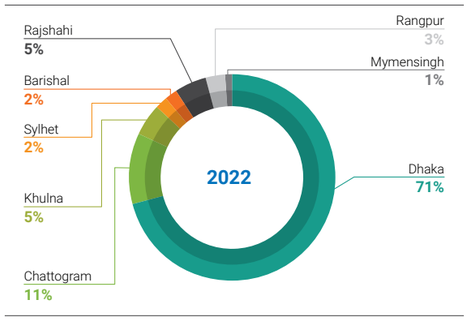


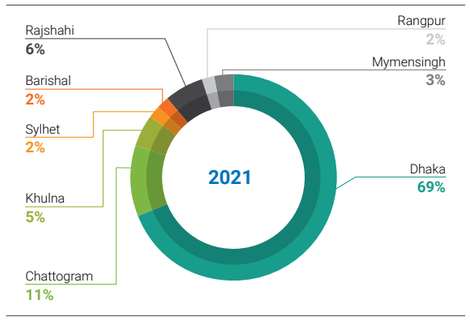
Operating Profit, 2021



Geographic location-wise portfolio

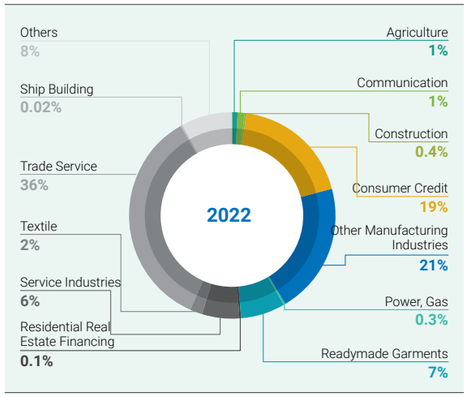
Our loans and advances are concentrated in a virtually similar manner in 2022 as it was in 2021. It is worth mentioning that the concentration is calculated based on the location of the loan-originating branch, not the location where the investment is made. We strive to ensure geographical diversification of loan disbursement through our wide network of branches, SME Unit Offices, and digital platforms, ensuring homogenous financial inclusion and development.

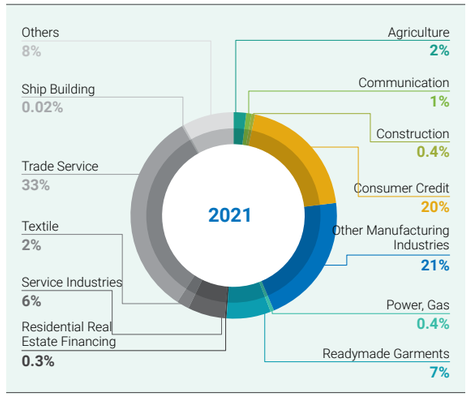




Industry sector-wise loan portfolio

As an SME-focused bank, we continuously strive to judiciously expand our SME portfolio. At 2022 yearend, loans and advances to small and medium enterprises comprised 46% of the overall loan portfolio. Though SME mix has decreased by 1.34%, a massive growth of BDT 36,498 Mn in SME loans was noted in 2022. Other than SME loans, consumer credit stands at 19%, compared to 18% of 2021. Also, loans to trade services increased by 2% in the portfolio mix.





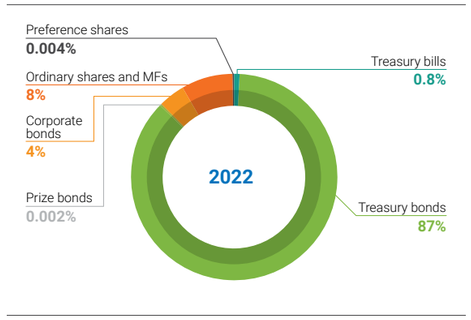
BRAC Bank achieved a significant 28% growth in loan portfolio, very much reflective of its long-term growth strategy, largely dominated by manufacturing, trade service and consumer credit portfolio.

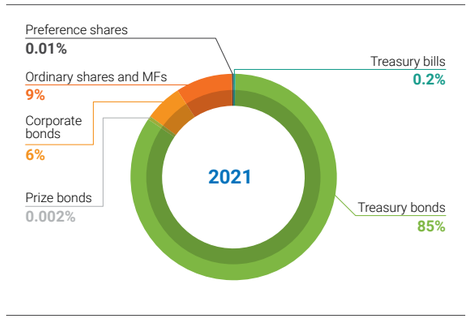
Amount in million

Sector	2022	2021	Change over 2021	
	Amount	Amount	Amount	Percentage
Agriculture	5,688	5,754	(66)	-1%
Communication	3,288	1,926	1,362	71%
Construction	1,672	1,138	534	47%
Consumer Credit	77,082	65,475	11,607	18%
Other Manufacturing Industries	84,860	66,935	17,926	27%
Power, Gas	1,034	1,161	(126)	-11%
Readymade Garments	27,870	22,845	5,025	22%
Residential Real Estate Financing	575	1,078	(503)	-47%
Service Industries	24,826	18,000	6,826	38%
Textile	6,490	4,944	1,546	31%
Trade Service	146,336	106,737	39,599	37%
Ship Building	70	71	(1)	-1%
Others	30,887	25,151	5,736	23%
Grand Total	**410,676**	**321,212**	**89,464**	**28%**

Investment mix

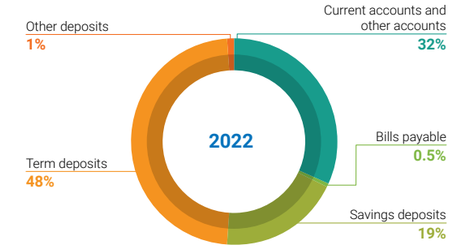
The overall investment of the bank increased to BDT 64,288 million in 2022. The bank's investment in treasury bonds exceeded BDT 56,133 million (87% of total investment in 2022), which remained the lion's share of the bank's investment portfolio. Investments were mainly kept to maintain SLR, as per Bangladesh Bank guidelines.

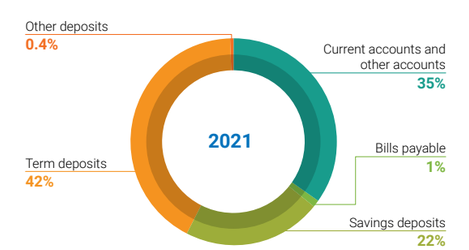




Deposit portfolio

The bank continuously strives to enhance its deposit base, especially low-cost CASA, through ensuring superior customer service and offering high security of deposits. Intending to further build on our low-cost deposit base, we continued to give thrust to CASA, which stands at 32% (2021: 35%) of the overall portfolio. Our deposit portfolio remains well-diversified.



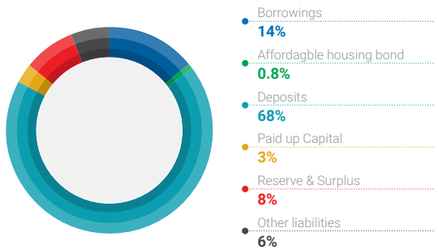


Sources and utilization of funds

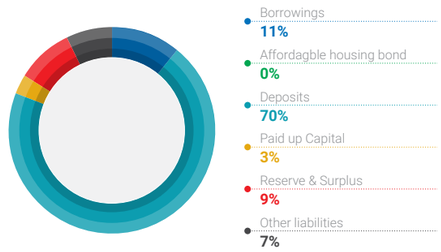
Total liabilities as on 31 December 2022 stood at BDT 504,848 Mn, representing a YoY increase of 28%. The increase can be attributed to the 22% deposit growth of BDT 69,876 Mn. Borrowing from other banks and FIs increased by BDT 14,551 Mn in offshore banking units to support offshore business growth.

A significant chunk of BRAC Bank's funds is derived from customer deposit accounts, which are utilized to support loans and advances growth. As per Bangladesh Bank's guidelines, a slice of this pie is retained in the form of cash/ equivalents to maintain adequate CRR and SLR ratios.

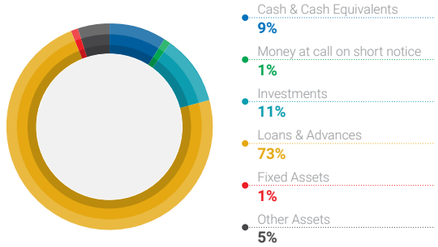
Sources of Fund 2022



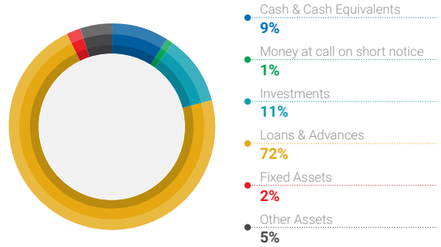
Sources of Fund 2021



Utilization of Fund 2022



Utilization of Fund 2021



Managing business and other operational risks associated with bank

The Bank has a comprehensive risk management system in place to ensure that the risks it takes while performing business activities are compatible with its risk appetite, their impact on capital in relation to internal goals, and that risk and return are balanced in the right ways. By utilizing cutting-edge data and frameworks, the Bank is still concentrating on improving its capacity for risk management. The Board periodically evaluates the Bank's risk profile to ensure risk levels are within the established risk appetite.

At BRAC Bank, one of our top responsibilities is managing the bank's business and other operational risks to constantly improve our three-line protection system for risk management and control. This permits us to preserve our social, political, and economic environment. Management and control procedures, and prospective dangers that could influence the evolution of our strategic plan, are regularly analyzed together with our top risks under various stress conditions. Additionally, senior management monitors key strategic risks, such as the bank and the extended Group. Among the main hazards of the current environment are credit risk (including default risk), cyber and information security risk brought on by digital transformation, and a hypercompetitive market, heightened competition from established firms and new entrants. To compete in the new environment, we at BRAC Bank feel that digitizing our operations and turning the current bank into a digital platform are essential. With a cutting-edge SOC (security operation centre) in place, our collaborative approach is also crucial to this change. Furthermore, we support inclusive and sustainable growth as part of our commitment to society's advancement. Thus, operating in a complex and regulatory-charged environment, we have reinforced the bank's Risk Management Division (RMD) in 2022, increasingly aligning the function with regulatory requirements and guidelines. Furthermore, we also revised the risk management policy and in 2022, we widened the operational perimeter of our risk management division, which helps us stay abreast of best practices and deploy them to ensure holistic risk management within the bank. Moreover, we have a specialist resource pool with robust risk management expertise that allows us to delegate responsible owners for each risk pool. Besides, we also have a proper delegation of authority to escalate and deal with every risk formation, constituting different forums for risk escalation, including the Enterprise Risk Associates Forum (ERAF) for evaluation and subsequent resolution. Subsequently, ERAF issues, which require top management's guidance and decisions, are placed at the Executive Risk Management Committee (ERMC). ERAF, as well as ERMC, convene every month periodically to identify, address and mitigate risks. Finally, the Board Risk Management Committee (BRMC) highlights critical risk elements for the Board's oversight and guidance.

Details on disclosure on notes to financial statements section 3.8, risk management framework and risk mitigation methodology is given on page 439, 337, 343 respectively.

Extraordinary gain/loss

During the year, there was no material extraordinary non-recurring gain or loss that required special attention of the stakeholders that impacts their decision making.

Basis for related party transactions

The bank is required to conduct transactions with related parties in the normal course of business. The nature of related party transactions is either loans and advances or deposits made with the bank at arm's length or at fair market value. Please refer to page 509 for details of related party transactions as disclosed in "**Annexure – J**".

Preparation of financial statements and Annual Report 2022

Our primary focus is to ensure the integrity and quality of the financial statements. Thus, while preparing the Annual Report, a true and fair presentation has been given top priority. We have also embraced the following principles:

True and Fair View	Maintenance of Proper Books of Account	Accounting Policies and Estimates
▪ Financial statements have been prepared in accordance with the IFRS adopted by FRC ▪ We have prepared the financial statements on a going concern basis	▪ We have maintained proper books of accounts ▪ The bank also complied with the laws and regulations of the various relevant governing bodies of Bangladesh	▪ Appropriate accounting policies have been used and applied consistently ▪ We have applied judgments and accounting estimates that are reasonable and prudent ▪ Ensured compliance with Applicable IASs & IFRSs

The Board Audit Committee of the bank has reviewed the financial statements of 2022 and referred to the Board of Directors for their consideration. The external auditor, M/s Hoda Vasi Chowdhury & Co., Chartered Accountants, appointed by the shareholders, have certified the fairness of the financial statements for the year ended 31 December 2022.

Details of basis of preparation and policy notes are available in notes to financial statements (notes 2 to 3.11).

Internal control and compliance

Banking is a diversified and dynamic financial activity that involves dealing with and mitigating diverse risks. Hence, an effective internal control system, application of good governance, transparency of all financial activities and accountability towards stakeholders and regulators have become key to ensure sustainable and strong performance of the banking industry.

Thus, an effective internal control and compliance system has become essential in order to underpin effective risk management practices and to ensure sustainable performance of a bank. At BRAC Bank, our ICCD embodies our "TREE", which refers to:

- Transparency
- Reliability
- Effectiveness
- Ethics

BRAC Bank has established an appropriate and effective internal control environment through the Board of Directors, management, organisational and procedural controls and an independent audit function to ensure that the bank is managed and controlled in a sound and prudent manner. The bank identifies control weaknesses through the internal audit system and adopts appropriate remedial actions to overcome identified control weaknesses. The Board has established an Independent Audit Committee to monitor the effectiveness of the Bank's internal control systems. The Audit committee meeting is held periodically to review the overall effectiveness of the internal control system, transparency and adequacy of financial statements, and the policy procedures the management developed. Audit Committee periodically advises the management to strengthen the Bank's internal control system and ensures that the management has taken appropriate actions per the recommendations of central bank and other regulatory bodies, external auditor and internal auditor.

The bank reviews the overall effectiveness of the internal control system on an annual basis, which is reviewed by Audit committee and feedback is provided to the Board of Directors on the effectiveness of internal control policies, practices and procedures on an ongoing basis.

Please refer to page 232 for details of disclosure on ICCD.

Going concern basis

The bank's financial statements have been prepared on a going concern basis, as the Board doesn't intend to discontinue the business or doesn't see any challenges to continuing the business over the foreseeable future. In assessing the going concern status, the Board has also considered the current statement of financial position, the profit & loss statement, business portfolio, operational strengths, long-term strategy of the business and regulatory capital and liquidity plans and plans for future capital mobilization.

Hence, there is no doubt about going concern, instead we have firm reasons to believe in the going concern status of the business.

Please refer to page 330 for details of the disclosure on going concern.

Significant Deviation from last year's Operating Results

There has been no significant deviation in the operating results of the bank during the year 2022 from that of 2021.

Change in the nature of business

During the year 2022, there has been no change in the nature of business.

Key Operating and Financial Data of last 5 years

Throughout this directors' report, we have highlighted key figures and facts related to operating and financial state of the bank for the past five years. **Please refer to page 156 to 170** for detailed indicators on disclosure of five-year financial summary, graphical presentation, stock price, Dupont and horizontal and vertical analysis of the bank.

Corporate governance

Our governance framework is premised on competent leadership, effective internal control, strong risk culture, ownership, and accountability to all our stakeholders, including our customers, shareholders, employees, society and regulators.

BRAC Bank has an active Board that is crucial in setting our governance standards to meet stakeholders' expectations. At the same time, our leadership and operating model ensures an appropriate balance of power, accountability and independence in decision-making across various bank functions. Further, robust mechanisms have been implemented to ensure corporate governance principles are deeply embedded in our corporate culture. The bank has also adopted best practices regarding disclosure, transparency and business ethics to add value to stakeholders' expectations. We also complied with corporate governance practices in all respects of the Corporate Governance Code (CGC) and Good Governance guidelines issued by Bangladesh Bank.

The Board is aware of the need to shape governance structures and practices through their knowledge and leadership to drive the bank on a sustainable growth path. The Board is collectively engaged in ensuring that corporate governance processes are structured to direct the bank's actions, assets and resources to achieve this purpose while upholding all governance norms- in letter and in spirit.

Please refer to page 254 to 329 for details of disclosure on corporate governance.

Dividend

Our Board continuously strives to uphold and protect the interests of all categories of shareholders and ensure the stable growth of the Bank. The decision regarding dividend shall be taken only by the Board at its meeting and not by a committee of the Board or by way of a resolution passed by circulation. The final dividend will be paid only after the shareholders' approval at the Bank's Annual General Meeting (AGM) in compliance with all rules and regulations. To maintain a satisfactory total capital to risk-weighted asset ratio (CRAR) of the bank, the Board of Directors recommended total dividend 15% in combination of 7.5% Cash and 7.5% Stock dividend for the year ended December 31, 2022, subject to approval at the 24th Annual General Meeting (AGM).

The above recommendation of dividend is as per the Board approved dividend policy which is disclosed in the "Dividend Distribution Policy" section of this Annual Report on page 290, 438.

Board Meeting and Attendance

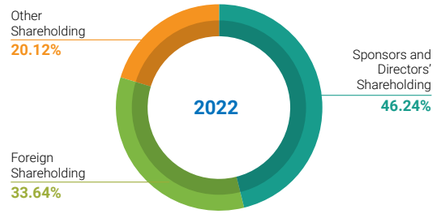
The number of Board meetings held during the year and attendance by each director is presented below:

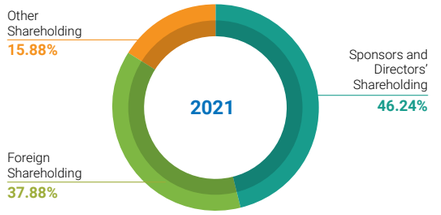
as on 31st December 2022

SL No.	Name of the Director	Designation	Presence of the Director in the meeting during their tenure			Remuneration per meeting (BDT)
			No. of meetings	Present	Absent	
1	Dr. Ahsan H. Mansur	Chairman & Independent Director	24	24	-	8,000
2	Mr. Asif Saleh	Nominated Director	24	14	10	8,000
3	Ms. Fahima Choudhury	Independent Director	24	24	-	8,000
4	Ms. Farzana Ahmed	Independent Director	24	20	04	8,000
5	Dr. Zahid Hussain	Independent Director	24	24	-	8,000
6	Mr. Meheriar M Hasan	Nominated Director	24	15	09	8,000
7	Mr. Shameran Bahar Abed	Nominated Director	24	15	09	8,000
8	Dr. Mustafa Kamal Mujeri	Independent Director	24	24	-	8,000
9	Mr. Faruq Mayeenuddin Ahmed	Independent Director	24	24	-	8,000
10	Mr. Salek Ahmed Abul Masrur	Independent Director	21	16	05	8,000

Please refer to page 254 to 329 for details on disclosure on corporate governance.

Shareholding Structure of BRAC Bank





For shareholder-wise detail of holding, please refer to distribution of shareholding presented at page 63 of this annual report.

Share price and market capitalisation

Bangladesh's stock market had a lackluster year in 2022, after posting double-digit returns for the previous two years. The Dhaka Stock Exchange Broad Index (DSEX) fell by 8.1 per cent in 2022, while daily average turnover fell by 35 per cent. BRAC Bank's market capitalization at 31 December 2022 stood at BDT 576,185 million and closing price was BDT 38.5 per share.

Please refer to page 175 for details on disclosure of the bank's stock price statistics.

Shareholder value creation

Shareholders' equity at BRAC Bank increased by 7% in 2022, compared to the previous year. Within the sponsors, BRAC holds 46.165% shareholding and institutions and the general public holds 51.53%.

Regulatory capital

The bank's capital base was well above the regulatory limit with a Total Capital to Risk-weighted Asset Ratio (CRAR) of 14.04 per cent and a Common Equity Tier 1 (CET1) ratio of 12.42 per cent at the end of 2022.

Please refer to page 474 for details on disclosure on financials and page 353 for Basel-III reporting.

Contribution to the national exchequer

BRAC Bank has transformed itself into one of the strongest and best-run financial institutions of Bangladesh, leading the financial services sector with responsibility and agility. Over the years, the bank has ensured substantive contribution to the national economy, reflected in collecting Government revenues and depositing the same to the state purse, as per the laws. The bank also deducts tax, VAT and excise duty at the time of making payments for goods and services. Besides these, the bank also pays income tax.

Please refer to page 183 for details of disclosure on contribution to the nation in the performance analysis.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility and citizenship comprise an integral part of BRAC Bank's core values and culture. BRAC Bank prioritises long-term programmes, and fulfilling the UN SDGs is a top priority as the organisation passionately wants to contribute to the country's march towards the middle-income nation rank.

Appointment of statutory auditor

The existing Auditor, M/s Hoda Vasi Chowdhury & Co., Chartered Accountants, BTMC Bhaban (7th & 8th Level), 7-9 Kazi Nazrul Islam Avenue, Kawran Bazar C/A, Dhaka -1217 has completed their 2nd audit session for the year 2022. However, they are eligible for re-appointment for the year 2023 and hence they have expressed their willingness to work with the bank. The Board of Directors has recommended M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, to appoint as auditors of the bank for the year 2023. The appointment of auditor will be confirmed by the shareholders at the 24th Annual General Meeting.

Appointment of auditor for the Certification on Corporate Governance

The existing professional Auditor, M/s Hussain Farhad & Co, has expressed willingness to work as auditor on compliance status on Corporate Governance Code, and the Board of Directors has also recommended M/s Hussain Farhad & Co as compliance auditor for the year 2023. As per Bangladesh Securities & Exchange Commission notification on Corporate Governance Code for appointment of professional for the certification on corporate governance for the year 2023 will be confirmed at the 24th AGM.

Rotation, re-appointment of Directors

Pursuant to the Companies Act 1994, one-third of the Directors shall retire from the Board at the AGM in a Public Limited Company

According to the Companies Act, 1994, Schedule-1, Reg-79 and Clause 103 of the Articles of Association of BRAC Bank, "At the ordinary general meeting in every subsequent year, one third (1/3rd) of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office." Further, as per the Corporate Governance (CG) Code issued by Bangladesh Securities and Exchange Commission (BSEC), Independent Director/s shall not be subject to retirement by rotation.

Mr. Meheriar M Hasan
Nominated Director

Accordingly, Mr. Meheriar M Hasan, among the Nominated Directors, will retire from the Board at the 24th Annual General Meeting and is eligible for re-appointment. He has given his consent for re-appointment. The brief profile and involvement in other businesses has been furnished in the Director's profile section and notes to the financial statements.

Further, as per the Corporate Governance (CG) code issued by Bangladesh Securities and Exchange Commission (BSEC), Independent Director/s shall not be subject to retirement by rotation.

Ms. Farzana Ahmed
Independent Director

Ms. Farzana Ahmed, completed her first tenure on January 2023 as an Independent Director. According to the Corporate Governance code issued by Bangladesh Securities and Exchange Commission, she has been appoiented for the second tenure and duly approved by respective authorities.

Note: Details of profile of the Independent Directors are presented on page 64 to 74.

Acknowledgements and gratitude

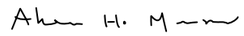
We, as the Board of BRAC Bank, are truly thankful to the government and our regulatory authorities for their guidance and wise counsel that has contributed to the bank's growth over the years.

Further, we also acknowledge the efforts of all individuals who made BRAC Bank's success possible; they are truly at the heart of the organisation, having built it to its current strength and made it a globally recognised brand that it is today. Together, our success has been defined by touching the lives of millions around the country.

To our shareholders and customers, thank you for placing the highest trust and confidence in us. To our business partners and regulators, thank you for your unwavering support for allowing us to prosper and grow to greater heights.

Finally, we thank the communities in which BRAC Bank serves for embracing our presence and letting us be part of their journey.

For and on behalf of the Board of Directors,



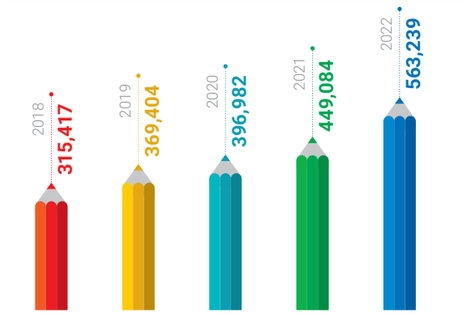
Dr. Ahsan H. Mansur
Chairman, BRAC Bank Limited

Five Years' Financial Summary Graphical Presentation

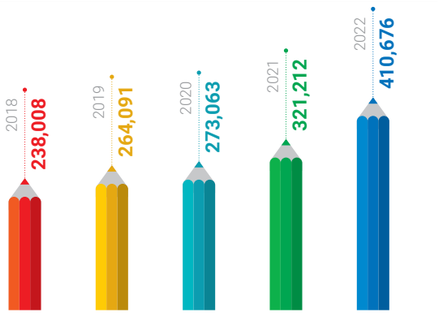
Standalone Information

BDT in Million unless otherwise specified

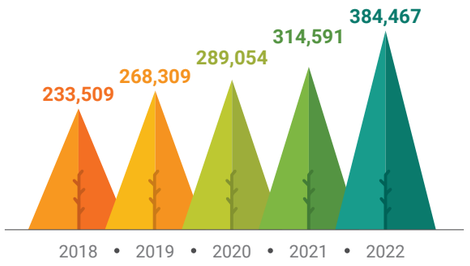
Total assets



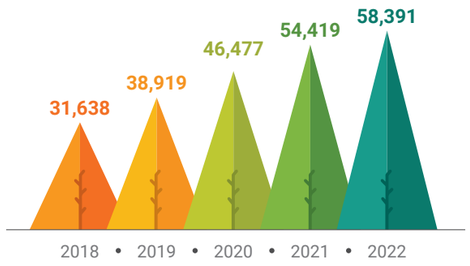
Loans and advances



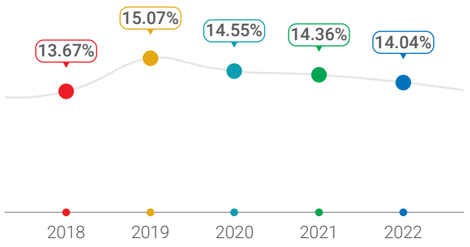
Deposit and other accounts



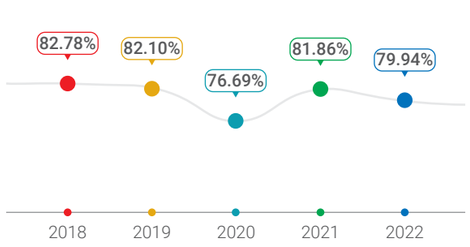
Total shareholders' equity



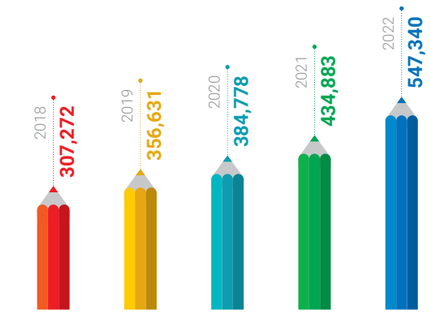
Total capital to risk-weighted asset ratio (CRAR)



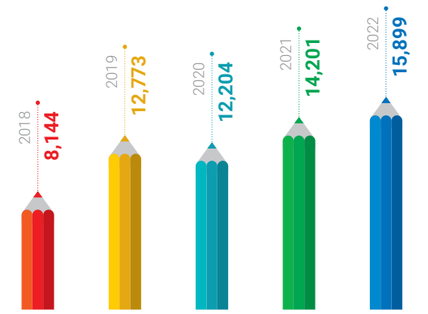
AD ratio



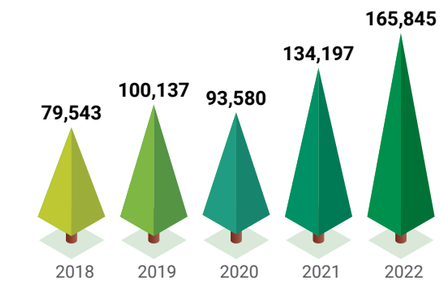
Interest earning assets



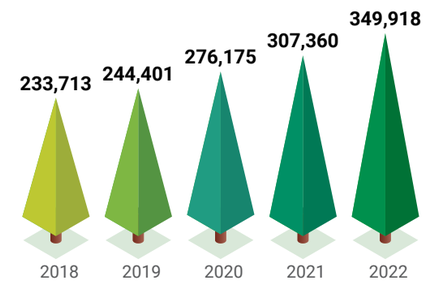
Non-interest earning assets



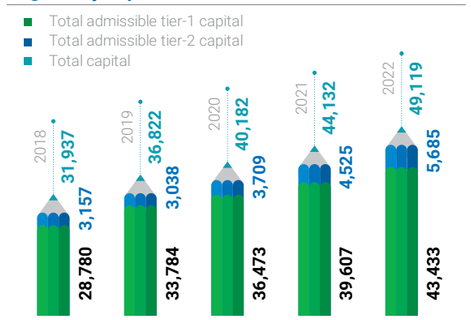
Off balance sheet items



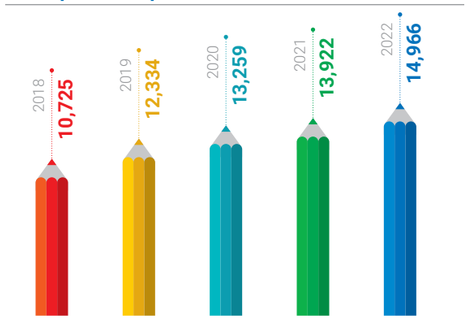
Risk weighted assets



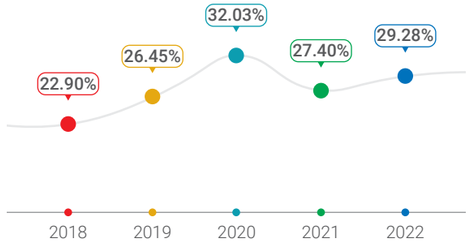
Regulatory capital



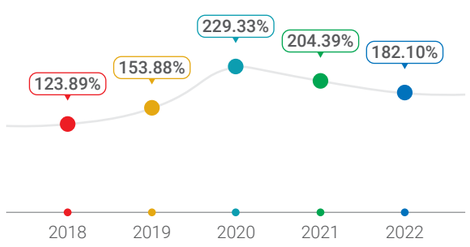
Paid up share capital



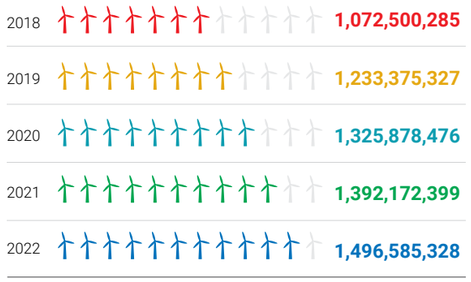
Liquid asset to total deposit ratio



Liquid asset to short term liabilities



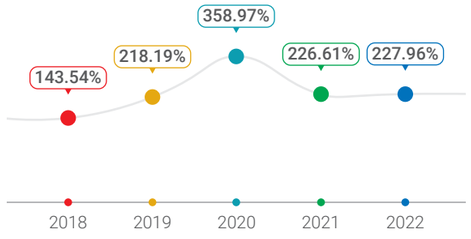
No. of shares



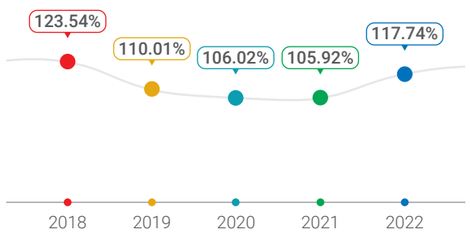
Number of shareholders



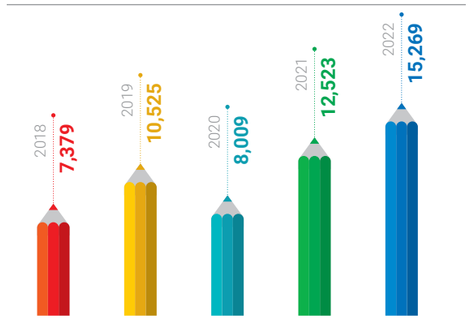
Liquidity coverage ratio (LCR)



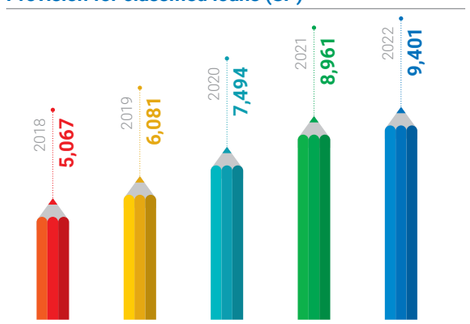
Net stable funding ratio (NSFR)



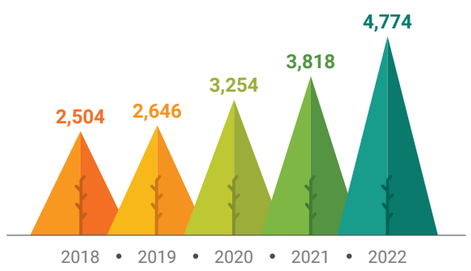
Classified loans



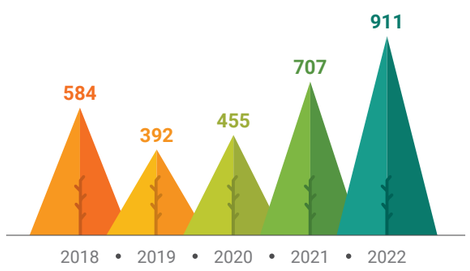
Provision for classified loans (SP)



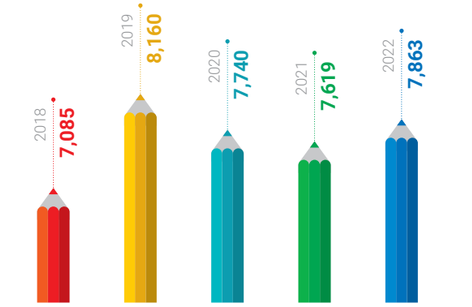
Provision for unclassified loans (GP)



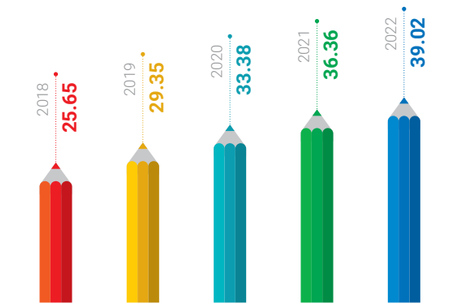
Provision for off balance sheet items



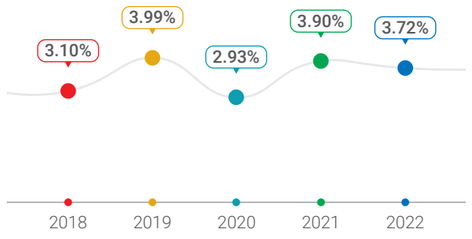
Number of employees



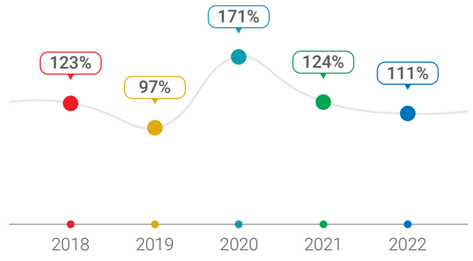
Net asset value per share in taka



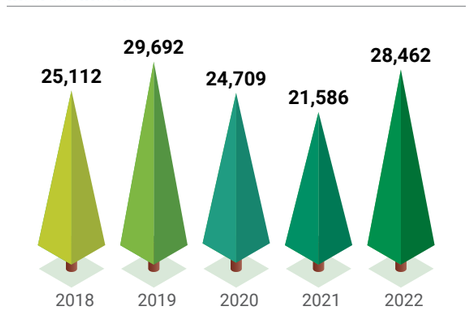
Percentage of NPLs to total loans and advances



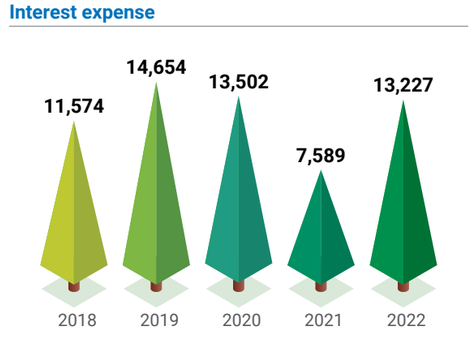
NPL coverage ratio (incl. GP)



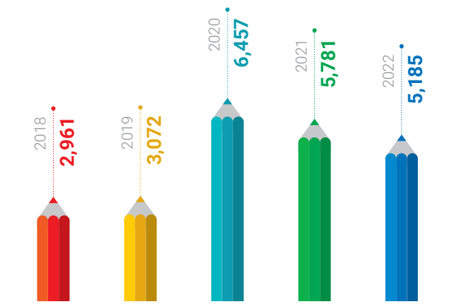
Interest income



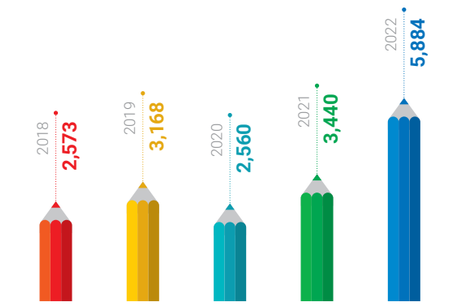
Interest expense



Investment income



Commission exchange & brokerage



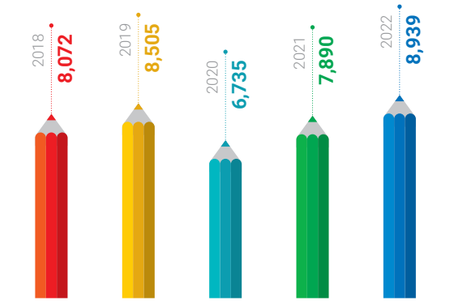
Total operating expenses



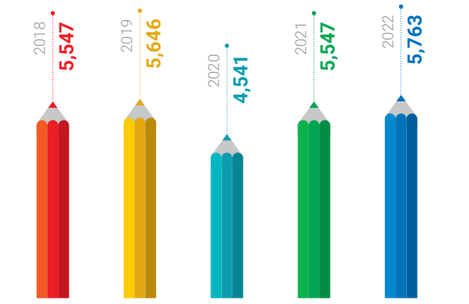
Operating profit/profit before provisions



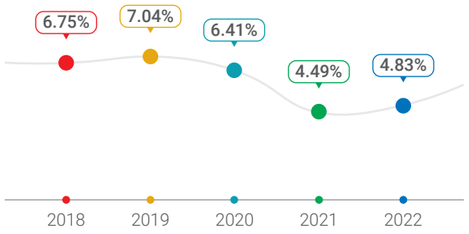
Profit before tax



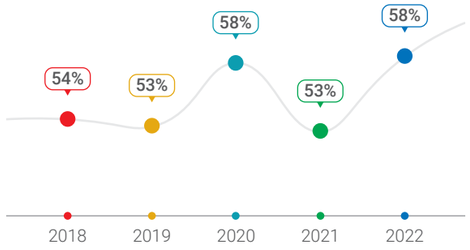
Net profit after tax



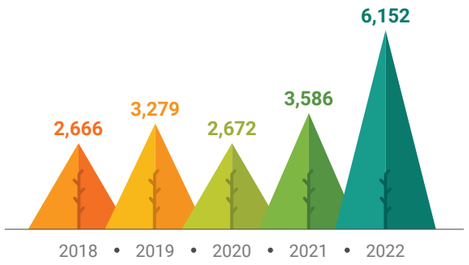
Cost of fund



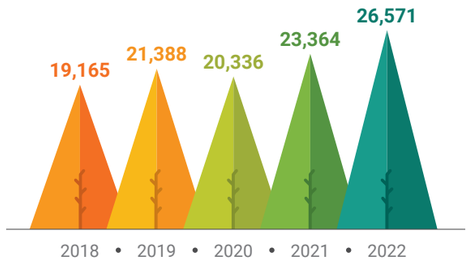
Cost to income ratio



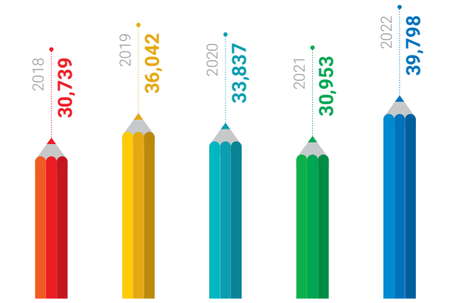
Non-interest income except investment income



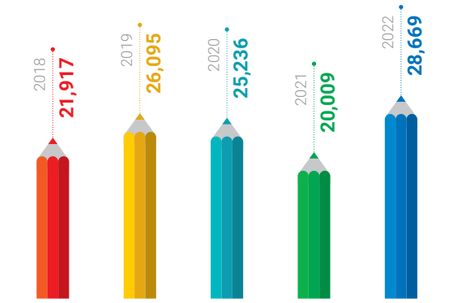
Total revenue



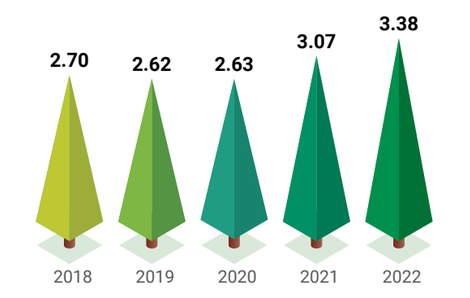
Total income



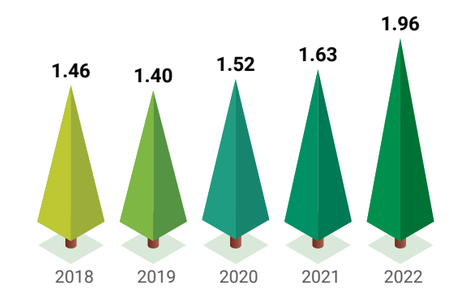
Total expenditure



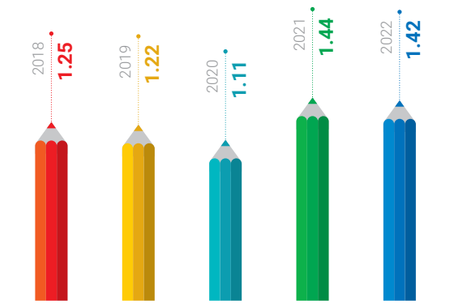
Operating income per employee



Operating cost per employee



Operating profit per employee



PBT per employee



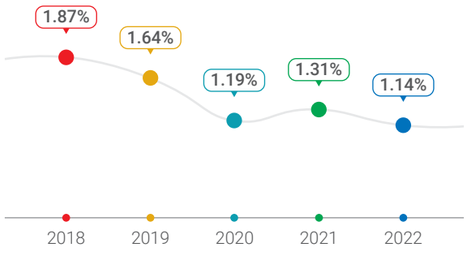
Earnings per share (BDT)



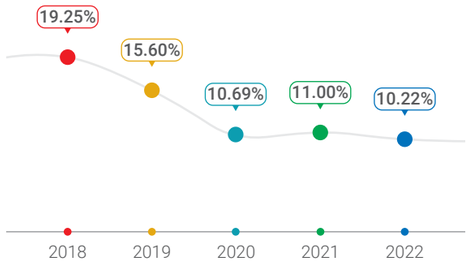
Price earnings ratio



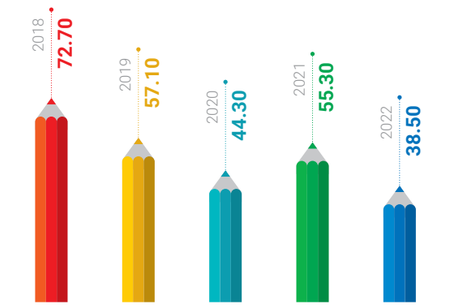
Return on assets



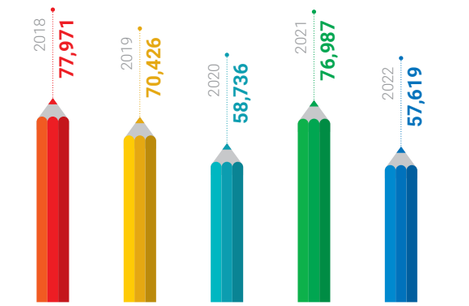
Return on equity



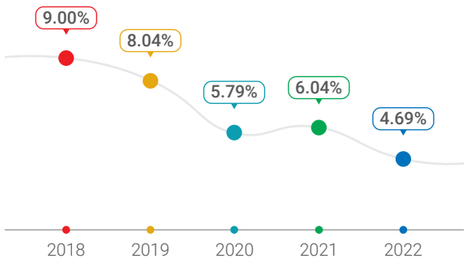
Market value per share (year end) in taka



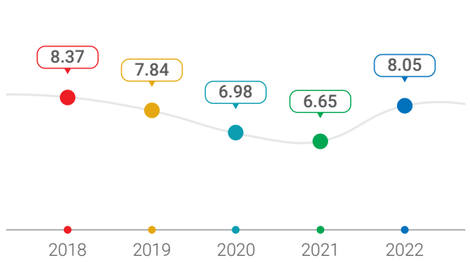
Market capitalization at the year end



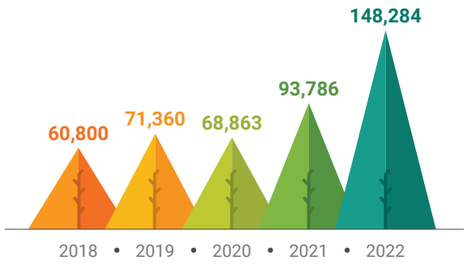
Return on investment



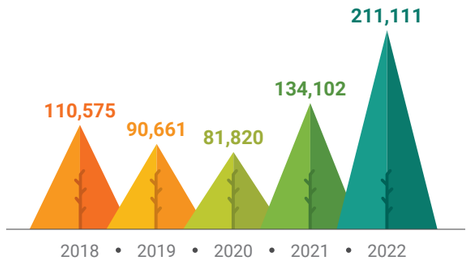
Debt equity ratio (times)



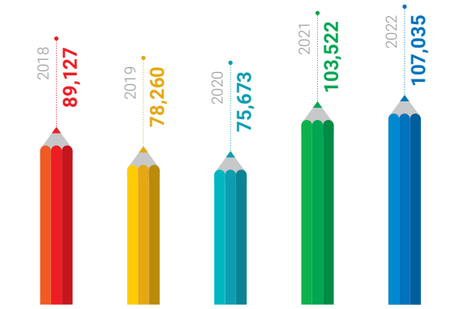
Export



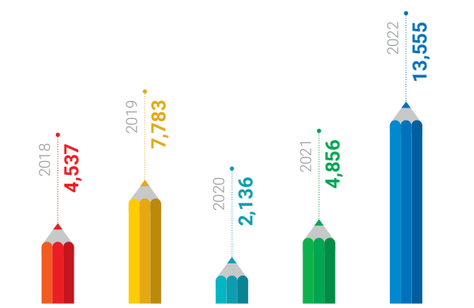
Import



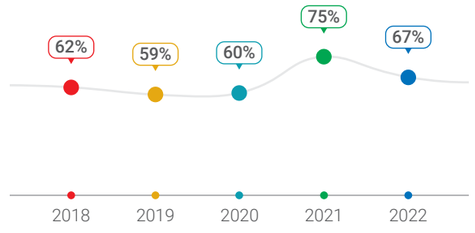
Remittance (inward)



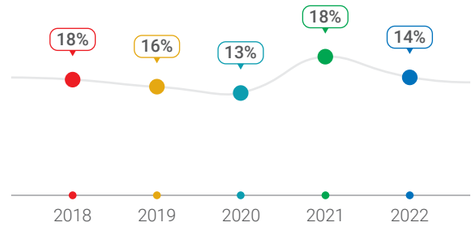
Guarantee



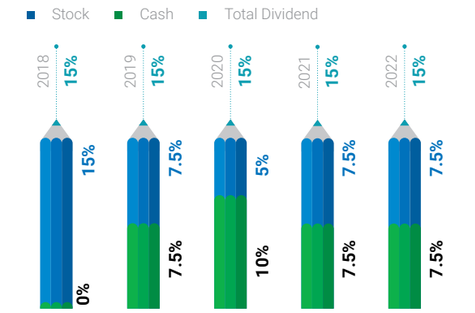
GP margin



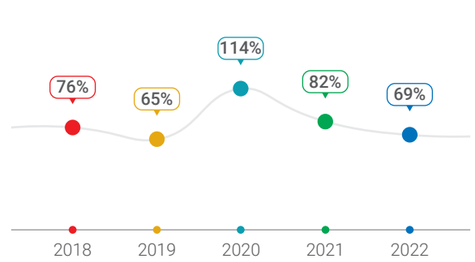
NP margin



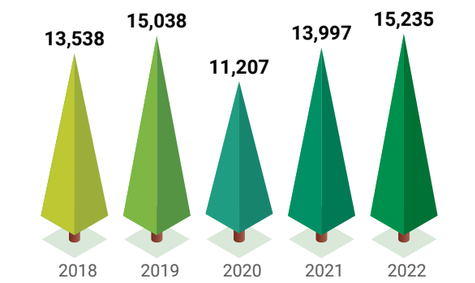
Dividend payment



NPL coverage ratio (excl. GP)



Net interest income

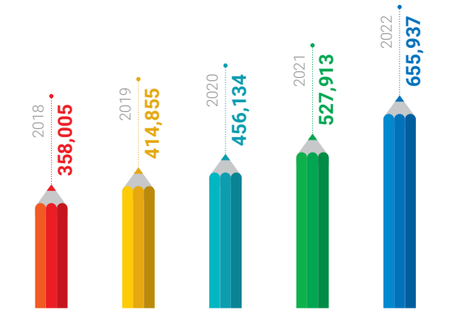


Five Years' Financial Summary Graphical Presentation

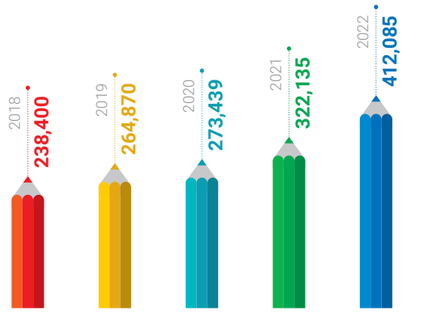
Consolidated Information

BDT'Million unless otherwise specified

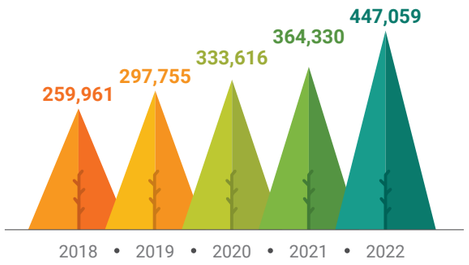
Total assets



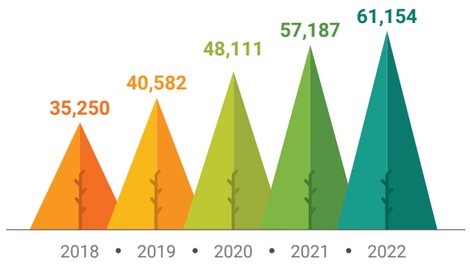
Loans and advances



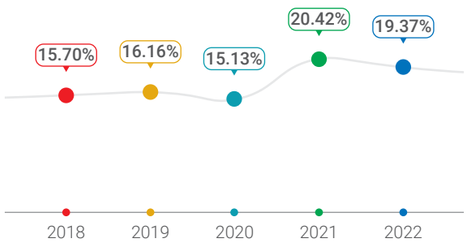
Deposit and other accounts



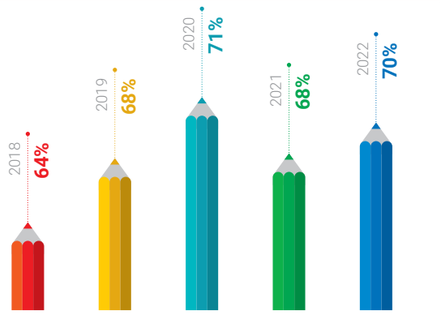
Total shareholders' equity



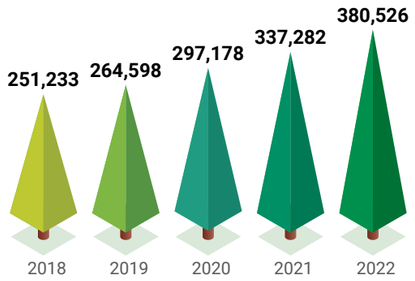
Total capital to risk-weighted asset ratio (CRAR)



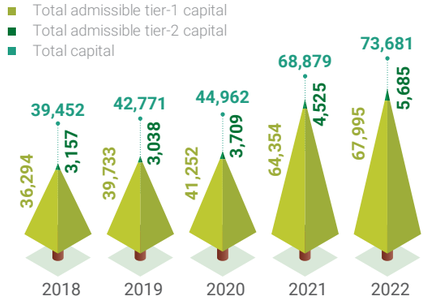
CIR- CONSO



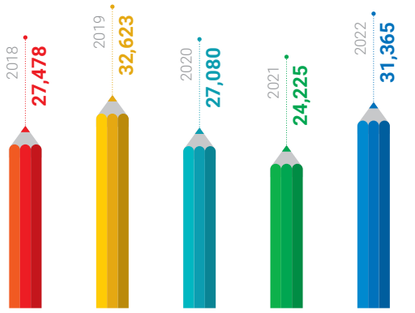
Risk weighted assets



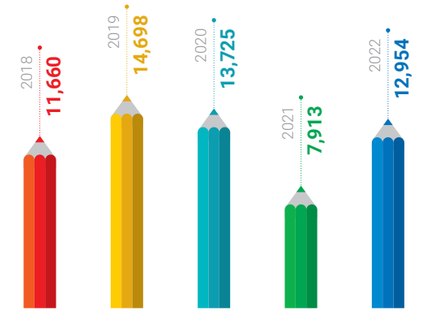
Regulatory capital



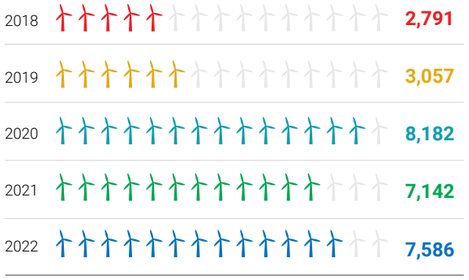
Interest income



Interest expense



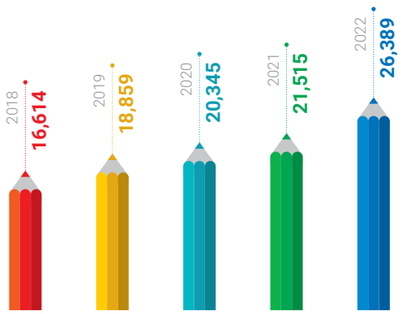
Investment income



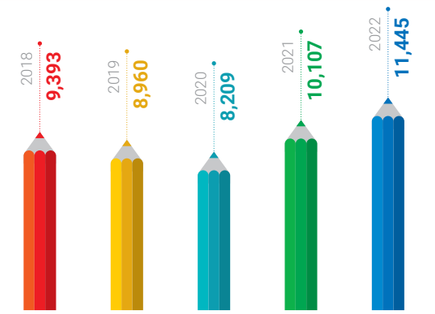
Commission exchange & brokerage



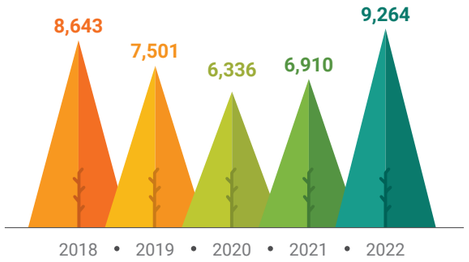
Total operating expenses



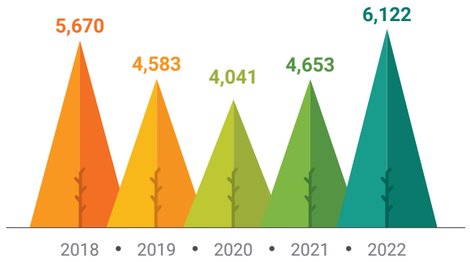
Operating profit



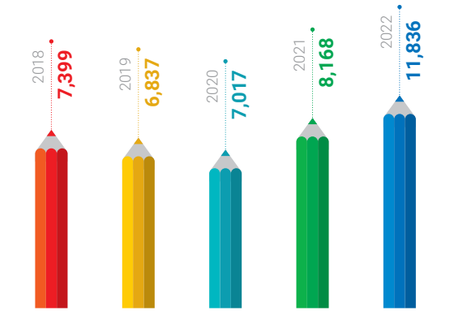
Profit before tax



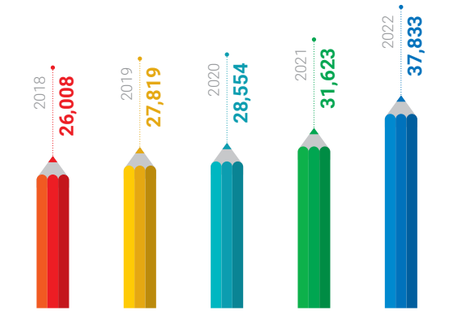
Net profit after tax



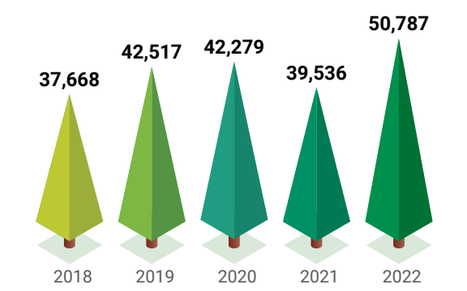
Non-interest income



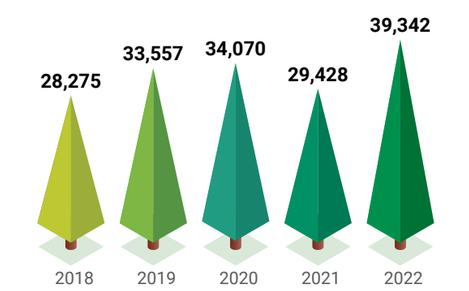
Total revenue



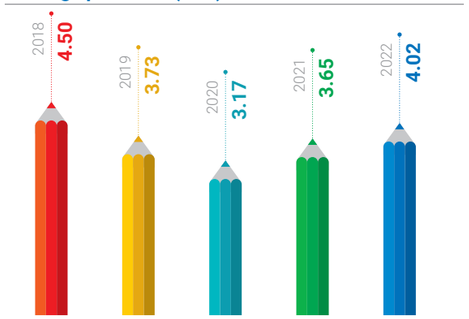
Total income



Total expenditure



Earnings per share (BDT)



Five Years' Financial Summary

BDT in Million unless otherwise specified

STANDALONE INFORMATION	2022	2021	2020	2019	2018
FINANCIAL POSITION					
Cash and bank balances	48,032	42,558	33,602	38,629	37,253
Money at call and short notice	6,826	3,500	-	-	-
Investments	64,288	51,591	68,896	45,944	25,765
Loans and advances	410,676	321,212	273,063	264,091	238,008
Fixed asset	7,779	7,455	6,829	8,189	4,301
Other assets	25,626	22,764	14,526	12,485	10,023
Non-banking assets	11	5	66	66	66
Total assets	**563,239**	**449,084**	**396,982**	**369,404**	**315,417**
Borrowing	80,870	47,310	35,283	35,390	31,303
Affordable housing bond	4,751	-	-	-	-
Money at call and on short notice	-	-	85	1,274	-
Deposit and other accounts	384,467	314,591	289,054	268,309	233,509
Other liabilities	34,761	32,763	26,083	25,512	18,966
Total shareholders' equity	58,391	54,419	46,477	38,919	31,638
Total liability and shareholders equity	**563,239**	**449,084**	**396,982**	**369,404**	**315,417**
AD ratio	79.94%	81.86%	76.69%	82.10%	82.78%
Off balance sheet items	165,845	134,197	93,580	100,137	79,543
Interest earning assets	547,340	434,883	384,778	356,631	307,272
Non-interest earning assets	15,899	14,201	12,204	12,773	8,144
Liquid asset to total deposit ratio	29.28%	27.40%	32.03%	26.45%	22.90%
Liquid asset to short term liabilities	182.10%	204.39%	229.33%	153.88%	123.89%
Liquidity coverage ratio (LCR)	227.96%	226.61%	358.97%	218.19%	143.54%
Net stable funding ratio (NSFR)	117.74%	105.92%	106.02%	110.01%	123.54%
INCOME STATEMENT- PERFORMANCE AND PROFITABILITY					
Total revenue	26,571	23,364	20,336	21,388	19,165
Interest income	28,462	21,586	24,709	29,692	25,112
Interest expense	13,227	7,589	13,502	14,654	11,574
Investment income	5,185	5,781	6,457	3,072	2,961
Commission exchange & brokerage	5,884	3,440	2,560	3,168	2,573
Non-interest income except investment income	6,152	3,586	2,672	3,279	2,666

BDT in Million unless otherwise specified

STANDALONE INFORMATION	2022	2021	2020	2019	2018
Total operating expenses	15,442	12,420	11,734	11,440	10,343
Total income	39,798	30,953	33,837	36,042	30,739
Total expenditure	28,669	20,009	25,236	26,095	21,917
Operating profit	11,129	10,944	8,602	9,948	8,822
Profit before tax	8,939	7,890	6,735	8,505	8,072
Net profit after tax	5,763	5,547	4,541	5,646	5,547
CAPITAL MEASURES					
Authorized capital	20,000	20,000	20,000	20,000	20,000
Paid up share capital	14,966	13,922	13,259	12,334	10,725
Risk weighted assets	349,918	307,360	276,175	244,401	233,713
Common equity tier-1 capital	43,433	39,607	36,473	33,784	28,780
Total admissible tier-1 capital	43,433	39,607	36,473	33,784	28,780
Total admissible tier-2 capital	5,685	4,525	3,709	3,038	3,157
Total capital	49,119	44,132	40,182	36,822	31,937
Capital surplus/(deficit)	5,389	5,712	5,660	6,272	4,184
Common equity tier-I (CET1) capital ratio	12.42%	12.89%	13.21%	13.82%	12.31%
Total capital to risk-weighted asset ratio (CRAR)	14.04%	14.36%	14.55%	15.07%	13.67%
ASSET QUALITY					
Total loans and advance	410,676	321,212	273,063	264,091	238,008
Classified loans	15,269	12,523	8,009	10,525	7,379
Provision for unclassified loans (GP)	4,774	3,818	3,254	2,646	2,504
Provision for classified loans (SP)	9,401	8,961	7,494	6,081	5,067
Provision for off balance sheet items	911	707	455	392	584
Percentage of NPLs to total loans and advances	3.72%	3.90%	2.93%	3.99%	3.10%
NPL coverage ratio (incl. GP)	111%	124%	171%	97%	123%
NPL coverage ratio	69%	82%	114%	65%	76%
FOREIGN EXCHANGE BUSINESS					
Import	211,111	134,102	81,820	90,661	110,575
Export	148,284	93,786	68,863	71,360	60,800
Remittance (inward)	107,035	103,522	75,673	78,260	89,127
Guarantee	13,555	4,856	2,136	7,783	4,537
OPERATING PROFIT RATIOS					
Cost of fund	4.83%	4.49%	6.41%	7.04%	6.75%
Return on assets	1.14%	1.31%	1.19%	1.64%	1.87%
Return on equity	10.22%	11.00%	10.69%	15.60%	19.25%
Return on investment	4.69%	6.04%	5.79%	8.04%	9.00%
Debt equity ratio (times)	8.05	6.65	6.98	7.84	8.37
GP margin	67%	75%	60%	59%	62%
NP margin	14%	18%	13%	16%	18%
MANAGEMENT EFFICIENCY RATIOS					
Operating income per employee	3.38	3.07	2.63	2.62	2.70
Operating cost per employee	1.96	1.63	1.52	1.40	1.46

BDT in Million unless otherwise specified

STANDALONE INFORMATION	2022	2021	2020	2019	2018
Operating profit per employee	1.41	1.44	1.11	1.22	1.25
PBT per employee	1.14	1.04	0.87	1.04	1.14
Cost to income ratio	58%	53%	58%	53%	54%
Net interest income as a percentage of Operating cost	99%	113%	96%	131%	131%
DIVIDEND PAYMENT					
Cash	7.5%	7.5%	10%	7.5%	0%
Stock	7.5%	7.5%	5%	7.5%	15%
Total dividend	15%	15%	15%	15%	15%
Dividend coverage ratio	2.57	2.66	2.28	3.05	3.45
SHARES INFORMATION					
No. of shares	1,496,585,328	1,392,172,399	1,325,878,476	1,233,375,327	1,072,500,285
Earnings per share (BDT)	3.85	3.71	3.26	4.26	4.50
Number of shareholders	23,031	17,026	18,659	16,765	17,459
Market value per share (year end) in taka	38.50	55.30	44.30	57.10	72.70
Price earnings ratio	10.00	13.88	12.94	12.47	16.16
Net asset value per share in taka	39.02	36.36	33.38	29.35	25.65
Market capitalization at the year end	57,619	76,987	58,736	70,426	77,971
DISTRIBUTION NETWORK					
Number of customer (Mn)	1.4	1.3	1.1	1.3	1.2
Number of branches	120	120	120	120	119
No. of SME SC/KB	67	67	67	67	67
Number of SME unit office	457	456	456	456	456
Number of ATMs	324	373	375	424	448
Number of CDM	-	93	96	89	97
Number of RCDMs	39	-	-	-	-
Number of CRMs	9	-	-	-	-
Number of employees	7,863	7,619	7,740	8160	7,085
Number of foreign correspondents	399	391	381	379	370

BDT in Million unless otherwise specified

CONSOLIDATED INFORMATION	2022	2021	2020	2019	2018
FINANCIAL POSITION					
Cash and bank balances	84,823	101,721	62,638	69,662	67,046
Investments	116,552	70,069	94,095	55,952	35,133
Money at call and short notice	6,826	3,500	-	-	-
Loans and advances	412,085	322,135	273,439	264,870	238,400
Fixed asset	13,464	12,834	10,606	10,873	6,265
Other assets	20,804	16,222	13,863	12,004	9,665
Goodwill	1,373	1,427	1,427	1,427	1,427
Non-banking assets	11	5	66	66	66
Total assets	**655,937**	**527,913**	**456,134**	**414,855**	**358,005**

BDT in Million unless otherwise specified

CONSOLIDATED INFORMATION	2022	2021	2020	2019	2018
Borrowing	81,093	47,327	35,943	35,949	31,303
Affordable housing bond	4,751	-	-	-	-
Money at call and on short notice	-	-	85	1,274	-
Deposit and other accounts	447,059	364,330	333,616	297,755	259,961
Other liabilities	42,005	39,308	32,732	33,214	25,040
Total shareholders' equity	61,154	57,187	48,111	40,582	35,250
Non controlling interest	19,876	19,761	5,648	6,081	6,450
Total liability and shareholders' equity	**655,937**	**527,913**	**456,134**	**414,855**	**358,005**
CAPITAL MEASURES					
Risk weighted assets	380,526	337,282	297,178	264,598	251,233
Common equity Tier-1 capital	67,995	64,354	41,252	39,733	36,294
Total admissible Tier-1 capital	67,995	64,354	41,252	39,733	36,294
Total admissible Tier-2 capital	5,685	4,525	3,709	3,038	3,157
Total capital	73,681	68,879	44,962	42,771	39,452
Capital surplus/(Deficit)	26,141	26,718	7,814	9,696	9,618
Common equity Tier-I (CET1) capital ratio	17.88%	19.08%	13.88%	15.02%	14.45%
Total capital to risk-weighted asset ratio (CRAR)	19.37%	20.42%	15.13%	16.16%	15.70%
INCOME STATEMENT- PERFORMANCE AND PROFITABILITY					
Total revenue	37,833	31,623	28,554	27,819	26,008
Interest income	31,365	24,225	27,080	32,623	27,478
Interest expense	12,954	7,913	13,725	14,698	11,660
Investment income	7,586	7,142	8,182	3,057	2,791
Commission exchange & brokerage	11,522	7,993	6,846	6,599	7,227
Non-interest income except investment income	11,836	8,168	7,017	6,837	7,399
Total operating expenses	26,389	21,515	20,345	18,859	16,614
Total income	50,787	39,536	42,279	42,517	37,668
Total expenditure	39,342	29,428	34,070	33,557	28,275
Operating profit	11,445	10,107	8,209	8,960	9,393
Profit before tax	9,264	6,910	6,336	7,501	8,643
Net profit after tax	6,122	4,653	4,041	4,583	5,670
Earnings per share (BDT)	4.02	3.65	3.17	3.73	4.50
Cost-to-income ratio	70%	68%	71%	68%	64%

Horizontal Analysis (SOLO) Statement of Financial Position

BDT in million unless otherwise specified

Particulars	2022 BDT'M	2022 Δ %	2021 BDT'M	2021 Δ %	2020 BDT'M	2020 Δ %	2019 BDT'M	2019 Δ %	2018 BDT'M	2018 Δ %
PROPERTY AND ASSETS										
Cash	31,776	40%	22,677	18%	19,243	-16%	22,830	2%	22,375	22%
Balance with other banks and financial institutions	16,256	-18%	19,881	38%	14,359	-9%	15,799	6%	14,879	-23%
Money at call on short notice	6,826	95%	3,500	100%	-	-	-	-	-	-
Investments	64,288	25%	51,591	-25%	68,896	50%	45,944	78%	25,765	3%
Loans and advances	410,676	28%	321,212	18%	273,063	3%	264,091	11%	238,008	18%
Fixed assets including premises, furniture and fixtures	7,779	4%	7,455	9%	6,829	-17%	8,189	90%	4,301	1%
Other assets	25,626	13%	22,764	57%	14,526	16%	12,485	25%	10,023	4%
Non-banking assets	11	150%	5	-93%	66	0%	66	0%	66	5%
Total property and assets	**563,239**	**25%**	**449,084**	**13%**	**396,982**	**7%**	**369,404**	**17%**	**315,417**	**13%**
LIABILITIES AND CAPITAL										
Liabilities										
Borrowings from other banks, financial institutions & agents	38,685	60%	24,135	103%	11,913	-48%	22,902	0%	22,958	-1%
Borrowings from Bangladesh Bank	42,185	82%	23,176	-1%	23,370	87%	12,488	50%	8,345	49%
Affordable housing bond	4,751	100%	-	-	-	-	-	-	-	-
Money at call on short notice	-	-	-	-100%	85	-93%	1,274	100%	-	-100%
Deposits and other accounts	384,467	22%	314,591	9%	289,054	8%	268,309	15%	233,509	19%
Other liabilities	34,761	6%	32,763	26%	26,083	2%	25,512	35%	18,966	-16%
Total Liabilities	**504,848**	**28%**	**394,665**	**13%**	**350,505**	**6%**	**330,485**	**16%**	**283,779**	**12%**
Capital and shareholders' equity										
Total shareholders' equity	**58,391**	**7%**	**54,419**	**17%**	**46,477**	**19%**	**38,919**	**23%**	**31,638**	**22%**
Total liabilities and shareholders' equity	**563,239**	**25%**	**449,084**	**13%**	**396,982**	**7%**	**369,404**	**17%**	**315,417**	**13%**

Horizontal Analysis (SOLO) Profit & Loss Account

BDT in million unless otherwise specified

Particulars	2022		2021		2020		2019		2018	
	BDT'M	Δ %	BDT'M	Δ %	BDT'M	Δ %	BDT'M	Δ %	BDT'M	Δ %
Interest income	28,462	32%	21,586	-13%	24,709	-17%	29,692	18%	25,112	23%
Interest paid on deposits and borrowing etc.	13,227	74%	7,589	-44%	13,502	-8%	14,654	27%	11,574	39%
Net interest income	**15,235**	**9%**	**13,997**	**25%**	**11,207**	**-25%**	**15,038**	**11%**	**13,538**	**11%**
Investment income	5,185	-10%	5,781	-10%	6,457	110%	3,072	4%	2,961	-17%
Commission, exchange and brokerage	5,884	71%	3,440	34%	2,560	-19%	3,151	22%	2,573	-11%
Other operating income	267	83%	146	31%	112	-12%	128	38%	93	-12%
Total operating income	**26,571**	**14%**	**23,364**	**15%**	**20,336**	**-5%**	**21,388**	**12%**	**19,165**	**2%**
Salaries and allowances	8,152	23%	6,626	6%	6,228	12%	5,579	19%	4,681	8%
Rent, taxes, insurance, electricity etc.	507	7%	474	-4%	492	-30%	701	-50%	1,409	7%
Legal expenses	30	-9%	33	2%	33	5%	31	-44%	55	32%
Postage, stamps, telecommunication etc.	309	39%	223	9%	205	-11%	230	-15%	272	9%
Stationery, printing, advertisement etc.	397	79%	222	0%	221	-18%	269	-8%	292	-4%
Chief Executive's salary and fees	24	26%	19	3%	19	0%	19	34%	14	5%
Directors' fees	3	5%	2	53%	2	50%	1	-18%	1	-4%
Auditors' fees	2	0%	2	0%	2	0%	2	12%	2	12%
Depreciation and repair of the bank's assets	2,305	5%	2,191	5%	2,081	2%	2,050	77%	1,156	37%
Other expenses	3,714	41%	2,628	7%	2,452	-4%	2,557	4%	2,460	-3%
Total operating expenses	**15,442**	**24%**	**12,420**	**6%**	**11,734**	**3%**	**11,440**	**11%**	**10,343**	**7%**
Profit before provisions	**11,129**	**2%**	**10,944**	**27%**	**8,602**	**-14%**	**9,948**	**13%**	**8,822**	**-3%**
Provision for loans/Investments:										
Loans and advances	2,755	-22%	3,518	17%	2,999	59%	1,882	28%	1,467	-28%
Recovery from Write-Off	(810)	14%	(708)	12%	(634)	-19%	(786)	0%	(783)	-25%
Diminution in value of investments	21	-128%	(74)	-87%	(563)	-205%	534	359%	116	-261%
Off balance sheet items	205	-19%	252	299%	63	-133%	(192)	419%	(37)	-128%
Other provisions	20	-70%	66	4064%	2	-58%	4	-129%	(13)	-113%
Total provision	**2,190**	**-28%**	**3,054**	**64%**	**1,867**	**29%**	**1,442**	**92%**	**750**	**-35%**
Total Profit/(loss) before taxes	**8,939**	**13%**	**7,890**	**17%**	**6,735**	**-21%**	**8,505**	**5%**	**8,072**	**2%**
Provision for taxation:										
Current tax expense	3,766	9%	3,467	37%	2,537	-32%	3,719	47%	2,523	-21%
Deferred tax expense / (income)	(590)	-48%	(1,125)	228%	(343)	-60%	(859)	-41606%	2	-100%
Total provision for taxation	**3,176**	**36%**	**2,343**	**7%**	**2,194**	**-23%**	**2,860**	**13%**	**2,525**	**-5%**
Net profit after taxation	**5,763**	**4%**	**5,547**	**22%**	**4,541**	**-20%**	**5,646**	**2%**	**5,547**	**6%**

Vertical Analysis (SOLO) Statement of Financial Position

BDT in million unless otherwise specified

Partifulars	2022		2021		2020		2019		2018	
	BDT'M	Composition in %	BDT'M	Composition in %	BDT'M	Composition in %	BDT'M	Composition in %	BDT'M	Composition in %
PROPERTY AND ASSETS										
Cash	31,776	6%	22,677	5%	19,243	5%	22,830	6%	22,375	7%
Balance with other banks and financial institutions	16,256	3%	19,881	4%	14,359	4%	15,799	4%	14,879	5%
Money at call on short notice	6,826	1%	3,500	1%	-	0%	-	0%	-	0%
Investments	64,288	11%	51,591	11%	68,896	17%	45,944	12%	25,765	8%
Loans and advances	410,676	73%	321,212	72%	273,063	69%	264,091	71%	238,008	75%
Fixed assets including premises, furniture and fixtures	7,779	1%	7,455	2%	6,829	2%	8,189	2%	4,301	1%
Other assets	25,626	5%	22,764	5%	14,526	4%	12,485	3%	10,023	3%
Non-banking assets	11	0.002%	5	0.001%	66	0.02%	66	0.02%	66	0.02%
Total property and assets	**563,239**	**100%**	**449,084**	**100%**	**396,982**	**100%**	**369,404**	**100%**	**315,417**	**100%**
LIABILITIES AND CAPITAL										
Liabilities										
Borrowings from other banks, financial institutions & agents	38,685	7%	24,135	5%	11,913	3%	22,902	6%	22,958	7%
Borrowings from Bangladesh Bank	42,185	7%	23,176	5%	23,370	6%	12,488	3%	8,345	3%
Affordable housing bond	4,751	1%	-	0%	-	0%	-	0%	-	0%
Money at call on short notice	-	0%	-	0%	85	0.02%	1,274	0.3%	-	0%
Deposits and other accounts	384,467	68%	314,591	70%	289,054	73%	268,309	73%	233,509	74%
Other liabilities	34,761	6%	32,763	7%	26,083	7%	25,512	7%	18,966	6%
Total Liabilities	**504,848**	**90%**	**394,665**	**88%**	**350,505**	**88%**	**330,485**	**89%**	**283,779**	**90%**
Capital and shareholders' equity										
Total shareholders' equity	**58,391**	**10%**	**54,419**	**12%**	**46,477**	**12%**	**38,919**	**11%**	**31,638**	**10%**
Total liabilities and shareholders' equity	**563,239**	**100%**	**449,084**	**100%**	**396,982**	**100%**	**369,404**	**100%**	**315,417**	**100%**

Vertical Analysis (SOLO) Profit & Loss Account

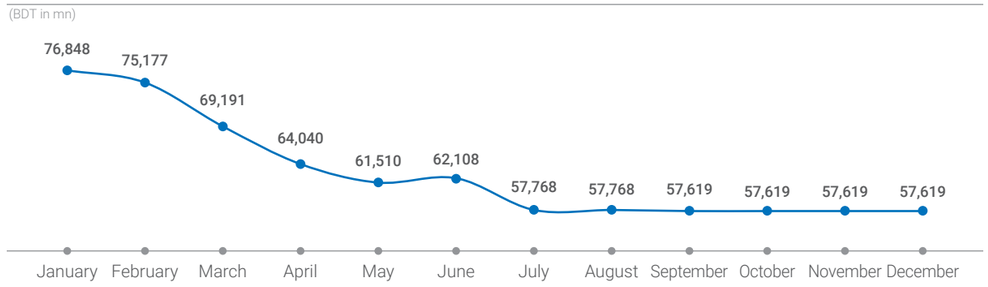
BDT in million unless otherwise specified

Particulars	2022		2021		2020		2019		2018	
	BDT'M	Composition in %	BDT'M	Composition in %	BDT'M	Composition in %	BDT'M	Composition in %	BDT'M	Composition in %
Interest income	28,462	72%	21,586	70%	24,709	73%	29,692	82%	25,112	82%
Interest paid on deposits and borrowing etc.	13,227	33%	7,589	25%	13,502	40%	14,654	41%	11,574	38%
Net interest income	**15,235**	**38%**	**13,997**	**45%**	**11,207**	**33%**	**15,038**	**42%**	**13,538**	**44%**
Investment income	5,185	13%	5,781	19%	6,457	19%	3,072	9%	2,961	10%
Commission, exchange and brokerage	5,884	15%	3,440	11%	2,560	8%	3,151	9%	2,573	8%
Other operating income	267	1%	146	0.5%	112	0.3%	128	0.4%	93	0.3%
Total operating income	**26,571**	**67%**	**23,364**	**75%**	**20,336**	**60%**	**21,388**	**59%**	**19,165**	**62%**
Salaries and allowances	8,152	20%	6,626	21%	6,228	18%	5,579	15%	4,681	15%
Rent, taxes, insurance, electricity etc.	507	1%	474	2%	492	1%	701	2%	1,409	5%
Legal expenses	30	0.1%	33	0.1%	33	0.1%	31	0.1%	55	0.2%
Postage, stamps, telecommunication etc.	309	1%	223	1%	205	1%	230	1%	272	1%
Stationery, printing, advertisement etc.	397	1%	222	1%	221	1%	269	1%	292	1%
Chief Executive's salary and fees	24	0.1%	19	0.1%	19	0.1%	19	0.1%	14	0.05%
Directors' fees	3	0.006%	2	0.008%	2	0.005%	1	0.003%	1	0.004%
Auditors' fees	2	0.00%	2	0.01%	2	0.01%	2	0.01%	2	0.01%
Depreciation and repair of the bank's assets	2,305	6%	2,191	7%	2,081	6%	2,050	6%	1,156	4%
Other expenses	3,714	9%	2,628	8%	2,452	7%	2,557	7%	2,460	8%
Total operating expenses	**15,442**	**39%**	**12,420**	**40%**	**11,734**	**35%**	**11,440**	**32%**	**10,343**	**34%**
Profit before provisions	**11,129**	**28%**	**10,944**	**35%**	**8,602**	**25%**	**9,948**	**28%**	**8,822**	**29%**
Provision for loans/Investments:										
Loans and advances	2,755	7%	3,518	11%	2,999	9%	1,882	5%	1,467	5%
Recovery from Write-Off	(810)	-2%	(708)	-2%	(634)	-2%	(786)	-2%	(783)	-3%
Diminution in value of investments	21	0%	(74)	0%	(563)	-2%	534	1%	116	0.4%
Off balance sheet items	205	0.5%	252	0.8%	63	0.2%	(192)	-1%	(37)	-0.1%
Other provisions	20	0.05%	66	0.213%	2	0.005%	4	0.01%	(13)	-0.04%
Total provision	**2,190**	**6%**	**3,054**	**10%**	**1,867**	**6%**	**1,442**	**4%**	**750**	**2%**
Total Profit/(loss) before taxes	**8,939**	**22%**	**7,890**	**25%**	**6,735**	**20%**	**8,505**	**24%**	**8,072**	**26%**
Provision for taxation:										
Current tax expense	3,766	9%	3,467	11%	2,537	7%	3,719	10%	2,523	8%
Deferred tax expense / (income)	(590)	-1%	(1,125)	-4%	(343)	-1%	(859)	-2%	2	0.01%
Total provision for taxation	**3,176**	**8%**	**2,343**	**8%**	**2,194**	**6%**	**2,860**	**8%**	**2,525**	**8%**
Net profit after taxation	**5,763**	**14%**	**5,547**	**18%**	**4,541**	**13%**	**5,646**	**16%**	**5,547**	**18%**

Share Price Statistics

The global economic crisis streaming from the Russia-Ukraine war-induced supply chain disruption, multi-decade high inflation and the lingering impact of the COVID-19 pandemic are heavily affecting the growth outlook, resulting in a bearish stock market in 2022. The DSEX, the DSE's benchmark index, lost a total of 549 points, or 8.14 per cent, over the year, ending at 6,206 points on the final trading day of 2022. Most indices of the stock market in Bangladesh saw a decline throughout the year, as did the market's turnover amid this bleak economic condition. BRAC Bank's market capitalisation at the year-end of December 2022 stood at BDT 57,619 million, considerably lower than BDT 76,987 million in 2021.

Market capitalization



Market price information 2022

Month	Dhaka Stock Exchange Ltd. (DSE)			Chittagong Stock Exchange Ltd. (CSE)			Daily average volume (DSE & CSE)	DSE month-end market capitalization (BDT in Mn)
	Month high (BDT)	Month low (BDT)	Daily average volume	Month high (BDT)	Month low (BDT)	Daily average volume		
Jan-22	59.30	54.50	900,907	58.80	54.30	15,175	916,082	76,848
Feb-22	57.70	53.50	801,494	58.00	53.00	8,957	810,451	75,177
Mar-22	54.50	47.80	1,206,482	54.00	48.50	11,683	1,218,165	69,191
Apr-22	50.90	44.80	437,651	50.50	45.00	10,429	448,080	64,040
May-22	46.50	40.00	1,066,175	46.40	40.50	7,679	1,073,854	61,510
Jun-22	44.00	38.10	1,947,777	43.90	38.30	21,499	1,969,276	62,108
Jul-22	41.00	37.30	695,950	41.20	37.30	20,034	715,983	57,768
Aug-22	40.80	38.50	1,358,685	40.50	38.70	23,497	1,382,182	57,768
Sep-22	38.90	38.50	500,124	39.40	38.70	20,774	520,898	57,619
Oct-22	38.50	38.50	68,133	38.70	38.70	734	68,867	57,619
Nov-22	38.50	38.50	5,966	38.70	38.70	5,855	11,821	57,619
Dec-22	38.50	38.50	8,755	38.70	36.30	1,307	10,061	57,619

*Closing share price has been considered in the calculations

Stock details

Particulars	DSE	CSE
Stock symbol	BRACBANK	BRACBANK
Company/scrip code	11138	22029
Listing year	2007	2007
Market category	A	A
Electronic share	Yes	Yes
Market lot (nos)	1	1
Face value (BDT)	10	10
Total number of securities	**1,496,585,328**	

Value Added Statement

BRAC Bank's value-added comprises the value created by the bank through its financing and operational activities, including its core lending business, treasury and investment, foreign exchange and other activities, and subsequent value dispersal amongst various stakeholder segments.

In 2022, despite the challenges posed by war-induced supply chain disruption and economic uncertainty, BRAC Bank performed exceptionally well in all its business segments, which led the value-added to the stakeholders to grow by 16% YoY to reach BDT 18,907 million.

Value-added statement

Amount in BDT Million

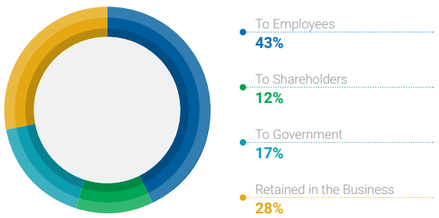
Value-added	2022		2021	
	Amount	%	Amount	%
Net interest income	15,235		13,997	
Investment income	5,185		5,781	
Commission, exchange and brokerage	5,884		3,440	
Other operating income	267		146	
Operating expenses, excluding staff costs and depreciation	(5,473)		(4,042)	
Provisions made during the year	(2,190)		(3,054)	
Total value-added	**18,907**	**100%**	**16,267**	**100%**

Distribution of value-added

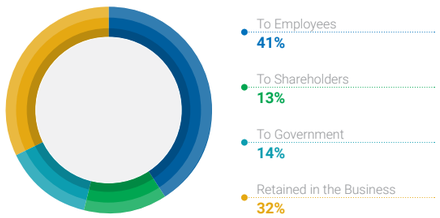
Amount in BDT Million

Value-added	2022		2021	
	Amount	%	Amount	%
To employees				
as salary and allowance	8,176	43%	6,247	43%
To providers of capital				
dividend to shareholders (cash and stock)	2,245	12%	1,989	14%
To government				
as corporate tax	3,176	17%	2,194	15%
For expansion and growth				
as retained income	3,518	19%	2,552	17%
as depreciation	1,792	9%	1,682	11%
Total value distribution	**18,907**	**100%**	**14,665**	**100%**
Number of employees	7,863		7,619	
Value added per employee	2.40		2.14	

2022



2021



Economic Value Added (EVA) Statement

Economic value added (EVA), or economic profit, is an important performance indicator at BRAC Bank. It reflects the surplus generated by the bank over the cost of the total invested equity. It is thus the post-tax return on the capital employed (adjusted for the tax shield for debt), less the cost of capital employed.

In 2022, despite macroeconomic challenges, BRAC Bank posted a net operating profit growth of BDT 185 Mn demonstrating the bank's resilient nature, powered by a diverse Board, efficient management and superior governance. The bank's EVA of 2022 stood at BDT 5,172 Mn after a decline from the previous year, primarily due to a rise in tax expenditure..

Economic value-added

BDT in Mn

Particulars	2022	2021
Net operating profit	11,129	10,944
Provision for taxes	(3,176)	(2,343)
Net operating profit after tax (NOPAT)	**7,954**	**8,601**
Capital employed	69,882	62,211
Cost of equity (%)*	3.98%	4.14%
Capital charge/Cost of capital	**2,781**	**2,575**
Economic value-added (EVA)	**5,172**	**6,026**
EVA/Average shareholders' equity (%)	9.17%	11.95%
Dividend paid during the year	2,245	2,088**
Capital employed as at December 31		
Average shareholders' equity***	56,405	50,448
Average accumulated provision for loans and advances	13,477	11,763
Total capital employed	**69,882**	**62,211**

* Cost of equity reflects shareholders' expected rate of return during the year and it has been arrived at from the dividend paid during the year divided by the average shareholders' equity

** Proposed

*** Average shareholders' equity has been derived from average of current year and previous year

Market Value Added Statement

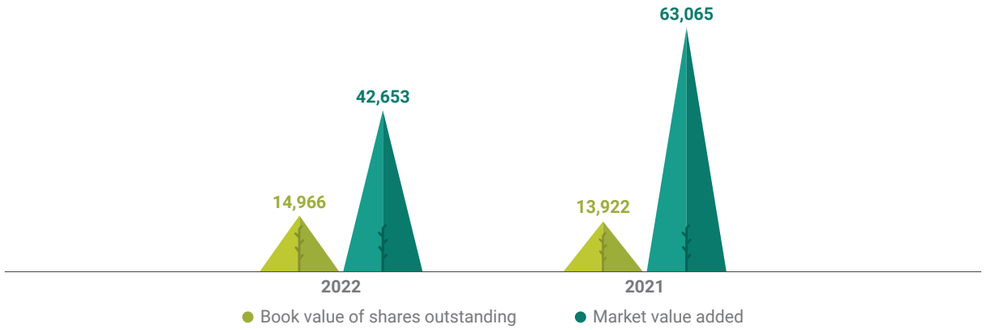
Market value-added (MVA) reflects a company's performance evaluated by the stock market through its equity share price. Thus, MVA is an external endorsement of the performance of an entity. It comprises the difference between an entity's market value and the capital investors contribute.

BRAC Bank reported a positive market value-added of BDT 42,653 Mn in 2022, against BDT 63,065 Mn in 2021. The decline in the bank's market capitalization was mainly driven by bearish market conditions due to the worldwide economic gloom posted by the Russia-Ukraine war.

Market value-added

BDT in Million

Particulars	2022	2021
Market value of shares outstanding	57,619	76,987
Book value of shares outstanding	14,966	13,922
Market value-added	**42,653**	**63,065**



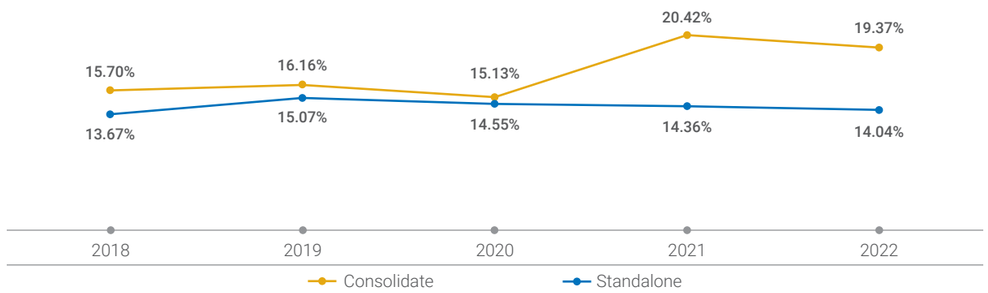
Capital Adequacy Reporting

As per RBCA guideline, all scheduled banks are required to calculate capital-to-risk weighted asset ratio (CRAR). The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy", issued by Bangladesh Bank vide BRPD Circular no. 18 dated December 21, 2014, and subsequent circulars of Bangladesh Bank.

BDT in Million

Particulars	2022		2021	
	Consolidate	Standalone	Consolidate	Standalone
Tier I: Core Capital				
Paid-up capital	14,966	14,966	13,922	13,922
Share premium	3,854	3,854	3,854	3,854
Statutory reserve	11,148	11,112	10,068	10,068
Retained earnings	29,086	18,799	26,403	16,330
Dividend equalisation fund	355	355	355	355
Non-controlling interest	19,876	-	19,761	-
Regulatory adjustments				
Goodwill and all other intangible assets	(5,082)	(1,087)	(4,958)	(957)
Deferred tax assets (DTA)	(6,207)	(4,565)	(5,050)	(3,965)
Total admissible Tier-I Capital	**67,995**	**43,433**	**64,354**	**39,607**
Tier II: Supplementary Capital				
General provision	5,685	5,685	4,525	4,525
Total admissible Tier-II Capital	**5,685**	**5,685**	**4,525**	**4,525**
Total eligible regulatory Capital	**73,681**	**49,119**	**68,879**	**44,132**
Total risk weighted assets	**380,319**	**349,832**	**337,282**	**307,360**
Capital adequacy ratio	**19.37%**	**14.04%**	**20.42%**	**14.36%**

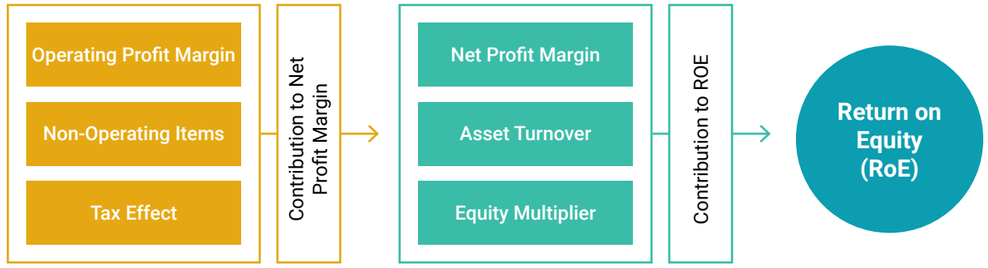
Total Capital to Risk-weighted Asset Ratio (CRAR)



DuPont Analysis

DuPont analysis is an index that reveals how much profit a company has earned in comparison with the total amount of shareholders' equity on the balance sheet. Fundamentally, the Dupont equation provides a broader picture of the return the bank is earning on its equity. It informs where the strengths of the bank lie and where there is scope for further improvement. Thus, it facilitates critical examination and is a journey of achieving improvement every day.

BRAC Bank's Dupont analysis summarises that BBL posted a net profit after tax of BDT 5,763 Mn (2021: 5,547 Mn), delivering a return on assets of 1.14% (2021: 1.31%) and return on equity of 10.22% (2021: 11.00%). Our net profit margin increased by 4% during the year mainly driven by 14% increase in operating income.



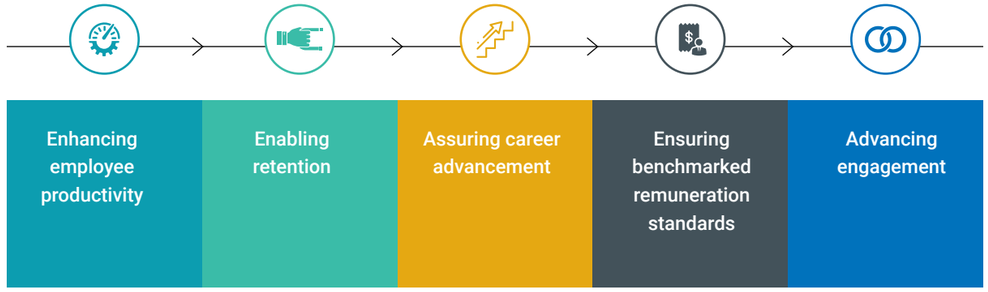
DuPont	Description	2022	2021	2020	2019
Net Interest Income	% of Avg. Assets	3.01%	3.31%	2.92%	4.39%
Non Interest Income	% of Avg. Assets	1.22%	0.85%	0.70%	0.96%
Operating income	**% of Avg. Assets**	**5.25%**	**5.52%**	**5.31%**	**6.25%**
Operating expenses	% of Avg. Assets	3.05%	2.94%	3.06%	3.34%
Cost/Income	% of Operating Income	58.11%	53.16%	57.70%	53.49%
Profit before provisons	**% of Avg. Assets**	**2.20%**	**2.59%**	**2.24%**	**2.91%**
Provisions	% of Avg. Assets	0.43%	0.72%	0.49%	0.42%
Profit before tax	**% of Avg. Assets**	**1.77%**	**1.86%**	**1.76%**	**2.48%**
Effective Tax rate	% of PBT	35.53%	29.69%	32.58%	33.62%
NCI	% of Avg. Assets	3.93%	4.67%	1.47%	1.78%
Net Profit After Tax	**PAT**	**5,763**	**5,547**	**4,541**	**5,646**
RoA	**Return on Avg. Assets**	**1.14%**	**1.31%**	**1.18%**	**1.65%**
Assets/Equity	Avg. Assets/Avg. Equity	8.97	8.39	8.97	9.71
RoE	**Return on Avg. Equity**	**10.22%**	**11.00%**	**10.63%**	**16.00%**

Human Resource Accounting

Human resource accounting, or HRA, is an approach to quantify the value of human resources in an organization, which involves quantifying the cost and value of employees in monetary terms. It is thus the process that identifies and measures key information and data around human resources, as well as the value of their skills, knowledge, and experience. The insights derived from such information enables the leadership to ensure informed decision-making.

At BRAC Bank, HRA helps assign, budget and report expenses invested in co-workers and, in return, evaluating their contribution to organisational growth, efficiency and profitability.

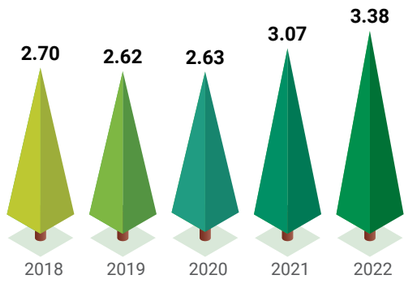
Key thrusts that accelerate BRAC Bank's HRA



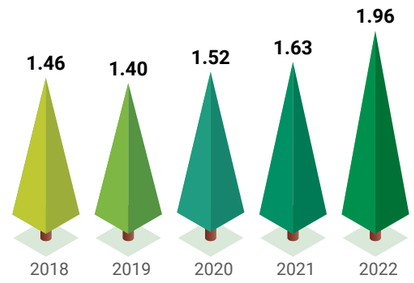
BDT Mn

Particulars	2022	2021	2020	2019	2018
Operating income per employee	3.38	3.07	2.63	2.62	2.70
Operating cost per employee	1.96	1.63	1.52	1.40	1.46
Operating profit per employee	1.42	1.44	1.11	1.22	1.25
PBT per employee	1.14	1.04	0.87	1.04	1.14

Operating income per employee



Operating cost per employee



Operating profit per employee



PBT per employee



Category	No. of employees	%
Senior management	785	10%
Mid-level management	3,078	39%
Entry-level	4,000	51%
Total	**7,863**	**100%**

Category	No. of employees	%
Males	6,747	86%
Females	1,116	14%
Total	**7,863**	**100%**

BRAC Bank has emerged as the employer of choice thanks to its people-care initiatives, work environment, ethics, transparency, brand value and good corporate governance. We will continue to invest in our human resource to transform our operational landscape through improved productivity, enhanced capacity and innovation.

Contribution to the Nation

BRAC Bank has been a successful contributor to national economic development through its ability to create value for its stakeholders while also being a values-based bank. One of the bank's key priorities is to contribute to the Bangladesh government's development vision that envisages the country to graduate to a middle-income nation within this decade and a developed nation by 2041. The bank contributes to the socio-economic fabric in myriad ways through both its direct as well as indirect impact.

Key stats 2022

10,247 Mn
Exchequer contribution
2021: 6,658 Mn

2,984
Recruitment during the year
2021: 879

65.3 Mn
bKash Customers
2021: 57.6 Mn

189 Mn
CSR investments
2021: 205 Mn

Key contribution areas

- Financial Inclusion
- Women Empowerment
- Community Welfare
- Grassroot Development
- Employment Creation
- Exchequer Contribution

Supporting the state purse

BRAC Bank has contributed significantly to the Government's efforts in revenue mobilisation. The bank upholds its nationalistic obligations by disbursing tax and VAT on income. The bank also deducts income tax, VAT and excise duty at source from customers and suppliers for depositing to the exchequer. During 2022, the bank contributed Tk. 10,247 million to the national exchequer.



▲ *The National Board of Revenue (NBR) recognized BRAC Bank as one of the top five income taxpayers in Bangladesh in fiscal year (FY) 2021-22 under the Large Taxpayers Unit (LTU).*

BRAC Bank's national exchequer contribution over the past five years:

BDT in Million

Year	Direct tax		Indirect tax		Total
	Withholding tax	Corporate tax	VAT	Excise duty	
2018	1,776	3,337	745	575	**6,433**
2019	2,346	2,707	778	590	**6,420**
2020	2,585	3,565	704	720	**7,574**
2021	2,317	2,558	929	853	**6,658**
2022	3,457	4,643	1,046	1,101	**10,247**

Supporting jobs creation

During 2022, we onboarded 1,246 full time employees (FTE) and 1,738 outsourced staffs, bringing the total headcount of FTE to 7,863 and outsourced staffs to 3,170. The bank expended BDT 8,176 million as FTE salaries and allowances, BDT 646 Mn as staff sales incentives and BDT 755 Mn as salaries and allowance to outsourcing staff. The bank also invested 37 Mn in Staff training and development in 2022. Further, we continued to prioritise lending to SMEs, thereby helping accelerate both direct and indirect jobs creation. Further, the bank also emerged as the first in the sector to recruit members of the transgender community.

The bank also supports the livelihood of people who are indirectly dependent on it, including suppliers, vendors, contractors and other business partners.

Supporting citizenship activities

CSR is ingrained in BRAC Bank's very being. Our CSR approach is directed towards building the foundations of society. Some of our CSR activities comprise:

- Contributed BDT 10 crore to the Prime Minister's Relief and Welfare Fund to stand beside the flood affected people of Sylhet;
- Contributed BDT 3 crore to 'Dakchhe Amar Desh' – BRAC's emergency flood relief programme;
- Supported the Shitakundo Fire Victims through financial assistance of BDT 1.1 million to BRAC Limb and Brace Centre (BLBC) for treatment of the seven identified victims;
- BRAC Bank-Prothom Alo Trust Adamya Medhabi scholarships awarded to 171 students;
- Scholarships awarded to 250 students of Dhaka University who are struggling financially;
- Contributed 75,000 pieces of blankets to the Prime Minister's Relief and Welfare Fund;
- Conceived the third batch of "Uddokta 101", the first comprehensive Entrepreneur Accelerator Program in the country for women entrepreneurs;
- Contributed 5% of its annual CSR budget to the Prime Minister's Education Assistance Trust;
- Contributed of BDT 1 million to Bangladesh Scouts for organizing the 32nd Asia Pacific Regional Scouts Jamboree in Bangladesh.

Unique milestone of serving one million SME customers

BRAC Bank has reached the exceptional landmark of serving one million SME clients, a first in the sector. In its 21 years of operation, the bank has disbursed BDT 1 trillion in SME loans to grassroots entrepreneurs across Bangladesh in order to fulfil the entrepreneurial aspirations of its customers. The bank has been the largest provider of collateral-free SME loans in Bangladesh throughout the years. Today, the bank's outstanding SME loans amount to over BDT 20,000 crores, of which 85% are unsecured, which is unique in the Bangladeshi banking industry. In this digital era, we will utilise technology, implement innovative methods, and break new ground in SME frontiers.

Supporting women entrepreneurship and empowerment

BRAC Bank has long been facilitating women empowerment and spearheading financial inclusion through its comprehensive women banking proposition 'TARA', the first women-focused suite of banking services in Bangladesh. With easy financing facilities, 'TARA' has fulfilled entrepreneurial dreams of thousand of businesswomen with SME loan portfolio, the lion's share of which are collateral-free.

TARA was conferred the acclamation at 2021 FT/IFC Transformational Business Awards, deemed globally as "The Oscars of Sustainability" for its pioneering efforts in women empowerment and financial inclusion. Further, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and United Nations Capital Development Fund (UNCDF), with partners such as FMO, Visa and the Government of Canada recently announced BRAC Bank as a winner of the Women Enterprise Recovery Fund, being among the 10 recipients of the fund in the Asia-Pacific. With this fund, we aim to bridge the digital and financial divide that women MSMEs face in building their businesses.

Supporting mobile financial services through bKash

BRAC bank has championed financial inclusion through bKash, a ubiquitous and award-winning mobile financial services (MFS) company that has altered the payments landscape of the country.

The journey of a decade of bKash started with essential services like 'send money', 'cash out', and 'cash in', which is now enriched with new services, such as mobile recharge, payments, bank-to-bKash money transfers, disbursement of banks' digital micro-loans, remittance, payments of utility bills and monthly savings schemes of financial organisations. bKash's significant efforts over a decade have contributed to the economic growth of the country, facilitating largescale financial inclusion.

PESTEL Analysis Framework

BRAC Bank's PESTEL analysis is used to evaluate, analyze and monitor the macro-environmental factors that have an impact on the bank. It examines the Political, Economic, Social, Technological, Environmental, and Legal factors in the external environment. PESTEL analysis enables BRAC Bank to identify key factors that affect the business and operations - both internal and external - that enable it to not only understand its intrinsic strengths, but also its position within the competitive field.

POLITICAL	ECONOMICAL	SOCIAL	TECHNOLOGICAL	ENVIRONMENTAL	LEGAL
Proactive govt. monetary policy, including tax policy	Strong economic recovery post-pandemic	Steady rise in per capita income	Dependency on technological innovation	Growing focus on green banking and green workplace	Highly regulated business environment
Stable political environment	Sustained positive growth rate achieved in GDP	Changing technology reshaping customer behaviour	Govt. initiatives in Digital Bangladesh, transforming the banking sector	Contribution towards meeting the Sustainable Development Goals (SDGs)	Stringent laws regarding customer privacy and data protection
Public sector investment in mega projects	Interest rate cap on both deposits and loans, making repricing critical	increased awareness around health and safety	Rising customer sophistication	Greater need for institutional responsibility in society	Licenses and permits, including for product launch
Reliable regulatory climate	High non-performing loans in the industry	Advancement in key social indicators, such as literacy	Growing cybersecurity incidents and threats	Growing threats of climate-change events	Labour laws
Strong Covid relief support through stimulus funds	Volatility in currency exchange rates	Accelerated digital adoption triggered by the pandemic	Growing presence of FinTech companies with digital-first products	Regulations around sustainable finance	Protection of intellectual property
	Rising energy prices and supply chain disruptions impelling inflationary pressures	Rising urbanisation and industrialisation	Evolving regulations on digital banking	National commitments to climate action	Defalcation instances, such as money laundering, terrorist financing, forgery, etc.
		Public consciousness around ethics and integrity		Increased occurrence of natural disasters	
Degree of impact					
High	High	Moderate	High	High	High
BRAC Bank's strategies to address the PESTEL forces					
Zero Tolerance to regulatory misalignments	**Strong** business analysis and monitoring system	**Aligning** banking with changing societal transformation	**Digitalisation** focus to create a sound digital ecosystem	**Sustainable** core lending business, with a focus to embedding ESG principles	**100%** compliance culture with zero deviations

SWOT Analysis

A long legacy of doing good for Bangladesh and its people has enabled BRAC Bank to win public trust, enabling it to emerge as a preferred bank of the nation. The bank has identified a few key strengths, weakness, opportunities and threats, collectively comprising its internal and external factors, as the bank endeavours to amplify its strengths, address its weakness, capitalise on opportunities and stave-off threats. The bank also utilises its SWOT framework as a management tool to continually map its position in the industry and thwart competitive pressures.

Internal

STRENGTHS

- Strong asset base
- Highly specialist teams
- State-of-the-art core banking software
- Expansive nationwide presence
- Robust digital banking ecosystem
- Comfortable cost-to-income ratio
- Specialist SME focus
- Diversified business segments
- Lower-than-industry NPLs
- Strong regulatory compliance
- Seasoned leadership
- High-quality credit ratings

WEAKNESSES

- Rising deposit costs
- Technological obsolescence
- Online fraud
- People attrition
- Regulatory non-compliance
- Undifferentiated products

OPPORTUNITIES

- Large underserved market
- Scope in digital financial inclusion
- Growth in financial literacy
- Strong economic rebound
- Rise of green/sustainable finance
- Prospects in climate action initiatives
- Strong cross-sell opportunities
- Digital/social media marketing

THREATS

- Growing competitive pressures
- Emergence of disruptive FinTech
- Cap on interest rates
- Sudden regulatory changes
- Unavailability of key talent
- Aggressive competitor action

External

Expanding our strengths → **Eliminating our weaknesses** → **Harnessing our opportunities** → **Minimising our threats**





DIVISIONAL OVERVIEW

Today BRAC Bank is synonymous with the largest collateral-free loan provider and has played a pivotal role in changing the lives of at least 10.6 million households by serving 1 million CMSMEs while leveraging cutting edge technology.

SME Banking



Syed Abdul Momen, DMD & Head of SME Banking

Stepping towards the new horizon of digitalization with 10 lac SME customers serving experience!

- Customer Centricity
- Innovation through Digitalization
- Fostering Growth
- Expanding Horizon

BRAC Bank was one of the early pioneers who realized the potential of SMEs for driving economic growth, accelerated industrialization and employment generation. With that realization, the bank started its 21 years long journey with the core focus of ensuring CMSMEs access to institutional banking and bringing them under one formal umbrella. After working relentlessly for years, BRAC Bank is now considered the first choice of CMSMEs when formal credit requirements arise.

1 Mn
SMEs Served Since Incenption

457
SME Unit Offices

3,000
SME Team Members

10.6 Mn
Households Benifitted

Small and Medium-sized Enterprises (SMEs) have always played a vital role in the economic development of Bangladesh. However, until the founding of BRAC Bank in 2001, these SMEs faced significant challenges when it came to accessing financing from banks and financial institutions. While multinational and large local corporations had access to funding but the "Missing Middle-SMEs" was left out of the equation.

Recognizing this gap, BRAC Bank was established by our Chairperson, Sir Fazle Hasan Abed, with an objective to work as a catalyst for the vibrant yet unbanked SME sector of Bangladesh to enable them to contribute significantly to employment generation, poverty alleviation, and overall economic growth in Bangladesh.

Today BRAC Bank is synonymous to the largest collateral free loan provider who has played a pivotal role in changing the lives of at least 10.6 million households by serving 1 million CMSMEs. Throughout this long journey, the bank has introduced innovative products especially designed to meet the needs and challenges that an entrepreneur encounter while operating his/her everyday business. It is evident that, digitalization is one of the key delegates to empower and enable these vibrant SMEs. As such BRAC bank aligned their focus in 2022 to accustom the SMEs with digital transition that the Bank will be taking them through in the year 2023. The bank took several projects to transform the current traditional landscape into a digital and more efficient platform for the SMEs

FLASHBACK 2022

Banking Through Innovation

Premium SME Banking Proposition - Borenno

Country's first dedicated premium banking proposition for SME customers. Through Borenno, for the first time in the country, Visa Platinum Debit Card are being issued for SME clients.

Low-Cost Financing for Women Entrepreneurs

Market lowest (4% interest rate) financing rate for women entrepreneurs to enable them access to formal credit facility at an affordable cost.

Free Unlimited Transactions through ATMs

To promote digitalization and improve customer convenience, all transactions through ATMs have been made free of cost for SMEs.

Indigenous Tribe Empowerment

With the commitment to empower everyone irrespective of caste, creed, gender or religion, BBL conducted a training session for the diverse indigenous cast of Bandarban for the first time in the industry. The session enabled the participants to develop and hone entrepreneurial and managerial skills to expand and sustain their businesses.

Special Banking Proposition for Emerging Small Businesses – Druti

A credit facility for emerging small i.e., cottage and micro businesses, for rapid business growth and employment creation in the rural part of the country.

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Startup Financing – Startup Builder

Greater access to the financial market for Startups so that they can scale up their business, elevate the pace of innovation and contribute positively to the economy.

Crop Financing for Rural Farmers – Sufola

A dedicated product for financing the crop sector in agriculture, to ensure and increase the flow of credit to rural sector.

Supply Chain Finance

SMEs, which are associated with local and international corporations to support their value chain, will be facilitated through this proposition.

Increased Credit Flow for Fruit Cultivators

Financing the mango cultivators for business development and seamless mango cultivation to expand the horizon of financial inclusion.

Personal Retail Account- Prothom

An individual transactional account for entrepreneurs who are operating business without trade license.

Financing for Remittance Earners – Shabolombi

A loan for family members of migrant workers to enable and empower them to elevate their lifestyle. This is to create opportunity for the unemployed population of rural economy who are solely dependent on remittance.

Alternative Transaction ecosystem

Out of the brick and mortar transaction dependencies on branches, SMEs are utilizing alternative channels, like, ATM, POS, CDM & QR Payments. SME Business Debit Card user number has grown by 68% which enabled14% growth in e-com, 48% growth in POS, 31% growth in ATM transaction.

Facilitating Through Alliances

ICT Lead Alliance

Collaboration with internet service provider association of Bangladesh and Bangladesh Computer Samity, to ensure dedicated credit facility for ICT sector. A total of 396 members were financed under this project.

Creating Business Platform for SMEs – "SME Bondhu"

Digital platform for SMEs in collaboration with UNCDF WERF, where 1,200 customers were onboarded. SMEs can conduct their business online and avail inclusive services through the revolutionary solution of Sheba platform, sManager.

Heifer International

Collaboration with USA based Non-profit organization Heifer International, to facilitate marginal farmers directly by financing them to grow their diary and fattening business.

iFarmer

Scorecard based financing to the marginal farmers, through partnership with Agri-tech iFarmer.

Digitization of Banking Landscape for SMEs

Digital Loan Processing – eLAP

eLAP is a digital loan processing platform. It is designed to simplify the complex process of loan application, which will ensure increased employee productivity as well as reduced loan processing lead time.

Digital Smart Banking Application – Astha

Astha is a charge free 24/7 banking solution. It enables our SMEs to conduct banking at anytime from anywhere.

Market Survey on SMEs

Impact on BBL SME Customers due to COVID-19

A market survey was conducted to obtain a holistic view of current situation of the SMEs, so that the bank can facilitate them in the post covid business revival process and offer products and services accordingly.

Impact Analysis of Inflation, Fuel Price Hike & Dollar Price Appreciation - on SMEs

An analysis was conducted to determine SME's shock absorption capacity in crisis situation, preferred initiatives for business stability, strategies for current economic volatility and overall economic outlook for SME landscape.

Capacity Building and Skill Development

Digitization of Loan Application Process

522 people were trained by business transformation and product team on digital loan processing application.

SME Banking Knowledge and Services

Business transformation and product team conducted training on SME service and product offerings of the bank, to increase overall banking knowledge of the front-end team.

Recognition and Awards

Global SME Finance Forum Awards 2022

The award ceremony was organized jointly by IFC and SME Finance Forum where BRAC Bank was the only bank who was recognized for their contribution to the SME segment for the first time in Bangladesh. The bank received the below special mention awards:

(i) SME Financier of the Year
(ii) Best Financier for Women Entrepreneurs
(ii) Product Innovation of the Year

Bangladesh Bank's Appreciation for Achievement

BRAC Bank received appreciation letter from Bangladesh Bank for Supporting CMSMEs through COVID – 19 Stimulus Package. BRAC Bank achieved COVID – 19 Stimulus Package loan disbursement target in SME and Agri sector and received recognition from central bank.

Facilitating SMEs though Segmented Approach

The segregated teams of the SME business division play a significant role in each area by catering to the specific needs and requirements of the SMEs. The bank aims to become a trustworthy one-stop banking service provider for SMEs.

To cater every aspect of this missing middle the bank has targeted the below segments:

- Emerging Small Businesses
- Small Businesses
- Emerging Corporates
- Transactional Banking Solution for CMSMEs
- Agriculture Sector
- MFIs
- Women-Led Businesses
- Supply Chain
- ICT Industry

441,748
SME Customers

BDT 19,020 Cr
Loan Disbursed

BDT 4,381 Cr
Loan Growth

27%
YOY loan Growth

Emerging Small Businesses

Emerging small businesses are cottage and micro industries with the potential to grow rapidly and generate economic employment. To cater to this sector with adequate liquidity support, the bank has launched its emerging small team journey in 2022 to serve the industry's CMS sector. Within this short period, we have achieved the BDT 100 crore portfolio milestone.

Small Businesses

Small businesses are critical engines of the country as they create employment and revive the economy in rural and semi-urban areas. These cottage and micro industries require enablement to realize their full potential. Small Business Team has served these small businesses nationwide with our nationwide unit offices.

Key Highlights 2022

Served **166,227** small businesses

BDT 14,574 crore Disbursement

3,807 Cr Portfolio Growth **34%** YoY growth

Strong team of **2500+** members

Emerging Corporates

Emerging corporate businesses are medium in size, have grown substantially, created a structural advantage in the domestic market and have the potential to make a global impact. These businesses cater to the need of the local market with a certain level of risk appetite, therefore creating a demand for tailored loan products and composite facilities necessary to meet their growing business needs.

Key Highlights 2022

Served more than **4,000** emerging Corporates

BDT **2,050** crore Disbursement

387 crore Portfolio Growth **12%** YoY growth

42% YoY growth Trade Finance

Transactional Banking Solution for CMSMEs

Along with credit facilities, CMSMEs also require transactional support through daily cash management. To facilitate this, a dedicated team of 131 members is working relentlessly. During the year, we have ensured service to around 431,972 SMEs, and our deposit portfolio grew by BDT 667 Crore to reach BDT 6,790 Crore (11% YoY growth).

MFIs & Agriculture Sector

From its very inception, BRAC Bank's microfinance activities aimed to render financial support to rural areas where the bank itself cannot penetrate vastly. Through MFI financing, the bank has contributed to the rural economic development and structural development of the least focused areas of the country.

Key Highlights 2022

- Total MFI disbursement of BDT 2,871 crore;
- Agriculture loan outstanding to end borrowers stood at BDT 502 crore (35% YoY growth);
- 364,399 beneficiaries were financed through MFI linkage of which 95% were female;
- 8 new MFIs on-boarded in a single year;
- "SUFOLA", special product for crop financing launched
- Participated in "Krishi Conference 2022"

Supply Chain Finance

Supply Chain Finance is a tri-part solution designed to offer short-term credit to optimize working capital and liquidity with a blend of term loans, demand loans and overdraft products to consumer-facing industries with significant supply chain linkages.

We introduced the supply chain financing unit in 2019. Within a short period, we have achieved substantial growth in our portfolio and believe the unit has the potential to drive further growth.

Empowering Women Entrepreneurs

Guiding women entrepreneurs to avail suitable banking solutions for their financial needs – this notion has encouraged Women Entrepreneur Cell to cater financial knowledge and services under the umbrella of TARA, BRAC Bank's exclusive women-centric banking platform. This platform has been providing support to TARA SME customers with low-cost financing and strategic support in the form of training, incubation programs, networking and support linkages with partners, etc.



Training of Indigenous Women in Bandarban

Support and Capacity Building	Outcome
4% Refinancing Interest Rate	▪ Encouraged women entrepreneurs to avail financial solutions at the lowest rate. ▪ 39% of BRAC Bank's refinancing portfolio comprises of TARA SME.
Digital Entrepreneurial Skill Development Training	▪ Facilitated 73 F-com women entrepreneurs in developing their entrepreneurial and managerial skills. ▪ Helped to expand and sustain their online business.
Health Insurance Facility in collaboration with Green Delta Insurance Company	▪ Free doctor consultation, OPD and IPD financing, and other health checkup is covered under this scheme. ▪ Facilitated 6,812 women
Amrai TARA in collaboration with SME Foundation	▪ Conducted trainings in 5 cities and trained over 150 women entrepreneurs on business development and financial management.
Anisul Haq Cohort for Women Entrepreneur Development	▪ In collaboration with Bangladesh Open-Source Network provided extensive training on business knowledge development.
Uddokta 101 in collaboration with BRAC Business School	▪ Conducted a two-day fair to enable women entrepreneurs to hone their business management and marketing skills and gain financial literacy.
SEIP Program in collaboration with Bangladesh Bank and ADB	▪ Enabled SME entrepreneurs to receive a holistic idea on business operations, finance management as well as marketing opportunities ▪ Conducted fair to promote their products ▪ Financed 11 entrepreneurs
Collaboration with Online Women Entrepreneur Platform	▪ Entrepreneurial development and capacity building ▪ Worked hand-in-hand to provide financial and non-financial facilities.

Key Event Highlights 2022

10 LAC SME Customer Celebration

BRAC Bank has worked for the past 21 years and successfully contributed to changing 10 million people's lives. The bank organized a celebration throughout the country to acknowledge this grandeur achievement.



Uddokta 101 Graduation Ceremony

BRAC Bank and the Department of Marketing, University of Dhaka, have conducted the graduation ceremony of Bangladesh's first-ever entrepreneur accelerator programme in the banking sector titled 'Uddokta 101'. A total of 60 emerging entrepreneurs were given certificates at a ceremony.



Krishi Conference 2022

BRAC Bank participated as a platinum sponsor in the Krishi Utshob, a farmer-focused event that bridges the gap between farmers and different stakeholders.

This event was a potential platform for farmers to acquire practical knowledge on climate changes, best quality inputs, easy financing, market linkage, nutrition security, eco-friendly practices and entrepreneurship development. BRAC Bank disbursed an open loan to five farmers and introduced a specialized agricultural loan product named "Sufola".



Joint venture agreement with iDE

A joint-venture agreement was signed with iDE, a USAID development partner. iDE will facilitate the development of customized screening procedures, credit scoring tools, etc. In addition, we will focus on people development through workshops on end-to-end loan application procedure, financial products and banking literacy.



Agreement with iFarmer

BRAC bank and iFarmer jointly developed 'সফল', a Digital Lending Program for marginalized farmers. This is a scorecard-based financing project, where the farmers are assessed on qualitative and quantitative attributes and financed digitally through the 'সফল' app.





▲ *Agreement with DreamStart Lab for MFI Business Portfolio Expansion*



▲ *Partnership with Heifer Bangladesh to provide formal credit access to livestock farmers in marginalized areas*

SME Fair 2022

SME Foundation has facilitated the development of small and medium industrial entrepreneurs in the country. They organized an SME fair to inspire entrepreneurs to expand the market by diversifying their products. BRAC bank participated as a platinum sponsor in the event. To empower the SMEs, the bank also sponsored one of the women-led SME clients to participate in the fair.

Way Forward
2023

BRAC Bank's SME Banking division is constantly transforming the traditional banking landscape of SMEs to become the most SME-friendly bank in Bangladesh. In 2023, we look forward to fully digitalising our loan origination system, facilitating faster loan processing. We will extend our banking services to the agricultural sector by designing new products that especially cater to the needs of the farmers and local producers. Our focus on the ICT sector will be amplified, i.e., information technology and communication, internet service providers, local software developers and freelancers. To further promote our inclusive banking agenda, we will enhance our efforts on Cottage, Micro and Small (CMS) financing to enable faster credit facilities in the shortest possible time.

BRAC Bank's Retail Banking division focuses on enriching banking experience of retail customers with innovative and tailored solutions by harnessing customer insights.
We are committed to building long term banking relationship with our customers, keeping digitalization at core to ensure faster & efficient service; thus contributing to the overall success of the Bank.



Retail Banking

Md. Mahiul Islam, Head of Retail Banking

"Empowering our customers through digital banking, innovation & compliance"

- Customer Centricity
- Digitalization
- Innovation
- Compliance

Overview

BRAC Bank's Retail Banking division, established in the year 2001, provides a wide suite of products and services to cater to a multitude of retail deposit and loan and card requirements. Retail Banking is highly focused on sustainable deposit portfolio growth which is reflected on its achievement of attaining the highest deposit net growth ever in the year 2022. The strong base of deposit enables the division to provide home loans and car loans in addition to a wide range of other personal loans, credit cards and cash-secured loans. Our product offerings are tailored to cater to the needs and requirements of our customers. Simultaneously, we also ensure digital transformation in every possible way, to make banking a smoother experience for all.

Leveraging BRAC Bank's robust pan-Bangladesh network, the bank's Retail Banking division enjoys strong penetration across the country, facilitating both marketing of retail loan products as well as collections. The division also possesses robust credit appraisal standards and procedures with lowest TAT (turnaround time).

Cards	Remittance & Probashi	Deposit & NFB	Customer Centricity
Premium Banking	**Retail Banking**		Employee Banking
Lending	TARA & AGAMI	Digital Business & Payments	Merchant Acquiring Unit

5 targeted priorities of Retail Banking

Market Share	Launch various new, relevant & excitement-driven customer campaigns
Student Banking	Focus on Agami and financial literacy program for school going students
New Products	Grow customer base through innovative products and services
Digitalization	Digitalize banking services through Astha app, e-KYC, QR code-based payment, etc.
Customer Experience	Offer wide range of products and solutions for ensuring prioritized customer experience

Retail Deposit & Non-Funded Business

Our division is a significant contributor to the net deposit growth of the pan-bank, enabling the growth of our lending operations. Round the year 2022, BRAC Bank has been focusing on sustainable deposit growth which has allowed us to attain a deposit portfolio size of 18,926 crore and more than 135K savings account being opened.

We have been able to achieve the highest ever net deposit growth volume of BDT 2,780 crore in a year with a CASA: TD ratio of 45:55 and a YoY growth rate of 17%. Moreover, focus on robust security for customers have been a priority where we were able to ensure 100% EMV chip based portfolio of our Debit Cards. We have implemented account on-boarding through digital platform "e-KYC" and introduced several services through our banking app "Astha" to ensure customer convenience.



▲ *Engaging with the freelancing community through Freelancer's Grand Meetup 2022 in Mymensingh*



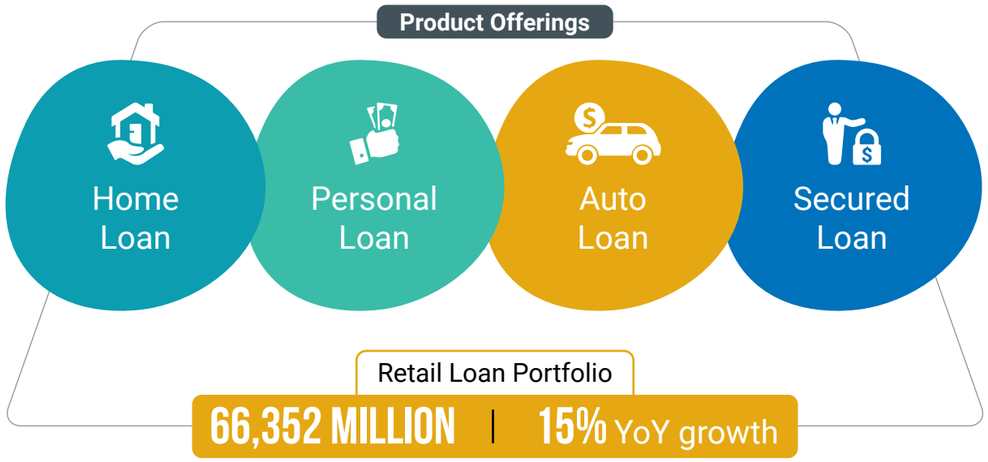
▲ *Survey conducted in the remote remittance prone areas to find out specific needs of the entire Probashi segment*

Key Achievements of 2022

- Highest ever Deposit volume growth in a year
- Launch of FD & DPS opening through Astha App
- Sending statements through emails & SMS
- Launch of multi-currency debit card
- Debit Card -100% EMV chip based
- Launch of Mariner's Account
- Enabling fund transfer facility from FCY to local currency through Astha App
- Opening of exclusive lounge for valuable Retail Banking customers
- 52k+ accounts opened in e-KYC channel

Retail lending

BRAC Bank is proud to be the market leader in retail loan portfolio. Despite stiff competition in the market, BRAC Bank's achieved notable progress in 2022 in retail portfolio growth, customer onboarding from valued segments and in establishing digital platforms and financing solutions. To reach the top, we have launched several products like Agami personal loan, Second hand auto loan and also enhanced our systems capabilities to support our business growth.



Key initiatives of 2022

Product Launch

- আগামী Personal Loan
- Second Hand Auto Loan
- সাধ্য Digital Personal Loan
- Laptop Loan

Development

- সুবিধা App
- BBL Obichol
- Automated loan processing system

Activities

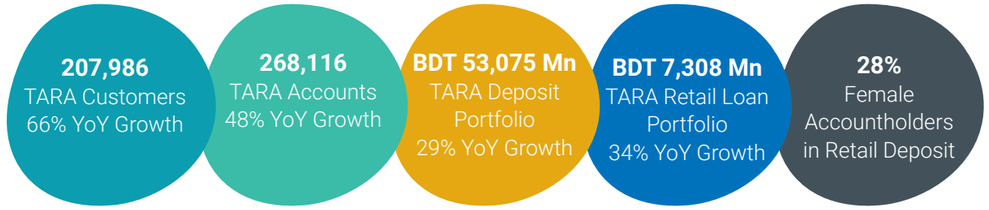
- Agreement signing with the Finance Division under Ministry of Finance
- Partnership with IFC
- Agreement signing with DSHE under Ministry of Education
- Facilitated 3,000+ teachers with দিশারী personal loan
- Migration of auto loan closure service request to call center

TARA Women Banking and Agami

BRAC Bank values the undeniable role of women in society and continues to explore avenues that empower women. Launched in May 2017, BRAC Bank's TARA Women Banking represents a holistic banking program for the female customers in Consumer and SME segments. The fundamental rationale is to provide dedicated and supportive banking products to women homemakers, entrepreneurs, professionals and students.

Today, TARA is not only focusing on exclusive and personalized banking products, but has also extended its umbrella to offer value-added services, like trainings, workshops and knowledge development sessions, etc. The acceptance of TARA product and services has been reflected in growth of our customer base, loan & deposit portfolio. As a recognition, BRAC Bank TARA has been awarded the "Championing the female economy" awards for the 5th time under Data Champion category by Financial Alliance for Women.

Key Achievements of 2022





▲ *Data Champion Awarded to BRAC BANK by Financial Alliance for Women*



▲ *Launch of "Shabolombi TARA" – to train female freelancers in collaboration with Bangladesh Freelancer Development Society*

BRAC Bank's AGAMI segment specifically designed for the students have received immense response by the youth of our country. In 2022, targeting college and university going students, we launched "Agami Savers Account" and "Agami Personal Loan" for education purpose. During the year, we opened almost 6,000 Agami Savers Account with BDT 9.9 Mn portfolio within 6 months of launch.



▲ *Launch of Agami – A complete range of Student Banking Services*

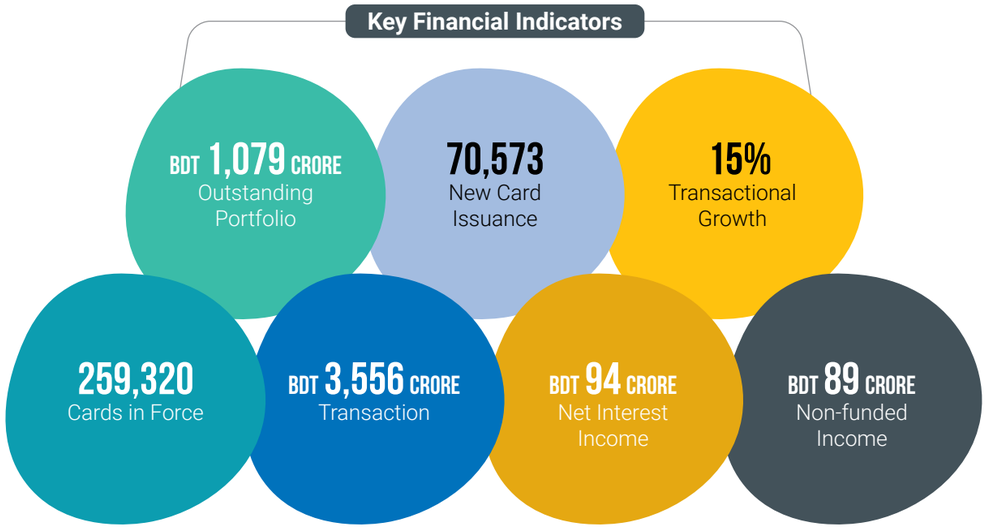
Card Products

Our performance momentum continued in 2022, in terms of growth and success of cards services. The department's focus remained on customer acquisition, increased customers' participation in transactions and utilization of credit limit. In addition, we have also taken special initiatives to expand our merchant acquisition business across the country.

Credit Card initiatives

- Launched LoungeKey facility for customers allowing them access to international airport lounges. This has eliminated the need for issuance of additional membership card.

- Launched QR based credit card transactions and bKash QR Payment using BRAC Bank Astha app, which ensured credit card acceptance even at micro merchant level across the country.
- Campaigns: Several campaigns were initiated around various religious and other festivals to boost customer transaction volumes.



Debit Card initiatives

- Launched Multicurrency Debit Card, which permits cardholders to conduct both local and international transactions. Ever since the launch in February 2022, more than 150,000 Multi-Currency Debit Cards have been issued.
- During 2022, international transactions via BRAC Bank Debit Cards amounted to more than USD 14 Mn.
- Several spending and activation campaigns were initiated during the year on various occasions to increase customers' usage of our debit cards.

476k+ active Debit Cards, **10%** YoY issuance growth

240k new Debit Cards issued

More than **BDT 19k crore** transaction volume (**18%** YoY growth)

Recognition for outstanding performance

- Received "Daraz PAYMENT PARTNER AWARD 2022" under most Valued Partner-Debit Cards category
- Awarded in four categories in Mastercard Excellence Award 2022 as well as in VISA Leadership Conclave 2022





Merchant Acquiring Business

BRAC Bank's Merchant Acquiring Business is responsible for onboarding merchants on the retail banking platform. They are primarily responsible for enhancing customer convenience by ensuring availability of retail POS, e-commerce and QR code-based payment options with a large universe of merchants.

We have tied-up with 1,250 strategic partners covering major merchants and seen a 39% YoY growth in POS acquiring business in 2022. Moreover, several campaigns were organized with renowned partners round the year for its cardholders. VISA & MasterCard have acknowledged us with their Excellence in VISA POS Acquiring Business & Excellence in MasterCard POS Acquiring Business awards for consecutively 4 years

Cyber Source for E-commerce transactions through VISA

Excellence in VISA & MASTERCARD POS Acquiring Business Awards

30% YoY growth E-Commerce Business

FSS, IRIS & NPSB Integration, DMS & ACS GO LIVE

18.90% YoY growth in Payflex Business

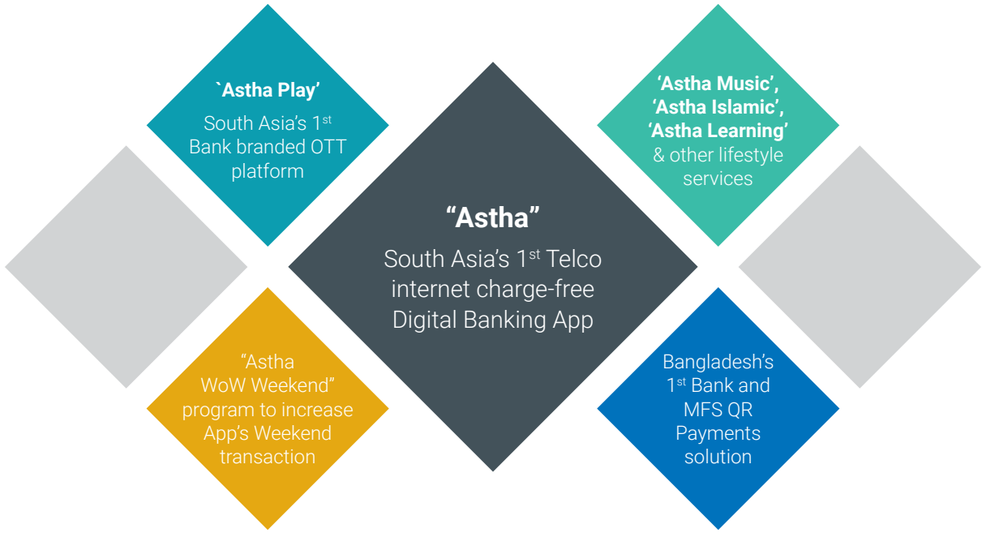
3DS 2.0 rollout for E-commerce acquiring

Digital Business & Payments

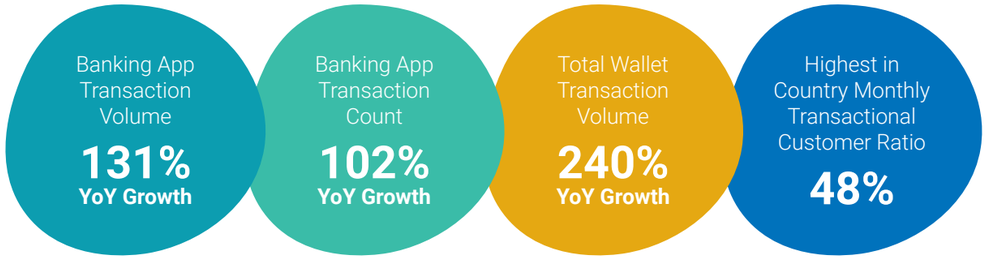
Our department is the strategizing and driving force for the digital banking business initiatives of the bank. The team's innovative initiatives have created breakthrough growth and performance in digital banking arena of Bangladesh. Digital innovation and disruption has paved the way for massive growth of the app based transaction volume. In 2022, an overwhelming amount of BDT 335 billion (131% YoY growth) has been transacted through our banking app. Astha app now has become number-1 digital banking app in Bangladesh in terms of monthly transaction volume while growing 3-times faster than the digital banking industry of Bangladesh. It also clinched 14% of country's digital banking transaction volume market share in 2022 compared to 9% in 2021.

Driving forces → Creating Convenience through Easy Online Bill Payment → Driving Digital Disruption through Innovation & Customer Convenience → Rapid Fund Transfer Across Platforms

Major Initiatives of 2022



Key Achievements of 2022



Employee Banking

BRAC Bank's Employee Banking wing facilitates banking services beyond just salary disbursements. Our employee banking facility now represents a value-added lifestyle proposition that reinforces customer experience by catering to the holistic banking needs and requirements of the customers.

Key Achievements of 2022

BDT 831 Cr
Deposit
23% YoY growth

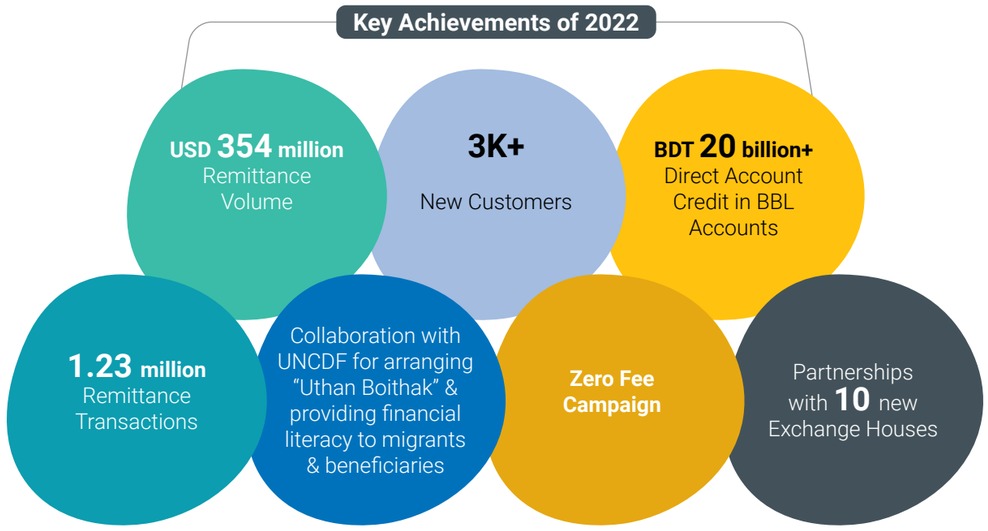
BDT 79 Cr
Credit Card Outstanding
70% YoY growth

Re-branding of Employee Banking as "Prottoy, Your Trusted Employee Banking Partner"

100+
Companies on-boarded

Remittance and Probashi Banking

BRAC Bank's Probashi Banking arm is responsible for bringing foreign currency to the bank through partnerships with international banks and exchange houses. The mandate is to retain the deposit base from wage-earners' remittance and thus maintain the bank's foreign currency inflow. In support of the Probashi Banking unit in enabling financial remittance, we have affiliations with 64 renowned global exchange companies/banks. Further, our subsidiaries - BRAC Saajan and bKash - also comprise strong gateways for remittance transfers.



Exchange Houses Partnerships with BRAC BANK in 2022

Taptap Send — United Kingdom
AL JADEED EXCHANGE AJX الصراف الجديد — Oman
Tranglo — Singapore
Maxiipay.com Maximum Currency rate — United Kingdom
العلاونة للصرافة Alawneh Exchange — Jordan
FinShot — South Korea
AL-SADD EXCHANGE SE الصد للصرافة — Qatar
LuLu Money — Singapore

Premium Banking

Launched in 2006, our Premium Banking service is an exclusive personalized service proposition to the bank's High Net Worth (HNW) customers. As holder of a substantial proportion of our overall deposit portfolio, this segment is ensured differentiated and priority service

Key Achievements of 2022

54,000 Mn+ deposit balance in 2022

New PB lounge at Zindabazar Branch, Sylhet

7500+ Premium Banking clients

C-Sat survey to increase customer satisfaction

22% average deposit growth per client

Multiple movie screenings for PB customers

9400+ Mn net deposit growth in 2022

Customer Centricity

In 2022, our Customer Experience team was reformed into Customer Centricity, with the sole purpose of ensuring world-class service to our customers through end-to-end monitoring. Our motto is to capture customers' heart and mind through service excellence at all levels and their strengthen loyalty towards us.

Key Initiatives of 2022

- Voice of Customers (VoC) survey on different products & services
- Development of "Citizen's Charter" complying with Regulatory Guidelines
- Development of Service KPI for different Divisions/ Departments
- Real Time Courier Tracking

Key Events 2022



▲ *Remitters' Festival in Expo Center in Sharjah*



▲ *UNCDF Team visited BRAC Bank Head Office*



▲ *Initiation of e-KYC account onboarding by providing TAB to all regional heads*



▲ *Terrapay Team visited BRAC Bank Head Office*



▲ *Engagement and Promotional Activities in UAE, hosted by BRAC Bank's deputed staff*



▲ *Countrywide Branch training session to focus on digital platform e-KYC*

2023
Way Forward

- Complete digitalization of Retail account onboarding process with our E-KYC platform & banking services through Astha App to reduce footprints in branches
- Focus on Matrix Account & School Banking Activities such as financial literacy program for students
- Redefine products based on needs of Probashi segment of the country
- Grow our female customer base exponentially, and increase focus on serving the lower income group females
- Grow savings account volume of young female segment, especially in student category
- Launch skill development training programs in collaboration with various associations
- Double the number of TARA users in Astha Mobile Banking App
- Become the market leader in student banking and bring more students under the umbrella of Agami
- Build new relationships with exchange houses, banks, sub-agents, and MFS providers, while ensuring full utilization of BRAC Saajan to increase remittance to BRAC Bank accounts
- Recruit more staff in S. Korea, Qatar, Oman, Saudi Arabia, and Malaysia to expand Probashi customer base
- Continue to focus on AML and KYC reviews and further strengthen measures to ensure regulatory and internal compliance
- Launch outward remittance in association with Western Union

Our Corporate Banking Division has continued its endeavor to be "The Most Preferred Financial Partner" of the valued customers through competencies and capabilities during the most challenging macro-economic scenario. This has not only brightened the overall image of the bank but also bolstered the unwavering trust which contributed to outstanding results in all parameters.

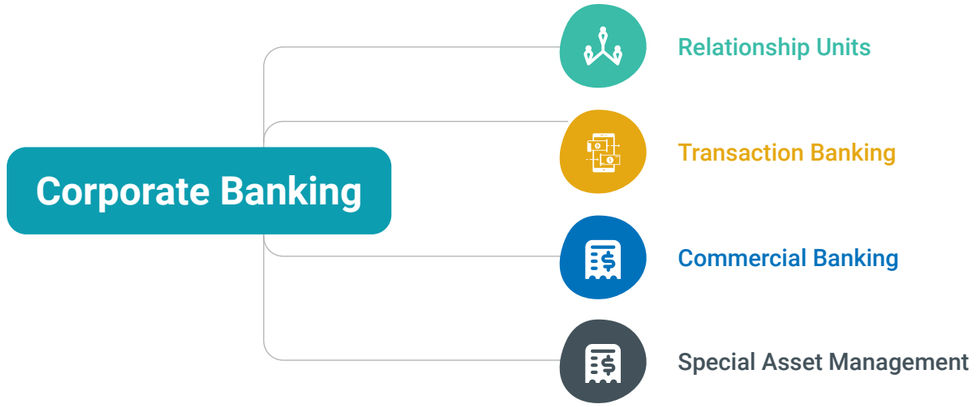
Corporate Banking



Tareq Refat Ullah Khan, DMD & Head of Corporate Banking

BRAC Bank's corporate business showcased robust financial performance in 2022 in all the parameters, reflecting its commitment towards becoming the country's most preferred corporate banking partner. Our strong and consistent liquidity support, professional pool of relationship teams coupled with solution-driven transaction banking approach played key role in achieving unwavering customer trust and becoming their 1st choice for corporate banking requirements. This year we have strengthened our reach to the newer avenues, built banking relationship with leading corporates and introduced our commercial banking wing. In addition, our focus remained on ensuring client convenience with the aid of our digital banking solutions.

Business Verticals



38% Growth in loans and advances

32% Growth in trade business

50% Growth in deposits

1.4% Reduction in NPL

Our highly professional and skilled relationship teams maintain close relationships with our customers and relentlessly try to cater to their 360 degree financial requirements with our wide range of products and financial advisory services. Our unique & robust Transaction Banking team, equipped with various industry professionals, offers value propositions, alternative banking services and digital banking solutions to diversified sectors. A new business vertical, Commercial Banking, was introduced in 2022, aiming to cater to a large base of customers previously not focused under conventional corporate banking structure. All these collective approaches give BRAC Bank Corporate the leverage to serve its customers in best manner.

Areas of differentiation

- Equipped & dedicated teams
- Strong liquidity management in LCY & FCY, consistently supporting financial requirement of the clients
- Industry leading Transaction Banking solutions, catering to the needs of diversified segments
- Presence of a comprehensive product suite to cater diversified needs
- Strong local & global connectivity with cost effective credit lines
- Wide & equipped distribution network to serve corporate clients
- Strong presence in capital market with specialization in IPO account and Mutual Fund
- Robust Digital Banking solution for corporate entities

Key Achievements of 2022

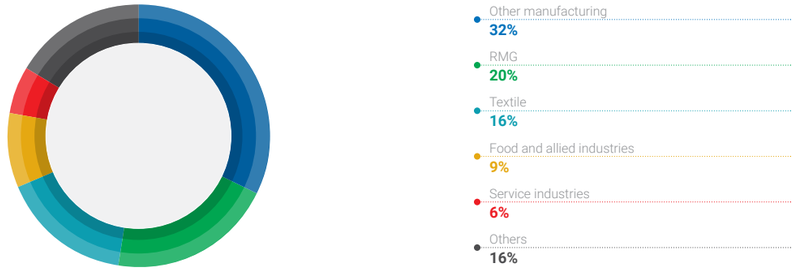
- 37 new credit relationships onboarded
- 910 new deposit clients onboarded
- 617 customers in CORPnet, digital banking platform, (BDT 883.17 billion transaction volume)
- Introduced Specialized Desk for Chinese multinational & joint venture entities
- Portfolio de-risking initiatives continued with the highest recovery from classified portfolio with 35% YoY growth
- 79 working capital limit enhancements
- Maintained strong foothold in deposit booking
- 14 new features introduced in CORPnet in payment, collection, reconciliation, and service requests areas
- Continued strong presence in capital market, booking highest Mutual Fund & IPO accounts' fund
- Portfolio quality improved further with lowered PAR & NPL.

Winner of the Asian Banker Transaction Finance Award 2022 in two categories: "**The Best Transaction Bank**" and "**The Best Cash Management Bank**" in Bangladesh.

Sector wise Loan Portfolio

In 2022, when businesses started recovering from the Covid-19 impact, liquidity support remained a key challenge for local and foreign currencies. In the ongoing Russia-Ukraine war, which propelled rising commodity and fuel prices and a higher USD-BDT exchange rate, many businesses found it challenging to get an adequate credit limit and LCY FCY liquidity support from the market. BRAC Bank, for its customers, remained a solid supportive bank under such a difficult scenario. Our conscious and supportive approach helped our customers continue with their business momentum. In the process, we gained their trust and became the most preferred corporate banking partner.

Exposure





▲ *Inauguration ceremony of Insurance Premium Collection through digital channel for Jiban Bima Corporation*



▲ *Agreement signing with UPAY*



▲ *EU Delegation meeting with BRAC Bank Limited*



▲ *Wholesale Banking Conference 2022 "Sustain to Progress"*

Way Forward
2023

2023 is projected to be a difficult year for the overall economy. Currency devaluation, rising inflation, increased utility cost and stressed liquidity situation is expected to considerably impact the corporate business. This may shrink profitability margin and lengthen the cash cycle for many businesses.

To this end, our focus will remain on ensuring liquidity support (both LCY & FCY) for our customers so that they can continue with their business momentum. Our emphasis on extending differentiated services, offering low-cost sustainable financial solutions, leveraging bilateral lines, and growing into new segments shall continue further in the coming year. With our growing list of digital banking conveniences, we aim to offer many services through our digital channel. BRAC Bank Corporate Division will continue to provide its unwavering support to its valued clients to remain their most preferred partner and help them prosper.

BRAC Bank's Treasury & FI team consistently strives to deliver the best value to the stakeholders while acting as a leading market maker and liquidity provider across all arenas of Treasury.



Treasury & Financial Institutions

Md. Shaheen Iqbal, CFA, DMD & Head of Treasury & FI

Overview

BRAC Bank's Treasury & Financial Institutions (FI) team is one of the most dynamic team in the industry. Alongside managing the fund flow of the bank to meet the regulatory requirements and the day-to-day liquidity requirements of business, the unit acts as a market-maker across all Treasury & FI products. The team engages in local and foreign currency dealings, fixed income trading, corporate FX sales, derivative transactions and FI services. The various arms of the division are indicated below:

MONEY MARKET

- Penetrates all levels of the market & manages an optimal funding mix
- Facilitates diverse solutions, in the form of call money, repo, term, swaps etc.
- Maintains the bank's strategic position in the money market while meeting regulatory requirements (CRR/SLR)

INVESTMENTS

- Diversifies the bank's investment avenues and opportunities and generates alternate sources of revenue
- Manages the bank's overall liquid asset buffers based on interest rate and liquidity forecasts
- Manages capital market operations through investment in shares, mutual funds, treasury bonds, corporate bonds etc.

FOREIGN EXCHANGE

- Provides FX liquidity in the interbank market
- Acts as market-maker through two-way quotations
- Offers pricing facilities to other banks through BBL Electra

CORPORATE SALES AND DERIVATIVES

- Caters to FX needs of corporate accounts across diverse industries
- Offers corporate counter-parties a range of FX solutions
- Offers advisory services on prevailing market conditions

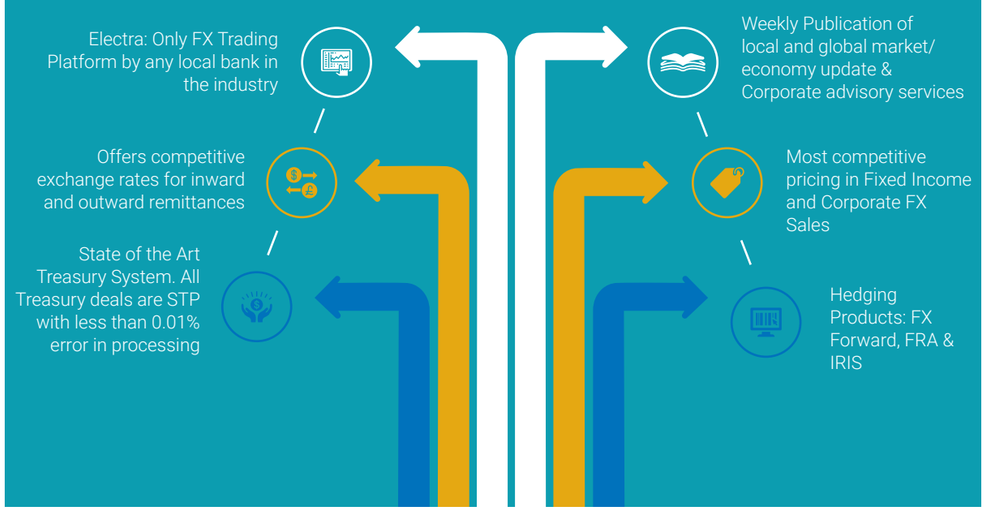
FINANCIAL INSTITUTIONS

- Establishes new business lines to facilitate the FX business and ensures smooth trade finance and remittance services
- Oversees the funding of the bank's fast-growing Offshore Banking Unit (OBU)
- Manages 399 global correspondent relationships in more than 50 countries and 28 overseas Nostro accounts in 11 major currencies, along with 81 Nostro accounts with domestic banks

ASSET & LIABILITY MANAGEMENT

- Manages liquidity from a daily standpoint to a long-term perspective
- Safeguards all ALM related risk & performance ratios
- Delivers economy & market insights, as well as balance sheet recommendations to the ALCO

The treasury team makes the most out of the market volatility by capitalizing on opportunities in money market trading, FX liquidity, FX sales, government securities etc.



Achievements against all odds in 2022

2022 was marked by post-Covid era challenges, turmoil in the energy market and widespread inflation. The local economy faced trials, more evidently in the latter half of the year, in the form of rising inflation and depleting foreign exchange reserves. We remained vigilant, adjusted our priorities accordingly, and positioned ourselves ahead of the market to overcome all the challenges. This agility facilitated us to secure our target objectives with minimal risk.

Affordable Housing Bond



▲ *Subscription closure ceremony of affordable housing bond*

BRAC Bank and International Finance Corporation (IFC) have partnered to launch Bangladesh's first-ever housing bond. Aligned with BRAC Bank's vision of serving the missing middle, this initiative will empower thousands of underserved low and middle-income urban and rural families to take out affordable housing loans.

Syndicated FCY Financing

- The team secured a syndicated financing facility arranged by a leading foreign financial institution.
- This financing allowed the bank to further strengthen the Offshore Banking book to continue supporting trade activities, amidst an ever tightening FCY liquidity scenario.

"The 2022 STP Quality Recognition" Award

- Awarded by JPMorgan Chase, BRAC Bank has earned the coveted award in two categories for five consecutive years.
- In 2022 the award was bestowed in recognition of the bank's operational excellence in the Straight-Through-Processing (STP) rate for fund transfers.

Top FX Liquidity Provider

- BRAC Bank 'Electra' is the only local FX trading platform in the market and Treasury team is the Number ONE FX Liquidity provider in local market.
- Electra provides Streaming two way prices of G7 currencies, AUD, CHF, CNY, SGD, AED, SAR and their crosses for outright Spot, Forward and Swap up to one year

Advocating Diversity and Inclusion

BRAC Bank has always valued diversity and inclusion and strongly advocates for both. Treasury and FI team arranged a panel discussion on "diversity, inclusion, trends and collaboration with fintech" to share perspectives on the existing scenario and the way forward. Notably, among other relevant stakeholders, senior representatives from JPMorgan Chase were in attendance. The discourse focused on the importance of diversity & inclusion in the financial markets and the future of the financial industry with the emergence of fintech companies.



Strategy
2023

The challenges of 2022 can be expected to continue in 2023 for Bangladesh as money market may continue to tighten, and the foreign currency reserve may remain stressed. Interest rates and inflationary pressure might be a cause of concern as well.

Our team will focus on evolving with the volatile and competitive market forces to continue to harness untapped market opportunities. We expect to emphasize expanding the bank's market share and balance sheet at an accelerated pace while ensuring that all relevant risk ratios remain at optimum levels.

Credit Risk Management

BRAC Bank has a distinct credit risk architecture – policies, procedures and systems for managing credit risk in all its retail, SME and wholesale businesses. The Board has primary oversight responsibility for credit risk. SME and wholesale lending are managed on a portfolio and individual basis. In contrast, given the granularity of individual exposures, retail lending is managed largely on a portfolio basis across various products and customer segments. For all the categories, robust front-end and back-end systems are in place to ensure credit quality and minimize loss from default. The factors considered while sanctioning retail loans include income, credit history, loan tenor and banking behaviour. In wholesale loans, credit risk is managed by capping exposures based on borrower group, industry, and credit rating grades. This is backed by portfolio diversification, stringent credit approval processes, periodic post-disbursement monitoring, and remedial measures. BRAC Bank has ensured strong asset quality even in volatile times in the lending environment by diversifying its portfolio [Retail 19%, SME 46% and Corporate 36%], strictly adhering to prudent norms and institutionalized processes.

Unsettled Business Environment

The growth momentum was in the offing in 2022, as the country's economy was recuperating from the ravages of the pandemic. But the initial optimism was threatened by a range of adverse macroeconomic events triggered by the Russia-Ukraine war, which made the country's banking landscape further challenging.

Rising imports started to deplete Bangladesh's foreign currency reserves from the beginning of 2022, causing the depreciation of the local currency against the US dollar.

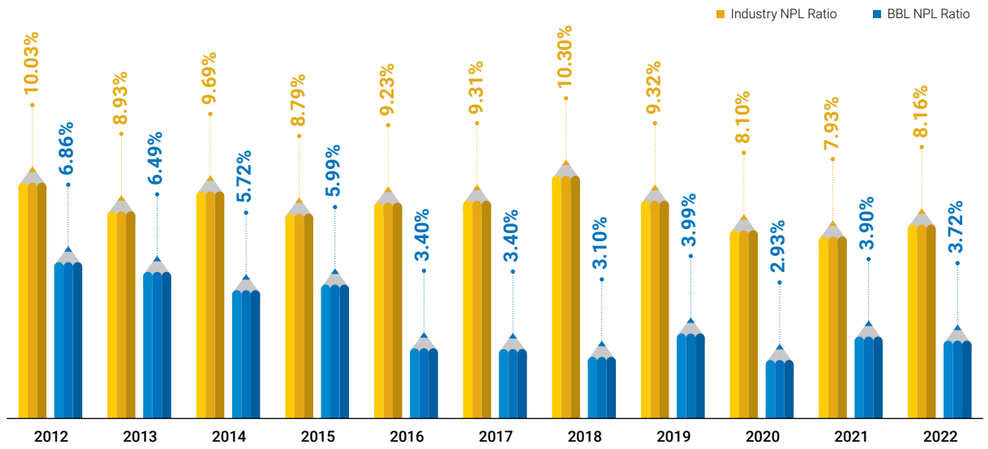
Prices of petroleum products' up by 51.7 per cent, the highest in the country's history, creating a public outcry among the common people, particularly the low- and fixed-income families fighting to cope with the rising living cost. The inflation rate crossed the 7 per cent mark in May 2022, driven by increased commodity prices globally. The spiral continued, and inflation touched a 10-year high at 9.52 per cent in August.

Despite all these negative headwinds, Bangladesh posted outstanding export earnings of $52.08 billion in the 2021-22 fiscal year, which was way higher than the target of $43.5 billion. Moreover, in July-Dec 2022, export figures soared to $ 27.31 billion, which is 10.58% higher than the corresponding period of the previous financial year. All vital sectors, including apparel, leather and leather goods, home textiles and jute and jute goods, performed well this year.

In this challenging economic environment, non-performing loans or default loans hit a historic high of BDT 134,396 crore at the end of September, which was 9.36 per cent of the total outstanding loans of BDT 1,436,200 crore.

Industry vis-à-vis BRAC Bank's Asset Quality

NPL Movement: BBL vs Banking Industry



Bangladesh's banking industry's NPL was at a record low of 6.12% in 2011. After that, the NPL moved in between 7.93% to 10.30% in 2021. The NPL stands at 8.2% as on December 2022. The main reasons behind the increase of NPL over the last few years were weak governance in the banking sector, wrong client selection at the time of loan sanction, weak business and industry analysis, mismatched cash flow forecast, overlooking historical payment behaviour of the clients etc. Bangladesh's NPL ratio is higher than the international level, which is about 2.0 per cent or below.

Despite the dismal asset quality scenario in the banking sector, BRAC Bank reported a contrarian performance and maintained a healthy asset portfolio over time. This was possible only because of our superior credit risk management function.

With concerted efforts from business, credit risk management, and special asset management guided by good governance and management, BRAC Bank maintained an NPL of 3.72%, much lower than the industry NPL average of 8.2% as on December 2022.

BRAC Bank has a conservative and prudent policy for the provision of NPLs. Its provision for NPLs is higher than the minimum regulatory requirements and adheres to the regulatory norms for standard assets.

Key factors in good NPL management –

- GOOD GOVERNANCE
- ROBUST CREDIT CULTURE
- PERIODIC REVIEW AND FOLLOW UP
- STRONG RECOVERY SYSTEM
- PLAYING ADVISORY ROLE

Digitization and Credit Risk

Driven by rapid technological advancements, digitization is increasingly becoming a key differentiator for customer retention and service delivery in the banking sector. Digital lending enables customers to secure loans at the click of a button in minutes, if not seconds. However, it has attendant risks associated with it, and BRAC Bank has established appropriate checks and balances to manage them.

As a step forward to increase digitization, Early Warning Software called LADA, credit card scorecard, CRM Weekly Dashboard, and Monthly KPI Dashboard was launched. By implementing a credit card scorecard, BRAC Bank eliminated one of the stages in the credit card issuance process, which resulted in improved turn-around time. In addition, scan-based file processing supported by Document Management System (DMS) is adopted, which improves the bank's data management and storage capacity.

Resolution for 2023

Since NPL directly affects the profitability of the bank, reducing NPL is always the top priority. In addition to fostering healthy credit culture, we are looking forward to prioritise below activities:

- Periodic impact analysis considering on-going macro-economic situation and immediate escalation in case of any adverse findings.
- Special attention to deferred import liability with proactive margin building.
- Monitoring of sales routing, stock-receivables and bank liability movement.
- Extensive monitoring of Early Alert Review (EAR) and distressed portfolio.

Our Distribution Network

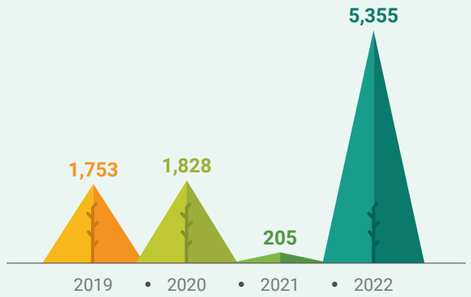
Mounting all over customer footprint in pan-Bangladesh through phygital approach

BRAC Bank's Distribution Network is spread across eight regions comprising a total of 187 branches and 20 sub-branches located all across Bangladesh. Distribution Network, the primary interface of BRAC Bank, fosters a vibrant "phygital" (physical-digital) channel strategy that enables the bank to acquire new customers/businesses and contribute to portfolio enhancement while ensuring sustainable long-term relationships with existing customers. We aim to ensure the availability of the bank's products and solutions conveniently and cost-effectively and facilitate customer service round the clock. The Head of Branches, Senior Zonal Heads, and Regional Heads monitor the overall branch operations and business activities. Furthermore, Branch Governance ensures combined assurance of compliance and regulatory norms and facilitates service standardization and process uniformity across the branches. In addition to monitoring branch performance, the governance team also acts as a bridge between the bank and the branches and ensures the efficient transmission of information and related updates.

Our Key Priorities

- Facilitate the shift from Transactional to Relationship Banking (Financial Advisory).
- Boost Digital Conversion (Astha, Digital lending, e-KYC, DMS etc.)
- Staff up-skilling.
- Expansion of network through sub-branches.

Deposit Growth trend of Distribution Network



Milestones in Year 2022

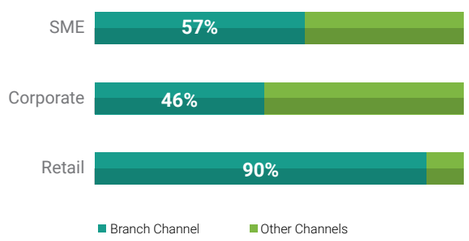
- No. of A/C **121,299**
- Assets **1,382 Crore**
- No. of Cards **34,908**
- Commercial Remittance **$ 135 Mn**
- Govt. Stakeholder **A/C 5,409**

Major Digital Initiatives in Year 2022

- DMS activated in all branches
- e-KYC A/C opened throughout the branches
- High-risk account review via At Your Service
- Automated adverse media searching portal
- Digital branch operation manual
- Automated locker service
- Virtual branch
- Automated Challan System (ACS)

Contribution of Distribution Network (In Crore)





63% of Deposit Growth for the Bank

Other Major Accomplishments in Year 2022

- Launched 11 sub-branches in strategic parts of the country with a view to enhance the bank's geographic footprint
- Relocated 5 existing branches to ensure a welcoming customer environment & merged Elephant Road Branch and Elephant Road SMESC
- Deployed compliance officers besides BAMLCOs as an additional layer of defense for the prevention of ML/TF
- Optimized client access and convenience through existing distribution channels while advancing the use of the bank's digital channels
- Embraced several digital initiatives, including enhancing the capacity of Alternate Banking Channels (ATM, RCDM, CRM, Internet Banking and bKash) to enable easy cash withdrawal and deposits
- Focused on retail business, prioritized sectoral lending and enhanced the portfolio size with the help of digitalized banking services

Way Forward, 2023

- Automate fast-track services and divert customers to alternate banking channels
- Facilitate the bank to shift from transactional to relationship banking and develop focus on advisory roles
- Leverage sub-branch banking model to enable deeper and wider market penetration
- Grow existing clientele, upgrade relationship value, acquire new customers and ensure deposit growth

Alternate Banking Channels

Overview

BRAC Bank's Alternate Banking Channel has established its reach of services beyond traditional channels through its four sub-divisions, namely Agent Banking, Alternate Delivery Channel, Call Center and Online Banking. In addition to providing round-the-clock services to customers, our alternate banking channels have played a pivotal role in creating a strong brand foothold at remote locations. The division has served customers in remote areas and made banking accessible for a large unbanked population. In addition to relentlessly serving the customers, they have mainly contributed to achieving the bank's accelerated business growth targets.

Agent Banking

Carried out around 350,000 transactions worth BDT 2,000 Crore per month

BDT 960 Crore corporate bill collection which is 45% more compared to last year

Disbursed over BDT 4,700 Crore SME loans through 75,000 transactions

108,000 number of inward foreign remittance disbursements

Over 40% transactions beyond conventional banking hours and on weekends & holidays

30% of total transactions were of Branch customers indicating high Channel adoption

BDT 990 Cr
No. of A/C

419
Upazillas

64
Districts

1,000
AB Outlets

BRAC Bank's Agent Banking channel, with outlets spread across Bangladesh, promotes financial inclusion, complements the SME, Retail & Corporate business, and expands the customer base. Furthermore, our Agent Banking also helps develop financial linkages, create new employment opportunities and contribute significantly towards the uplifting of the economy.



Particulars	2018	2019	2020	2021	2022
No. of Agent Banking Outlet	50	301	481	705	1,000
Total No. of Accounts	290	13,084	65,470	142,016	248,136
Total Deposit (BDT Crore)	2	31	315	765	990
Total No. of Transactions	11,987	334,687	880,483	2,557,481	3,973,103
Total Transaction Volume (BDT Crore)	43	1,656	6,575	14,806	23,446
No. of Remittance Payment	-	5,155	25,697	86,559	108,809
Remittance Volume (BDT Crore)	-	19	347	578	773
No. of Distributor Bill Collection	-	2,840	16,230	55,246	83,489
Distributor Bill Collection Volume (BDT Crore)	-	38	219	655	960
No. of Loan Disbursement	-	1,540	14,505	40,823	74,476
Loan Disbursement Volume (BDT Crore)	-	77	866	2,442	4,722
No. Loan Repayment Collection	10,331	230,168	336,847	780,011	919,790
Loan Repayment Volume (BDT Crore)	37	972	1,573	3,448	4,721

Initiatives:

BRAC Bank's Agent Banking unit has introduced several initiatives for ensuring good governance, compliance, partnership, and overall growth in the rural economy.

eKYC: Digital Customer Onboarding has been introduced at Agent Banking Outlets to implement quick, convenient and paperless account opening with 18,000 accounts opened.

Collaboration with Technical Training Centres (TTC) under the Bureau of Manpower Employment and Training (BMET) has been launched to conduct banking literacy sessions and account opening for outbound migrant workers to encourage the flow of inward foreign remittance through formal banking channels.



Uthan Boithok: Agent Banking has conducted more than 80 "Uthan Boithok" community-level financial & banking literacy courtyard meetings emphasising engagement with female customers.

Agent Conference: The event was held in Cox's Bazar with around 500 Agents, Agent Field officers and bank officials to discuss various aspects of banking, including business development, compliance, streamlining operations and marketing opportunities, among other areas.

Financial Inclusion: Accounts of around 10,000 small farmers have been opened in projects throughout the country using Agent Banking Outlets as a collaborative initiative for linkages between finance and agriculture.





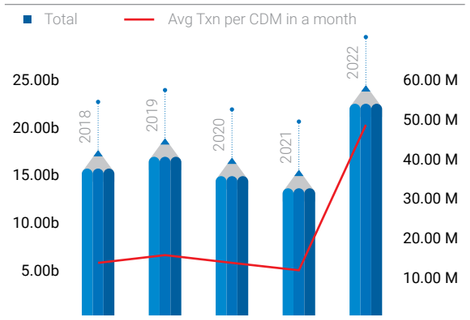




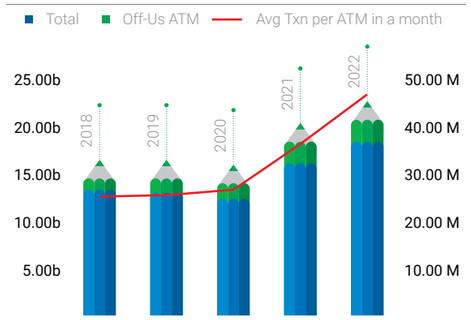
Alternate Delivery Channels (ADC)

With a network of 324 ATMs, 9 CRMs and 39 RCDMs, the ADC department provides our customers 24x7 cash withdrawal, deposit and other related services. 2022 has been a remarkable year for the department as it completely overhauled its service channel by replacing all its existing ATMs and introducing real-time CDMs and cash recycler machines (CRM). The introduction of a 24x7 real-time cash deposit facility has significantly improved customer experience. Following this, we have observed a significant rise in deposit transactions through this channel.

CDM Transaction Amount



ATM Transaction Amount



In congruence to the bank's growth strategy, we plan to further expand our service network to ensure customer convenience and support the branch & sub-branch network.

Call Center

Convenience and clients' preference for human-assisted support has increased the significance of our call center immensely over the past years. With a wide range of service offerings and the advent of the toll-free hotline number, BRAC Bank's call center is one of the most dynamic call centers in the industry.

In addition to providing customer service to clients of all business segments, our call center also engages in several revenue-generating sales campaigns and client retention programs. Furthermore, this channel is also utilized for advising customers about our various campaigns, product offerings and banking services.

Key Highlights 2022

- Launched country's first "Toll Free" hotline number in 2022
- Earned PCI-DSS re-certification for ensuring the security of card data
- Served 3.5 million customer calls - 21.4% higher than previous year
- Executed 9.5 lac customer request alongside queries and issues

In 2023, we aim to introduce further enhancements in our call center systems, specifically in the self-service arena and plan to expand the range of call center service offerings to improve customer satisfaction and convenience. We also intend to launch a full-fledged '**Sales through Service**' via our call center.

Online Banking

As the world becomes increasingly digitalized, it's no surprise that more and more people are turning to online banking to manage their finances. At BRAC Bank, we understand the importance of keeping up with time, so we are proud to offer our customers

a state-of-the-art online banking platform. With our intuitive interface and wide range of features, our online banking service makes it easier for our customers to keep track of their funds, make payments, and manage their accounts from the comfort of their homes. Online banking is the future, and we are dedicated to providing our customers with the best possible experience. Our online banking service is the perfect combination of innovation and convenience as it facilitates the anytime, anywhere banking experience for our valued clients in a true sense.

Key Achievements 2022

280,000+
Enrolled Customers

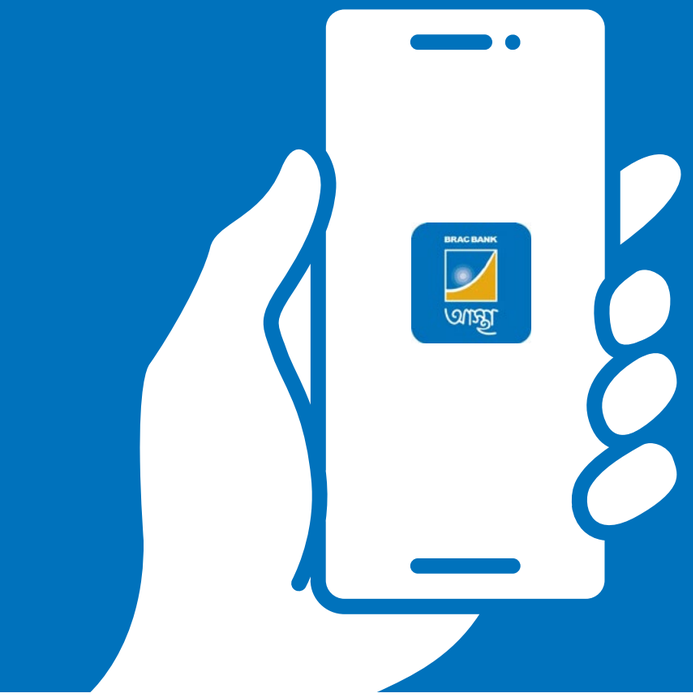
133%
Growth in Online Transaction

240%
Growth in Wallet Transaction

BDT 158 Cr +
Term Deposit Opened Via Astha

BDT 33,516 Cr +
Astha Transaction

BRAC Bank has always strived to deliver the ultimate branchless 24/7 banking experience through its online banking channel, "Astha". We are constantly working to ensure that the customers can avail the most in-demand features, so that their need for physical branch visits diminishes and they can have a better experience through smart banking usage.



Digital services from Astha App

- Scan & Pay Feature
- bKash QR Payment integration
- Positive Pay Instruction for CHEQUE Payment
- E-KYC & BRAC EPL BO Account Opening
- Integrated BINIMOY
- Self-extraction of Tax Certificate
- Internet Charge Free Banking
- Card Activation, PIN Generation and PIN change
- "ASTHA Play" OTT Entertainment Platform
- DESCO, NESCO Bill Payment



▲ *"South Asian Business Excellence Award, 2022: Best Use of Mobile Technology" & "Best Internet Banking Service Provider."*



▲ *Best Use of Mobile Technology" award in "Bangladesh Technology Excellence Awards 2022,"*

The above awards are a testament to the dedication of the concerned teams in making Astha more streamlined and user-friendly for our valued customers. In addition, BRAC Bank Astha has also played a key role in digitalising various services this year, making banking more convenient and accessible than ever before.

Forward Outlook
2023

Determined with the goal of becoming more accessible, we intend to onboard more of our customers to heighten their experience with alternate banking channels and to reduce branch footfall. We also aim to contribute to overall revenue generation by implementing new features such as online EMI, Pull Money from MFSs, a more comprehensive range of utility payment options, etc., in the Astha application, which will also facilitate convenient and hassle-free transaction service for our customers.

Anti-money Laundering

As one of the industry's leading banks, BRAC Bank is also at the forefront of efforts to prevent Money Laundering (ML) and Terrorist Financing (TF). The bank has integrated a robust Anti-Money Laundering (AML) and combating the Financing of Terrorism (CFT) risk management program across all operational domains. The management of BRAC Bank has demonstrated rigorous commitment towards implementing and practising AML and CFT-related measures and controls. Regularly, communications are maintained across the organization to ensure compliance with all applicable AML & CFT directives. In addition, an annual message from the Managing Director & CEO of the bank also acts as a guideline for all the employees in this regard.

AML & CFT Risk Management Structure

The current structure of the Bank's rigorous AML & CFT risk management includes:

Central Compliance Committee (CCC)	**Anti-Money Laundering Division (AMLD)**	**Chief Anti-Money Laundering Compliance Officer (CAMLCO)**
Deputy CAMLCO	**Branch Anti-Money Laundering Compliance Officer (BAMLCO)**	**Branch Compliance Officer (BCO)**

To ensure further oversight of the controls for trade-based money laundering, specialized personnel have been recruited. In addition, the independent audit function of the bank continuously evaluates the effectiveness of the established controls and acts as the second line of defense.

New policies and procedures introduced in recent years

Transaction Monitoring based on multiple exception reports covering various factors	Additional due diligence for e-commerce entities	Client off-boarding and blacklisting
Specialized training sessions on trade-based and credit-based money laundering	KYC/CDD of Personal Retail Accounts	Automation to perform Trade CDD

Furthermore, existing processes have been reevaluated in an effort to better align them with regulatory and business requirements.

2022 in review

72,000
Transaction monitoring alerts generated from transaction monitoring exception reports

1,300
Suspicious activity or transaction reports submitted to the authority

75
Branches

25
Agent Banking Outlets

Reviewed by AMLD to determine the efficacy of the existing AML & CFT controls

AML e-Learning module
Made open for all staff members, making AML and CFT knowledge more accessible

Future Outlook

The year to come will undoubtedly be challenging. There is the potential for a global economic slowdown to increase the frequency and number of financial crimes. To mitigate such risks, the bank will adhere to and fine-tune its current policies and procedures and adopt new ones to meet future requirements.

Soon, AMLD anticipates enhancing its capabilities by acquiring an automated transaction monitoring system. Automation will also be applied to the Transaction Profile review for new bank accounts. The division focuses on initiating new specialized trainings on pressing risks such as cryptocurrencies, e-commerce, fintech, trade-based and credit-backed money laundering, etc. Trainings and efforts to raise awareness will be enhanced to be more robust and efficient.

Legal & Recovery

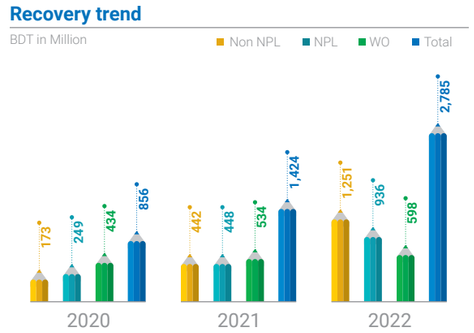
The Legal and Recovery Division of BRAC Bank aims to ensure regulatory compliance with all laws and regulations related to the bank's business. With the support of a specialized team, the division intends to provide business support through effective case management of default clients, mortgage assistance and recovery, thus ensuring a reduced recovery period and enhanced profitability.

Year in review

2022 continued to be a year of setbacks. The unstable operating environment and a slowdown of business activity had a negative impact on the economy, particularly the financial sector. The banking sector of Bangladesh has been facing challenges due to this downturn, resulting in Non-Performing Loans (NPLs) reaching new heights.

To this end, our division also needed help to keep the non-performing volumes within the desired levels. Yet, the team has done a tremendous job maintaining the numbers well below the industry average.

Recovery trend



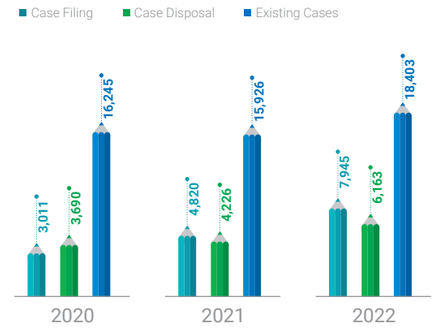
We have also witnessed significant operational momentum in our court activities in 2022.

7,945
Cases filed

6,136
Disposed cases

BDT 12 Cr
Appeal money recovery

BDT 30 Cr
Bail money recovery



Outlook

360° Banking Operation Model will be our future strategy. Moreover, in 2023, our motto will be maximising recovery, digitalization, people development, cost optimization and Process Improvement.

The division strives to manage the NPL rate within the bank's desired level, contributing positively towards the bank's profitability.

Internal Control and Compliance

The internal Control and Compliance function of BRAC Bank plays a pivotal role in achieving its objectives by advocating a systematic, methodical and consistent approach to evaluate and improve the effectiveness of risk governance.

Internal Control and Compliance Division (ICCD) has been entrusted with the responsibility of determining whether the bank's risk management, control and governance processes, as owned by the management, are adequate and functioning in a manner to ensure:

Adequacy and effectiveness of risk management systems.

Need-based interaction with various governance groups.

Significant financial, managerial and operational information dissemination in an accurate, reliable and timely manner.

Employees' actions with regards to compliance with policies, standards, procedures, laws and regulations.

Use of acquired resources economically, efficiently and adequately.

Achievement of programs, plans and objectives.

Fostering the quality and continuous improvement in the bank's control process.

Appropriate management of legislative and regulatory issues impacting the bank.

Establishing robust internal controls and ensuring an effective control framework have been prioritized across the bank, instituting internal control over financial reporting and establishing strong review mechanisms to ensure operational effectiveness of the highest order. Through its review mechanism, the bank identifies deficiencies associated with its processes and initiates remedial measures for rectification.

The principal objectives of internal control include:

Operational objective

Attainment of the bank's mission and vision as per its code of business conduct

Reporting objective

Timely, accurate and comprehensive reporting – both financial and non-financial and internal and external

Compliance objective

Conducting activities and initiating appropriate actions to ensure compliance in accordance with applicable laws and regulations.

The central aim of the bank's internal control system is to ensure overall control and minimization of risk while also providing reasonable assurance of the sustainability of the framework. The controls have been framed to:

- Develop a "risk-aware" culture across the bank
- Establish an efficient and effective operating model
- Ensure reliability of internal and external information, including accounting and financial information
- Safeguard the bank's operations and assets, and comply with laws, regulatory requirements and internal policies.

Key functions have been established for assuring the integrity and adequacy of internal controls

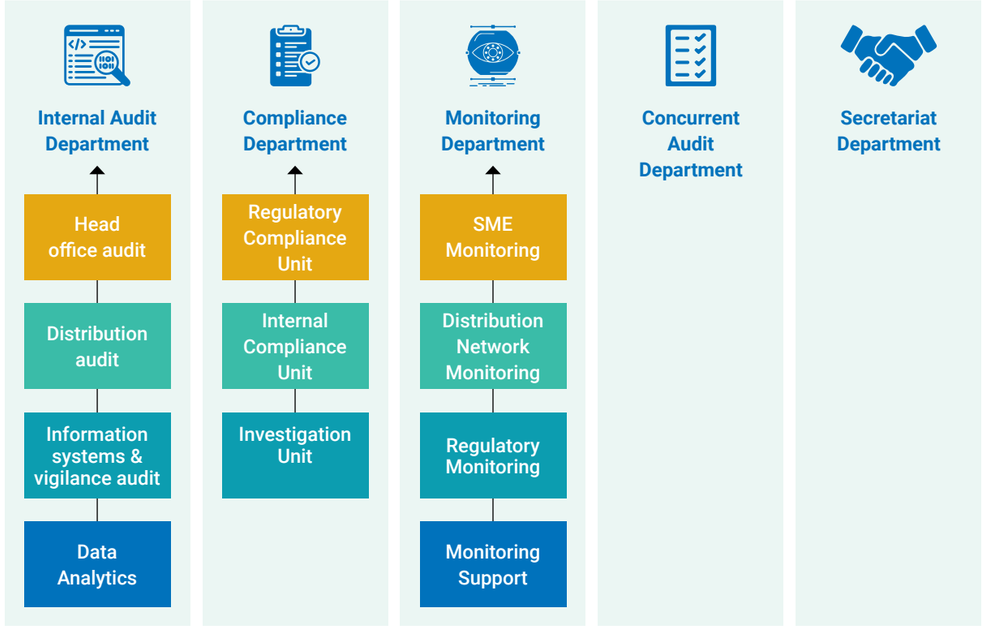
Ensure effectiveness of the bank's daily operations through various committees established by the Board

Ensure that the bank's operations are in accordance with corporate objectives, strategic priorities and annual budget, as well as long-term objectives

Ensure that the bank's internal audit department checks for compliance with policies and procedures

Ensure effectiveness of internal control systems through rotational procedures and underline non-compliance or procedural lapses

The ICCD structure:



Internal Audit

An internal audit is an independent assurance provider established to improve the bank's overall effectiveness of internal control and compliance. BRAC Bank's Internal Audit Department comprises a well-represented mix of professional accountants, technology specialists and experienced techno-commercial personnel. The bank's Audit Department is committed to meeting the standards of best professional practices. The team applies risk-based internal audit methodologies in performing internal audit assignments.

BRAC Bank has also introduced a risk-based audit methodology, and its audit team conducts comprehensive, on-spot and even surprise audits. The frequency of branch audits is determined by the level of risk assessed independently and objectively. Internal audit findings are submitted to the Audit Committee for review during their meetings.

The Audit Committee reviews internal control issues identified by the internal audit department, Bangladesh Bank, external auditors and the management, and appraises the adequacy and effectiveness of the

risk management and internal controls system. The committee also reviews internal audit functions, with particular emphasis on the scope and quality of the internal audit. The minutes of the Audit Committee meetings are periodically tabled at the Board meetings.

Self-assessment of anti-fraud internal controls is conducted semi-annually and reported to Bangladesh Bank, per requirements vide DOS Circular Letter No. 17 & 10 dated 7 November 2012 and 09 May 2017, respectively.

Internal audit assists the bank in accomplishing its objectives by bringing forward a methodical and disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes.

Compliance

BRAC Bank has established a robust compliance culture by encouraging employees to comply with all policies, procedures and regulations.

To foster a deep culture of compliance, our well-equipped Compliance Department ensures compliance with guidelines, observations, or recommendations of regulatory and internal audits and investigations.

The Regulatory Compliance Unit is entrusted with ensuring support to the Bangladesh Bank Inspection team during their inspection at branches/head office/ core risks and ensure submission of compliance response on a timely basis while also:

- Monitoring compliance of branches, divisions, departments, and other offices
- Conducting compliance testing/reviews on regulations
- Verifying internal control systems of the bank's operational activities, as per central bank and other regulatory guidelines.

Internal Compliance Unit is responsible for implementing the observations and recommendations of the internal and concurrent auditors and the investigation unit (IU). Subsequently, it forwards the compliance status to the Monitoring Department for further physical verification.

Investigation Unit conducts investigations, submits reports per management/regulatory requirements, and analyses fraud cases to ascertain responsible parties and recommend appropriate action(s). The Compliance Department also meets the reporting obligations to the management, the Board Audit Committee and regulators.

Monitoring

BRAC Bank has a fully-equipped monitoring department under ICCD that monitors internal control systems and operational activities of the bank on an ongoing basis.

In case of any lapses/irregularities, the department initiates appropriate remedial measures within the respective business/operational areas. On determining any significant operational lapses, it reports the issue to the senior management through the Head of ICC for a swift resolution.

Some of the major tools at the disposal of this department include:

- Spot checks/surprise visits at all outlets to analyze whether the respective functions have complied with policies and guidelines.
- Conduct borrower and guarantor visits to identify any irregularities or policy contraventions
- Departmental Control Function Checklist (DCFCL)
- Loan Documentation Checklist (LDCL)
- Internal Reporting of ICC
- Quarterly Operations Report (QOR) of branches
- Self-assessment of the anti-fraud internal controls report and the bank's health report

Concurrent Audit

As per Bangladesh Bank directives articulated in its Guidelines on Internal Control and Compliance in Banks, a Concurrent Audit Department was established. This team scrutinizes whether the bank follows the guidelines of internal and regulatory bodies and conducts an audit on Trade Operations (Cash Incentive and Post Import Finance), Treasury and Financial Institutions as per Risk Management guidelines and runs a pre-audit on procurement as guided by Board. The concurrent audit team also conducts spot/surprise audits of continuing operational activities across all the Centralized Functional Units.

Fraud and forgery

Defalcation has become an important issue in recent years. Frauds and forgery significantly impact Bangladesh's economy and reputation while also encumbering economic progress.

As a financial institution of repute, BRAC Bank has remained focused on controlling defalcation by establishing and maintaining proper control systems to protect the bank's and stakeholders' interests. Further, to identify the root cause of fraud, the bank has formed an Investigation Unit under the Compliance Department of ICCD. This wing deals with all fraud and forgery by performing comprehensive independent investigations. Preventive measures are recommended to the business/ functional unit to take precautionary action relating to process improvements, recovery of the misappropriated amount, adjustment of the operational loss and violation of process/policy/guidelines. Investigation reports are placed to the Board Audit Committee/Audit Committee of the Board for their guidance. As per regulations, all fraud and forgery incidents identified in 2022 were also duly reported to Bangladesh Bank.

Human Resources

The strategy of the Human Resources division of BRAC Bank stands on three pillars: People, Performance and Culture.

Our intent is to attract and retain the right fit talent for the bank with high learning agility and who are passionate about people in general and are eager to go beyond the call of duty when required.

At BRAC Bank, people performance plays a vital role. We believe that ongoing feedback to our team members are key to their success and future growth. Our differentiated compensation and benefits policies are also designed in a way that rewards meritocracy.

BRAC Bank culture consists of strong values and beliefs, which are courteously followed throughout



the organization. With strong focus towards diversity, value-driven approach and exciting growth opportunities, our mission is to be the best employer in the market irrespective of industry.

Human capital snapshot 2022

7,863 (FTE)
3,170 (Outsourced)
Total employee

1,116 (FTE)
224 (Outsourced)
Total women employee

20%
Salary increase and alignment

1,271
Employees Promoted

People

Embracing Diversity and Inclusion: Keeping no one behind" is our philosophy at BRAC Bank as an equal employment opportunity provider. We strive to offer an environment of inclusiveness where race, gender, physical appearance/ ability, religion, etc. are no obstacles in achieving success.

226 female FTE on-boarded	**72** female employees in senior manager and above level roles	**25%** growth in female employment	**05** transgender working in mainstream roles



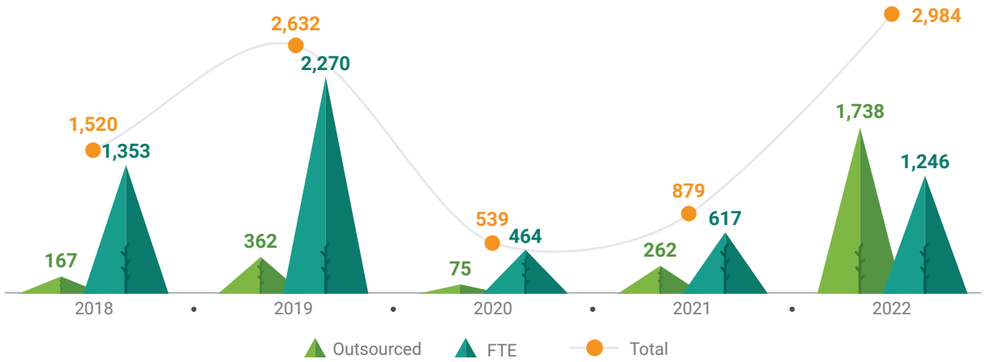
▲ *Panel discussion on diversity, equity, and inclusion*

The bank is strongly proactive in protecting its people with its code of conduct, zero tolerance and safeguarding policies. The bank strives to empower women and is focusing heavily on increasing the ratio of female employees to 25% or higher. BRAC Bank also happens to be one of the forerunners in Bangladesh to employ people from the other gender, in addition to those with special needs.



Talent Management: We believe that our strength originates from the quality of our people. Through multiple initiatives and programs, we have been able to create an outreach that extends to attract the brightest minds of the nation. To create awareness among future graduates and encourage them to explore a career at BRAC Bank, we have organized CAREERtalks in 25 reputed public and private universities and institutions this year. In the process, we interacted with about 5,000+ students, sharing knowledge and insights of professional career.

Recruitment of Human Capital



2,984 Onboarded (FTE-1,246 & Outsourced-1,738)	**16,581** Candidates interviewed	**8,201** Candidates attended written test	**77% : 23%** Male: Female – FTE (Except sales force)
112 External Job Ads	**77** Placements through Internal Job Posting	**81 & 10** YLs & Tech Talents onboarded respectively	**25** Campus activation programs i.e. CAREERtalk, Job fair

Furthermore, we have adopted Behavioral Competency Framework for interview assessments moving away from conventional pre-employment testing that enables us to find the best fit candidates in alignment with our values and culture. BRAC Bank is the very first banking institution in Bangladesh that uses psychometric pre-employment assessment that considers both the IQ and EQ of our candidates to deem them fit for our dynamic roles in operations, management, leadership, communication, innovation, relationships, etc. and more.

Building Future Leaders: At BRAC Bank, we consider leadership development as a core component to unleash the potential of an employee. Our leadership development initiatives encompass vertical and lateral promotions, job rotation, new assignments etc. We continuously build our leadership pipeline through exercising succession planning, coaching and mentoring etc. along with standard practices.

Performance

Embracing future fit capabilities: Building skills and future fit capabilities across functions has been a major focus of the bank during 2022. Up-skilling the resources with relevant skill sets to stay ahead of the curve in the market has been its continuous endeavor.



▲ *72 Young Leaders received yearlong training program*

On 15th December BRAC Bank has soft-launched the video-based and self-paced internal e-learning platform named, "ALO"- an Alternate Learning Outlet. ALO is unique in the sense that it embeds sequential learning, animated video-contents, e-library, evaluation tests etc. The platform has been solely designed by our internal resources and has been customized as per the specific needs of the organization. the interactive AV learning modules are available in both English as well as in Bengali and the users can get certifications just like from any other international platforms. Also, ALO is both iOS and Android compatible to ensure learning is accessible anytime and from anywhere.

BRAC BANK ALO Alternate Learning Outlet

Learning & Development Dashboard 2022

25,406 (FTE)
5,582 (Non-FTE)
Participants

7,012 (FTE)
Unique Participants

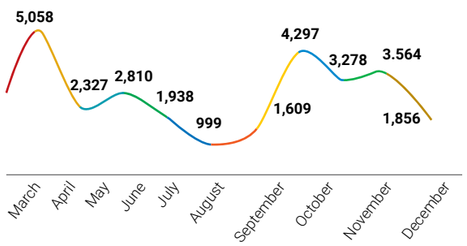
224
Unique Programs

523
Total Batches

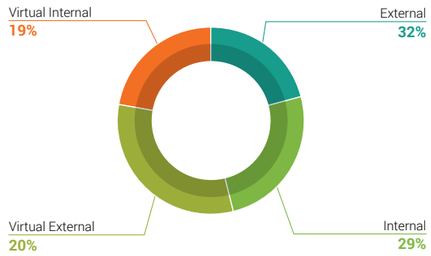
223,243
Total Training Hours

19
Average Man-Hour

Month by Month Participants



Platform Composition



Robust Reward & Recognition Program: The reward & recognition program at BRAC Bank helps in boosting employee morale and build a winning culture across the organization. The performance of each employee is carefully reviewed through a formal process, which includes setting clear and specific performance objectives, formal mid-year review and year-end appraisal. The HR department is always proactive in ensuring differentiated reward based on actual performance.

Culture

Values: We believe our Values are key to our success. Our employees are always encouraged to act in accordance to the organization's values and are rewarded accordingly. Integrity has been one of our core values and to maintain the standard, we inspire our people to maintain the highest level of integrity in their daily operations, such that it develops into a habit. To strengthen it further, we strictly follow periodic activities of the National Integrity Strategy Cell of the government and reward deserving employees with Integrity Awards.

People Engagement: To create a vibrant working environment, BRAC Bank arranges various engagement activities such as divisional trips, pitha utshab, children's day, woman's day, entrepreneur fairs, competitions, milestones celebrations, etc.



▲ *Celebrating International Women's Day*



▲ *Celebrating Children's Day*



▲ *Branch Manager Convention*



▲ *BRAC Bank - TARA workshop*

Employee Wellness – at the heart of the organization: Taking into consideration our motto of "People First", we put utmost priority in promoting the wellness of each employee. The organization continuously focuses on establishing a safe and healthy work environment. During last year, various initiatives such as free Covid testing facility at office premises, WFH (working from home) facility, health awareness sessions etc. were taken to prevent the spread of Covid infection.

Among the numerous wellness facilities provided to our employees, a few key ones include, day care center, medical center, miscarriage leave, paid 6-month maternity leave, insurance, psychological counselling, gymnasium etc. This year, BRAC Bank has taken a unique initiative by collaborating with a mental health organization. With this effort, employees can seek personal and professional counselling from certified counselors. The service can be availed at the partner organization's premises or even at our Head Office.

Furthermore, BRAC Bank has been continuously driving the digital employee experience through its own HR App to encourage and drive agility within the organization.



▲ *Honoring the frontliners during Covid 19*



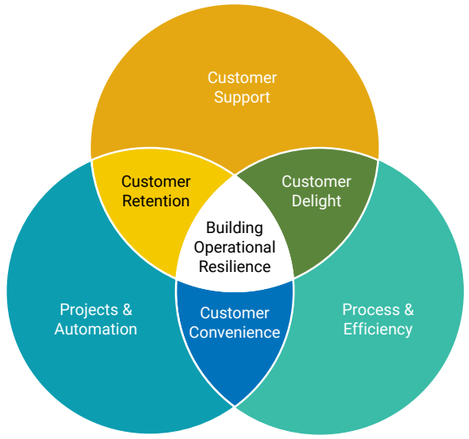
▲ *BRAC Bank cricket team with trophy*

Note: FTE – Full Time Employee

Operations

BRAC Bank's Operations division is primarily mandated with the responsibility of ensuring smooth operations, which has a direct impact on the bank's profitability. Over the years, the bank's Operations division has remained committed to delivering a robust operational framework that ensured high quality customer service, cost optimization and scalability.

From 2016 to 2022, the division achieved a 509% increase in activities with a meagre 35% increase in resources. Process automation and robust transformations in several areas have played a pivotal role in this achievement and enabled the division to align with the bank's growth strategy.



BRAC Bank's operational resilience ecosystem

Operations Dashboard 2022

45%
Increased productivity YoY

6%
Resource Growth

401
Saved MHR/Day

Initiatives taken during 2022

- Process simplification for CIF creation;
- Automatic loan account opening in connect+, Write off processing, Top up loan processing;
- Auto interest realization for corporates;
- Supply chain financing implementation;
- Limit tree simplification;
- Bulk exchange rate verification;
- Capacity built for 100% work from home for treasury operations;
- Reduction of pages in loan booklet;
- Introduction of new platform for remittance;
- RTGS FCY initialization;
- Positive pay through IVR;
- TBML process generalization;
- System driven Challan based tax certificate;
- Remittance through VISA;
- eCommerce merchant migration;
- bKash QR merchant with ASTHA;
- Contactless EMV Card conversion;
- Automation of reconciliation processes and introduction of automated SOFR.

Key achievements of 2022

29%
Growth in loan file processing

35%
Increase in number of transactions for OBU;

35%
Growth in trade transaction number

80%
Increase in security transactions

63%
Increase in debit card issuance

135%
growth in merchant payment and card transaction processing

Highest ever debit & credit card acquisition in a year with added features (multi-currency)

Service excellence achieved through implementation of DMS, RCDM, EFT direct debit

Award and recognition

'Best Bank in Bangladesh' acknowledged by SWIFT as the First Bank implementing SWIFT GO

Highest RTGS processing bank for 3rd quarter, 2022 acknowledged by Bangladesh Bank

One of the 11 banks to Go live to IDTP platform "BINIMOY"

Highest number of debit and credit card issuer in 2022

Global award in 4 categories for SWIFT straight through processing (STP) on global payments from JP Morgan Chase Bank, NY, USA

Future Plan
2023

Several ongoing projects are expected to be in implementation phase in 2023. In addition, the following activities shall be in placed to improve operational efficacy and breadth:

- Expansion of scope of Robotics and eKYC for loan processing and disbursements;
- Integration of different transactional channels for faster and efficient transaction processing;
- Automation and fine tuning of govt. certificates, tax and duty collection, loan origination and settlements;
- Ensuring enhanced support to business units to explore and add on new avenues to address market challenges of 2023.

Information Technology

During the year 2022, BRAC Bank Limited continued its digital journey with the primary aim of taking customer experience to new heights. Towards realizing this objective, the bank has introduced several new applications and systems and incorporated numerous additional features in existing digital platforms. While digital transformation has been a priority, the focus on ensuring the highest levels of safety and security remained uncompromised.

Key Developments of 2022

Astha

Introduction of new features like EVMCo QR Payment, bKash QR payment, Fixed Deposit and DPS account opening, UPAY & TAP Integration and Binimoy integrations to boost the usability of the application and customer convenience. Astha mobile banking apps now have QR transaction capabilities for card transactions.



CORPnet

New features, including pay order management, virtual account management and configurable direct debit retry mechanism, have been incorporated into the corporate Internet Banking solution of the bank. CORPnet has been integrated directly with multiple customers' ERP systems to ensure straight-through processing of the banking requirements of corporate customers.

Shubidha

Launched the country's first end-to-end digital loan app in October 2022. The app enables the customer to apply for digital retail loans from anywhere in Bangladesh and get loan approval within 10 minutes in a working day. Customers can purchase products and services from the merchant outlets using the app, and the loan will be disbursed digitally into the merchant accounts in a few moments. Customers can avail of the loan from their convenient location and do not need to visit any branch or contact any bank representative to avail of the loan facility.

Document Management Solution (DMS)

Striding towards achieving the vision of green and paperless banking, we have introduced DMS to manage the flow of all the documents as per the bank's policy. All approval processes can be managed through this system. As per Bangladesh's vision of Digital Bangladesh, the DMS application will be the baseline of banking with digital documentation.

Obichol

This digitalized loan approval system has been implemented to automate DBR calculation from CIB files through a robotics process without human intervention resulting in reduced and error-free loan processing.

Loan Originating System (LOS)

The application has been launched to create leads for new loans, process loans, and manage end to the end life cycle of a loan account. It processes all steps ranging from pre-screening a loan application to disbursement of funds.

Automated Remittance Capability

Nine new exchange houses were integrated into the bank's automated remittance capability, now connected with 63+ exchange houses. Customers may directly remit money to beneficiary BRAC Bank Account, to other bank accounts using BEFTN and NPSB channels and to bKash and UPAY wallet instantly. The solution has developed the capability to integrate with exchange houses more securely.



Supply chain finance solution (SCF)

A set of technology-based solutions that aim to lower financing costs and improve business efficiency for buyers and sellers linked in a sales transaction. SCF methodologies automate transactions and track invoice approval and settlement processes from initiation to completion.

Real-time Cash Deposit Machines (RCDMs), Cash Recycling Machines (CRMs) & ATMs

Deployed RCDM and CRM, replacing old offline cash deposit machines. Customers may now deposit money into their accounts or cards 24/7 with instant reflection in their accounts or cards. We have replaced all the old ATMs with new ones to provide a better customer experience.

Digitalization and automation

Allocated 2,500 new workstations and 1,000+ tablets to the employees to facilitate digitalization inside the organization. In addition, we have also adopted straight-through processing and robotic process automation to ensure fast, error-free and compliant banking operations and processes.

Multi-currency & contactless debit cards

The bank introduced multi-currency debit cards in 2022. With this card, a BDT CASA account holder can withdraw or purchase transactions abroad using the Travel Quota limit. The bank has also begun issuing our customers contactless (NFC) debit cards.

Toll-free call center

BRAC Bank has provided a toll-free call center service for the first time in Bangladesh's banking industry. Any person can now call the BRAC Bank call center and get the necessary support or information without charge from the mobile operator.

Compliance

BRAC Bank has recertified with the Payment Card Industry Data Security Standard (PCIDSS) and also complied with some critical payment scheme mandates and enhancements, like more secure EMV 3DS for e-commerce transactions, 8-digit BIN enablement, etc.

IT Infrastructure

Besides all the other developments, we have also concentrated on IT infrastructure capability upgradation, performance, security and sustainability enhancement and technology cost optimization through platform consolidation. Technology refreshment and vulnerability mitigation were prioritized to ensure customers a seamless and secure banking experience.



Digital Banking

Bringing banking at your fingertips

Focus

Enhancing customer experience through digital and mobile services has been the primary goal of the Digital Banking team. The agile shift to digital services not only reduces cost or improves operational efficiency, but also helps us simplify customer journeys. It has enabled customers to access banking services anytime-anywhere at their own convenience.

Core functions

The Digital Banking team consist of 3 very important functions. They continue to strive excellence from their respective areas supporting this Digital Transformation journey.

- Innovation
- Analytics
- Project Management

Core Objectives

- Superior Customer Experience
- Grow Revenue
- Cost Efficiency
- Improve Control

Achievements: 2022

2022 has yet been another year of success. We continued our efforts towards delivering impactful projects & initiatives in alignment with the 4 core objectives of our Digital Transformation journey. A glimpse of our key achievements is below:

50+
Features launched in Astha

8K+
Loan processed through automated Loan System

SUPPLY CHAIN FINANCING SOLUTION
Launched as new business channel for SME

REDUCED TURN-AROUND-TIME ENHANCED CUSTOMER EXPERIENCE
Using Document Management System

Simultaneously, new solutions are being explored to enhance customer experience, boost profitability, minimize risks and further improve operational efficiency.

Way Forward 2023

Our digital transformation endeavours have helped us further improve our performance and equipped us to sustain our growth trajectory in the long term. Transformation is a continuous improvement journey, and it will continue to be amongst the top priorities of the bank to meet the ever-evolving needs and preferences of the customers in the most cost-efficient manner.

Our key focus will remain on further improving the bank's ability to be at all times future-ready. Furthermore, leveraging technology, we will continue to streamline processes, automate operational activities, and enhance customer experience.

Information Security

Committed in Ensuring Trustworthy, Secure, and Protected Banking Operations

Overview

Cyber-resilience is a crucial aspect of BRAC Bank's operations. The bank is committed to providing the highest standards of service quality and banking security to all internal and external users. The bank has included cybersecurity in its overall defensive plan to promote responsible banking operations. In addition, the bank is the first financial institution in Bangladesh to employ an Enterprise Vulnerability Management System. In addition, BRAC Bank has a fully-functional Information Security Division with qualified and certified personnel to ensure IT systems' high quality and security and compliance with Bangladesh Bank's regulatory criteria.



Established a comprehensive ICT security risk management framework

BRAC Bank has established a comprehensive ICT security risk management framework to promote a risk-aware and controlled culture around technology. The bank has implemented a comprehensive ICT security strategy following Bangladesh Bank's ICT guidelines and other well-established frameworks and international standards and regulations for cyber security and ICT risk reduction.

Our governance framework and cyber-security program are continuously enhanced to ensure that security policies and standards continue to mirror evolving business requirements, regulatory guidance, and emerging cyber threats. Information security policies support BRAC Bank in complying with these parameters and build the foundation for actively managing and governing information security-related implementation processes. BRAC Bank has a comprehensive information security policy landscape. Our policies provide a formal declaration of the Management Board's commitment to ensure the security of the bank's information.

Security by Design (SbD)

Monitors, manages, and maintains the security process

Defense In-Depth (DiD)

Enables layers of redundant protective security measures to help deter data breaches

Zero Trust (ZT)

Focuses on protecting resources (assets, services, workflows, network accounts) through strict identity & access management enforced by authentication and proper authorization.

First to Establish Cyber Fusion Center

BRAC bank has established Cyber Fusion Center (CFC) 1st time in the country's banking sector. This next-generation security operations centre (SOC) is specifically designed to enhance and improve the enterprise security of the bank with advanced orchestration/automation, data analysis, incident response, forensic, and threat intelligence. Cyber fusion centres integrate multiple activities into one functional area, like Threat Intelligence, Analytics, Threat Detection, Incident Response, Governance & Compliance, Threat Hunting, etc. Cyber fusion centres (CFC) establish collaboration across all the teams involved in cybersecurity, resulting in better intelligence, faster response times, reduced costs, and increased productivity.

Sustainable Compliance and Top-ranked Certifications

BRAC Bank has established a comprehensive ICT security risk management framework to promote a risk-aware and well-managed culture. For cyber security and ICT risk reduction, the bank has implemented a comprehensive ICT security strategy following Bangladesh Bank's ICT guidelines and other well-established frameworks and international standards and regulations.

ISO 27001
Certified for its information security function

I8788
Certified for its Security Operations Center

Accredited to the Payment Card Industry Data Security Level (PCI-DSS)



▲ *SWIFT CSP Compliance certification*



▲ *Training session*

BRAC Bank has already received the international standard for the SWIFT customer security program (CSP) from a third-party assessor. The bank has fulfilled a key regulatory mandate with a well-defined, focused approach emphasising SWIFT security through continuous improvement.

Resilience-testing

By emulating military war games with ethical hacking, the bank's information security unit regularly conducts application/system security and vulnerability assessments and penetration testing on its infrastructure/networks by internally-certified ethical hackers to protect and improve the security of data assets. Additionally, the bank employs worldwide third parties for suitable revalidation, bolstering its infrastructure and network security.

As part of resilience testing, the bank has implemented multiple high-quality security solutions to prevent any unwanted/unauthorized malware attacks and a zero-day attack based on behaviour base static to detect and prevent data leakage, thwart any unauthorized use and transmission of sensitive information, and reduce insider threats by detecting inappropriate actions that could lead to malware infections or data breaches, etc.

The bank has already introduced automated security technologies for online applications and databases. The bank has also established ICT Security Steering Committee as part of its governance activities. The bank has established a thorough business continuity planning (BCP) framework for disaster response management.



▲ *PCI-DSS recertification*

Building a risk-aware culture

Awareness is crucial to cybersecurity, and to that end, the bank conducts information security awareness seminars and cyber security awareness campaigns regularly, in addition to distributing emails/stickers/booklets/e-books/posters, etc. Considering current concerns, the bank often interacts with clients through email and SMS to inform them of the most recent threats and their potential consequences.

A journey towards sustainable cybersecurity

Security threats are not going to stop. Ensuring the highest level of Information security is an ongoing concern for all financial institutions. We know that banks will continue to be key targets for cybercriminals and must be prepared with flexible solutions to defend against the next wave of new cyber threats. Cybersecurity is a journey. BRAC Bank is converting cybersecurity into a business enabler. To support the business's growth, the bank continuously focuses on the importance of cybersecurity.

General Services

The Logistical Driver of the Bank

With its multifaceted logistical capabilities, General Services Department (GSD) has been helping BRAC Bank sustain itself since its inception. The mission of GSD is to enable the business to ensure the finest customer experience through seamless business operations. Procurement, Infrastructure Development & Management (IDM), General Administration (GA), and the Department of Safety & Security (DSS) have been playing diversified yet coordinated roles in synchronization with all other internal and external stakeholders to offer appropriate, just-in-time (JIT), high-end services at an affordable cost to the bank.

7
Major relocations

11
Major renovations

20
Sub Branches

7
ATM inaugurals

Noteworthy developments of 2022:

Sales Lounge, Call Center Extension, Agami Student Center, New IT office, etc.



▲ *New Dhanmondi Branch*



▲ *Sales Lounge*

Maintenance and renovation

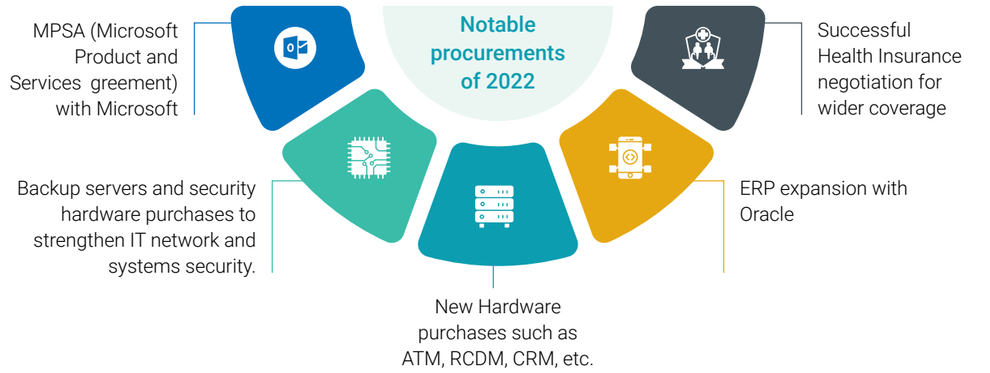
In 2022, the physical network of BRAC Bank has been expanded and enhanced through the opening of new sub-branches to cover more ground, relocation of existing branches to capture new business hotspots and renovation of a few to uplift the premise's working environment.

All these projects were managed efficiently from both cost & time point of view and in full compliance with regulatory guidelines.

BRAC Bank has always been focused on becoming an energy efficient organization and promoted Green initiatives. During the year, we have established solar installation in our Head Office and ensured 100% use of LED lights.

Procurement activities

Ensuring the best value for money while maintaining the highest level of transparency and compliance, our procurement department has supported the business during this challenging situation posted by economic gloom and inflation. The department played a critical role in the bank's digital transformation journey. They have contributed immensely to both in-house software developments and third-party procurements.





▲ *Agreement with Oracle*



▲ *MPSA Agreement with Microsoft*

While facilitating and catering for different functions of the bank, the procurement department introduced some new processes and systems to smoothen the department's operation. Some notable ones are- Visiting Card requisition automation through the HR App, Expansion of VBMS (Vendor Bill Management System) processes, Contact Management Solution, etc.

Procurement has also aided BRAC Bank's subsidiaries: BRAC EPL Stock Brokerage Ltd. & BRAC EPL Investments limited, in large-scale IT procurements to ensure compliance with industry standards and regulatory requirements.

General Administration (GA)

The General Administration (GA) department is responsible for ensuring that the bank's internal and external operations run smoothly. This involves coordinating various functions of different units, which work in parallel to excel in meeting organizational goals. In the year 2022, the GA department played a significant role in improving customer experiences by implementing digitalization and providing uninterrupted support to maintain operational continuity.

Mail Management

- 23% Y-O-Y rise in mails with 95%+ accuracy
- Establish a dedicated Delivery Coordination Center to enhance customer experiences.
- Achieved 18% Y-O-Y growth in savings

Inventory & Store Management

- Reused printed paper as Green Initiative
- Y-O-Y 14.5% additional inventory item handled

Telecommunication Management

- Facilitated 99.98% SIM replacement support of entire BBL network by operator's service center
- Reduction of courier cost and time

Property Management

Successful closure of rental negotiations and maintaining premises related correspondence. Newly incorporated all sub branches lease agreement.

Logistics

Coordinated the GABV conference, where BRAC Bank was the host and 49 delegates from 22 countries were invited to participate.



Global Delegates at GABV

Environment Initiatives

- Recycled and repurposed 156 tons (26% more than previous year) of paper.
- Project to discourage using of plastic.

Health, Safety & Security

The Department of Safety and Security (DSS)'s main objectives are to protect BRAC bank's personnel, environment, and assets from potential risks and threats and ensure a safe and comfortable environment for operation. It regulates different layers of security measures involving the physical security of employees and assets, CCTV surveillance and security equipment, fire safety, health safety, liaison and protocol, front desk management, and crisis management.

Monitored and supervised the cash in transfer (CIT) operation (Transferred BDT 60,000 Cr in 2022)

Ensured secured premises through management of approx. 1,750 security guards

Supervised the operations and maintenance of approx. 4,800 CCTV cameras and 11,500 security equipment

Liaised and coordinated the necessary supports and protocol arrangements for GABV Program

Executed installation and relocation of security equipment at 08 new sub-branches and 30 branches respectively

Arranged fire evacuation drill at all premises in coordination with Fire Service and Civil Defense

The department works on health awareness, health safety protocols, hospitalization and vaccination support, health emergencies, and first aid. DSS continues supporting COVID medical tests, vaccination, and hospitalization.



▲ *Fire Safety Drill*



▲ *Fire Safety Training*

Looking Forward 2023

Considering challenges in the coming days, GSD will leverage technology use, automation, process reengineering and digital innovations to ensure enhanced business and operational support. We are well aligned with the bank's goals and aspirations and have some of the finest people in the industry to lead the initiatives.



CORPORATE GOVERNANCE

Certification on Corporate Governance

HUSSAIN FARHAD & CO.
CHARTERED ACCOUNTANTS

Corporate Office:
: House # 15, Road # 12, Block # F, Niketon
Gulshan-1, Dhaka-1212, Bangladesh.
: +88 (02)8836015-7 : +88 01681126120
: hfc@hfc-bd.com : www.hfc-bd.com

Report to the Shareholders of
BRAC Bank Limited
on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by BRAC Bank Limited (the "Company") for the year ended on December 31, 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

d) The Governance of the company is satisfactory.

Place: Dhaka;
Dated: April 13, 2023

For Hussain Farhad & Co., Chartered Accountants

A.K.M. Fazlul Haque, FCA
Partner

Authorised Training Employer of ICAEW Chartered Accountants

Chattogram Office:
Yunusco City Center (9th Floor), 807, CDA Avenue, Nasirabad, Chattogram ☎ +88 (031) 2859282 ✉ ctg@hfc-bd.com

Member of ASNAF INTERNATIONAL

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under condition no. 9.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
1. BOARD OF DIRECTORS				
1.1 Board's Size	The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty).	√		The Board of BRAC Bank Ltd. (BBL) is composed of 10 Directors as on December 31, 2022
1.2 Independent Directors	(a) At least one fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors.	√		There are seven Independent Directors in BBL Board as on December 31, 2022, namely: Dr. Ahsan H Mansur, Ms. Fahima Choudhury, Ms. Farzana Ahmed, Dr. Zahid Hussain, Dr.Mustafa Kamal Mujeri, Mr. Faruq Mayeenuddin Ahmed, Mr. Salek Ahmed Abul Masrur.
	(b) For the purpose of this clause "Independent Director" means a director-			
	(i) who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	√		Independent Directors have declared their compliances
	(ii) who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family member	√		Do
	(iii) who has not been an executive of the company in immediately preceding 2 (two) financial years	√		Do
	(iv) who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	√		Do
	(v) who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		Do
	(vi) who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
	(vii) who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	√		Do
	(viii) who is not independent director in more than 5 (five) listed companies	√		Do
	(ix) who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	√		Do
	(x) who has not been convicted for a criminal offence involving moral turpitude	√		Do
	(c) The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	√		Do
	(d) The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		-
	(e) The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994.	√		-
1.3 Qualification of Independent Directors:	(a) Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		-
	(b) Independent director shall have following qualifications:			
	(i) Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		-
	(ii) Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		-
	(iii) Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√		-
	(iv) University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
	(v) Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		-
	(c) The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		-
	(d) In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission			Not applicable as no special case arose
1.4 Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer	(a) The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		Chairman-Dr. Ahsan H.Mansur MD & CEO-Mr. Selim R.F.Hussain
	(b) The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		-
	(c) The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		-
	(d) The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		-
	(e) In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minute	√		-
1.5 The Directors' Report to Shareholders	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
	(i) An industry outlook and possible future developments in the industry	√		The Directors' Report complied with the guideline
	(ii) The segment-wise or product-wise performance	√		Do
	(iii) Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	√		Do
	(iv) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	√		Do
	(v) A discussion on continuity of any extraordinary activities and their implications (gain or loss)	√		Do
	(vi) A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		The Directors' Report complied with the guideline

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
	(vii) A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			Not Applicable
	(viii) An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.	√		Do
	(ix) An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements			Not applicable as no significant variance occurred between Quarterly Financial performance and annual financial statements
	(x) A statement of remuneration paid to the directors including independent directors	√		The Directors' Report complied with the guideline
	(xi) A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		Do
	(xii) A statement that proper books of account of the issuer company have been maintained	√		Do
	(xiii) A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		Do
	(xiv) A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		Do
	(xv) A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		Do
	(xvi) A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		Do
	(xvii) A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		Do
	(xviii) An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		Do
	(xix) A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		Do
	(xx) An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year			Not Applicable
	(xxi) Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		-
	(xxii) The total number of Board meetings held during the year and attendance by each director	√		The Directors' Report complied with guideline

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
	(xxiii) A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
	(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	√		The Directors' Report complied with guideline
	(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		Do
	(c) Executives	√		Do
	(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	√		Do
	(xxiv) In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
	(a) a brief resume of the directors	√		The Directors' Report complied with the guideline
	(b) nature of his or her expertise in specific functional areas	√		Do
	(c) names of companies in which the person also holds the directorship and the membership of committees of the Board	√		Do
	(xxv) A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
	(a) accounting policies and estimation for preparation of financial statements	√		The Directors' Report complied with the guideline
	(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		Do
	(c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		Do
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		Do
	(e) briefly explain the financial and economic scenario of the country and the globe	√		Do
	(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		Do
	(g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		Do
	(xxvi) Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A**	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
	(xxvii) The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C**	√		-
1.6 Meetings of the Board of Directors	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		-
1.7 Code of Conduct for the Chairperson, other Board members and Chief Executive Officer	(a) The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company			Not applicable as formation of NRC for BBL is under review by the Bangladesh Bank vide#BRPD(R-1) 717/2018-9490, dated December 18, 2018
	(b) The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency			Not applicable.
2.00 Governance of Board of Directors of Subsidiary Company				
	(a) Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company			Not applicable as Bangladesh Bank have waved the mentioned provision as per the Gazette no.OM/OBI/BA:NI: SHA-1/1(4)/2008/177, dated August 27, 2008
	(b) At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	√		In practice
	(c) The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		Do
	(d) The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		Do
	(e) The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		Do
3.00 Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)				
3.1 Appointment	(a) The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		In practice
	(b) The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
	(c) The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		Do
	(d) The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		Do
	(e) The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		Do
3.2 Requirement to attend Board of Directors' Meetings	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		-
3.3 Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	(a) The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
	(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		Stated in the certificate of due diligence by CEO & CFO
	(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		Do
	(b) The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		Do
	(c) The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		Do
4.00 Board of Directors' Committee				
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
	(i) Audit Committee;	√		-
	(ii) Nomination and Remuneration Committee			Not applicable as formation of NRC for BBL is under review by the Bangladesh Bank vide#BRPD(R-1) 717/2018-9490, dated December 18, 2018
5.00 Audit Committee				
5.1 Responsibility to the Board of Directors.	(a) The company shall have an Audit Committee as a subcommittee of the Board	√		Do
	(b) The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
	(c) The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		Do
5.2 Constitution of the Audit Committee	(a) The Audit Committee shall be composed of at least 3 (three) members	√		Do
	(b) The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	√		Do
	(c) All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	√		Do
	(d) When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			Not Applicable
	(e) The company secretary shall act as the secretary of the Committee;	√		-
	(f) The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		-
5.3 Chairperson of the Audit Committee	(a) The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		Ms. Farzana Ahmed
	(b) In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		On 115th meeting, Chariman was absent; the meeting was presided over by Ms. Fahima Choudhury
	(c) Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		-
5.4 Meeting of the Audit Committee	(a) The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		Do
	(b) The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
5.5 Role of Audit Committee	The Audit Committee shall:			
	(a) Oversee the financial reporting process;	√		Do
	(b) monitor choice of accounting policies and principles	√		Do
	(c) monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		Do
	(d) oversee hiring and performance of external auditors	√		Do
	(e) hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		Do
	(f) review along with the management, the annual financial statements before submission to the Board for approval	√		Do
	(g) review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		Do
	(h) review the adequacy of internal audit function;	√		Do
	(i) review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		Do
	(j) review statement of all related party transactions submitted by the management	√		Do
	(k) review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		Do
	(l) oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		Do
	(m) oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			Not applicable as the last IPO was issued in 2006. RPO and Right share were not issued by the bank
5.6 Reporting of the Audit Committee	(a) Reporting to the Board of Directors			
	(i) The Audit Committee shall report on its activities to the Board.	√		
	(ii) The Audit Committee shall immediately report to the Board on the following findings, if any:			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
	(a) report on conflicts of interests;			Not applicable as there have been no such occurance as per provided documents
	(b) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			Do
	(c) suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations			Do
	(d) any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			Do
	(b) Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			Not applicable
5.7 Reporting to the Shareholders and General Investors	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			Not applicable
6.00 Nomination and Remuneration Committee (NRC)				
6.1 Responsibility to the Board of Directors	(a) The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			Not applicable as formation of NRC for BBL is under review by the Bangladesh Bank vide#BRPD(R-1) 717/2018–9490, dated December 18, 2018
	(b) The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			Do
	(c) The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)			Do
6.2 Constitution of the NRC	(a) The Committee shall comprise of at least three members including an independent director			Do
	(b) All members of the Committee shall be non-executive directors			Do
	(c) Members of the Committee shall be nominated and appointed by the Board			Do
	(d) The Board shall have authority to remove and appoint any member of the Committee			Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
	(e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			Do
	(f) The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			Do
	(g) The company secretary shall act as the secretary of the Committee			Do
	(h) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director			Do
	(i) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company			Do
6.3 Chairperson of the NRC	(a) The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director			Do
	(b) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes			Do
	(c) The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM			Do
6.4 Meeting of the NRC	(a) The NRC shall conduct at least one meeting in a financial year			Do
	(b) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			Do
	(c) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)			Do
	(d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			Do
6.5 Role of the NRC	(a) NRC shall be independent and responsible or accountable to the Board and to the shareholders.			Do
	(b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
	(i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
	(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			Not applicable as formation of NRC for BBL is under review by the Bangladesh Bank vide#BRPD(R-1) 717/2018-9490, dated December 18, 2018
	(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks			Do
	(c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals			Do
	(ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality			Do
	(iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board			Do
	(iv) formulating the criteria for evaluation of performance of independent directors and the Board			Do
	(v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria			Do
	(vi) developing, recommending and reviewing annually the company's human resources and training policies			Do
	(c) The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report			Do
7.00 External or Statutory Auditors				
	(1) The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely			
	(i) appraisal or valuation services or fairness opinions	√		-
	(ii) financial information systems design and implementation;	√		-
	(iii) book-keeping or other services related to the accounting records or financial statements	√		-
	(iv) broker-dealer services;	√		-
	(v) actuarial services;	√		-
	(vi) internal audit services or special audit services	√		-
	(vii) any service that the Audit Committee determines	√		-
	(viii) audit or certification services on compliance of corporate governance as required under condition No. 9(1)	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
	(ix) any other service that creates conflict of interest	√		-
	(2) No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		-
	(3) Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		-
8. Maintaining a website by the Company				
	(1) The company shall have an official website linked with the website of the stock exchange	√		-
	(2) The company shall keep the website functional from the date of listing	√		-
	(3) The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		-
9. Reporting and Compliance of Corporate Governance				
	(1) The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		-
	(2) The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		-
	(3) The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		-

Corporate Governance Report

Practicing pragmatic governance

BRAC Bank has always gone beyond the traditional and encouraged a progressive approach to banking. And follow the management method accordingly to reach its goal. The bank is firmly rooted in its values to ensure optimum management of compliance risk and ensure that implicit governance is practiced throughout the organisation. This includes the need to constantly strive for new avenues in ensuring that alignment consists of going beyond mere regulatory compliance. The bank has therefore kept corporate governance at the forefront of its activities by actively and systematically promoting ethics training, practicing and demonstrating our values in action and by recognising employees who are determined to live the bank's values in the most coherent and cohesive manner.

A proud member of the Global Alliance for Banking on Values (GABV), BRAC Bank is committed to transforming finance through values-based, inclusive and impact-driven credit practices. Supporting these objectives of serving the real economy are the bank's robust governance foundation and framework. This makes governance truly critical at BRAC Bank, even as it strives to uphold good governance in day-to-day activities as well as long-term decision-making.

Furthermore, as guardians of shareholder and stakeholder trust, BRAC Bank's Board's subcommittees have been embedded in place to assist the Board's responsibilities with corporate governance principles. This helps set the tone on governance right from the top, cascading down to all employees of the bank across all divisions and hierarchies.

On the regulatory front, BRAC Bank is in compliance with the requirements stipulated by the relevant provisions of Bangladesh Securities and Exchange Commission's (BSEC's) Corporate Governance Code, 2018, and relevant guidelines of Bangladesh Bank (BB). We remain committed to securing the highest standards of governance, both in the Boardroom and throughout the bank and the extended Group, including subsidiaries, which are critical to business integrity and towards maintaining investors' and stakeholders' trust and confidence in the bank. We have used the core governance principles of the BSEC as the framework within which we explain our governance practices in this report.

Our Board remains committed to presenting a clear assessment of the bank's position and prospects through the information provided in this report and through our financial statements and other narrative and financial reports.

Aligning to our core governance principles

During 2022, the Board especially placed attention on performance being achieved within the bank's framework of values, which became critical in a challenging operating environment characterized by the strong effects of the Covid-19 pandemic, as well as heightening competitive intensity. Furthermore, the Board also conducted extensive credit impact assessments as a means to ensure that the bank fulfill its fiduciary responsibility to not just customers but the broader society as well.

In addition to receiving regular reports from the management through the Managing Director & CEO on progress achieved on our strategy, the Board approved the bank's business continuity plans to align it with the prevalent business scenario as well as operational requirements. This ensured that while we played our role as a public-facing institution dispensing an essential service, we also adhered to all rules, regulations and governance standards expected out of us.

Promoting engaged governance

At BRAC Bank, we are committed to fostering an effective governance framework through our policies and procedures in support of the bank's core values that underpin our ability to set the overall strategic direction of the bank.

The Board is primarily responsible for the bank's strategic and annual plans for business performance, superintending proper conduct of the business, talent and succession planning, risk control, shareholders' communication, internal controls, management information systems (MIS) and relevant statutory matters. The management is accountable for the execution of expressed policies and attainment of the bank's strategic objectives. The functions of the Board and the management are clearly defined and segregated to ensure the effectiveness of the bank's business and its day-to-day operations. The Board approves the corporate governance procedures and practices adopted by the bank to inject best practices within the organisation, including where specific authorities of the Board are delegated to the relevant Board Committees as well as to the MD & CEO.

During the year 2022, we also ensured that our efforts in anti-corruption and anti-money laundering remain robust, while promoting daily operational integrity amongst our employees. Moreover, a corruption-free pledge has served to uphold the organisation's ethical behavioural standards to further bolster governance and risk control measures across the bank and also its subsidiaries.

Focused governance in a recovery environment

Overview

The BRAC Bank Board strives to meet the ever-increasing expectations of all stakeholders associated with the Bank and is committed to fulfilling its responsibilities and duties. Not only business and financial matters, the Board also deals with challenges and issues related to governance, corporate social responsibility (CSR) and corporate ethics and ensures that the organization and its operations are always in line with government norms Corporate Governance Code.

BRAC Bank being a listed company is governed by the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) which requires the bank to disclose its governance initiatives and practices in its annual report. Further, as per the Corporate Governance Code of BSEC, the compliance status is certified by a Practicing Professional Accountant/Chartered Secretary. Compliance Certificate with Corporate Governance Code, certified by professional accountants, is attached at page 254 to 267 of this report.

Organizational ethics

The Bank practices maintaining high ethical standards in its business. The board cultivates an ethical and transparent culture, typified by the frank and open discussions that take place at board meetings. A set of values, various documented policies and a code of conduct approved by the board require all employees to adhere to ethical business practices in their relationships with one another, suppliers, intermediaries, shareholders and investors; to display integrity, mutual respect and openness; and affords them the opportunity to challenge others who are not adhering to these values.

Benchmarking with the best

At BRAC Bank, our emphasis has been to ensure the application of governance principles for sustainability, to bring about necessary reforms and an impetus to balance near-term priorities with long-term growth objectives. Further, governance standards are pursued in a manner consistent with the applicable local laws, regulations, and codes. The organisation also aligns with the recommendations of the international best practices issued by the Basel Committee on Banking Supervision, the Bank Companies (Amendment) Act, 2013, Bangladesh Securities and Exchange Commission and Bangladesh Enterprise Institute that has approved a comprehensive set of corporate governance procedures and practices. The bank also operates within the legal framework of the Bank Companies (Amendment) Act, 2013, Corporate Governance guidelines of Bangladesh Securities and Exchange Commission, and the Companies Act, 1994.

Content framework of this report

- Board of Directors
- Independent Directors
- Qualification of Independent Directors
- Duality of Chairperson of the Board of Directors and Managing Director & CEO
- Directors' Report to shareholders
- Meetings of the Board of Directors
- Code of Conduct for the Chairman
- Code of Conduct for the Board of Directors
- Code of Conduct for the Managing Director & CEO
- Governance of Board of Directors of Subsidiary Company
- Managing Director & CEO, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)
- Attendance of CFO, Head of ICC and CS in Board Meeting
- Requirement to attend Board of Directors meeting
- Declaration of Managing Director & CEO and Chief Financial Officer (CFO)
- Stakeholders whose expectation we meet
- Appointment of Directors (Board of Directors, Chairman and Managing Director & CEO)
- Sponsors & Directors jointly shareholding as per BSEC guideline
- Shareholding composition of BRAC Bank
- Rotation and retirement of Directors
- Chairman's independence
- Independent Directors' independence
- Independence of non-Executive Directors
- The key roles and responsibilities of the Chairman
- The key roles and responsibilities of the Board
- The key roles and responsibilities of the Managing Director & CEO

- The key roles and responsibilities of the Company Secretary
- Appraisal of the Board performance
- Evaluation of the Managing Director & CEO
- Policy knowhow of Board of Directors
- Training on Corporate Governance
- Objective of Corporate Governance training
- Knowledge and expertise of Director relating to finance and accounting
- Related party transactions
- Audit Committee
- Risk Management Committee
- Executive committee
- Nomination and remuneration committee (NRC)
- Appointment of External auditor
- Appointment of professional for the Certification on Corporate Governance
- Corporate Governance compliance report with best practices
- Vision, mission and strategy approved by the Board
- Business objectives and strategic management
- Philosophy on code of corporate governance
- Ethics & Compliance
- Facilities accorded to the Chairman, Directors and the Managing Director & CEO
- Key policies regarding to remuneration of Directors and employees
- Human capital
- Communication to shareholders/stakeholders for participation in the Annual General Meeting
- Redress of investor complaints
- Environmental and social obligations under CSR
- Sustainable financing
- Whistle blower policy
- Credit rating
- Governance of the Sub Committee
- Governance of the Subsidiaries Companies
- Adequate Representation of Non-Executive Directors in Board
- Succession Plan of the Board
- Service not provided by External Auditors
- Compliance with Secretarial Standard issued by ICSB
- Tara Forum for women
- Enterprise Risk Governance Forum (ERGF)
- Dividend Distribution Policy
- Dividend Distribution Compliance report

Board of Directors

Size of the Board

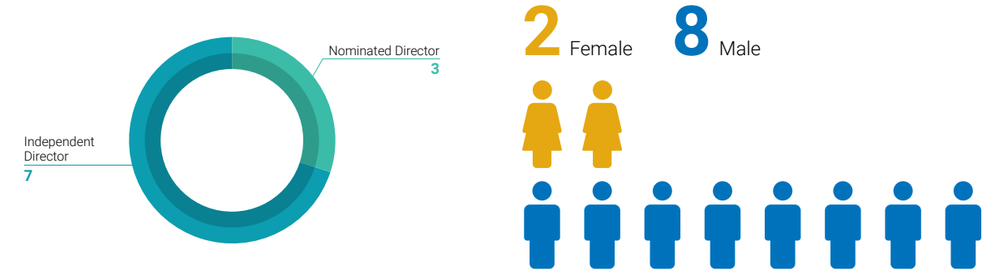
The Board of Directors of BRAC Bank consists of 10 members, excluding the Managing Director & CEO. Among the Directors, 7 are Independent Directors, 3 are Nominated Directors Nominated by BRAC. Present Board membership is given below:

as on 31st December 2022

Name of Directors	Position	Remarks
Dr. Ahsan H. Mansur	Chairman and Independent Director	
Mr. Asif Saleh	Nominated Director	Nominated by BRAC
Ms. Fahima Choudhury	Independent Director	
Ms. Farzana Ahmed	Independent Director	
Dr. Zahid Hussain	Independent Director	
Mr. Meheriar M Hasan	Nominated Director	Nominated by BRAC
Mr. Shameran Bahar Abed	Nominated Director	Nominated by BRAC
Dr. Mustafa Kamal Mujeri	Independent Director	
Mr. Faruq Mayeenuddin Ahmed	Independent Director	
Mr. Salek Ahmed Abul Masrur	Independent Director	

NB: Mr. Salek Ahmed Abul Masrur was appointed to the Board on March 13, 2022

Composition of the Board



Bank's policy on appointment of Directors

The bank abides by the laws, rules and regulations of regulatory bodies to appoint Directors as well as disclose their appointments as also when they demit office. The bank appoints Directors pursuant to the laws of the Bank Companies Act, 1991 amendment 2013 and Bangladesh Bank guidelines; The Companies Act, 1994; and Bangladesh Securities and Exchange Commission Act, Rules and Regulations.

We have also duly presented the profile of the Directors and their engagement in other organisations in the Annual Report and on the bank's website and also intimate the development/s to regulatory bodies. We also disclose this information in the Annual General Meeting.

Independent Directors

BRAC Bank complies with the Corporate Governance Code, 2018 of Bangladesh Securities and Exchange Commission (BSEC) and the Bank Companies Act, 1991, including the BRPD Circular No. 11, dated 27 October, 2013, for appointment of Independent Directors. As per BSEC Corporate Governance Code, 2018 at least one-fifth of the total number of Directors on the Company's Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating the number of Independent Director(s). Out of the 10 Directors on the Board, there are 7 Independent Directors, thus meeting the regulatory requirement.

Independent Directors on the Board and disclosure/affirmation of the Board

As per the Notification No-11 dated 27 October, 2013, Independent Directors declare their independency in the form of "Fit and Test". Pursuant to the Notification of Bangladesh Securities and Exchange Commission, an Independent Director on the bank's Board meets the requisite to be an Independent Director.

Qualification of Independent Director

Dr. Ahsan H. Mansur

Dr. Mansur started his career as a Lecturer in the Department of Economics, Dhaka University, in 1976. He left for Canada for higher studies in economics in the same year. As a graduate student and research assistant, he was also teaching regular economics courses at the undergraduate level at the University of Western Ontario, Canada (1978-81). Dr. Mansur joined the International Monetary Fund under its Economist Program in 1981 and thereafter completed his PhD in Economics (on general equilibrium analysis) from the University of Western Ontario, Canada in 1982.

Ms. Fahima Choudhury

Ms. Fahima Choudhury completed her BSc (Hons.) Management and MSc Management from the London School of Economics, and Political Science from the United Kingdom. Ms. Choudhury is the Managing Director of the country's leading advertising company, Ogilvy & Mather Communications Pvt. Ltd.

Ms. Farzana Ahmed

Ms. Farzana Ahmed has over 35 years of experience as a Chartered Accountant in the public and private sectors in the United Kingdom, Australia and the Philippines. Ms. Ahmed worked at the Asian Development Bank (ADB) in the Philippines for over 20 years from where she took voluntary early retirement in October 2019. She also worked at the ADB as Senior Portfolio Management Specialist, South East Asia Regional Department, which she joined in 2008 following a 7-year posting in ADB's Indonesia Office. At the Resident Office, she was the Senior Financial Management Specialist from where she was seconded as Advisor to the Australian Government to help coordinate Australia's support to the reconstruction of Aceh, post the 2004 tsunami.

Dr. Zahid Hussain

Dr. Zahid Hussain served as a consultant in World Bank's Dhaka office from July 01, 2019 to June 30, 2020. He also served as a Lead Economist in the same office from May 01, 1995 to June 30, 2019. Dr. Hussain was also engaged as a Lecturer in Boston University, the University of Massachusetts Boston, and Framingham State College, Framingham, Massachusetts, in the US during 1987-1992. He obtained his PhD in Economics from Boston University in 1992. Further, he completed his MA in Political Economy from Boston University in 1987. He earned his MBA from the Institute of Business Administration, Dhaka University, in 1979.

Dr. Mustafa Kamal Mujeri

Dr. Mustafa Kamal Mujeri serves as the Executive Director of the Institute for Inclusive Finance and Development (InM). Earlier, he also served as the Director General of the Bangladesh Institute of Development Studies (BIDS) and the Chief Economist of Bangladesh Bank. Dr. Mujeri was also engaged with UNDP in Cambodia; IDRC in Bangladesh; CIRDAP; visiting faculty at the Department of Economics, University of Queensland, Brisbane; National Expert in the Bangladesh Planning Commission; and Associate Professor of Economics at the University of Rajshahi. Dr. Mujeri obtained his PhD in Economics from McMaster University in Canada in 1978 and MA in Economics from McMaster University in 1974 after completing an MA in Economics from the University of Rajshahi in 1972.

Mr. Faruq Mayeenuddin Ahmed

Mr. Faruq Mayeenuddin Ahmed led Trust Bank Limited as its Managing Director and CEO from February 2018 to February 2021. Before taking up the position, he served as the Additional Managing Director of the bank. Before joining Trust Bank, Mr. Ahmed served as the Additional Managing Director of The City Bank Limited, and held the position of Chief Risk Officer and CAMLCO at that bank. He also served Mercantile Bank and AB Bank Limited as Deputy Managing Director. He is the founder Chairman of the Association of Anti Money Laundering Compliance Officers of Banks in Bangladesh and a life member of the Bangladesh Economic Association.

Mr. Ahmed obtained MSS in Economics from the University of Dhaka.

Mr. Salek Ahmed Abul Masrur

Mr. Salek Ahmed Abul Masrur was appointed as an Independent Director to the Board of BRAC Bank Limited in March 2022. Presently, he is the Chief Executive Officer of The Consolidated Tea & Lands Co. (Bangladesh) Limited (known as Finlay Tea). Mr. Masrur is a seasoned Banker with 35 years of Banking Experience in Bangladesh and International market in senior positions.

Mr. Masrur obtained his MBA Degree from the University of Tennessee, USA, and BBA from the Tri-State University of Indiana. He is CSA qualified.

Note: details of profile of the Independent Directors are presented on pages 64 to 74.

Duality of Chairperson of the Board of Directors and Managing Director & CEO

The position of the Chairman of the Board and the Managing Director & CEO are filled by two different individuals. This has been in practice since inception of BRAC Bank. The Board has clearly defined the respective roles and responsibilities of the Chairman and the Managing Director & CEO. In fact, this represents one of the key responsibilities of the bank's Board.

As the Chairman of the Board or Chairman of any committee formed by the Board or personally possessing the jurisdiction to apply policymaking or executive authority, he/she shall not participate in or interfere in the administrative or operational and routine affairs of the bank.

The Directors' Report to Shareholders

The Directors' Report to Shareholders of BRAC Bank is presented on page 130-155 of this Annual Report.

Meetings of the Board of Directors

The Board of directors holds meeting on regular basis; usually twice in a month but emergency meeting are called as and when required. The notice along with the board files are articulated to the Board members well in advance, at least 7 days prior to the date of the meeting. The leave of absence of the Board members are duly recorded as per the code of conduct. The chairman of the meeting allocates sufficient time to consider each of the agenda among the board members for discussion. The company Secretary, the Chief Financial Officer and the Head of Internal Control and Compliance always attend the Board meeting and the relevant Senior Management are invited to the Board Meeting to make necessary presentation for the respective agenda. The meeting minutes as well as keep required books and records in line with the provision of the relevant Bangladesh Secretarial Standards as adopted by the Institute of Chartered Secretaries of Bangladesh. During the year 2022, total 24 (twenty four) number of Board meeting were held; the attendance records are as follows:

Board meetings and attendance

as on 31st December 2022

SL No.	Name of the Director	Designation	Presence of the Director in the meeting during their tenure			Remuneration per meeting (BDT)
			No. of meetings	Present	Absent	
1	Dr. Ahsan H. Mansur	Chairman & Independent Director	24	24	-	8,000
2	Mr. Asif Saleh	Nominated Director	24	14	10	8,000
3	Ms. Fahima Choudhury	Independent Director	24	24	-	8,000
4	Ms. Farzana Ahmed	Independent Director	24	20	04	8,000
5	Dr. Zahid Hussain	Independent Director	24	24	-	8,000
6	Mr. Meheriar M Hasan	Nominated Director	24	15	09	8,000
7	Mr. Shameran Bahar Abed	Nominated Director	24	15	09	8,000
8	Dr. Mustafa Kamal Mujeri	Independent Director	24	24	-	8,000
9	Mr. Faruq Mayeenuddin Ahmed	Independent Director	24	24	-	8,000
10	Mr. Salek Ahmed Abul Masrur	Independent Director	21	16	05	8,000

NB: Mr. Salek Ahmed Abul Masrur was appointed to the Board on March 13, 2022.

Code of Conduct for the Chairman, Board members and Managing Director & CEO

The Corporate Governance Code of Bangladesh Securities and Exchange Commission requires, as part of Corporate Governance of the listed entities to lay down a Code of Conduct for Chairman, Board Members and Managing Director & CEO on the Board of an entity.

Code of Conduct for the Chairman

- As the Chairman of the Board or Chairman of any committee formed by the Board or personally possessing the jurisdiction to apply policymaking or executive authority, he/she shall not participate in or interfere in the administrative or operational and routine affairs of the bank.
- The Chairman may conduct onsite inspections of any bank branch or financing activities under the purview of the oversight responsibilities of the Board. He may call for any information relating to the bank's operations or ask for investigation into any such affairs. He may submit such information or investigation report to the meeting of the Board or the executive committee and, if deemed necessary, with the approval of the Board, he shall effect the necessary action thereon, in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the Board, along with the statement of the CEO.
- The Chairman may be offered an office room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business interests of the bank, subject to the approval of the Board.

Code of Conduct for the Board of Directors

The Board of Directors follows a Code of Conduct which was adopted to provide guidance to Directors to carry out their duties in an honest, responsible and transparent manner and within the scope of their authority, as set forth in the laws of the country as well as in the Memorandum and Articles of Association of the Company.

The Code of Conduct states:

- The Members shall act honestly, in good faith and in the best interests of the shareholders and the Company.
- The members shall not make improper use of information acquired as a Director.
- The members shall not take improper advantage of the position as a Director.
- The members will be obligated to be independent in judgment and actions and take all reasonable steps to be satisfied as to the soundness of decision taken by the Board.
- Members shall make every effort to attend all Board and Committee meetings during their tenure. They will not make themselves unavailable without good reasons or confirming their leave of absence.
- Board members having interest of any nature in the agenda of the meeting shall declare beforehand the nature of their interest and withdraw from the room unless they have a dispensation to speak.

- Training opportunities/orientation/workshops will be arranged for members (especially for the newly inducted members) to make them acquainted with the international best practices, their fiduciary obligations, the bank's Code of Conduct, etc.
- Every Director will assure annually via signing a confirmation that they have gone through, have complied with and will continue to comply with the set of codes approved by the Board of Directors.

Code of Conduct for the Managing Director & CEO

- The Managing Director & CEO shall remain accountable for the achievement of financial and other business targets approved by the Board in respect of business plans, efficient implementation thereof and prudent administrative and financial management.
- The Managing Director & CEO shall ensure full compliance with the regulatory bodies, pursuant to the Bank Company Act, 1991; the Companies Act, 1994; and Corporate Governance guidelines and other respective rules and regulations.
- The Managing Director & CEO shall recruit and promote all of the bank's staff, except those two tiers below him, shall rest on the Managing Director & CEO.
- The Managing Director & CEO shall act in such cases in accordance with the approved service rules on the basis of the human resource policy and sanctioned strength of employees, as approved by the Board.
- The authority relating to the recruitment, promotion, transfer and disciplinary action against staff, except two tiers below the Managing Director & CEO, rest on him and are in compliance with the bank's policy.

Governance of Board of Directors of Subsidiary Company

BRAC Bank follows governance principles of the Board of Directors of Subsidiary Company as per BSEC Corporate Governance Code Sec-2 dated 3 June 2018, evident in the following:

- At least one Independent Director of BRAC Bank is a Director on the Board of the subsidiary company.
- The minutes of the Board meeting of the subsidiary company are placed for review in the following Board meeting of BRAC Bank.
- The Board reviews the affairs of the subsidiary company.
- The Audit Committee of BRAC Bank reviews the financial statements, in particular the investments made by the subsidiary company.

Managing Director & CEO, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)

Appointment

- The Board appoints the Managing Director & CEO, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.
- The positions of the Managing Director & CEO, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance are filled by different individuals.
- The Managing Director, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance do not hold any executive position in any other company.

Attendance of CFO, Head of ICC and CS in Board Meeting

The Chief Financial Officer (CFO), the Head of ICC and the Company Secretary of the Bank always attend Board meetings, except such part of a meeting of the Board that involves consideration of an agenda item relating to their personal interests/matters.

Declaration of Managing Director & CEO and Chief Financial Officer (CFO)

- The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that these statements do not contain any materially untrue statement or omit any material fact/s or contain statements that might be misleading;
- The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that these statements together present a true and fair view of the bank's affairs and are in compliance with existing accounting standards and applicable laws;
- The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the bank during the year which are fraudulent, illegal or in violation of the bank's code of conduct.

The Certification of the Managing Director & CEO and CFO is disclosed in the Annual Report on page 297.

Stakeholders whose expectations we meet

In light of the growing interest among stakeholders, including shareholders and potential investors, we have given due importance in this report to cover governance issues that are of interest to all parties. This is to assure the report's reliability as a reference for the assessment of the bank's corporate governance practices and to ensure the effectiveness of our administrative processes and transparency of procedures at all levels across the bank.

Appointment of Directors (Chairman, Board of Directors and Managing Director & CEO)

BRAC Bank complies with the regulations stipulated by Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and the Companies Act, 1994, for the appointment of Directors. As per regulations, all Directors, except Nominated or Independent or Alternate Directors, are required to maintain at least 2% shareholding in the bank, individually. As there is no Sponsor/Shareholder Director/s on the bank's Board, hence there is no requirement for Directors to hold 2% shares of the bank.

Pursuant to the Companies Act, 1994, 1/3rd of the Directors retire and, if eligible, are placed for reappointment at the Annual General Meeting for approval of shareholders. As per the Bank Company Act, 1991 (amended in 2013), Directors are appointed with prior approval of Bangladesh Bank, considering a term of three years, which can be extended by three terms, except for Independent Directors, subject to approval of Bangladesh Bank as well as by shareholders in the Annual General Meeting. As per the Corporate Governance guidelines issued by BSEC dated June 03, 2018, Independent Director/s shall not be subject to the retirement by rotation criteria of Director/s.

An Independent Director, pursuant to Bangladesh Bank's guidelines, is appointed with the prior approval of Bangladesh Securities and Exchange Commission and Bangladesh Bank. Subsequently, it is placed in the following Annual General Meeting for approval of shareholders. The tenure of office of an Independent Director shall be for a period of 3 years, which may be extended for 1 tenure only.

The Managing Director & CEO is also appointed with the prior approval of Bangladesh Bank, duly meeting the "Fit and Test" criteria.

Sponsors & Directors joint shareholding as per BSEC guideline

In accordance with the notification of Bangladesh Securities and Exchange Commission (BSEC) no. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May, 2019, all Sponsors and Directors, other than Independent Directors of a company listed with any stock exchange, shall at all time jointly hold minimum 30% shares of the paid-up capital of the company.

We confirm that all Sponsors and Directors, other than Independent Directors of BRAC Bank, jointly hold more than 30% (present holding 46.24%) shares of the paid-up capital of the Company, thus meeting the BSEC requirement.

Pattern of shareholding

i. Ownership of the Company's securities by the members of the Board of Directors.

As per Corporate Governance Code, notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969, the shareholding pattern of BRAC Bank is given below:

Particulars	Shareholder Name	No. of shares held on 31.12.2022	Percentage of shares held (%)
Sponsors & Directors	BRAC	690,899,127	46.165
	Late Sir Fazle Hasan Abed KCMG	14,692	0.001
	Late A.S. Mahmud	12,288	0.001
	Dr. Saleh Uddin Ahmed	10,095	0.001
	Dr. Ahsan H. Mansur (Chairman & Independent Director)	Nil	Nil
	Mr. Asif Saleh (Nominated by BRAC)	33,325	0.002
	Ms. Fahima Chowdhury (Independent Director)	Nil	Nil
	Ms. Farzana Ahmed (Independent Director)	Nil	Nil

Particulars	Shareholder Name	No. of shares held on 31.12.2022	Percentage of shares held (%)
	Dr. Zahid Hussain (Independent Director)	Nil	Nil
	Mr. Meheriar M. Hasan (Nominated by BRAC)	Nil	Nil
	Mr. Shameran Bahar Abed (Nominated by BRAC)	1,072,312	0.072
	Dr. Mustafa Kamal Mujeri (Independent Director)	Nil	Nil
	Mr. Faruq Mayeenuddin Ahmend (Independent Director)	Nil	Nil
	Mr. Salek Ahmed Abul Masrur (Independent Director)	Nil	Nil
Total no. of shares of Sponsors & Directors		**692,041,839**	**46.24%**

ii. Shares held by the Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Control and Compliance and their spouses and minor children:

Particulars	Shareholder Name	No. of shares held on 31.12.2022	Percentage of shares held (%)
Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouses and minor children	Mr. Selim R. F. Hussain, Managing Director & CEO	460,487	0.031%
	Mr. M Masud Rana FCA, DMD & Chief Financial Officer	Nil	Nil
	Mr. M Mahbubur Rahman FCS Company Secretary	Nil	Nil
	Mr. M. Sarwar Ahmed, Head of Internal Control and Compliance	7,298	0.0005%
	Spouse of Mr. Selim R. F. Hussain, Managing Director & CEO, Ms. Rumesa Hussain	280,478	0.019%
	Spouse of Mr. M Masud Rana FCA, DMD & Chief Financial Officer, Ms. Sharmin Rana	9,255	0.001%
Total		**757,518**	**0.051%**

iii. Shares held by top-five salaried executives in the regular services of the bank:

SL No.	Name	Designation	Shareholding as on 31.12.2022
1	Mr. Md. Sabbir Hossain	DMD and Chief Operating Officer	Nil
2	Mr. Chowdhury Moinul Islam	DMD and Chief Anti Money Laundering Compliance Officer	Nil
3	Mr. Syed Abdul Momen	DMD and Head of SME Banking	Nil
4	Mr. Tareq Refat Ullah Khan	DMD and Head of Corporate Banking Division	Nil
5	Mr. Md. Shaheen Iqbal	DMD and Head of Treasury and Financial Institutions	Nil

iv. List of shareholders holding 10% and above shares in the paid-up capital of the bank:

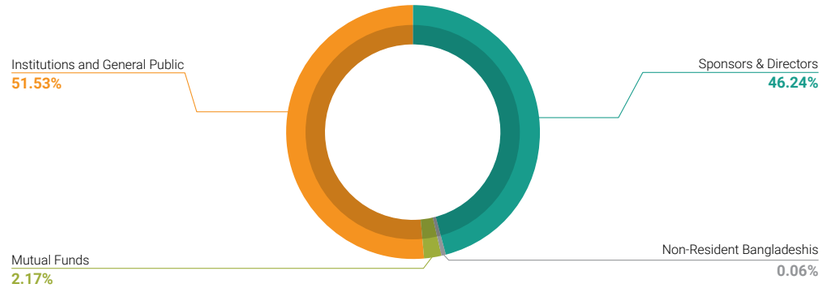
SL No.	BO	Name	Status (Sponsor/ Promoter/Director)	No. of shares held as on 31.12.2022	% of total no. of paid-up shares
1.	1201820000147618	BRAC	Sponsor	690,899,127	46.165

Classification of shareholding

Range of Holding of Shares	Number of shareholders (31 December 2022)	Number of shares held (31 December 2022)	Percentage of holding of shares (31 December 2022)
Less than 500	8,087	1,658,147	0.11%
500 to 5,000	10,848	19,072,814	1.27%
5,001 to 10,000	2,051	14,360,555	0.96%
10,001 to 20,000	862	12,170,649	0.81%
20,001 to 30,000	356	8,812,477	0.59%
30,001 to 40,000	166	5,773,098	0.39%
40,001 to 50,000	104	4,802,623	0.32%
50,001 to 100,000	199	14,148,651	0.95%
100,001 to 1,000,000	259	75,733,345	5.06%
Over 1,000,000	99	1,340,052,969	89.54%
Total	**23,031**	**1,496,585,328**	**100%**

Shareholding Structure as on 31st December 2022

Category	No. of Shareholder (31 December 2022)	No. of Shares (31 December 2022)	(Percentage of holding of shares (31 December 2022)
Sponsors & Directors	06	692,041,839	46.24%
Non-Resident Bangladeshis	190	859,171	0.06%
Mutual Funds	51	32,473,047	2.17%
Institutions and General Public	22,784	771,211,271	51.53%
Total	**23,031**	**1,496,585,328**	**100%**



Rotation and retirement of Directors

Pursuant to the Articles of Association, Companies Act, 1994 and the Bank Company Act, 1991 (amended 2018) Mr. Meheriar M Hasan, Nominated Director, Nominated by BRAC will retire from the Board of BRAC Bank at the 24th Annual General Meeting. Subsequently, he is eligible for re-election for reappointment to the Board. A brief resume of the above Director is given in the Directors' profile in the Annual Report on page 70.

Chairman's independence

According to the Corporate Governance guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), the position of the Chairman of the Board and the Managing Director & CEO shall be filled by different individuals. BRAC Bank has ensured this compliance. Dr. Ahsan H. Mansur, Independent Director, is the Chairman of the Board of Directors of BRAC Bank and Mr. Selim R. F. Hussain is the Managing Director & CEO.

Independent Directors' independence

According to Bangladesh Securities and Exchange Commission and Bangladesh Bank's rules and regulations, Independent Directors will not be an Executive of the Company in the immediate preceding two financial years who do not have any material relationship and do not hold any shares of the Company. The Independent Director will not have any significant relationship, whether pecuniary or otherwise, with the bank, its top management and the Board. The bank complies with this requirement and has appointed Independent Directors who do not have any family or other relationship with the Board and its Executive Management. However, approval of Bangladesh Securities and Exchange Commission and approval of Bangladesh Bank are required for the appointment on Independent Director/s. BRAC Bank ensures compliance with Bangladesh Bank's guidelines and Bangladesh Securities and Exchange Commission's requirements relating to the appointment of Independent Directors.

Independence of non-Executive Directors

As part of our good governance practices at BRAC Bank, the non-Executive Directors enjoy full freedom in discharging their responsibilities. They are also sincere to attend Board meetings, Executive Committee Meetings, Audit Committee meetings and Risk Management Committee meetings. They also actively participate in discussions on the agenda.

The key roles and responsibilities of the Chairman

- Provides leadership and governance of the Board so as to create the conditions for overall Board's and individual Director's effectiveness, and ensures that all key and appropriate issues are discussed by the Board in a timely manner;
- Promotes effective relationships and open communication, and creates an environment that allows constructive debates and challenges, both inside and outside the Boardroom, between non-Executive Directors and the management;
- Ensures that the Board as a whole plays a full and constructive part in the development and determination of the Group's strategies and policies, and that Board decisions taken are in the Group's best interests and fairly reflect the Board's consensus;
- Ensures that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management;
- Sets, in consultation with the Chief Executive and Company Secretary, the Board meeting schedule and agenda to take full account of the important issues facing the Group and the concerns of all Directors, and ensures that adequate time is available for thorough discussion of critical and strategic issues;
- Ensures that the Board is properly briefed on issues arising at Board meetings and receives, in a timely manner, adequate information which must be accurate, clear, complete and reliable, to fulfill its duties, such as reports on the Group's performance, the issues, challenges and opportunities facing the Group, and matters reserved for it to make decision;
- Arranges informal meetings of Directors at least annually, including meetings of the non-Executive Directors at which the Chief Executive is not present, and ensures that sufficient time and consideration is given to complex, contentious or sensitive issues;
- Ensures that there is effective communication with shareholders, and that each Director develops and maintains an understanding of the stakeholders' views; and
- Establishes good corporate governance practices and procedures and promotes the highest standards of integrity, probity and corporate governance throughout the Group and particularly at Board-level.

The key roles and responsibilities of the Board

The main roles and responsibilities of the Board, as articulated in the BRPD Circular No. 11 dated 27 October, 2013, include the following:

- Lay down a code of conduct for all Board members and senior management
- Review and set up annual performance targets of the bank for achieving targets
- Monitoring the effectiveness of the bank's governance practices and reviewing changes as needed and identifying opportunities where corporate governance standards could be further improved
- Determining the bank's corporate social responsibility status and taking steps for its improvement
- Ensure stronger internal controls
- Grant approval of policies and operational manuals to establish an effective risk management framework in core banking areas and internal control
- Appoint Managing Director (CEO) and fixing his benefits
- Purchase or acquisition of property for the bank
- Provide welfare benefits to employees

- Determining the Corporate Social Responsibly status and taking steps.
- Analyze reasons for success or failure of the bank's annual budget achievement
- Periodic review of the bank's operational budget achievements
- Undertake risk management initiatives
- Review of sufficiency and requirement for internal control efforts of the bank
- Reviewing the bank's human resource (HR) policy

The key roles and responsibilities of the Managing Director & CEO

Mr. Selim R. F. Hussain is the Managing Director & CEO of BRAC Bank Limited. The Managing Director & CEO is responsible for the implementation of Board policies and the overall management of the bank. He discharge his duties under the delegation of financial, business and administrative authority given to him by the Board.

The core responsibilities and authorities of the Managing Director are as follows:

- Undertakes the financial, business and administrative authorities when vested on him by the board and remains accountable for achievement financial and other business targets by means of business plan, efficient implementation and prudent administrative and financial management.
- Ensures compliance of the Bank Company Act, 1991(amended up to 2018) and other relevant laws and regulations in performing routine functions of the bank; and remains accountable to report to Bangladesh Bank if any violation occurs.
- At the time of presenting any memorandum by the management in the Board Meeting or Board Committee Meeting, the CEO points out if there is any deviation from the Bank Company Act, 1991 (amended up to 2018) and other relevant laws and regulations.
- Recruitment and promotion of all staff of the bank except those in the two tiers below him rest on the CEO. He acts in such cases in accordance with the approved service rules of the Bank.
- The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, rests on him that he applies in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the Board, he nominates officers for training etc.
- To lead the bank as per Board of Directors' instructions.
- To lead the Senior Management to achieve the organisational goal
- To achieve profit and others target set by Board of Directors
- To maintain relation with Board of Directors, Senior Management of the Bank, all regulatory bodies, investors, all employees as well as all stakeholders of the bank
- To ensure compliance in the bank set by all regulatory bodies and Board of the Directors of the bank
- To ensure Corporate Governance throughout the organizations as per national and international standard
- To ensure sustainable growth of the bank
- The MD or CEO shall certify to the Board that they have reviewed financial statements for the year and that to the best of his knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;
- Shall be powered to take any punitive measures and transfer to operate the Bank effectively to all the employees except two tiers below of her/him
- Time to time reporting to the BOD's, EC, BAC & RMC
- Shall inform to the Bangladesh Bank in case of any irregularities regarding violation of any rules and regulation of the act without prior approval of the BOD's. In that situation he /she will inform the BOD's after reporting to regulators
- Shall be clearly details disclosed his asset, liabilities, financial, commercial, industrial and investment related information along with family involvement. [BRPD Circular-02, Jan 21, 2021]

The key roles and responsibilities of the Company Secretary

The Board appoints a Company Secretary whose responsibility is to ensure effective integration and timely flow of information required by the Board and maintain necessary liaison with internal bodies as well as external bodies. The Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC) requires a listed company to appoint a Company Secretary. Pursuant to this, the Board of Directors appointed the Company Secretary and defined his role and responsibilities. At BRAC Bank, among other functions, the Company Secretary:

- Ensures that all regulatory procedures for the appointment of Directors have been followed. He provides detailed support and guidance to the Directors, both individually as well as collectively, for taking decisions and raises matters wherever

needed to call for the attention of the Board of Directors.

- Assists to form the sub-committee of the Board of Directors, as directed by the Regulatory Bodies Act, as a mediator to the Board of Directors to resolve disputes rose to the Board, according to the laws, rules and regulations.
- Ensures that the decisions taken by the Board of Directors are transmitted to the concerned department/s for taking the next course of action.
- Updates the Board of Directors or the management about the direction, circulars, notifications, etc., which are issued by regulatory bodies and follows up on respective steps taken as well.
- Mandated with providing comprehensive corporate secretarial services to the Board, Directors and committees and also ensures that compliance is followed as per the respective laws, rules and regulations.
- Communicates with shareholders, disclosure of information as appropriate, and ensures that due regard is given to their interests.
- Assists the Board of Directors and the management of the bank in ensuring excellence in governance.

Appraisal of the Board's performance

The Board of Directors is accountable to the shareholders of the bank. Once every year, the bank holds an Annual General Meeting (AGM). The shareholders attend the Annual General Meeting and they critique and express their analysis about the performance of the bank.

BRAC Bank takes constructive suggestions from the Annual General Meeting and tries to implement it for qualitative improvement of the bank. The performance of the bank is also measured on the basis of other indicators, including financial aspects like business performance, asset growth, net profit expansion, NPL control, etc.

Evaluation of the Managing Director & CEO

The Board of Directors of BRAC Bank evaluate the performance of Managing Director & CEO on an annual basis. The Board also set the roles and responsibilities of the Managing Director & CEO of the bank. There are some key Performance Indicators (KPI) to appraise the performance which are: meet the annual budgetary targets of the bank, which was approved by the Board, maximize shareholder value measured through desired ROA, ROE, EPS, ensure proper risk management as per the expectations of the Board, ensure sustainable growth in loans and advances, low-cost deposits, CASA mix, diversify revenue streams of the bank, ensure improvement in NPL ratio, achieve recovery of written-off loans and improve all reviews conducted by BB, including scores in CAMELS rating.

Policy knowhow of Board of Directors

BRAC Bank makes available all relative laws before the Board of Directors for their instant information, along with any single notification, so that they can discharge their responsibilities effectively. Alongside this, most of the Directors of the bank are on the Board for many years now. Some Directors are also involved in country's policy-making. They have acquired enough knowledge and acumen to lead the bank well on the path of sustainable growth and progress.

Training on corporate governance

At BRAC Bank, our corporate governance standards represent the foundations on which we have built transparent relationships among the institution's management, Board, shareholders and other stakeholders. In line with this, BRAC Bank organizes training on corporate governance round the year for the staff. BRAC Bank offers special emphasis on training in corporate governance.

Objectives of corporate governance training

i. To establish good governance, ensuring the best practices of corporate governance to understand how they improve consistency in business direction and strategies

ii. Mitigating risks and providing the maximum opportunities for developing individual skills, tools and frameworks in line with action plans and to address challenges as well as overcome these with prudence

iii. To help Board members develop the right strategies for change management and create advanced plans for seamless change in order to identify internal and external opportunities and challenges, manage change or implement new approaches

iv. To drive a positive culture such as developing the Board's skills and leadership style

Knowledge and expertise of Directors relating to finance and accounting

The Directors have rich knowledge and unparalleled expertise in the fields of accounting and finance. Most of the other Directors are successful entrepreneurs and professionals. They are well-conversant in business, economics and administration. The details of them are presented in their profile on pages 64-74.

Related party transactions

During the year 2022, the bank concluded business deals with the related organisations in which the Directors had an interest. It was determined on the basis of common Directorship and the bank's subsidiaries. We have presented the necessary details on page 509 in the financial statements.

Board of Director's committees

The Board has constituted the following 3 (three) subcommittees, which are;



i. Audit Committee

Responsibility to the Board of Directors

BRAC Bank has an Audit Committee as a subcommittee of the Board. The Audit Committee assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee is also responsible to the Board; the duties of the Audit Committee are clearly set forth in writing. Head of Internal Audit takes sit in the Board Audit Committee. All members of the Audit Committee are suitably qualified and all the members have expert knowledge of finance and accounting including banking activities. The Audit Committee meets at least 6 times a year. The Audit Committee is run with the specific guidelines issued by the Regulatory bodies including internal best policy.

Constitution of the Audit Committee

The Audit Committee was formed with 3 members, in compliance with the relevant provisions contained in BRPD Circular No. 11 dated 27 October, 2013.

Meeting attendance of the Board Audit Committee

as on 31st December 2022

Sl. No.	Name of the Directors	Designation	Presence of the Directors in the meeting during their tenure			Remuneration per meeting
			No. of meetings	Present	Absent	
1	Ms. Farzana Ahmed	Chairman	08	07	01	8,000
2	Ms. Fahima Choudhury	Member	08	08	-	8,000
3	Dr. Zahid Hussain	Member	08	07	01	8,000

Meeting of the Board Audit Committee

A total 08 Board Audit Committee meetings were held during the year 2022, against minimum 04 meetings as per regulatory requirement. Meeting dates are as follows:

Sl. No.	Meeting	Date of meeting
1	112th Audit Committee Meeting	January 20, 2022
2	113th Audit Committee Meeting	March 15, 2022
3	114th Audit Committee Meeting	May 10, 2022
4	115th Audit Committee Meeting	June 30, 2022
5	116th Audit Committee Meeting	July 28, 2022
6	117th Audit Committee Meeting	August 25, 2022
7	118th Audit Committee Meeting	October 30, 2022
8	119th Audit Committee Meeting	December 13, 2022

Role of the Audit Committee

According to the Corporate Governance Code, the Audit Committee of BRAC Bank fulfills the following role:

- Oversee the financial reporting process
- Monitor choice of accounting policies and principles
- Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report
- Oversee hiring and performance of external auditors
- Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption
- Review along with the management, the audited financial statements before submission to the Board for approval
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval
- Review the adequacy of internal audit function
- Review the Management's Discussion and Analysis before disclosing in the Annual Report
- Review statement of all related party transaction submitted by management
- Review Management Letters or Letter of Internal Control weakness issued by statutory auditors
- Oversee the determination of audit fees based on scope and magnitude/level of expertise deployed and time required for effective audit and evaluate the performance of external auditors and oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilised as per the purposes stated in relevant offer document or prospectus approved by the commission

The detailed role of the Audit Committee of the Bank is presented in this report on page 294.

Reporting to the Board of Directors

- The Audit Committee reports its activities to the Board
- The Audit Committee immediately reports to the Board on the following findings, if any:
- Conflicts of interests
- Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements
- Suspected infringement of laws, regulatory compliances, including securities related laws, rules and regulations
- Any other matter which the Audit Committee deems necessary is disclosed to the Board immediately

Reporting to the authorities

As per guidelines of Bangladesh Securities and Exchange Commission, the Audit Committee of BRAC Bank is obliged to report any findings that has material impact, to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 months from the date of first reporting to the Board, whichever is earlier.

Reporting to shareholders and general investors

Report on the activities carried out by the Audit Committee, including report made to the Board during the year, signed by the Chairperson of the Audit Committee, has been disclosed in this report on page 293.

Suitable qualification of members

All the members of the Audit Committee are qualified and have years of experience in banking and financial institutions. They have high level of expertise in their respective areas.

Conflict of interest

As per good governance practices, BRAC Bank follows the Code of Ethics for all employees to avoid conflict with those of the bank. Employees are always advised to take particular care when they are responsible for dealing with customers, business associates and agents on behalf of the bank.

Access to Audit Committee of Internal Control and Compliance Division

In the meeting of Audit Committee, the Head of Audit/Chief Auditor has direct access and can raise his concerns. The Head of Internal Control and Compliance, with consultation with management, can also raise any issues to Audit Committee.

Recommendation to appoint External Auditors

The Audit Committee reviews the audit plans and methodology to appoint External Auditors, pursuant to Bangladesh Bank guidelines and corporate guidelines of Bangladesh Securities and Exchange Commission. The Audit Committee scrutinizes the applications of the Auditors and recommends appointment/ reappointment of Auditors for the following year in the Annual General Meeting.

Major plans/policies formulated and reviewed by Audit Committee in 2022:

Sl.	Name of the Policy
1	Risk based Internal Audit Methodology 2022
2	Risk based Audit Plan and ICC Budget for the year 2022
3	Summary of Internal Audit Observations for the year 2021
4	Annual Health Report of BRAC Bank Limited for the year 2021
5	Overall Effectiveness of Internal Control System of BRAC Bank Limited for the year 2021
6	Compliance Status
7	Summary of investigation reports on fraud, forgery and irregularities.
8	Compliance status of ICC Core Risk Inspection Report of Bangladesh Bank based on June 30, 2021
9	Summary of Internal Audit Observations for the year 2022.
10	Annual Internal Audit Plan for the year 2023.
11	ICC Budget for the year 2023.
12	Review of Manual of Audit Procedures 2022; ICC, Audit, Concurrent Audit, Compliance and Monitoring Policies 2022 and Internal Audit Charter 2022.

ii. Risk Management Committee

Pursuant to Bangladesh Bank's BRPD Circular No. 11 dated 27 October, 2013, a Risk Management Committee was constituted by the Board of Directors. There are four members in the Risk Management Committee. The Board formed Risk Management Committee to play an effective role in mitigating impending risks arising out from strategies and policies. The Risk Management Committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified after identifying and assessing several risks factors. A report of the Risk Management Committee is included in this Annual Report.

Constitution of the Board's Risk Management Committee

The Board's Risk Management Committee was formed with 4 members in compliance with the relevant provisions.

Qualification of members

Each member is capable of making valuable and effective contributions in the functioning of the Committee. They have adequate understanding of the detailed responsibilities of the Committee membership as well as the bank's business, operations and its risks.

Roles and responsibilities of the Risk Management Committee

i) Risk identification & control policy

The Committee monitors Risk management policies & methods and amend it if necessary. The Committee reviews the risk management process to ensure effective prevention and control measures.

ii) Construction of organisational structure

The Committee ensures an adequate organizational structure for managing risk within the bank. The Committee supervises formation of separate management level committees and monitors their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.

iii) Analysis and approval of Risk Management policy

The Committee reviews the Risk Management policies & guidelines of the bank annually and amends if necessary and sends it to the Board of Directors for their approval. Besides, they review the lending limit at once annually.

iv) Storage of data & reporting system

The Committee ensures proper use of record keeping & reporting system developed by the bank management. The Committee minutes its proposal, suggestions and summary in a specific format and informs the Board of Directors.

v) Monitoring the implementation of overall Risk Management Policy

The Committee monitors proper implementation of overall risk management policies. They monitor

whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.

Internal Control and Risk Management

The Board of Directors of BRAC Bank ensures an adequate organisational structure for mitigating risk/s within the bank. The Risk Management Committee also reviews the risk process to ensure effective prevention and control measures.

Review of Internal Control System

A report on the internal control system supervised by the Risk Management Committee is presented on page 284 & 351 of this Annual Report.

Attendance of Members of the Risk Management Committee

as on 31st December 2022

Sl. No.	Name of the Directors	Designation	Presence of the Directors in the meeting during their tenure			Remuneration per meeting (BDT)
			No. of meetings	Present	Absent	
1	Mr. Salek Ahmed Abul Masrur	Chairman	02	02	-	8,000
2	Ms. Fahima Choudhury	Member	04	04	-	8,000
3	Ms. Farzana Ahmed	Member	04	03	01	8,000
4	Dr. Zahid Hussain	Member	04	04	-	8,000

NB: Mr. Salek Ahmed Abul Masrur appointed as Chairman to the Risk Management Committee on June 23, 2022.

Meeting of the Board Risk Management Committee

A total of 04 Board Risk Management Committee (BRMC) meetings were held during the year 2022, against the minimum 04 meetings required as per regulations. Meeting dates are as follows:

Sl. No.	Meeting	Date of meeting
1	38th Risk Management Committee Meeting	27-Feb-2022
2	39th Risk Management Committee Meeting	23-Mar-2022
3	40th Risk Management Committee Meeting	23-June-2022
4	41st Risk Management Committee Meeting	14-Nov-2022

Major plan/ policies formulated and reviewed by Risk Management Committee in 2022:

Sl.	Name of the Policy
1	Forex Risk Management Policy
2	Credit Risk Management Policy (Amendment)
3	Credit Risk Management (CRM) Policy- 2022
4	Asset Liability Management (ALM) Policy & Contingency Funding Plan (CFP)
5	PIF Policy (Revised) – 2022
6	Informative Memo: Policy Review A. Money Laundering & Terrorist Financing Risk Management Guideline [Annual Review] B. Post Import Financing (PIF) Policy- 2022

A report of the Risk Management Committee is included in this Annual Report.

iii. Executive Committee

Pursuant to Bangladesh Bank's BRPD Circular No. 11 dated 27 October, 2013, an Executive Committee was constituted by the Board of Directors. The Board nominated Mr. Faruq Mayeenuddin Ahmed as Chairman, Mr. Salek Ahmed Abul Masrur and Dr. Mustafa Kamal Mujeri as members of the Executive Committee at the 326th Board meeting held on August 16, 2022.

Attendance of Members of Executive Committee

as on 31st December 2022

Sl. No.	Name of the Directors	Designation	Presence of the Directors in the meeting during their tenure			Remuneration per meeting (BDT)
			No. of meetings	Present	Absent	
1	Mr. Faruq Mayeenuddin Ahmed	Chairman	22	22	-	8,000
2	Mr. Shameran Baher Abed	Member	14	09	05	8,000
3	Mr. Salek Ahmed Abul Masrur	Member	17	16	01	8,000
4	Dr. Mustafa Kamal Mujeri	Member	08	08	-	8,000

NB: Mr. Salek Ahmed Abul Masrur appointed to the Executive Committee on March 20, 2022.
Dr. Mustafa Kamal Mujeri appointed to the Executive Committee on August 21, 2022.
Mr. Shameran Baher Abed resigned from the Executive Committee on August 07, 2022.

Chairman of the Executive Committee (EC)

Mr. Faruq Mayeenuddin Ahmed was elected as the Chairman of the Executive Committee post the retirement of Mr. Kazi Mahmood Sattar. He possesses over 36 years of illustrious experience in different reputed local private commercial banks in different positions. He led Trust Bank Limited as the Managing Director and CEO from February 2018 to February 2021. Before taking up the position, he served as the Additional Managing Director of the bank. Before joining Trust Bank, Mr. Ahmed served as the Additional Managing Director of The City Bank Limited and held the positions as Chief Risk Officer and CAMLCO. He also served Mercantile Bank and AB Bank as Deputy Managing Director.

Nomination and Remuneration Committee (NRC)

As per Corporate Governance Guidelines, the Company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board. However, as per BRPD Circular 11 of Bangladesh Bank dated October 27, 2013, the Board cannot form any other permanent or temporary subcommittee except the Executive Committee, Audit Committee and Risk Management Committee. Therefore we are waiting for a decision from Bangladesh Bank and Bangladesh Securities and Exchange Commission upon the directive.

Composition of Board Committees

The Board of BRAC Bank is capable and visionary. Directors have a wide range of local and international experience, skills and expertise to support decision-making and leadership for the benefit of the company's shareholders.

as on 31st December 2022

Name of Directors	Status in the Board	Executive Committee	Audit Committee	Risk Management Committee	Subsidiaries Board
Dr. Ahsan H. Mansur	Independent Director and Chairman				
Mr. Asif Saleh	Nominated Director, Nominated by BRAC				
Ms. Fahima Choudhury	Independent Director		Member	Member	Director of BRAC EPL Investment Ltd. & BRAC EPL Stock Brokerage Ltd.
Ms. Farzana Ahmed	Independent Director		Chairman	Member	
Dr. Zahid Hussain	Independent Director		Member	Member	Director of BRAC EPL Investment Ltd. & BRAC EPL Stock Brokerage Ltd.
Mr. Meheriar M Hasan	Nominated Director, Nominated by BRAC				

Name of Directors	Status in the Board	Executive Committee	Audit Committee	Risk Management Committee	Subsidiaries Board
Mr. Shameran Bahar Abed	Nominated Director, Nominated by BRAC				
Dr. Mustafa Kamal Mujeri	Independent Director	Member			
Mr. Faruq Mayeenuddin Ahmed	Independent Director	Chairman			
Mr. Salek Ahmed Abul Masrur	Independent Director	Member		Chairman	
Mr. Selim R.F. Hussain	Managing Director & CEO				Director of BRAC EPL Investment Ltd., BRAC EPL Stock Brokerage Ltd, BRAC Saajan Exchange Ltd, bKash Ltd

Appointment of External Auditors

The existing auditor, M/s Hoda Vasi Chowdhury & Co, Chartered Accountants has completed their first year audit session for the year 2022. However, as per Bangladesh Bank and BSEC guidelines, they are eligible for re-appointment for the year 2023 and hence they have expressed their willingness to work with the Bank. The Board of Directors has recommended M/s Hoda Vasi Chowdhury & Co, Chartered Accountants to appoint as auditors of the bank for the year 2023. The appointment of auditor will be confirmed at 24th AGM.

Reporting and Compliance of Corporate Governance

Appointment of professional for the Certification on Corporate Governance

The existing professional auditor, M/s Hussain Farhad & Co, has expressed willingness to work as auditor on compliance status on Corporate Governance Code, and the Board of Directors has also recommended M/s Hussain Farhad & Co as compliance auditor for the year 2023. As per Bangladesh Securities & Exchange Commission notification on Corporate Governance Code for appointment of professional for the certification on corporate governance for the year 2023 will be confirmed at the 24th AGM.

Corporate Governance compliance report with best practices

The status of compliance with Corporate Governance guidelines of Bangladesh Securities and Exchange Commission has been given hereafter. M/s Hussain Farhad & Co., Chartered Accountants, duly certified the bank's Compliance Status, which is presented on page 254-267.

Vision, mission and strategy approved by the Board

Vision and mission of BRAC Bank

The vision and mission statements and the strategy of BRAC Bank were duly approved by the Board of Directors. It is presented in this Annual Report on page 50-51.

Business objectives and strategic management

The Board of Directors of BRAC Bank determines the business objectives and goals and, to this end, chalk out strategies and work plans on an annual basis. The Board specifically engages in formulating strategies consistent with the predetermined objectives and goals and in issues relating to structural changes and reformation for the enhancement of institutional efficiency and other relevant policy matters.

Philosophy on code of corporate governance

BRAC Bank believes in adopting and adhering to the best standards of corporate governance for the benefit of all its stakeholders. The bank's corporate governance standards are based on the following principles:

- Appropriate composition, size of the Board and commitment to adequately discharge its responsibilities and duties
- Transparency and independence in the functioning of the Board
- Independent verification and integrity assurance of financial reporting
- Adequate risk management and internal control
- Protection of shareholders' rights and placing priority on investor relations
- Timely and accurate disclosure on all matters concerning operations and performance of the bank

The bank's philosophy on corporate governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealing with shareholders, employees, regulators and other relevant stakeholders. By doing so, the bank demonstrates its understanding and respects its fiduciary roles and responsibilities to shareholders.

Ethics and compliance

BRAC Bank has a Code of Conduct for the Board and ethical guidelines for the bank's employees which are an integral part of the Service Rules and Regulations for the employees of the bank. Our employees comply with the code of conduct and requirements of ethical principles.

The Board has always been deeply committed to establishing the highest levels of ethics and compliance among all employees of the bank. It has always encouraged the management to ensure that everyone maintains high ethical standards within the bank. The Board guides the management on policies that should be adopted and followed by everyone in the bank.

Facilities accorded to the Chairman, Directors and the Managing Director & CEO

In accordance with the guidelines of Bangladesh Bank, the following facilities can only be given to the Directors:

Chairman	The Chairman has an office. He has no private secretary or office assistant from the side of the bank. However, bank provides him a mobile phone and a car at his full- time disposal.
Directors	Fees and other facilities for attending each meeting of the Board or any Committee as per guidelines of Bangladesh Bank and Bangladesh Securities and Exchange Commission.
Managing Director & CEO	Only those benefits as agreed upon in his contractual appointment and approved by Bangladesh Bank.

Key policies regarding to remuneration of Directors and employees

The Board reviews from time-to-time, the remuneration of employees based on the bank's performance and the general inflation in the economy. All employees including the senior management are paid a competitive remuneration package.

Human capital

The report on human capital is presented in detail on page 235 of this Annual Report.

Communication to shareholders/ stakeholders for participation in Annual General Meeting

BRAC Bank serves the notice along with the Annual Report to shareholders at least 21 days before of Annual General Meeting. As per Bangladesh Bank guidelines and notifications of Bangladesh Securities and Exchange Commission quarterly accounts or information are notified to the shareholders and updated on the website. The bank's Share Department also provides services to shareholders round the year. The bank also ensures that all stakeholders are informed of the bank's activities on a routine basis.

Redress of investor complaints

The bank has established a robust grievance redress mechanism through which investors can lodge their grievances/complaints. Details are included on page 300.

Environmental and social obligations under CSR

At BRAC Bank, we believe that everyone should have the opportunity to live a meaningful life. By pioneering its specialised SME (Small and Medium-sized Enterprises) banking services and products, BRAC Bank has significantly contributed to the advancement of financial inclusion in Bangladesh, which in and of itself is an incredible impact of the bank's corporate social responsibility.

BRAC Bank's SME Banking services provide access to finance for the cottage, micro, and small enterprises that were previously excluded from the traditional commercial banking system. BRAC Bank has the highest rural penetration in the country, with 75% of their total small business loans going to rural areas.

As a member of the BRAC family, the largest NGO in the world, BRAC Bank follows a values-based approach in its operations. It has introduced small ticket loans to SMEs to specifically bring grassroots entrepreneurs under the umbrella of formal banking services. In addition, the bank focuses on women's education, persons living with disabilities, and the environment as part of its CSR programmes.

As part of its CSR programmes, BRAC Bank, in partnership with Prothom Alo Trust, introduced Adamya Medhabi Scholarship in 2010 to help meritorious students of disadvantaged families fulfill their pursuit of higher education. Today, a large number of financially-challenged students, especially those from the rural parts of the country, do not have to face dropout. BRAC Bank has also provided monthly scholarships to 250 meritorious students of the Faculty of Business Studies of Dhaka University in 2022. The bank also supports the education of 10 deserving students from financially-challenged families every year pursue higher education at BRAC University.

During the COVID outbreak, BRAC Bank offered a three-month moratorium on loan repayment to its retail and SME customers and waived late payment fees for credit card customers for three months. The bank allocated a fund of BDT 4.54 crore to provide emergency food support to 30,267 affected families across the country. BRAC Bank coworkers contributed BDT 1.65 crore from their monthly pay to 'Dakchhe Abar Desh', a COVID response initiative by BRAC.

Last year, BRAC Bank contributed BDT 10 crore to the Prime Minister's Relief and Welfare Fund and BDT 3 crore to 'Dakchhe Amar Desh' – BRAC's emergency flood relief programme, to stand beside the flood-affected people in Sylhet. The bank also contributed 75,000 pieces of blankets to the Prime Minister's Relief and Welfare Fund to help underprivileged people across the country during winter.

BRAC Bank has contributed BDT 9 crore to the Ashrayan-2 project of the government for the construction of houses for homeless people over the last three years. The bank also contributed BDT 1.15 crore to the Prime Minister's Education Assistance Trust. The Trust has done remarkably well in only a few years to support the education of the underprivileged.

As an SME-focused bank, BRAC Bank is committed to ensuring easy access to finance for entrepreneurs at the grassroots. Bangladesh Bank has recognized BRAC Bank for its outstanding role in the implementation of the first phase of the COVID-19 CMSME Stimulus Package in FY 2020-2021.

As a values-based organization belonging to the larger BRAC family, corporate social responsibility is embedded in the DNA of the bank. Every year, BRAC Bank organizes a mini-marathon titled 'Dour - Run for Humanity' where its co-workers voluntarily contribute token funds to join the run. The bank matches the fund from its CSR fund. The total fund goes to charity organizations working for the welfare of less advantaged people in the country. DOUR, beginning its journey in 2011, is the first marathon initiative by a Bangladeshi bank and is unique in how it serves society through its fundraising philosophy. Dour 2023 was dedicated to the person living with disabilities. Some 25 wheelchair runners took part in a special wheelchair run on the occasion. The coworkers raised a fund of BDT 43 lakh this year, and the bank doubled it to BDT 86 lakh from its CSR Fund. The entire fund was given to charitable organizations working for persons living with a disability. These organizations are – Blind Education and Rehabilitation Development Organization (BERDO), Hi-CARE, PFDA-Vocational Training Centre Trust, and Bangladesh Society for the Change and Advocacy Nexus (B-SCAN).

BRAC Bank made history in the banking industry by creating employment opportunities for transgender and persons living with a disability. They were recruited based on skills and merits and accommodated in different branches across the country. It was the bank's call of conscience and part of corporate social responsibility to recruit them into mainstream jobs. As a values-based organization, BRAC Bank believes in 'leaving no one behind'. It respects and recognizes the importance of distinctive life journeys that extend beyond the paradigms of gender. The bank focuses on creating equitable processes and policies that allow it to create space for everyone to thrive.

Whistle-blower policy

BRAC Bank always embraces excellence in governance and encourages employees to raise a flag in the event of coming across any sort of wrongdoing. This includes the senior managers and certification regime, which is aimed at improving individual accountability within the financial services industry. All reports are treated confidentially and appropriately investigated and concluded.

Credit rating

As per Bangladesh Bank guidelines and notifications of Bangladesh Securities and Exchange Commission, BRAC Bank conducts its credit rating each year with due disclosure. Credit rating of BRAC Bank is available on page 302 in this Annual Report.

Governance of sub-committees

BRAC Bank has fully complied with provisions of BRPD circular no. 11, 2013 issued by Bangladesh Bank and CG Code 2018 issued by Bangladesh Securities and Exchange Commission regarding formation of Sub Committee, its meeting and minutes, which is appended below

- Members of the committee are nominated by the board of directors from themselves
- Appropriate number of representative of Independent directors in the Sub committee
- Chairman of the subcommittee is the Independent Director
- All Members are appointed for a 03 (three)-year term of office
- Company secretary of the bank is the secretary of the sub committee
- All decisions/observations of the committee should be noted in minutes
- All minutes of the subcommittee meetings are presented in the next board meeting.

Governance of Subsidiaries Companies

BRAC Bank has followed the provisions regarding subsidiary companies which determine in CG Code as follows.

- At least one Independent Director of BRAC Bank is a Director on the Board of the subsidiary Company.
- The minutes of the Board meetings of the subsidiary companies are being placed for review in the following Board meeting of BRAC Bank.
- The Board of Directors of BRAC Bank reviews the affairs of the subsidiary companies and it has been duly stated in minutes of the respective Board meeting.
- The Audit Committee of BRAC Bank reviews the Financial Statements, in particular he investments made by its' subsidiary companies.

Independent Director's representation in four subsidiaries companies of BRAC Bank Limited

Sl.	Name and Designation	bKash Limited	BRAC EPL Investments Ltd.	BRAC EPL Stock Brokerage Ltd.	BRAC Saajan Exchange Ltd.
01	Ms. Fahima Choudhury Independent Director	Director	Chairman	Chairman	---
02	Dr. Zahid Hussain Independent Director	Director	Director	Director	---

Roles and responsibilities of the Independent Directors

To ensure corporate governance in the Bank, Independent Directors have key stake to take any decision of the board. Major roles and responsibilities of the Independent Directors is appended below.

- In dependent Directors of the Bank have full intendance to take any decision and comments in the Board meeting
- Independent Directors have right to inform the regulatory bodies directly in case of any irregularities which may imposed by other Board members
- Independent Directors have right to take any decision which protect general shareholders and stakeholders right

Governance on Appointment of the Managing Director & CEO

- Managing Director & CEO is appointed by the Board subject to approval of Bangladesh Bank
- Managing Director & CEO is an Ex-Officio
- The position is contractual
- The Managing Director & CEO is a separate person from Chairman/BOD's/CFO/CS/HoICC
- The Managing Director & CEO is the chief of Management except the Board

Adequate Representation of Non-Executive Directors in Board

The Board of BRAC Bank is formed by 10 Directors, excluding Managing Director & CEO. All Board members are non-Executive Directors. Only the Managing Director & CEO is the ex-officio Director.

Succession plan of the Board

The Board's succession plan is a strategic framework that outlines the process that boards and committees must follow when replacing board members, board leadership, subcommittee leadership and Senior Management. These plans can help fill an existing vacancy or plan ahead for a future vacancy in one of these position.

The board of BRAC Bank always strives to onboard experienced business leaders, corporate leaders and other professionals. In 2022, BRAC Bank on boarded one of the country's most experienced and reputed corporate leader Mr. Salek Ahmed Abul Masrur. His details are given in the Director's profile on page 74.

Service not provided by External Auditors

In compliance with the CG Code, 2018 issued by BSEC, Provision 7, we declare that M/s Hoda Vasi Chowdhury & Co, Chartered Accountants, was not engaged in any of the following services during 2023 while conducting statutory Audit.

- Internal Audit Services or Special Audit Services
- Compliance Audit Services on Corporate Governance Code issued by BSEC
- Valuation / appraisal Services or any Fairness opinion
- Actuarial Services c Broker-dealer services
- Financial Analysis or Other Financial Services c Accounting Record keeping services related to Financial Statements
- Any services recommended by Audit Committees
- Any professional services
- Any kind of services which may create conflict of interest

Compliance with Secretarial Standard issued by ICSB

The Institute of Chartered Secretaries of Bangladesh (ICSB), the statutory body of Government to promote Corporate Governance in the Country, has set and issued five (5) Secretarial Standard, Secretarial Standard of Board of Directors (BSS-1), Secretarial Standard on General Meeting (BSS-2), Secretarial Standard on Minutes (BSS-3), Secretarial Standard on Dividend (BSS-4), Secretarial Standard on Meeting Through Electronic Modes (Virtual Or Hybrid Meetings) (BSS-5), with the objective of formulating Bangladesh Secretarial Standard.

TARA Forum for women

Women's banking platform, 'TARA'

BRAC Bank is proud to be the first in Bangladesh's banking industry to offer a comprehensive women's banking proposition, TARA. This aims to provide an array of financial services to women of all backgrounds, both demographically and professionally. TARA aims to provide not only financial but also non-financial services to all women across Bangladesh. TARA offers deposit, lending and credit card products specially tailored to the specific needs of women. In addition, TARA also provides training facilities and workshops with a focus on professional and business development and networking opportunities. BRAC Bank offers TARA clients a dedicated helpline and special discounts with its numerous retail partners.

Enterprise Risk Governance Forum (ERGF)

ERGF is a platform under which the bank's staff can get access to solutions of problems related to operations as well as for risks and hazards. This forum comprises all the heads involved in risk, control, compliance, governance and security. All queries are met by the senior management. Effectively, this forum acts as the single-point contact for expeditious risk response. They meet as and when required

1. Act as single contact point for immediate risk response for the BBL staff
2. Urgent solution of risk and hazards by the senior management
3. Every query is dealt with utmost priority by the senior management related to the risk, control, safety and security

Dividend Distribution Policy

The Board of BRAC Bank has approved a dividend distribution policy at its 303rd Board meeting held on September 20, 2021 in line with the directive no. BSEC/CMRRCD/2021-386/03 dated January 14, 2021 of the Bangladesh Securities and Exchange Commission (BSEC). The dividend distribution policy of BRAC Bank is available on the bank's website.

Dividend Distribution Compliance Report of BRAC Bank Limited				
Under Clause (6) of the Directive No. BSEC/CMRRCD/2021-386/03, dated: 14/01/2021				
1	Name of the Issuer Company	BRAC Bank Limited		
2	Particulars of Issuer DP	DP: 208, Stock Symbol: BRACBANK, ISIN: BD0138BRACB9		
3	Type of Dividend (Annual/Interim)	a) Annual ☑ b) Interim ☐		
	(Put tick mark (a) on the recommended option)			
4	Whether audited or not for Interim Dividend	a) Audited ☑ b) Unaudited ☐		
	(Put tick mark (a) on the recommended option)			
5	Date of Recommendation of Dividend by the Board of Directors /Trustee: Enclose copy of PSI	315th Board meeting held on March 15, 2022		
6	Whether dividend recommended other than directors or sponsors or any other classes	a) Yes b) No ☑		
	(Put tick mark (a) on the recommended option)			
7	Record date for entitlement	April 06, 2022		
8	Rate of dividend recommended by the Board of Directors/Trustee	Cash Divided : 7.50% b) Stock Divided : 7.50%		
9	Dividend Recommended - Type	a) Cash ☑ b) Stock ☑		
	(Put tick mark (a) on the recommended option)			
10	Securities/ Mutual Fund traded under which categories	a) A ☑ b) ☐ c) ☐ d) ☐ (e) ☐		
	(Put tick mark (a) on the recommended option)			
11	Date of transfer to a separate bank account (Pls. mention bank details) or provisional credit of shares/units by CDBL	March 23, 2022		
12	Date of Approval of Dividend at AGM	April 28, 2022		
13	Rate of Dividend Approved at AGM-details at Annexure, (if any changes)	a) Cash Divided : 7.50% Stock Divided : 7.50%		
14	Date of commencement of disbursement of Cash and Stock Dividend	a) Cash Divided : May 23, 2022 b) Stock Divided : May 11, 2022		
15	Mode of disbursement of Cash Dividend	a) BEFTN ☑ b) Bank Transfer ☑ c) MFS ☐ d) Dividend Warrant ☐ e) Any other mode ☐		
	(Put tick mark (a) on the recommended option)			
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank statements and Corporate Action Processing Report (DP-70/RT-32]	a) Cash Divided : May 23, 2022 b) Stock Divided : May 11, 2022		
17	Paid-up-capital of the issuer before corporate action/entitlement	Tk. 13,921,723,990/-		
18	Number of securities /shares outstanding- before corporate action/ entitlement	=1,392,172,399=		
19	Total cash in taka or stock (no. of shares) dividend as per corporate declaration	Cash Dividend (Tk. 1,044,129,299.25/-)+Fractional Dividend (Tk. 291,500)=Total Tk. 1,044,420,799.25/- Stock Dividend (no. of shares): =104,412,929=		
20	Distribution/Disbursement details of Cash & Stock Dividend	Cash	Stock (no.)	Annexures
	A. Mode of Dividend Payment/credit for the concerned year:			
	a) Through BEFTN or directly credited to respective BO	45,323,8791.92	104,412,929	A & B
	b) Through Bank Transfer other than entitled BO-Margin loan	N/A	N/A	
	c) Through Bank Transfer	445,200,813.28	N/A	A & B
	d) Through Mobile Financial Service (MFS)	Nil	Nil	Nil
	e) Through any other mode as approved by Bangladesh Bank	Nil	Nil	Nil
	f) Through transfer to Suspense Account for dematerialized shares (BO wise detailed with reason should be maintained and subtitled)		164	
	g) Through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities		75	
21	Total Dividend paid/credited for the concerned year	898,439,605.20	104,412,690	A & B
22	Total unpaid/undistributed dividend /accrued during the period (20-21)	4,011,115.14	239	A & B
23	Total unpaid/undistributed dividend /accrued as on 1st day of Accounting year (as per audited accounts)	9,676,218.56	567,094	C & D

24	Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year.	Nil	Nil	
	A. Mode of Dividend receipts/payment/credit for the previous years:			
	a) Through BEFTN or directly credited to respective BO	39,003.84	Nil	E
	b) Through Bank Transfer	855,215.35	Nil	E
	c) Through Mobile Financial Service (MFS)	Nil	Nil	
	d) Through any other mode as approved by Bangladesh Bank	Nil	Nil	
	e) Through transfer to/from Suspense Account for Demate shares or any other reasons	Nil	515,397	
	f) Through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities/shares/units	Nil	Nil	
	g) Transfer of cash or stocks to the fund as prescribed or directly by Commission after 3 years or forfeit of share to Suspense Account for non-dematerialized securities	Nil	Nil	
25	Total Dividend paid/credited for previous years:	894,219.19	515,397	E
26	Total unpaid/undistributed Dividend for previous years (23-25) Taka/No.	8,781,999.37	51,697	F
27	Grand Total of unpaid/undistributed Dividend (22+26)	12,793,114.51	51,936	
28	Aging of grand total of unpaid/undistributed Dividend for previous years:			
	More than 3 years; balance	Nil	42,2294	C & D
	More than 4 years; balance	Nil	324,480	C & D
	More than 5 years & above; balance	Nil	259,868	C & D
	Total unpaid/undistributed Dividend for previous years	Nil	51,697	C & D
	(Supporting bank statements and balances of securities with the Depository)			
Issuer shall maintain BO wise detailed information for all transfers/credit to suspended Accounts				
with reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.				

Maintaining a website by the Company

BRAC Bank has an official website www.bracbank.com with linkage to the stock exchanges.

Report of the Board Audit Committee

Responsibilities of the Board Audit Committee:

- Engaging in meticulous reviews
- Monitoring and evaluation of organizational performance against regulatory requirements
- Establishing policies, processes and procedures
- Formulating policies for controlling and mitigating risk
- Ensuring full compliance with laws and regulations

3
Members in the Board Audit Committee

8
Board Audit Committee meetings held in 2022

Overview

The Audit Committee of BRAC Bank is the apex authority for facilitating effective governance and because of its position, it offers the most effective oversight on performance, independence and objectivity of the auditor and the quality of the audit.

The Audit Committee's major agenda is to safeguard stakeholders' interests. This is met through regular oversight functions which include reviewing financial reporting processes, systems of internal control, audit processes, management/mitigation of financial risks and monitoring compliance with the country's laws and regulations.

Statement of purpose

BRAC Bank's Audit Committee is a prime sub-committee of the Board of Directors. Its purpose is to ensure:

(i) Integrity of the bank's financial statements and internal control systems, including implementation and effectiveness of internal control over financial reporting;

(ii) Performance of the internal audit services function;

(iii) Independent audit (annual) of the bank's financial statements, engagement with independent auditors, and evaluation of independent auditors' qualifications, independence and performance;

(iv) Compliance by the bank with all legal and regulatory requirements;

(v) Implementation and effectiveness of the bank's disclosure controls and procedures;

(vi) Evaluation of enterprise risks;

(vii) Fulfillment and discharge of other stated responsibilities;

Composition of the Audit Committee

The Audit Committee comprises 3 members of the Board of Directors, including three Independent Directors, in accordance with the notification on Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC), on 3 June 2018 (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80) and Bangladesh Bank BRPD Circular No. 11, dated 27 October 2013.

The members of the Board Audit Committee of BRAC Bank as on 31st December, 2022 was:

Ms. Farzana Ahmed	Chairperson
Ms. Fahima Choudhury	Member
Dr. Zahid Hussain	Member

Ms. Farzana Ahmed, Ms. Fahima Choudhury and Dr. Zahid Hussain are Independent Directors on the Board of BRAC Bank.

Company Secretary of the bank is also the Secretary of the Board Audit Committee. The bank's Head of Audit reports to the Chairperson of the Board Audit Committee. Head of ICC reports on his activities and findings to the bank's senior management. However, Head of Audit reports directly and is accountable to the Board Audit Committee.

Participation of non-members

Head of Audit, Head of ICC and representatives of the management (Managing Director and Deputy Managing Directors) also attend meetings on invitation.

Access to the Committee

On any matter within the Committee's scope, Head of Audit has direct access to the Audit Committee.

Roles and responsibilities of the Board Audit Committee

The primary activities of the Audit Committee serve as a guide, even as it may carry out additional functions and adopt additional policies and procedures, as may be appropriate. In addition to any other responsibilities which may be assigned from time-to-time by the Board, the Audit Committee is responsible for the following matters:

Internal control:

- Evaluate whether the management is establishing an appropriate compliance culture across the organisation and in ensuring that all employees have clear understanding of their roles and responsibilities;
- Review the management's actions in compliance with the bank's guidelines, applications and management information system (MIS);
- Consider whether the internal control strategies recommended by internal and external auditors have been prudently and comprehensively implemented by the management;
- Consider reports relating to fraud, forgery and deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority, and place it before the Board after reviewing whether necessary corrective and curative measures have been taken by the management;
- Review the status of compliance on policies and procedures to identify, measure, monitor and control risk with governance and supervisory oversight from the Board;
- Review management letters/letter of internal control weaknesses issued by statutory auditors;

Financial reporting:

- The Audit Committee assesses whether the financial statements reflect complete and accurate information, and also determine whether the statements are prepared in accordance with prevalent rules and regulations, and also as per the financial reporting standards of Bangladesh Bank
- Review the financial statements with the management and external auditors before finalisation
- Review the quarterly and half-yearly financial statements with the management before submission to the Board for approval
- Review statements of significant related party transactions (RPTs) submitted by the management
- Review the Management's Discussion and Analysis Report before disclosing it in the Annual Report
- Disclose when money is raised through initial public offer (IPO)/repeat public offer (RPO)/ rights issue to the Audit Committee about the deployment of funds, segregated by major categories (capital expenditure, sales and marketing expenses, working capital, etc.) on a quarterly basis, as part of the quarterly declaration of financial results. Further, on an annual basis, the bank shall prepare a statement of funds utilised for purposes other than those stated in the offer documents/prospectus.

Internal audit:

- Monitor/evaluate whether internal audit functions are truly independent;
- Review the activities and the organisational structure of the internal audit and ensure that no unjustified restrictions or limitations hinder the internal audit process;
- Review and assess the annual internal audit plan;
- Review the efficiency and effectiveness of the internal audit function;
- Review and ensure that appropriate recommendations made by internal auditors to eliminate irregularities, if any, are duly acted upon by the concerned personnel in managing the affairs of the bank;
- Meet the Head of ICC and Head of Internal Audit at least once a year, without the management being present, to discuss any issues arising from internal audits. Both units shall be given the right of direct access to the Chairman of the Audit Committee;

External audit:

- Make recommendations to the Board to be put to shareholders for approval at the AGM, in relation to appointments, re-appointments and disengaging with the bank's external auditors;
- Place recommendations to the Board in fulfilling their responsibilities to shareholders at the AGM, appointments, re-appointments and disengagement with external auditors. The Committee shall oversee the selection process of the new auditors and shall investigate any issue that might have led the auditors to resign;
- Oversee the relationship with the external auditors, including:
  - Recommendation of their remuneration, i.e. fees for audit or non-audit services
  - Assessing annually their independence and objectivity, taking into account relevant professional and regulatory requirements
  - Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the bank (other than in the ordinary course of business)
- • Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit is complete at the reporting stage. The committee shall meet the external auditor at least once a year, without the management being present, to discuss any issues arising from the audit;
- Review the findings and recommendations made by external auditors for elimination of irregularities, if any, detected and duly acted upon by the management;
- Compliance with existing laws and regulations;
- Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC and other bodies) and internal regulations approved by the Board have been duly complied with;

Other responsibilities:

- Submit a comprehensive compliance report to the Board on a quarterly basis on regularisation of omission, fraud and forgeries and other irregularities detected by internal and external auditors and inspectors of regulatory authorities
- External and internal auditors may submit their related assessment report, if the committee solicits
- Perform other oversight functions, as desired by the Board of Directors, and evaluate the committee's own performance on a regular basis

Audit Committee meetings

The Board Audit Committee of BRAC Bank sits once every quarter. However, an emergency Board Audit Committee meeting can be called, if required.

A total of 8 (eight) Audit Committee meetings were held during the year 2022. In addition to regular matters, such as reviewing existing risks and mitigation measures, evaluating the management's adherence to compliance, monitoring the internal audit function and financial statements, ensuring on-time submission of returns, assessing the findings and recommendations of external and Bangladesh Bank auditors, etc., the following issues were given special emphasis.

Meeting date	Attendance	Focus points
20/01/2022	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	1. Risk based Internal Audit Methodology 2022 2. Risk based Audit Plan and ICC Budget for the year 2022 3. Updated status of Completion of ICC Transformation project by PwC
15/03/2022	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	1. Review and recommendation of the annual audited financial statements for the year ended December 31, 2021 of BRAC Bank Limited. 2. Review and recommendation for appointment of external auditors for the year 2022 and their remuneration.
10/05/2022	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	1. Review and recommendation of un-audited first quarter (Q1) financial statements ended on March 31, 2022 of BRAC Bank Limited. 2. The Management Report 2021 of BRAC Bank Limited.

Meeting date	Attendance	Focus points
30/06/2022	Ms. Fahima Choudhury Dr. Zahid Hussain	1. Summary of Internal Audit Observations for the year 2021 2. Annual Health Report of BRAC Bank Limited for the year 2021 3. Overall Effectiveness of Internal Control System of BRAC Bank Limited for the year 2021 4. Compliance Status 5. Summary of investigation reports on fraud, forgery and irregularities. 6. Compliance status of ICC Core Risk Inspection Report of Bangladesh Bank based on June 30, 2021
28/07/2022	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	1. Review and recommendation of un-audited half-yearly (H1) financial statements ended June 30, 2022 of BRAC Bank Limited.
25/08/2022	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	1. Summary of Internal Audit Observations for the year 2022. 2. Compliance Status 3. Summary of Reports on Fraud, Forgery and Irregularities
30/10/2022	Ms. Farzana Ahmed Ms. Fahima Choudhury Dr. Zahid Hussain	1. Review and recommendation of un-audited third quarter (Q3) financial statements ended September 30, 2022 of BRAC Bank Limited.
13/12/2022	Ms. Farzana Ahmed Ms. Fahima Choudhury	1. Annual Internal Audit Plan for the year 2023. 2. ICC Budget for the year 2023. 3. Review of Manual of Audit Procedures 2022; ICC, Audit, Concurrent Audit, Compliance and Monitoring Policies 2022 and Internal Audit Charter 2022. 4. Summary of Bangladesh Bank's surprise inspection report on currency management.

Certificate of Due Diligence by CEO and CFO

Declaration on the financial statements for the year ended 31 December 2022

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we hereby declare that:

- The financial statements of BRAC Bank Limited for the year ended 31 December, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, and any departure therefrom has been adequately disclosed;
- The estimates and judgments related to the financial statements were made on a prudent and reasonable basis in order for the financial statements to reveal a true and fair view;
- The form and substance of transactions and the bank's state of affairs have been reasonably and fairly presented in its financial statements
- To ensure the above, the bank has taken proper and adequate care in installing a robust system of internal control and maintenance of accounting records;
- Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the bank were consistently followed; and
- The management's use of the going concern basis of accounting in preparing the financial statements is appropriate, and there exists no material uncertainty related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern.
- In this regard, we also certify that:
- We have reviewed the financial statements for the year ended 31 December, 2022, and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - These statements collectively present a true and fair view of the bank's affairs and are in compliance with existing accounting standards and applicable laws.
- There are, to the best of our knowledge and belief, no transactions entered into by the bank during the year which are fraudulent, illegal or in violation of the code of conduct of the bank's Board of Directors or its members.

Sincerely,

Selim R. F. Hussain
Managing Director & CEO

M Masud Rana, FCA
Deputy Managing Director & CFO

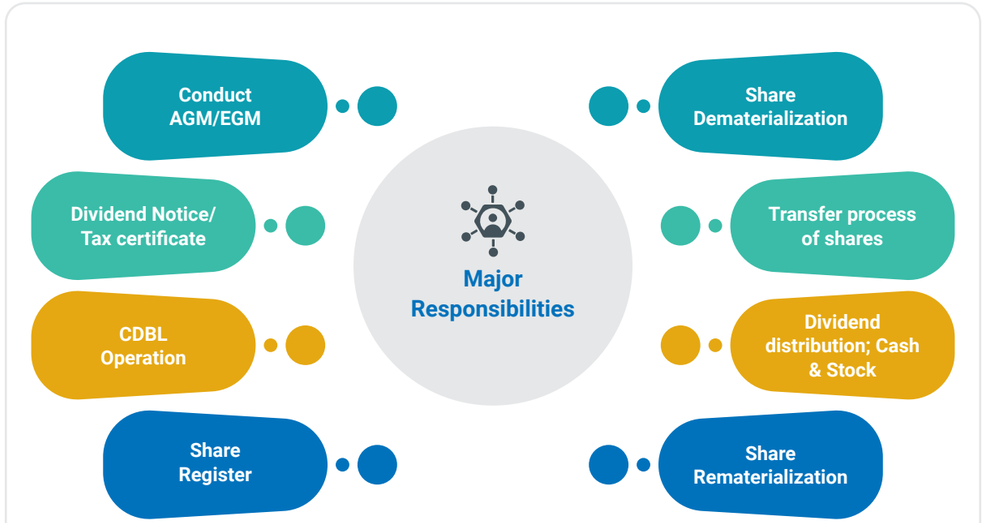
Communication and Engagement with Stakeholders

Stakeholder collaboration with an up-to-date perspective

At BRAC Bank, we believe that protection of shareholder interests, communication of concrete information and compliance with internal & external regulations are few of the conditions of a structured capital market. Nurturing these, we can ensure that our investors benefit from long-term returns and be encouraged to invest further.

In an effort towards making our shareholders feel valued and to foster a sound relationship, we continuously communicate with them and try to encourage open and two-way communication. Prioritizing the convenience of our shareholders, we have taken several initiatives to ensure smoother delivery of services. A few key initiatives include establishment of communication through email, online unpaid dividend application, automatic remittance of due dividend, etc.

The Share department works diligently to assist stakeholders and the responsibilities of the department has been outlined in the following section. Further, as part of its broader liaison responsibilities, the department also engages in correspondence with regulatory and governmental bodies from time-to-time on matters related to shareholders.



Information disclosure on the corporate website

BRAC Bank endeavors to disclose all material information on its website on a timely and accurate basis to keep shareholders and stakeholders updated about the bank's activities and other material corporate matters, such as annual, quarterly & half-year reports, announcements/notices, dividend compliance report, list of unclaimed dividend, dividend distribution policy; business development and operational updates; corporate governance practices; and other information that is relevant to our stakeholders.

Information through newspapers

According to Stock Exchanges Listing Regulations, 2015, and Financial Reporting and Disclosure, 2018, news about the AGM should be published in one Bengali and one English newspaper, as well as on a daily online news site. For 2022, we have complied with these rules.

Policy on ensuring shareholder participation at the AGM

AGM is a key forum to engage with shareholders and the bank has a proud history of organising well-attended AGMs, where shareholders take the opportunity to exercise their right of an active and constructive role.

To ensure effective and efficient shareholder participation at the AGM, BRAC Bank publishes a notice of AGM in leading newspapers with the necessary details within a reasonable timeframe prior to the meeting. The AGM is hosted via a digital platform (since the pandemic) and at a convenient time, thus making it accessible to all shareholders.

The Annual Report is circulated as per the provisions of Stock Exchanges Listing Regulations, 2015, and Financial Reporting and Disclosure, 2018, so that shareholders can get sufficient time to go through the report and provide their valuable comments, suggestions and inputs during the AGM.

Proceedings of the 23rd AGM have been presented in the glimpses of the AGM section of this Annual Report.

Unpaid/Unclaimed Dividend

As per BSEC Notification no. BSEC/CMRRCD/2021-391/20/Admin/121, we have uploaded the list of Unclaimed/unpaid dividend (year wise) to the section of investor's relation of BRAC Bank website.

Regarding claim of any unclaimed dividend, we execute it pursuant to the (Capital Market Stabilization Fund) Rules, 2021, Notification no. BSEC/CMRRCD/2021-391/20/Admin/121.

Redress of Investor Complaints

Upholding shareholder rights

Aiming to build trust-based relationships, BRAC Bank has developed a comprehensive customer approach, based on emphasizing their needs and perpetuating their fundamental rights. BRAC Bank takes investor complaints seriously and maintains a dedicated Grievance Redressal Cell for redressal. The Company Secretary is mandated to monitor the status of pending complaints and take necessary action to expedite the resolution process.

Rights of shareholders and equitable treatment

BRAC Bank always encourages shareholder participation in its Annual General Meeting (AGM). For this purpose, the Bank provides the shareholders with the date, time and all the information regarding the meeting before the AGM through notice which is sent to the shareholders at least 21 days before the AGM. The notice is also published on the newspapers and bank's website to facilitate shareholder access before sending its soft copy and other documents through email and SMS. In 2022, we conducted our 23rd AGM seamlessly through digital platform which was participatory.

The notice of the AGM contains relevant information for the meeting, including shareholder information, attendance and voting procedures. If the shareholders cannot personally attend the meeting for any reason, they can appoint a proxy by filling in the proxy form, or even download it from the bank's website, to appoint any person as a proxy to attend and vote on their behalf at the AGM.

The bank's website URL from where shareholders and other interested stakeholders can download financial information, corporate profile and other meeting information is: www.bracbank.com

Inquires may be e-mailed to: enquiry@bracbank.com

Any queries relating to shareholding, should be sent to the following address:

Share office:

BRAC Bank Limited, Anik Tower, Ground Floor, 220/B, Tejgaon Gulshan Link Road, Tejgaon I/A, Dhaka-1208.

Phone:
09677555124, 09677555125

E-mail:
sharedept@bracbank.com

Investor complaints redress mechanism

BRAC Bank has established a robust grievance redress mechanism through which investors can lodge their grievances/complaints:

Through a designated e-mail ID: **enquiry@bracbank.com**

Through a letter dispatched to our designated address

Through an investor complaints register maintained at our office, in which details of every written complaint is recorded

A designated official is assigned the responsibility of monitoring investor grievance registered via e-mail on a daily basis.

As an effective shareholder/investor outreach initiative, the bank continues to engage in regular communication with shareholders through the issue of performance updates and other messages comprising material matters as soon as they transpire.

Board Meetings and Attendance

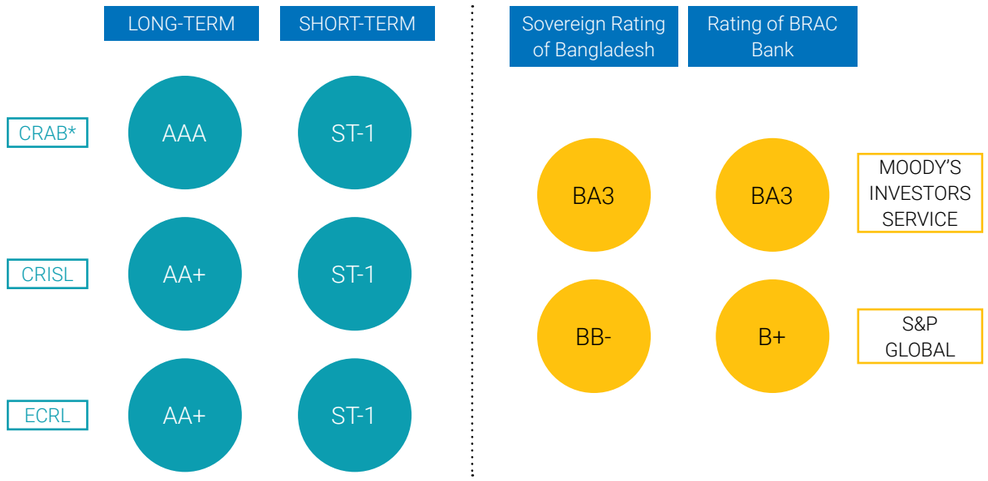
As on December 31, 2022

SL No.	Name of the Directors	Designation	Presence of the Directors in the meeting during their tenure			Remuneration per meeting (BDT)
			No. of meetings	Present	Absent	
1	Dr. Ahsan H. Mansur	Chairman & Independent Director	24	24	-	8,000
2	Mr. Asif Saleh	Nominated Director	24	14	10	8,000
3	Ms. Fahima Choudhury	Independent Director	24	24	-	8,000
4	Ms. Farzana Ahmed	Independent Director	24	20	04	8,000
5	Dr. Zahid Hussain	Independent Director	24	24	-	8,000
6	Mr. Meheriar M Hasan	Nominated Director	24	15	09	8,000
7	Mr. Shameran Bahar Abed	Nominated Director	24	15	09	8,000
8	Dr. Mustafa Kamal Mujeri	Independent Director	24	24	-	8,000
9	Mr. Faruq Mayeenuddin Ahmed	Independent Director	24	24	-	8,000
10	Mr. Salek Ahmed Abul Masrur	Independent Director	21	16	05	8,000

Disclosure on Credit Rating

Overview

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 and to safeguard stakeholder interests, BRAC Bank has completed its credit rating conducted by Credit Rating Agency of Bangladesh Limited (CRAB), Emerging Credit Rating Limited (ECRL), Credit Rating Information and Services Limited (CRISL), S&P Global Rating and Moody's Investors Service, based on the audited financial statements for the year ended 31 December 2021 and 31 December 2022.



** Based on FS 2022*

DOMESTIC	INTERNATIONAL

Rating by domestic credit rating agencies	
Rating basis	CRAB: Audited financial statements as of December 31, 2022 CRISL & ECRL: Audited financial statements as of December 31, 2021
Validity	CRAB: 30-Jun-2024, CRISL: 02-Jul-2023, ECRL: 30-Jun-2023
Outlook	Stable*

* Stable indicates that a rating is likely to remain unchanged.

Rating by international credit rating agencies	
Rating basis	Audited financial statements as of December 31, 2021
Outlook	S&P: Stable, Moody's Investors Service: Rating under review

We are pleased to inform that all the major credit rating agencies have reaffirmed their long- and short-term credit ratings of the bank. These are indicative of robust management quality, sustainable and well-diversified operations, strong liquidity positions, robust internal fund generation capacity, access to diverse fund sources, and prudent financial management strategies, that collectively ensure that the bank enjoys a favorable ratings outlook.

Statement of the Board Audit Committee

Statement on Audit Committee's oversight role in maintaining integrated internal controls

The Board Audit Committee (BAC) of BRAC Bank receives reasonable assurance from its independent Internal Audit Department that the strategic objectives set by the Board, including operational efficiency, disclosure, integrity of financial/non-financial information and compliance with applicable laws and regulations are consistently maintained.

Embedding the culture of compliance and control awareness in the organisation and driving awareness around roles and responsibilities among all levels of co-workers comprise a key thrust area that enables BAC to achieve its strategic objectives.

Within this purview, BAC's oversight role comprises a consultative process in helping overcome systemic shortcomings and initiating appropriate disciplinary proceedings in case of compliance failures.

During the year 2022, BAC conducted 8 meetings to review summary reports on:

- Internal audits
- Investigations
- Surprise/spot inspections
- Regulatory inspections
- Statutory audits

Through a detailed review of these reports, the committee strengthen control compliance, enforced stronger process supervision and articulated fresh directives to address process violations. Through ongoing stakeholder liaison, BAC set forth instructive guidelines to address primary issues, while identifying inconsistencies with a focus on course-correction.

Statement on Audit Committee's role in ensuring compliance with applicable laws and regulations

As regulatory compliance is a direct function of awareness and effective interpretation & communication of regulatory requirements, BAC evaluates awareness levels on compliance through review of internal audit reports, while recommending changes or transfers, or training of human resources. Moreover, as per the suggested regulatory guidelines, BAC reviews internal policies prior to their adoption or update to ensure full accord. BAC is also regularly briefed by Internal Control & Compliance Division (ICCD) on regulatory updates.

Statement on Audit Committee's supervisory role in facilitation of statutory audit

Financial reporting integrity is a fundamental part of our culture, ensuring operational sustainability, while reinforcing our case as a viable business. In this remit, BAC places emphasis on independent reviews and responsible statutory audit services. As part of this focus, BAC, during 2022, conducted the following activities:

- Reviewed performance of external auditor
- Reviewed the management letter from statutory auditor and management responses provided against them
- Recommended appointment/re-appointment of statutory auditor(s)

Statement on Audit Committee's activities to ensure integrity in financial reporting and associated disclosures

Aligned with its supervisory role of ensuring integrity in financial reporting and disclosure, BAC adopts applicable financial reporting standards and ensures consistency in application. In doing so, BAC carried out the following tasks during 2022:

- Reviewed the quarterly, half-yearly and annual financial statements, and determined their accuracy and consistency with financial reporting standards recommended by regulatory authorities
- Reviewed issues with potential impact on the integrity of financial/non-financial reporting and disclosures

- Discussed summary reports on internal audits, investigations, surprise/spot inspections, regulatory inspections and statutory audits. These enabled early identification of any fraud or irregularities in operations
- Reviewed financial statements with statutory auditor and regulatory inspection teams in tripartite meetings prior to finalisation
- Reviewed statement on significant related-party transactions, as forwarded by the management
- Monitored operations in line with pre-determined budgets through internal audit reports and reviewed deficiencies, while placing constructive recommendations for regaining appropriate controls

Beyond these responsibilities, BAC also reviewed reports on fraud and forgery.

It also reviewed ICC Policy, Audit Policy, Audit Manual, Compliance Policy, Monitoring Policy and Concurrent Audit Policy updates prepared by ICCD. These policy documents were recommended for Board approval and were subsequently approved by the Board. BAC also advised action in critical investigations, process/ policy reviews, evaluation of operations, etc., as per its judgment.

In 2022, ICCD focused on continuous professional development. Various technical and professional trainings were arranged for ICC officials. As many as 3 new professionals were recruited during 2022 to further strengthen the resource pool.

Through these activities, BAC fulfilled its role and responsibilities, as mandated by the regulator, during the year 2022.

On behalf of the Audit Committee,

Farzana Ahmed
Chairman, Board Audit Committee



SUSTAINABILITY & BRAC BANK

Values-based Banking

Together towards Prosperity

We live in a world that is more conscious about sustainability and environmental issues. Climate change is one of the most discussed global issues now and rightly so. This is an issue that is intertwined with our lives and the works that we do as a global citizen. The magnitude of the issue and its big impact necessitate collective effort.

Being a corporate entity, it is our utmost responsibility to act responsibly towards building a sustainable world that we all share. BRAC Bank is a mission driven bank that was established by Sir Fazle Hasan Abed KCMG with the vision of serving the unbanked small and medium-sized enterprises (SMEs) for building an inclusive society. By pioneering SME financing, BRAC Bank has significantly contributed to the advancement of financial inclusion in Bangladesh, which itself is an example of sustainable financing.

The bank's purpose is to build a socially responsible financial institution focused on market and business with growth potential, thereby assisting its parent organization - BRAC - and its stakeholders to build a just, enlightened, healthy democratic and poverty free Bangladesh. This mission statement encapsulates the very essence of values that the bank stand for.

Values-based banking sets the guiding principles of the bank's banking operations and social initiatives. Its business practices are aligned with the 3P philosophy consisting of People, Planet and Prosperity. Values-based banking entails social and environmental considerations into financing decision. It involves promoting sustainable development, social justice, and ethical practices.

For BRAC Bank, incorporating values-based banking into its strategy has helped the bank align its business practices with its mission and values. As a value-based organization, the bank strives to elevate the lives of people through pro-people, pro-planet and pro-prosperity interventions. The bank passionately works to fulfill the United Nations Sustainable Development Goals (SDGs) through its capacity of a market operator in banking and financial sector. It strives to play a role in reducing carbon footprint and contribute to society's value. The bank's affiliation with the Global Alliance for Banking on Values (GABV) provides inspiration and guidance in its sustainability journey.

BRAC Bank will continue to focus on sustainable financing and social interventions in a way that catalyzes sustainable development, social equity and ethical conduct.



M Masud Rana FCA
DMD and Chief Financial Officer
Chairman, Sustainable Finance Committee

Sustainability & BRAC Bank The Year 2022

The banking industry plays a critical role in promoting sustainability by providing financing and investment opportunities for projects and initiatives aimed at reducing environmental impact and promoting socio-economic development. As one of the leading banks to commit to the vision 2030, BRAC Bank promotes sustainability by developing and promoting sustainable financial products. Additionally, BRAC Bank is putting effort to integrate environmental, social, and governance (ESG) criteria into our lending and investment decisions to ensure that they are aligning with sustainable development goals. Moreover, we are also adopting sustainability practices internally, such as reducing their own carbon footprint and increasing diversity and inclusion in the workplace.

Why we value sustainability

Responsible Business Practices

We adopted sustainable practices to demonstrate corporate responsibility and ethical business practices.

Long-term Business Resilience

By taking sustainability into consideration, we can improve our long-term financial performance and resilience in a rapidly changing environment.

Meeting Customer Demands

As more and more customers seeking out environmentally and socially responsible products and services, we can attract and retain these customers prioritizing sustainable banking practices.

Addressing Global Challenges

We can help address global challenges such as climate change, social inequality, and resource depletion by financing and investing in sustainable initiatives.

Complying with Regulations

We are partnering with government to achieve long-term sustainability goals.

Overall, sustainability is becoming increasingly important for the banking industry and banks which prioritize it, can enjoy both business and societal benefits. In line with it, BRAC Bank is deeply committed to a values-based financing model where sustainability and profitability are blended together to generate the maximum socio-economic impact.

Our aspiration....

I never thought that you can do good only by non-profit activities
YOU CAN DO GOOD ALSO BY DOING BUSINESS.

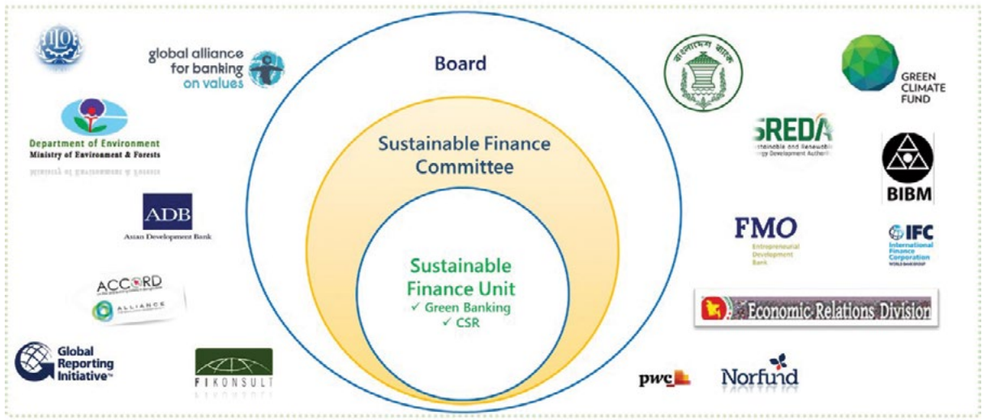
-Sir Fazle Hasan Abed, KCMG



To BRAC Bank, Sustainable Banking is a value-based banking model where sustainability and profitability are balanced together to create maximum socio-economic impact.

ESG Structure of the Bank

Having a strong ESG structure in place helps us to identify and manage sustainability-related risks, comply with regulations, and meet the expectations of customers, investors, and other stakeholders. Adhering to the terms of reference laid out by Bangladesh Bank's prudential guideline SFD Circular No. 02: Formation and Formulation of Terms of Reference of Sustainable Finance Division in Banks and Financial Institutions dated December 12, 2016, Sustainable Finance Unit under Risk Management Division works as a specialized function and focuses on integrating environmental, social, and governance (ESG) considerations into the bank's operations, investments, and financial products. The Sustainable Finance Committee comprising the senior management of the bank serves as the apex authority, supervising all of the bank's sustainability activities under the guidance of the Board. Our sustainability activities are channelled in two separate areas: Sustainable Banking & Corporate Social Responsibilities, both aiming towards the same mission of promoting values-based banking model and working towards transforming banking for a sustainable future.



BBL Board approved E&S Safeguard Policy

Our approach towards sustainability

In the year 2022, BRAC Bank has taken a more proactive and comprehensive approach towards sustainability, recognizing the benefits it can bring to the financial sector and to society as a whole. The Bank's business strategies and performance parameters are significantly aligned with achieving the 17 UN Sustainable Development Goals of our country. BRAC Bank, a strong believer of the principles of People, Planet and Prosperity, is actively contributing to help our country mitigate the adverse impacts of environmental degradation & climate change, putting people's wellbeing at first. As a proud member of UNGC (United Nations Global Compact) and GABV (Global Alliance for Banking on Values), we follow a banking model that prioritizes social and environmental sustainability in addition to financial performance. It is based on the belief that our role goes beyond just maximizing profits, and that it should also contribute to the well-being of its stakeholders and the wider community.

We prioritize

Responsible lending

Lending practices that prioritize environmental and social impact, as well as financial return.

Sustainable investments

Investing in sustainable initiatives, such as green industry, waste management initiatives and energy-efficient projects that have both positive financial returns and positive environmental and social impacts.

Stakeholder engagement

Engaging with customers, employees, investors, development partners and other stakeholders to understand and respond to their sustainability needs and expectations.

Transparent communication

Communicating the bank's sustainability performance and policies, including thorough regular regulatory reports and ESG ratings coming from credit rating agencies.

Internal sustainability practices

Adopting sustainable practices internally, such as reducing the bank's carbon footprint, increasing diversity and inclusion in the workplace, and managing waste and energy usage.

BRAC Bank aims to create value for all their stakeholders, not just shareholders. By prioritizing sustainability, we are enhancing our reputation and brand image, attracting and retaining customers, improving their long-term financial performance, and contributing to a more sustainable future.

Our pillars for Sustainable Banking

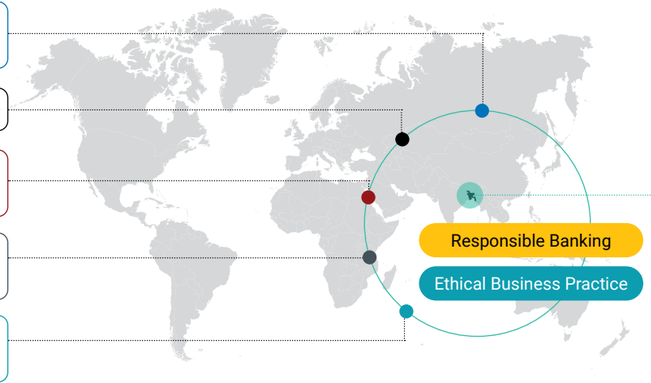


39 +1 PRIORITY INDICATORS





- Real economy financing for financial inclusion
- Digital Transformation
- Environmental Protection & Climate Change
- Diversity & Inclusiveness through Woman Empowerment
- **"Leave No One Behind"** CSR approach



Our Journey towards Sustainability

July 7, 2019
Approval of USD 4.2M GTF fund from BB

Oct 14, 2019
Piloted first ever UNGC SME Toolkit

Feb 12, 2021
Partnership with ADB to launch new ESRM tool for Trade Finance

July 19, 2022
Issued affordable housing bond of USD 50M subscribed by IFC

May 15, 2019
Became the Executing Entiry of USD 150M Green Climate Fund Project

Mar 4, 2019
Climate Change Commitment with GABV

Feb 27, 2019
Became a signatory to UN Global Compact

Feb 22, 2016
Partnership with IFC PaCT & Launced "Planet Solution"



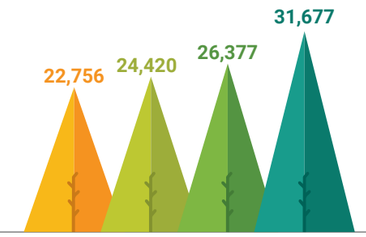
One of Top10 Sustainable Bank for 2 consecutive years

Highest graded ESG performer Bank of the country

Overview of Sustainable Finance Portfolio:

Sustainable Finance Disbursement 2022

(BDT in Mn)



Quarter 1 • Quarter 2 • Quarter 3 • Quarter 4

Portfolio Mix FY'21



Portfolio Mix FY'22



Achievement against BB targets

Year 2022	Sustainable Finance	Green Finance
Bangladesh Bank Target	20%	5%
Our Achievement	23.4%	5.8%
Industry Average	8-10%	1.5-2.5%

Contribution to the SDGs through Sustainable Banking

BRAC Bank is one of the major contributors of Sustainable Taxonomy as per the new SFD Circular No. 05: *Sustainable Finance Policy for Banks and Financial Institutions* dated December 30, 2020 by Bangladesh Bank. To ensure sustainable recovery from the pandemic with commitment towards national 2030 agenda for sustainable development, BRAC Bank, under its unique Sustainable Finance product umbrella called "Planet Solution", has extended 360 degree value propositions to the CSMEs and large corporate customers. This has helped the CSMEs and the corporate customers to adopt eco-responsible initiatives to find more green alternatives, thus contributing heavily towards the sustainable development of the country.

SDG mapping with Sustainable Finance portfolio of BRAC Bank Limited			
Disbursement Segment	**Disbursement amount (BDT in Mn)**	**Client Segment**	**SDG mapping**
Green Finance and other Sustainable Linked Finance	72,346	Leadership in Energy and Environmental Design (LEED) certified Green Industry	9, 11, 13 Indirectly 8
		Energy & Resource Efficiency	7, 13 Partially 9
		Waste Management (ETP/WTP)	6, 13 Partially 11
		Renewable Energy	7, 13
Sustainable Agriculture	5,772	√ Crops √ Irrigation equipment √ Agro-equipment √ Live-stock and poultry farming √ Fisheries √ Grain Storage and marketing √ Poverty Alleviation	1, 2, 5, 13
Sustainable CMSME	6,161	√ Herbal cosmetic manufacturing industries √ 100% local ingredients-based milk processing industry √ Handicrafts, Handloom and alike √ Agro feed manufacturing industry √ Jute made products manufacturing industry √ Unani/Ayurvedic/Homeopathic manufacturing industries √ Rice processing industry √ Agro equipment manufacturing industry √ Production of bio pesticide, production of organic fertilizer √ (Bran wood projects √ Horticulture processing industry	5, 8, 9, 11, 12
Socially Responsible Finance (SRF)	20,951	√ Financing/Investment through MFI(MRA Regulated)/NGO(Govt. Approved) Linkage Mode for capacity building, employment generation including self-employment √ Financing in trading of green and agro products using ICT/online/e-business platform (as recognized by Bangladesh Bank)	6, 7, 9, 13, 15

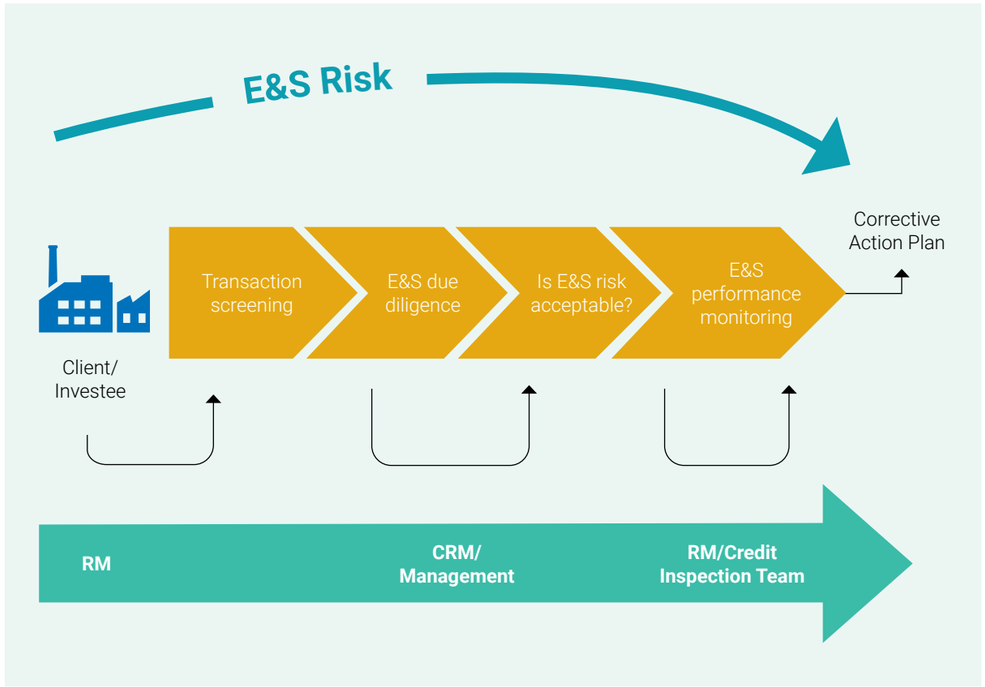
Alignment with the UNGC principles

UN Global Compact principles	BRAC Bank's alignment
8: Elimination of forced / compulsory labour 6: Elimination of discrimination with respect to employment	* Respect for human rights at all times * Fair and meritocratic workplace environment * Conscious promotion of inclusion and diversity
3: Upholding freedom of association	* Time-tested belief that education can bring forth life transformation * Initiatives in education, especially among the underprivileged communities * Prioritised emphasis on education of the girl child
6: Elimination of discrimination with respect to employment	* Promotion of workplace inclusion and taking a no leniency stance on any infringements * Exclusive women-centric activities and gender sensitisation initiatives * Internal TARA (Women) forum/platform for enabling open discussions
8: Initiatives to promote greater environmental responsibility 9: Adherence to environmentally-friendly practices	* Dedicated sustainable finance desk at selective branches * Measuring carbon footprint
8: Initiatives to promote greater environmental responsibility 9: Fostering environment-friendly practices	* Responding to climate change via sustainable finance for renewable energy projects * Dedicated sustainable finance desk at selective branches * Focusing on promoting digital banking
3: Upholding freedom of association 10: Working against corruption	* Open, transparent and meritocratic work culture * Stringent code of conduct, anti-bribery policies * Increasing workplace flexibility, especially driven by the pandemic
7: Support to prevent environmental degradation 9: Promotion of greater environmental responsibility	* e-communication against paper-based correspondence * Digital banking that helps minimise use of paper * Concerted efforts for reduced usage of plastic * Awareness creation around judicious electricity, paper and water usage
7: Support to prevent environmental degradation 8: Greater environmental responsibility	* Prioritised lending to businesses associated with clean and green energy * Credit preference to businesses establishing environmental protection assets
3: Upholding freedom of association	* Cooperative partnerships-driven approach to social responsibility programmes to ensure higher and more sustainable impact * Strength of partnerships yields sustainable and sustained social value

Alignment with the GABV Principles

GABV Principles	BRAC Bank's alignment
Principle 1: Social and environmental impact and sustainability are at the heart of the business model	▪ BRAC Bank does not finance to projects that are detrimental to the environment, such tobacco, ship breaking, tannery etc.
Principle 2: Grounded in communities, serving the real economy and enabling new business models to meet the needs of both	▪ The bank maintains long term relationship with its customers providing repeat loan to majority of the client base. ▪ The bank prefers financing manufacturing rather than trading, capital market or derivative market, as it focuses on real economy creating job and making lasting impact on people and society.
Principle 3: Long-term relationships with clients and a direct understanding of their economic activities and the risks involved	▪ The bank's Relationship Managers maintain close contact with the customers, visit their places regularly for assessing the condition of their business.
Principle 4: Long-term, self-sustaining, and resilient to outside disruptions	▪ The bank maintains a diverse asset and liability portfolio in SME, Corporate and Retail segments to minimize the risks. ▪ The bank keeps updating its business continuity plan and revisiting its risk management frameworks to subdue impact of outside disruptions.
Principle 5: Transparent and inclusive governance	▪ Good corporate governance, transparency, ethics and compliance are cornerstone of the bank's business model.
Principle 6: All of these principles embedded in the culture of the financial institution	▪ GABV Principles are embedded in the value system of the bank.

Environmental & Social Obligations



As one of the leading ESG performer bank of the country, BRAC Bank is committed to sustainable business practices and has implemented an Environmental and Social Risk Management (ESRM) system to ensure responsible banking operations. Our ESRM system aims to identify, assess, and manage environmental and social risks associated with the bank's operations and investments. It covers a range of issues such as climate change, natural resource management, human rights, labor standards, and community development. The ESRM system is integrated into the bank's lending processes and is subject to regular internal and external audits to ensure compliance with relevant regulations and standards.

While managing environmental and social risks and impacts associated with the loan, the relationship managers as well as the credit officials are primarily responsible for E&S due diligence and monitor clients' E&S performance after the E&S categorization and disbursement of the loan. Additionally, BRAC Bank also has a separate credit inspection team to monitor the clients' overall performance where E&S issues are of major concern. To enhance the capacity and manage the E&S risks associated with it, officials of Sustainable Finance Unit (SFU) regularly participates in various capacity building sessions, seminars, workshops and arranges in-house sessions for business RMs/credit officers for enhancing their capacity to deal with E&S issues.

To promote transparency as a responsible bank, BBL has also established an Environmental & Social Grievance Redressal Mechanism, through which any individual, group or community harmed by environmental or social incidents caused by BAU activities can file a complaint to the higher management of the bank for proper facilitation and prompt solution orientation. SFU is also responsible for ensuring the overall implementation of ESMS within the bank as per the E&S Safeguard Policy. Our ultimate goal is to minimize the potential negative impacts of our financing activities on the environment and local communities, and to promote sustainable development.

Environment Related Initiatives

BRAC Bank has taken several initiatives to promote environmental sustainability and address environmental issues in its operations and in the communities it serves. Some examples include:

Energy Efficiency

BRAC Bank has taken steps to reduce energy consumption in its own operations and to promote energy efficiency in its lending activities.

Renewable Energy

The bank has supported the growth of renewable energy in Bangladesh, exploring financing opportunities to renewable energy projects such as solar and wind power.

Green Banking

BRAC Bank has established a Green Banking Unit to promote environmentally-friendly practices in its operations and to educate its stakeholders on the benefits of sustainable banking.

Carbon Footprint Reduction

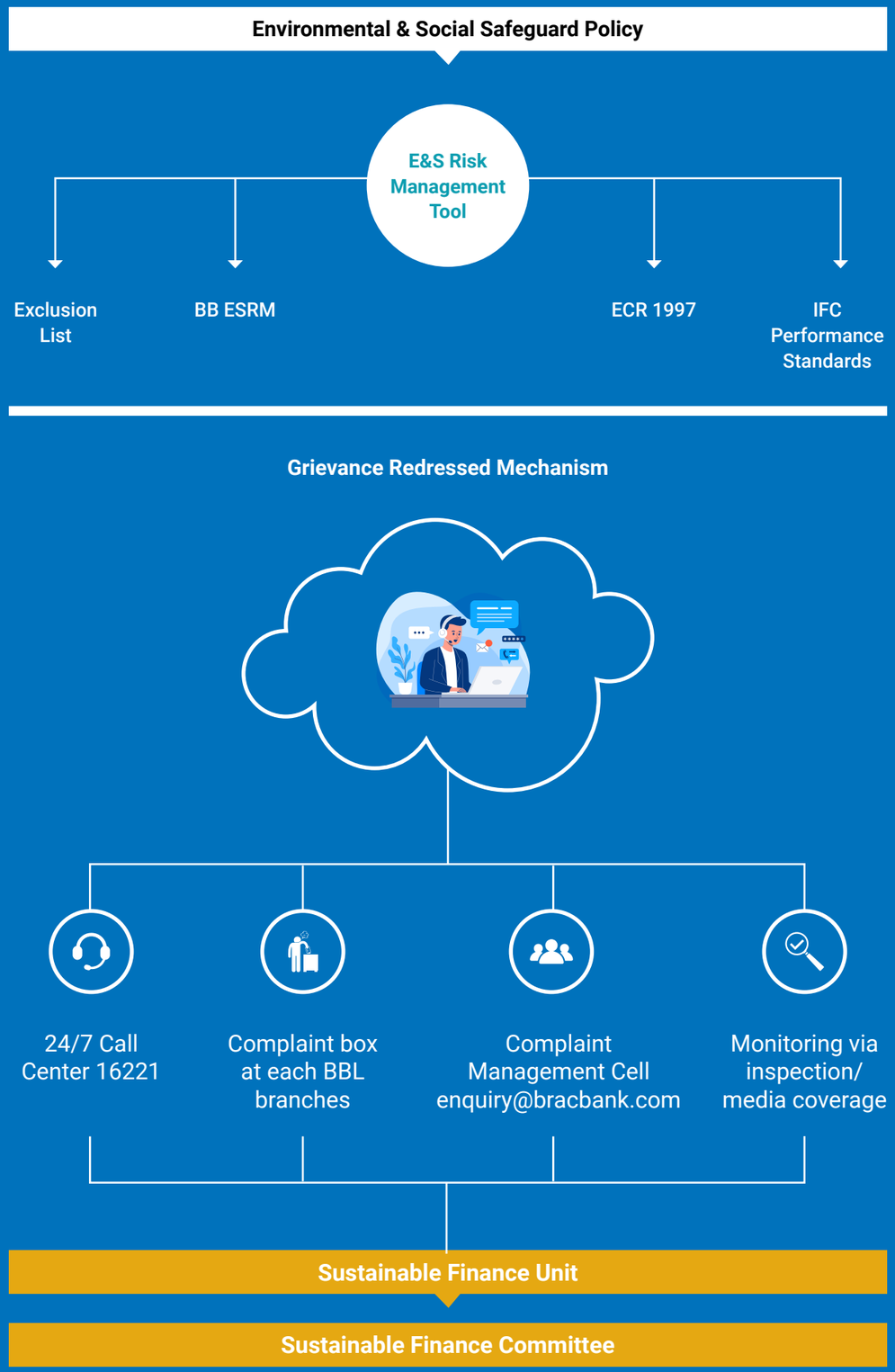
The bank has set a target to reduce its carbon footprint as per its 3C commitment with GABV and is implementing measures to minimize greenhouse gas emissions from its operations.

SDG Young Pioneer

Officials of BRAC Bank regularly participates in environmental awareness campaigns and workshops to educate its stakeholders on the importance of environmental sustainability. In line with that, 2 of our officials from Agent Banking umbrella has successfully completed the SDG Young Pioneer program offered by Global Compact Network Bangladesh.

BRAC Bank continues to implement and expand its green initiatives to promote greater environmental & social sustainability.

- Green Climate Fund: Partnership with IDCOL as the Executing Entity of USD 150 M GCF project for textile and RMG industries.
- Piloting ADB E&SToolkit with TSCFP team for Supply Chain Related transactions
- Sourcing alternate green fund for enhancing contribution towards direct Green Financing
- "Equitable and Sustainable WASH Services in Climate Hotspots of Bangladesh" project in partnership with Embassy of Nertherlands, BD



Danida's "Safe water for all" project in partnership with BRAC UK, BRAC WASH, Groundfoes A/S & Hydro Industries Ltd

Sustainability Reporting under GRI Standards and Guidelines

In house green initiatives



Corporate Social Responsibility

Towards an Inclusive Economy

As a member of the BRAC family, the largest NGO in the world, BRAC Bank follows a values-based approach in its actions. The bank was established to introduce small ticket loans to SMEs, specifically bringing grassroots entrepreneurs under formal banking services. This has significantly contributed to the advancement of financial inclusion in Bangladesh.

BRAC Bank envisions an inclusive economy that will lead to improved economic growth, social outcomes, business performance, and social responsibility. To that end, some of our key contributions have been presented below:

CMSMEs Financing (refer to page 26 - Message from the Chairman for details)

Inclusion of a female Management Committee member

BRAC Bank TARA - 1st comprehensive banking solution for women (refer to page 192, 202 – Divisional Overview - SME Banking/ Retail Banking for details)

Arranged "Uthan Boithak" – an initiative to promote financial literacy (refer to page 225 – Division Overview – Alternate Banking Channels for details)

Held "Customer Meets" with Probashi Banking clients (refer to page 202 – Divisional Overview - Retail Banking for details)

Initiated awareness campaigns in the UAE, South Korea, Malaysia, and other countries to encourage wage earners to send remittance through formal channels and spend wisely.

Partnered with agri-fintech start-up iFarmer (refer to page 192 – Divisional Overview - SME Banking for details)

Signed joint venture agreement with iDE (refer to page 192 – Divisional Overview - SME Banking for details)

Participated as a platinum sponsor in the Krishi Utshob (refer to page 192 – Divisional Overview - SME Banking for details)

Towards an Equitable Society

At BRAC Bank, our philosophy is to help people prosper. We have evolved along with the goals and aspirations of our nation and its people, enabling and reassuring Bangladeshis as they work toward their goals. Our comprehensive suite of banking products and solutions has been tailor-made to suit the needs of our customers, as they journey through each phase of their lives.

BRAC Bank strives for a diversified, equitable and inclusive work environment to demonstrate that the organization is open to fresh ideas and perspectives. This in return, enhances satisfaction and boosts the loyalty of co-workers. To further emphasize its commitment to cultivating diversity, equity, and inclusion (DEI) in the workplace, BRAC Bank hosted a panel discussion on 'Diversity, Equity, and Inclusion in Banks' in collaboration with American financial powerhouse J.P. Morgan Chase & Co. BRAC Bank is the first bank in Bangladesh that actively recruited transgender and persons living with a disability. As a values-driven organization, the bank believes in protecting all its stakeholders, including the co-workers and the community it works in, from all forms of harassment, abuse, neglect, exploitation, and discrimination. While recruiting people, BRAC Bank encourages applications from any gender-diverse individuals and persons with a disability.

BRAC Bank is one of the leading employers in Bangladesh's banking sector and a significant talent recruiter, with 7,800 Full-Time Employees (FTEs). The bank's prestigious recruitment program, the Young Leaders' Programme (YLP), hired a record number of graduates in 2022. In order to support its strategic goal of doubling the business during the next four years, the bank recruited a team of 80 candidates.

The Young Leaders were chosen after a thorough screening procedure that included several tests, including personality profiling, psychometrics, and two-step interviews done by experts. Before this particular push to inform the country's Young Leaders, BRAC Bank also held many career talks with the top universities in the nation in the run-up to the recruitment.

In 2022, BRAC Bank joined hands with BRAC Skills Development Program (SDP) to create employment opportunities for the country's youth. BRAC SDP provides skills training and employment-related support to young people across Bangladesh, focusing particularly on people living in vulnerable and hard-to-reach areas. This partnership enables BRAC Bank access to a trained pool of fresh graduates for a job opening in the bank.

BRAC Bank has launched a loan program for persons engaged in a noble profession like teaching as part of its commitment to social responsibility, with the assistance of the Directorate of Secondary and Higher Education (DSHE). The bank has made it easy for MPO-listed teachers to purchase laptops through its Digital Personal Loan – a first-of-its-kind initiative in Bangladesh.

BRAC Bank collaborated with Robi Axiata Limited, one of the top telecom companies in the country, to provide SMEs with digitized solutions to help them grow their businesses. While Robi's SME clients would enjoy preferred banking services from BRAC Bank, the bank's SME customers could take advantage of preferential services from the telecom, including Corporate SIM connections, Voice and Data Packages, Digital Marketing Solutions, Hotline Services, and Business Management Solutions.

Apart from this, BRAC Bank has allowed its SME customers to enjoy transactions without fees from non-BRAC Bank ATMs (in more than 12,500 ATMs across the country). This would benefit more than 3.65 lakh SME customers as the bank bears the BEFTN charge of BDT 15 per transaction in other banks' ATMs.

BRAC Bank introduced 'Agami Personal Loan' in 2022 as a new, specially designed product to help parents and guardians fund their children's higher education. This was the first loan product offered by BRAC Bank to assist students in Bangladesh and abroad pursue higher education. It is a part of the bank's 'Agami Student Banking Services', which offers bank accounts, FD and DPS schemes, study-abroad credit cards, student files, and student loans to meet the financial needs of school, college, and university students.

At BRAC Bank, corporate social responsibility (CSR) and citizenship is embedded deep in our value system. Our focus on people and planet go hand-in-hand in our pursuit of a commercial profit. Late Sir Fazle Hasan Abed, KCMG, founded the bank with a vision of financial inclusion; of bringing the unbanked grassroots, especially the SMEs, into the formal folds of banking to transform lives and livelihoods. Through his vision and focus he pioneered the establishment of a commercial institution with a social inclusion agenda, and thus BRAC Bank today remains as a deeply public-facing bank that embodies and advances the socio-commercial aspirations of the people of the country.

In addition, the bank focuses on women's education, persons living with disabilities, and the environment as part of its CSR programmes.

Towards a Sustainable World

The core tenet of BRAC Bank's corporate social responsibility aligns with the "3Ps" (People, Planet, Prosperity) philosophy, which is reflected in the vision presented by our late founder Chairman and instilled across the entire organization. As a result, we are committed to sustainability and take ownership of the social transformation credo because we understand the importance of ethical business practices for the long-term success of our stakeholders and our company. Our efforts to integrate sustainability into our operations are driven by the needs of the people we serve, including our customers, environment, co-workers, and community. This is in keeping with our profound commitment to embracing a humanizing approach in banking.

BRAC Bank has been named one of Bangladesh's top 10 sustainable banks by Bangladesh Bank for two consecutive years. Besides, Bangladesh Institute of Bank Management (BIBM) and The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) also recognized BRAC Bank as one of the top sustainable banks for its exceptional performance in sustainable financing, environmental protection, social transformation, climate change, and contribution to the sustainable development goals (SDGs).

The banking industry plays a crucial part in supporting sustainability by offering funding and investment opportunities for projects and initiatives aimed at decreasing environmental impact and advancing socioeconomic development. BRAC Bank encourages sustainability by developing and marketing sustainable financial solutions as one of the major banks to commit to vision 2030. BRAC Bank is also working to incorporate environmental, social, and governance (ESG) aspects into investment and loan choices to ensure they align with sustainable development goals. Also, we are implementing sustainability practices internally, such as lowering individual carbon footprints and boosting inclusiveness and diversity at work.

BRAC Bank has embarked on a zero-waste policy regarding using paper in the workplace. In 2022, the bank initiated a paper recycling process, styled 'Every Page Matters', as part of its environmental commitment. The bank recycled 135 tonnes of paper, including old, outdated, and waste papers, by converting them into essential items such as clipboards, boxes, notebooks, cartons, etc. As part of scaling up the initiative, the bank collects unusable papers from its offices across the country and un-reusable outdated printed ones from its store and handovers them to the recycling partner.

Following Bangladesh Bank's new SFD Circular No. 05: Sustainable Finance Policy for Banks and Financial Institutions, dated December 30, 2020, BRAC Bank is one of the significant contributors to the Sustainable Taxonomy. BRAC Bank has offered 360-degree value propositions to CMSMEs and large corporate customers under its unique Sustainable Finance product umbrella called "Planet Solution" to ensure a sustainable recovery from the pandemic and commitment to the national 2030 agenda for sustainable development. By facilitating these clients in adopting eco-responsible initiatives to find more eco-friendly alternatives, they have significantly aided in the nation's sustainable development.

At the bank, our overall aim under CSR is to achieve a positive and enduring impact on society while maximising shared value creation for stakeholders associated directly and indirectly with the bank. We thus prioritise a long-term focus with medium-term pursuits, looking at fostering a sustainable impact on the people and society.

When it comes to realizing our potential to foster a strong developmental impact that is anti-poverty, anti-deprivation, and anti-socio-environmental degradation, BRAC Bank's role in ensuring financial stability is fundamental. As a result of its advantageous position, our bank is well-positioned to tackle some of the most significant issues that a rising nation like Bangladesh must deal with. Yet, we take pride in supporting Bangladesh to improve some of its most important social indices on the world ranking table, placing the nation well for its aim to become a middle-income nation.

At BRAC Bank, we take pride in offering banking services that significantly influence the economy, society, and

environment. Additionally, as a values-based bank, we adhere to the comprehensive "3P" philosophy, shown in our desire to gauge value on a level beyond purely financial results. We monitor ourselves and our impact using the SDGs because we are conscious of our obligations to society as a respected banking organisation. Consequently, aligning our socio-commercial effect with SDGs represents our primary goal of making a difference in the lives of people, communities and societies.

Our sustainability strategy is based on our dedication to our native Bangladesh and was inspired by our late founder Sir Fazle. BRAC Bank is anchored in its history of generating shared value for the benefit of our clients, co-workers, and stakeholders. Being a part of a country with 166 million or more people and much work to be done in socio-commercial and socioeconomic development.

As a multi-stakeholder business model, we foster a net positive impact by being our stakeholders' responsible financial partner of choice. We thus combine our core attributes with the qualities that define us. Intending to be more responsive to our stakeholders' expectations, we have developed a strong framework for continuous stakeholder engagement.

This framework's main objective is to convey our sustainability philosophy and motivate us to incorporate holistic and inclusive growth principles into all we do to make everyday progress. We also strive to build a plan to direct the following stages of our sustainable journey with defined roadmaps, targets, and key performance indicators as part of our comprehensive process of establishing priorities. Stakeholder participation is a crucial component of our strategy creation process because we understand that the bank's financial performance depends on a strategy that produces favourable outcomes for the business, society, and the environment.

At BRAC Bank, our ethics, values and code of conduct are aligned with globally-recognised anti-corruption and anti-fraud principles and benchmark corporate governance practices. These support us in our quest to doing business purposefully and in the right way and also helps us to build holistic stakeholder trust.

Our employee training and engagement programmes emphasise assessing how they interact and engage with our clients and customers. This aligns with our ethics and values, ultimately influencing how our employees are evaluated for the key performance indicators (KPIs) and eventually rewarded.

By putting people at the front and centre of all that we do and acting consistently by our values and ethics, we will continue to build a sustainable future for generations. Our key pillars in this endeavour comprise the following:

Fostering responsible transition

- Developing sustainability-focused products and services
- Supporting the transition to a low carbon economy
- Ensuring systemic risk mitigation and control
- ESG integration in our credit decision-making process
- Engaging our people in sustainability
- Adopting ethical and upright conduct at all times

Enabling our communities with a blueprint for the future

- Empowering communities via a holistic focus
- Financial inclusion
- Ensuring climate Resilience
- Nurturing transparency and trust
- Assuring diversity, equity and inclusion

Ensuring that our own foundations are strong

- Governance and compliance
- Customer privacy
- Responsible supply chain management
- Saving precious natural resources like water, paper, etc.
- Minimising the environmental impact of our operations

Our CSR Initiatives

At BRAC Bank, we are inspired by our founder Sir Fazle Hasan Abed KCMG, to drive our corporate social responsibility endeavours. Sir Fazle established BRAC right after our independence. And since then, BRAC has worked to break the barriers to national development. As a member of the BRAC fraternity, BRAC Bank wants to carry the ethos of BRAC's works in its CSR programmes. We also believe everyone should be able to live a meaningful life.

BRAC Bank wants to break the financial barriers and social taboos, create opportunities and ensure access for people to realize their potential and live meaningful lives.

সম্ভাবনার পথে
সীমানা ছাড়িয়ে

- realize potential
- to live meaningful lives

- break the financial barriers
- break social taboos
- create opportunities
- ensure access

BRAC Bank is driven by its 3Ps: People-Planet-Prosperity. Serving the people and society and helping them prosper is at the heart of BRAC Bank's strategy - be it business or social initiatives. As a responsible bank, BRAC Bank has implemented policies and practices that incorporate social, environmental, ethical, human rights, and consumer issues into business operations and core strategy in close cooperation with stakeholders. In this course, we adhere to the CSR Guideline of Bangladesh Bank, the United Nations Global Compact principles and values of the Global Alliance for Banking on Values.

We are member/signatory of:

Global Alliance for Banking on Values

UN GLOBAL COMPACT

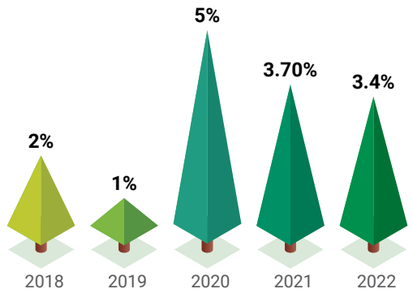
At the bank, our CSR investment approach is linked to our aspiration of developing high-impact social programs that together support people, society, and the planet. As one of the largest financial institutions in Bangladesh, we deploy our resources to make a difference in the communities in which we operate, both through our institutional capabilities and by encouraging our employees to volunteer their time, skills, ideas and efforts across our social service activities. Importantly, our social investments prioritise long-term projects aligned with the SDGs and guidelines from our central bank.

Our core CSR impact areas comprise healthcare, education, and environment and climate change.

CSR expenditure

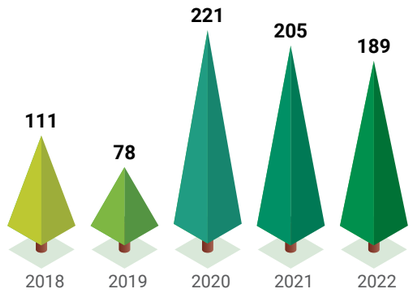
In the year 2022, BRAC Bank has spent BDT 188.5 million* for its CSR programmes which is 3.4% of its profit after tax in 2021 (BDT 5,547 million).

CSR expenditure as % of PAT



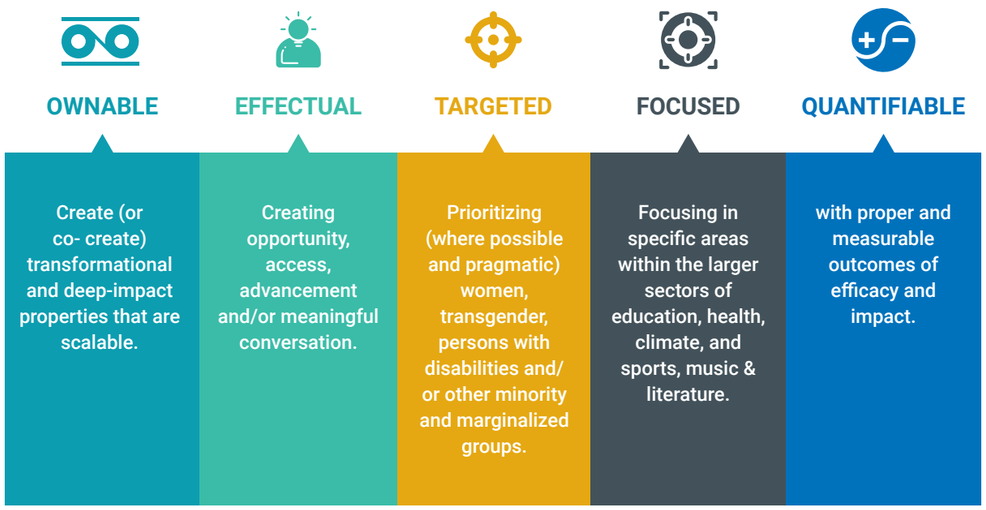
CSR expenditure over 5 years

BDT in Million



Strategic CSR Framework

BRAC Bank developed a strategic framework in 2022 to reflect its belief that everyone deserves the opportunity to live a meaningful life. BRAC Bank has identified targeted areas for its CSR initiatives that comply with the policy guidelines on corporate social responsibility for banks and financial institutions (SFD Circular No. 01; issued 09 January 2022). The strategic framework would enable the bank to implement better CSR initiatives.



Following the legacy of BRAC, BRAC Bank wants to create a positive impact in society through its ownable, effectual, targeted, focused and quantifiable CSR initiatives. This strategic framework will enable the bank to device more impactful and scalable CSR initiatives.

CSR initiatives in 2022:

Unleashing potential: Scholarship for students from low-income families

171 students

Awarded with the BRAC Bank-Prothom Alo Trust Adamya Medhabi scholarship

250 students

Received scholarship to pursue higher studies at the Faculty of Business Studies, University of Dhaka

BDT 1.15 crore

(5% of annual CSR budget)

Contributed to the Prime Minister's Education Assistance Trust.

BDT 1,000,000

Scholarship awarded to Ms. Rawyan Shayema, a young cinematographer, to support her in pursuing the Master of Fine Arts (MFA) programme at the American Film Institute (AFI).

BDT 1,000,000

Contribution to Bangladesh Scouts for organizing the 32nd Asia Pacific Regional Scouts Jamboree

Uddokta 101

In 2022, BRAC Bank conceived the third batch of "Uddokta 101," an innovative program for women entrepreneurs. It is the country's first comprehensive Entrepreneur Accelerator Program and a flagship project of the bank's women's banking service 'TARA'. In 2022, the project collaborated with BRAC Business School of BRAC University as its knowledge and training partner.

The rigorous program aims to help promising female business owners develop their leadership and entrepreneurial skills, enabling them to maintain and grow their companies. It will aid emerging female entrepreneurs in their quest for professional achievement. 34 deserving female entrepreneurs were chosen from a sizable pool of applicants for this third round of the program.

The 13-week course was held at the BRAC University Campus Mohakhali in Dhaka for three hours every Saturday. The training was performed in both classroom and outdoor settings to provide practical experience to create, sustain, and grow the business. Under the guidance of knowledgeable faculty from BRAC Business School and senior bankers from BRAC Bank, the entrepreneurs would spend the three-month training session diving deep into a business plan, record keeping, accounting, taxation, compliance, HR management, operations and supply chain management, e-business, export-import management, and fundamental aspects of business management.

BRAC Bank and BRAC University will conduct four batches of "Uddokta 101," with at least 30 women entrepreneurs each year. BRAC University will provide the resources, people, modules, research, and logistics, while BRAC Bank will cover 80% of the course fee from its CSR fund.



▲ *BRAC Bank in partner with BRAC University conducted women entrepreneur training 'Uddokta 101' from its CSR Fund.*

At the program's completion, each participant must create and present a business case and fundraising pitch before a panel of judges. Three winners would receive special awards. Also, they were permitted to display their goods at a three-day fair held on university property, which will assist them in raising awareness of and marketing their goods and services.

Supporting the Shitakundo Fire Victims through BRAC Limb and Brace Centre



'Disability and disability inclusion' is the main objective of BRAC Bank's CSR in Health.

On June 04, 2022, a fire and subsequent explosion at a container depot at Shitakundo, Chattogram, killed at least 47 people and injured more than 450. BRAC was among the responders to this accident and supported the victims through treatment and counselling. The BRAC Limb and Brace Centre (BLBC) identified five amputees and two burn victims who require long-term care and treatment.

BRAC Bank provided financial assistance of BDT 1,103,100 to BLBC to treat the seven identified victims.

BRAC launched BLBC in 2000 to support the physically disabled with rehabilitative aid, restorative assistance, and other supportive services. Since then, BLBC has been serving the disabled by providing artificial limbs and braces and offering recuperative physiotherapy services to accident victims who have lost their limbs and cannot walk without the support of crutches.



Responding to a call of humanity





A flash flood devastated the Sylhet region in June 2022. In addition to causing significant financial loss, it claimed six lives and uprooted about 3.68 lakh people. According to the evaluation report created by the District Relief and Rehabilitation Centre, the flood affected a 2,718 sq km region of 92 unions and wards under 13 upazilas of Sylhet. The flooding due to the country's north-eastern region's heavy rains and the onslaught of water from downstream Indian states of Assam and Meghalaya severely damaged roads, dams, crops, and homes. According to sources, 886 cattle worth approximately BDT 77.3 lakh and 48,000 poultry worth around BDT 1.45 crore were lost in the floodwaters. The devastating flood has also damaged cropland and seedbeds.

As part of corporate social responsibility, BRAC Bank contributed BDT 10 crore to the Prime Minister's Relief and Welfare Fund to stand beside Sylhet's flood-affected people. Faruq Mayeenuddin Ahmed, Director, BRAC Bank, on 27 June, handed over a pay order for BDT 10 crore to Dr. Ahmad Kaikaus, Principal Secretary to the Prime Minister, at a programme at Prime Minister's Office in Dhaka.



▲ *Faruq Mayeenuddin Ahmed, Director, BRAC Bank handing over the pay order to Dr. Ahmad Kaikaus, Principal Secretary to the Prime Minister, at a programme at Prime Minister's Office in Dhaka.*



In addition, the bank also contributed BDT 3 crore to 'Dakchhe Amar Desh' – BRAC's emergency flood relief programme. BRAC's BDT 25 crore relief work programme supported more than 52,000 families with food, emergency support and rebuilding.



To help the winter-stricken people in the northern region of the country, BRAC Bank donated 75,000 pieces of blankets to the Prime Minister's Relief and Welfare Fund. Prime Minister Sheikh Hasina received a token blanket from BRAC Bank Director, Faruq Mayeenuddin Ahmed at a ceremony at the Prime Minister's Office in Dhaka on 10 November 2022.

BRAC Bank-Samakal Literary Award

BRAC Bank and Daily Samakal launched the literary award in 2011 to inspire writers and litterateurs to further enrich Bangla literature with their creative works.

On 22 January 2022, BRAC Bank and The Daily Samakal organized the 1oth edition of the BRAC Bank-Samakal Literary Award where they announced the names of the awardees for 2019 and 2020. Speaker of the Jatiya Sangsad Dr. Shirin Sharmin Chaudhury MP addressed the programme as the chief guest. Due to COVID restrictions, the organizations did not hold the programme in 2019.

Six individuals, including Professor Serajul Islam Choudhury and researcher and UNB editor-at-large Afsan Chowdhury were awarded BRAC Bank-Samakal Literary Award for outstanding contributions to Bangla literature.



In 2019, Professor Serajul Islam Choudhury won the award for his book titled "Dikkhagurur Totporota" in the essay, autobiography, travel and translation category, poet Helal Hafiz won the prize for his book titled "Bedonake Bolechi Kedo Na" in poetry and novel category, Mozaffor Hossain won for his book titled "Pathe Bishleshone Bishwagolpo: Chutogolper Shilpo O Rupantor" in "Humayun Ahmed Young Writer" category.

For 2020, Afsan Chowdhury won the award for his book titled "1971 Gononirjaton - Gonohatya Kathamo, Bibaran O Porishar" (Genocide and repression: Structure and narrative) in the essay, autobiography, travel and translation category, poet Mohammad Rafiq won the award for his book titled "Pothik Poran" in poetry and novel category and Ranjana Bishwas for her book titled "Bangladesher Lokodhormo" in "Humayun Ahmed Young Writer" category.

Over a thousand books were submitted for the three categories of the award for these two years. From them, the three best books were selected for each year by a jury panel comprising Selina Hossain, Khalikuzzaman Elias, Biswajit Ghosh, and Abid Anwar.

Way Forward

As a values-based organization, BRAC Bank continues to prioritize on CSR initiatives that have lasting impact on the people and society. That's why the bank invests in long term CSR projects. The bank will form CSR partnerships based on long term goal. As per CSR strategy, the bank will focus on supporting female students for tertiary education to fulfil their higher education dream. As part of disability and disability inclusion initiatives, the bank will also focus on extending rehabilitation support to the persons living with disabilities in our society. It will allocate 30% of total CSR budget each in education and health sector as per Bangladesh Bank CSR guidelines. It will also scale up environment and climate change interventions.

While these are some of the unique ways in which we foster a deep socio-economic impact, we also strive to fulfill the sustainable development goals (SDGs) of the United Nations and the 2041 vision of the government that envisages a developed nation.

Anyone can send a CSR proposal to the BRAC Bank through email:
communication@bracbank.com

Report on the Going Concern Assessment

Going concern concept

Going concern is a concept that explains that an entity will be operating over the foreseeable future which, in the case of BRAC Bank, has been taken as 12-months from the date of approval of the financial statements.

Accounting standards require the management to assess whether the bank is able to operate over the estimative period. The Management has assessed the bank's viability to continue as a going concern, taking into account its current financial position, business prospects and significant risks. As part of this assessment, key factors considered include:

- Long-term business and strategic plans
- Future projections of profitability
- Risk profile and risk management practices, including the processes by which risks are identified and mitigated
- Results of internal and regulatory stress tests
- Liquidity and funding profile
- Wider political, economic and regulatory environment, including an uncertain geopolitical outlook

After making due enquiries, the Board is convinced that the bank has adequate resources to continue its activities over the foreseeable future, including meeting its growth objectives, and has sufficient capital buffers to enable it to meet its regulatory requirements, as set out by the Prudential Regulation Authority.

BRAC Bank's management has reached the conclusion that the financial statements for the year ended 2022 have been prepared on a going concern basis and considered the following major indicators:

a) Financial Indicators

Commitment to meeting our obligations

BRAC Bank has demonstrated a track-record in meeting its lender/depositor obligations, always respecting its credit commitments to lenders. Further, we have always maintained credible practices in our loans and other covenants and have never defaulted on these. These factors have contributed to us achieving a credit rating higher than the industry. Details about our credit rating can be found on page 302.

Consistent dividend pay-outs

BRAC Bank enjoys a proven track record of delivering consistent dividend pay-outs over the years. Aligned with this legacy, we have declared a total dividend of 15% (7.5% cash and 7.5% stock) for the year 2022, which also portrays the bank's positive forward outlook. Dividend declaration trend over the last 5 years is highlighted in below:

	2022	2021	2020	2019	2018
Dividend	15%*	15%	15%	15%	15%

* Proposed

Stable financial performance

In 2022, we continued to deliver financial results maintaining consistency similar to the past, evident in our financial statements (page 393 to 509) and financial highlights (page 156 to 170). This has been the primary basis for reaching the conclusion of our going concern status.

Cash flow forecasting

Cash flow forecasting is a critical procedure that we use to assess the going concern approach. It indicates whether the bank will have any cash flow challenges over the next 12 months. Positive operating cash flows indicate that the bank has no cash flow challenges, which is evident in our financial statements (page 407, 415).

Capital adequacy sustainment

As per Bangladesh Bank guidelines regarding Basel-III implementation, banks are required to maintain a capital-to-risk weighted ratio (CRAR) of 12.5% (including capital conservation buffer) of total risk weighted assets (RWA).

During 2022, BRAC Bank, both on a standalone and consolidated basis, maintained CRAR well above the minimum requirement of 12.5%. Details are given in note no. 18.8 of the financial statements on page 474.

b) Operational Indicators

Healthy and diversified business portfolio

At BRAC Bank, we have consistently grown in our credit portfolio, while remaining focused on maintaining portfolio strength and diversity, represented by our three core business segments – SME, Retail and Corporate. Our overall growth and portfolio mix are in the Directors' Report on page 145-150.

Our people resources and culture

In 2022, the bank recruited highly talented employees and provided 223,243 person-hours of training during the year. The average length of service of an employee at BRAC Bank was 7 years in 2022 (7 years in 2021). The average length of past service over the 5-year trend as per actuarial valuation report of Z. Halim and Associates has been presented below:

	2022	2021	2020	2019	2018
Average length of service (in years)	7	7	6	4	4

The above table portrays a healthy workplace environment at the bank with high employee satisfaction. Details of our human capital can be explored from page 235 onwards in this report.

Optimisation in perks

BRAC Bank did not seek to make any compromise or sudden withdrawals in health benefits, pension plans, or other perks during the financial gloom posted by pandemic and war in Ukraine. These indicate organisational solidity and sufficient liquidity to meet short-term obligations when they fall due, thus securing the bank's going concern position over the foreseeable future.

c) Other indicators

Governance is beneficial to all our stakeholders as it enables sustainable long-term value creation.

Robust governance standards and ethical conduct

Our Board continues demonstrating a deep commitment to strong effective oversight and governance. It remains instructive in facilitating the strengthening of the bank's governance structures, with the experience of the Board and the Management Committee helping maintain the highest standards of corporate oversight and control safeguards to protect the interests of all our stakeholders at all times. This allows the bank fulfil its functions as a responsible corporate citizen. More details are provided in the Corporate Governance Report from page 268 to 292.

Risk governance

At BRAC Bank, our Board is eventually responsible for effective risk management and expects every employee to adhere to our high standards to enable the bank to eventually achieve its vision of being the best bank in Bangladesh. Details of our risk management practices can be found from page 343 onwards in this report.

Our technological investments

Digital technology has been pivotal in driving financial inclusion across Bangladesh. It has emerged as the most vital tool for banks and financial institutions, as it helps bring banking to the doorstep or fingertip of customers, thereby enabling unparalleled levels of efficiency and a profound competitive advantage.

BRAC Bank has improved its operational and digital platforms via consistent technological investments. The bank continues accelerating its digital journey by introducing new app-based platforms, integrations and digital platforms for specific client needs. Some of the bank's key automation initiatives are unique, like "Astha-bKash QR integration", "Subidha" digital loan app, Document Management System, etc. This focus on ensuring a pervasive digital culture, positions us well for the future.

No legal proceedings

Currently, the bank has no legal proceedings against it, which includes any pending liabilities and penalties related to the violation of environmental or other laws. This also helps build on its status as a going concern.

No top management defections issues

Senior management defections generally speak adversely of an organisation; it's seldom good news. This is far from the case at BRAC Bank, as no top management defections have existed, pointing to a healthy corporate culture and environment.

Changes in government policy

BRAC Bank's management anticipates no significant changes in legislation or government policy, which may materially or adversely impact the overall industry and the bank.

Forward outlook

As BRAC Bank focuses on leading the transformation with its values-based banking, its pioneering positioning, along with its next-gen systems and processes and a deep and comprehensive product portfolio, makes us confident that the bank will remain an essential public institution and a national asset in 2023 and beyond.



RISK MANAGEMENT



Ahmed Rashid Joy, Head of CRM and Acting CRO

A robust and sustainable risk culture emphasize on enhancing risk control and strengthening risk governance. In 2022, we remained vigilant in identifying and addressing global and emerging domestic risk and we became agile in adopting efficient and effective risk measures to ensure organizational resilience in the face of those uncertainties.

From the Desk of Chief Risk Officer

Dear Shareholders,

Through this review of the Annual Report 2022, I am pleased to provide an update on BRAC Bank's inherent principal risk and emerging risk issues in the context of the global risk environment as well as how we managed those by the bank's superior risk management framework, policies and procedures.

While the world economy was making significant progress in its recovery from the COVID-19 pandemic, the conflict between Russia and Ukraine put that progress at risk. A rise in the global commodity prices by war induced supply chain disruption was observed which resulted in sluggish economic activities and therefore global macroeconomic prospect remains uncertain. Bangladesh is no exception, facing inflationary, liquidity and exchange rate pressures mainly due to these external shocks. Given the current situation in the economy, risk management oversight and maneuvering have moved into a position more critical for bank's success than ever before. In 2022 asset quality has been maintained, though we remained vigilant in the face of volatile markets. We continue to demonstrate resilience as evidenced by strong capital and liquidity metrics. Non-financial risks such as Fraud, Information and Cyber Security, Technology, People and Change Management remain heightened. We strengthened our operational defences against these risks and developed resilience through active enhancement programs.

We acknowledge that banking inherently involves risk-taking and undesired outcomes occur from time to time. However, we should learn from our experience and formalise what we can do to improve. We expect managers to demonstrate a high awareness of risk and control by self-identifying issues and managing them in a manner that will deliver lasting change. The Enterprise Risk Management Framework of BRAC Bank enables the bank to manage enterprise-wide risks, to maximise risk-adjusted returns while remaining within our risk appetite- the maximum amount and type of risk the bank is willing to assume in pursuit of its strategy. The Board is responsible for approving the risk appetite statement, underpinned by financial and operational control parameters known as risk appetite metrics and their associated threshold. Risk appetite is reviewed at least annually to ensure that it is fit for purpose and aligned with strategy, and focus is given to emerging or new risks. Risk appetite is supplemented by risk control tools such as granular level limits, policies, standards and other operational control parameters keep the bank's risk profile within risk appetite. Status against risk appetite is reported to the risk committees

namely Enterprise Risk Associate Forum, Executive Risk Management Committee and Board Risk Management Committee including the status of breaches and remediation plans where applicable. The risk committee is responsible for ensuring the effective management of risk throughout the bank and as such, roles and responsibilities for risk management are defined under the three lines of the defence model.

In 2022 we adopted a number of initiatives regarding data driven decision making and digital lending favouring BRAC Bank -

- We have initiated to place all the mandatory regulating risk reporting namely Risk Appetite Statement (RAS), Stress Test Report, Internal Capital Adequacy Assessment Process (ICAAP), Risk Based Capital Adequacy Evaluation, Comprehensive Risk Management Reporting (CRMR) etc. through BRMC to Board which reflects our scope beyond regulatory compliance perspective.
- Data Driven Policy making for CRM – through advanced data modelling and statistical analysis.
- Developed Interactive Web based Analytical platforms for Portfolio Risk assessment that can instantly generate Portfolio Status dynamically as well as Reports based on user's selection and interactions.
- Liquidation, processing, rectification and merging of all the scattered data of CRM through Data Science methodology and create a singular data repository to server to meet all the analytical needs of CRM department.
- Credit Card Application processing supported by Document Management System [DMS] has been adopted, which improved the bank's data management and storage capacity as well as eliminated the need for physical copy movement.
- Early Warning Software called LADA was launched to generate early alert on credit card portfolio in order to predict the probability of default against a credit card account.
- Developed Scorecard for data driven decision making on Credit Card applications. This scorecard is helping the credit underwriting team to get automated financing decision thus reducing the TAT.
- Through data driven decision making, BRAC Bank Ltd. launched one of the most coveted financial products in the country i.e. Digital Lending. Two digital personal loan schemes were introduced in 2022 for individual borrowers.
- Web-based interactive CRM Weekly Dashboard and KPI & Efficiency monitoring Dashboard have been developed.
- In addition, industry attractiveness evaluation has been executed through surveying the key persons in different sectors of Bangladesh.

At BRAC Bank, we manage and control our principal risk types (risks that are inherent in our strategy and business model) through distinct risk type frameworks, policies and board-approved Risk Appetite.

Risk type	Risk Mitigation and Management
Credit Risk	Our structured credit risk management process as second-line control function, responsible for independent challenge, monitoring and oversight of the credit risk management practices, performed exemplary to ensure that credit risks are properly assessed and transparent and credit decisions are controlled in accordance with the bank's risk appetite, credit policies and standards. We have defined end-to-end credit process, control and documentation process to ensure good asset quality. Even in the volatile global economy led by Covid-19 pandemic and Russia-Ukraine war, BRAC Bank showed its resilience on credit risk management keeping NPL at 3.72%, way below the industry average of 8.16% for the year 2022.
Market Risk	We have board approved policy procedures in place including limit setting, risk capture and measurement, limit monitoring and escalation, risk mitigation and stress testing among others. We set the limit as per internal capacity of bank besides regulatory threshold. Reportedly all key liquidity indicators i.e. LCR of 228%, NSFR of 118%, Leverage Ratio of 7.17% are well above regulatory threshold, which dictates the strong liquidity base of the bank.
Money Laundering & Terrorist Financing	The bank has adopted rigorous risk management framework to address the money laundering risk and combat the terrorist financing risk, which was eventually reflected in our core risk rating. The bank is heavily deployed in terms of quality human resources, tools and monitoring to cater this risk area.

	Risk type	Risk Mitigation and Management
	Operational Risk	We at BRAC Bank identified and designed all critical process in a way to reduce the operational loss amount of the bank. During 2022, the reported aggregate operational loss amount was BDT 0.08 crore, which was far below set appetite of the bank. A key development this year has been that all critical activities of the bank in scope for Business Continuity Management were checked to test the effectiveness of the Business Continuity Plan (BCP) and familiarize all involved parties with their respective roles and responsibilities. BCP drill went well on June 07, 2022 where a total of 105 people across 17 departments who performed 155 critical tasks. These critical tasks are vital to the bank's operational flow and could not be disrupted irrespective of any external situation. There was not reported any technical or infrastructural failure at any point. The network setup and logistics have been retained in the recovery site.
	Information and Cyber Security (ICS) Risk	We have board approved ICT risk appetite statement where we have set required threshold of every parameter and are well monitored. We have Cyber Fusion Centre (CFC), first in kind in the industry to address cyber security. Bank adopted number of time worthy initiatives during 2022 to address top rated ICT risk and there was no severe ICT incident where bank failed to manage it.
	Compliance Risk	We have appropriate processes and controls in place to address the compliance risk. Bank has no appetite for breaches in laws and regulations related to regulatory noncompliance. In 2022, we executed all regulatory submissions along with risk committee meetings in due time. Mention worthy, we have organized Annual Risk Conference'22 on 15th October 2022 in hybrid modality where 800+ staffs including Branch Managers (BM), Branch Operations Managers (BOM) and the officials related to risk issues, joined the conference remotely through ZOOM and others including Senior Management, High Officials from Bangladesh Bank and Board Members were physically present in BRAC Bank Head Office, Anik Tower. The conference was held with a view to comply with the regulation and create awareness among the bank staff regarding identifying risk on day-to-day banking activities as well as the effective way of mitigating those risks.
	Emerging Risk	Emerging Risks refer to unpredictable and uncontrollable outcomes from certain events which may have the potential to adversely impact our business. As part of our continuous risk identification process, we realized that notable emerging risks like Global Supply Chain Disruption due to crisis between Russia and Ukraine Inflation and Macroeconomic Uncertainty and Evolving Cyber Security Threats are concerns for the bank in coming days. We have initiated number of steps to address these risk factors namely thematic stress tests and portfolio reviews to assess the impact of extreme but plausible events and manage the portfolio accordingly. Vulnerable sectors are regularly reviewed and exposures to these sectors are managed as part of Credit Risk reviews. Sovereign ratings, exposures, outlooks and country risk limits are regularly monitored, and mitigating actions are taken as required. In addition, we also remained vigilant in monitoring geopolitical relationships. Increased scrutiny is applied when on-boarding clients in sensitive industries and in ensuring compliance with sanctions.

On an overall basis, at BRAC Bank, we foster a risk-aware culture premised on sound risk management techniques, thus reaffirming public trust in our institution, while also moving closer to our aim of becoming best bank in Bangladesh. Going forward, we will ensure that the bank's risk management framework continues to remain highly defensible to evolving external and internal developments, thereby expanding our institutional capabilities to create dependable long-term value for all.

Thank you for your continued faith in us. We really value it.

Sincerely,

Ahmed Rashid Joy

Risk Management Framework

BRAC Bank's risk management framework (as demonstrated in the figure below) articulates a holistic agenda for ensuring an effective and inclusive risk control throughout the organization at all times. This framework provides adequate, timely, and continuous identification, assessment, measurement, monitoring, mitigation, reporting & assurance of risks posed by its activities at the business line and bank-wide levels.

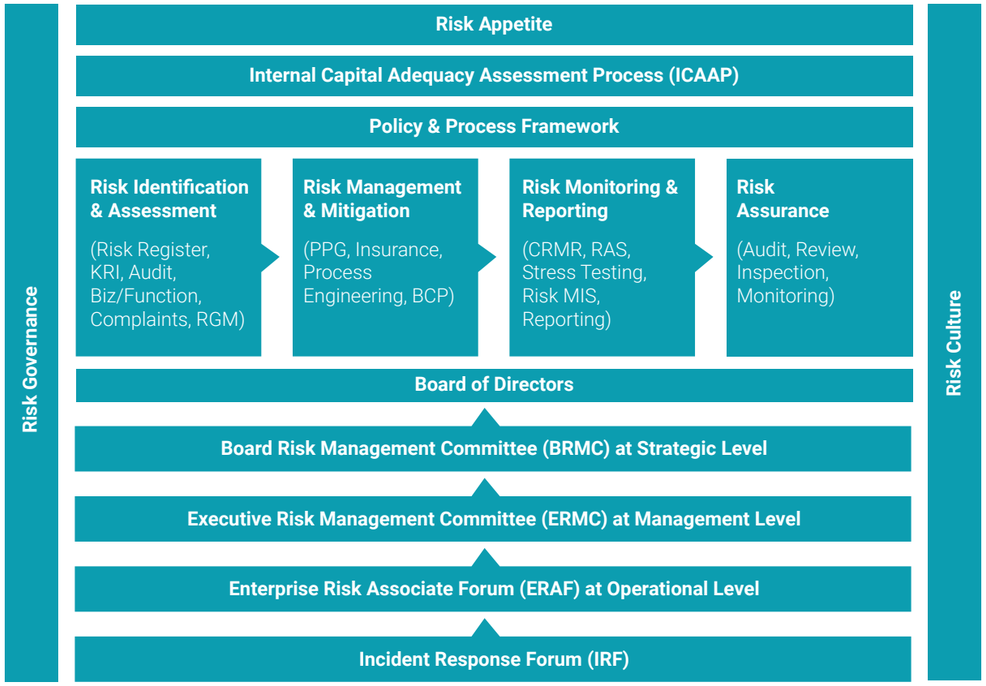


Figure: BRAC Bank's risk management framework

Risk Appetite

Risk Management Division (RMD) develops Risk Appetite Statement (RAS) with the support of relevant stakeholders and submits the same to BB after getting approval from the Board of Directors. Risk Appetite statement includes risk limit for portfolio concentration, geographic concentration and other several indicators of market and operational risk as well as capital management. RMD monitors these risk limits throughout the year and reports to senior management in case of any breach of limit. Mention worthy, we prepared the RAS for the year 2022 and with board approval we submitted it to the regulator in due time.

Internal Capital Adequacy Assessment Process (ICAAP)

ICAAP is an integral part of the bank's processes reports under Pillar-II of Basel-III accord and is embedded within the core of the organization. The senior management team and Board are supportive and fully engaged in the process. Notably, Bangladesh Bank's Supervisory Review Evaluation Process (SREP) ensures a regular dialogue with our Supervisory Review Process (SRP) team. This is then followed by a disclosure of results or evaluations of the bank's ICAAP.

The bank conducts an Internal Capital Adequacy Assessment Process (ICAAP) on a periodic basis. ICAAP is a forward-looking assessment of our

projected capital needs and resources, incorporating earnings, balance sheet and risk forecasts under baseline and adverse economic/market conditions.

The bank's top management also supervises ICAAP outcomes and provides insights via quarterly assessments of the adequacy of our capital and capital positions to the Board or its committees.

As part of ICAAP, the management identifies risks that the bank is exposed to, and determines the means by which they can be mitigated and determines accurate levels of required capital according to the measures of balance sheet capital and regulatory capital (Tier 1 and Tier-2). BRAC Bank has been maintaining surplus capital against requirement under Pillar I and II of Basel-III.

Policy and Process Framework

To enable and deliver an effective and fast delivery of products and services, Process, Policy and PPG management plays a pivotal role. At BRAC Bank we have standardized the policy and procedures and as such reviewed as per set frequency.

BRAC Bank Board-approved policy is in effect for each core risk policy namely:

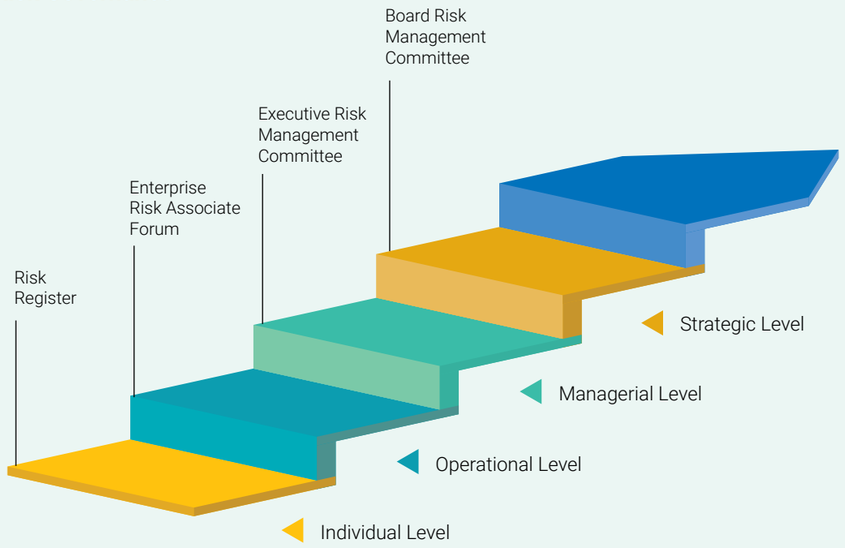
- Asset liability management policy & contingency funding plan;
- Credit risk management policy;
- Money laundering & terrorist financing management guideline;
- FX risk management policy;
- Internal control & compliance policy;
- ICT policy.

Risk assessment, escalation and mitigation process

Our co-workers make every effort to identify risks within their own domains and resolve these in coordination with their supervisors. However, if the risk remains unresolved, it is escalated to Enterprise Risk Associates Forum (ERAF) for resolution. Subsequently, issues that require the top management's guidance are placed at the Executive Risk Management Committee (ERMC). ERAF as well as ERMC convene as per schedule to identify, address and mitigate risk.

For expeditious risk mitigation, a high-level committee comprising senior management, the Incident Response Forum (IRF) has been instituted in the year 2022. Eventually, for Board's oversight and guidance, critical risk elements are highlighted in the Board Risk Management Committee (BRMC). This framework ensures holistic risk identification, management and mitigation process.

Risk Governance



Board oversight

BRAC Bank's Board is responsible for establishing the bank's overall strategy and other significant policies relating to individual risk elements.

Responsibilities of Board of Directors (BoD)	Responsibilities of Board Risk Management Committee (BRMC)
▪ Assigning sufficient authority and responsibility to risk management among concerned officials ▪ Ensuring uninterrupted information flow to RMD for effective risk control ▪ Monitoring the bank's performance vs. overall risk profile through reviewing various reports ▪ Articulating the risk appetite, risk tolerance limits, etc., in line with strategic plans ▪ Ensuring capital adequacy and provisions to absorb losses resulting from any risk ▪ Ensuring that internal audit reviews the credit operations, foreign exchange operations and securities portfolio management functions, etc., to assess the effectiveness of the internal control system ▪ Monitoring the function of the BRMC	▪ Ensuring an adequate framework for managing risk within the bank ▪ Developing and implementing appropriate strategies for risk assessment and its control ▪ Formulating and reviewing (at least annually) risk management policies and strategies for effective risk management ▪ Monitoring implementation of risk management policies and processes to ensure effective prevention and control ▪ Supervising the activities of the ERMC ▪ Ensuring compliance with Bangladesh Bank's guidelines on core risk management ▪ Ensuring review of risk appetite and limits and recommending these to the Board for approval ▪ Approving record-keeping and reporting systems and ensuring their proper use ▪ Analysing existing and potential risk issues, taking decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow-ups for sufficient implementation ▪ Submitting proposals, suggestions and summary of BRMC meetings to the Board at least on a quarterly basis ▪ Complying with instructions issued from time to time by the regulatory body ▪ Ensuring appropriate awareness of proper risk management amongst junior managers and staff ▪ Ensuring sufficient and efficient staff resources for the RMD ▪ Establishing standards of ethics and integrity and enforcing these standards ▪ Assessing the overall effectiveness of the risk management functions on an annual basis

Engagement of bank's management in risk governance

The bank's senior management owns the responsibility for the implementation of risk policies and procedures, in line with the Board-specified strategic direction and risk appetite. There is clear line of sight for escalation of any identified risk.

Executive Risk Management Committee (ERMC)

The bank's senior management is involved in resolving organisation-wide risk issues through ERMC. This Committee is headed by the Chief Risk Officer (CRO). ERMC oversees all matters relating to risk management, especially in recommending policies and guidelines for effective risk management to the Board. The functions of ERMC include:

- Identifying, measuring and managing existing and potential risks
- Convening a meeting at least once a month based on the findings of risk reports and taking decisions for mitigation
- Submitting proposals, suggestions and summary of ERMC meetings to the MD & CEO and BRMC
- Implementing the decisions of BRMC and Board regarding risk issues
- Assessing requirements of adequate capital in line with risk exposures
- Determining risk appetite limits aligned with strategic planning
- Contributing to the development/ updating of risk policies
- Following up on reviews and reports from Bangladesh Bank and informing BRMC on issues affecting the bank's operations
- Organising Annual Risk Conference

Enterprise Risk Associate Forum (ERAF)

Enterprise Risk Associate Forum (ERAF) consists of risk managers/associates from business and support functions that ensure proactive risk identification, assessment, reporting and monitoring. ERAF is chaired by the Head of Risk Management and meet bimonthly. The forum specifically addresses the following:

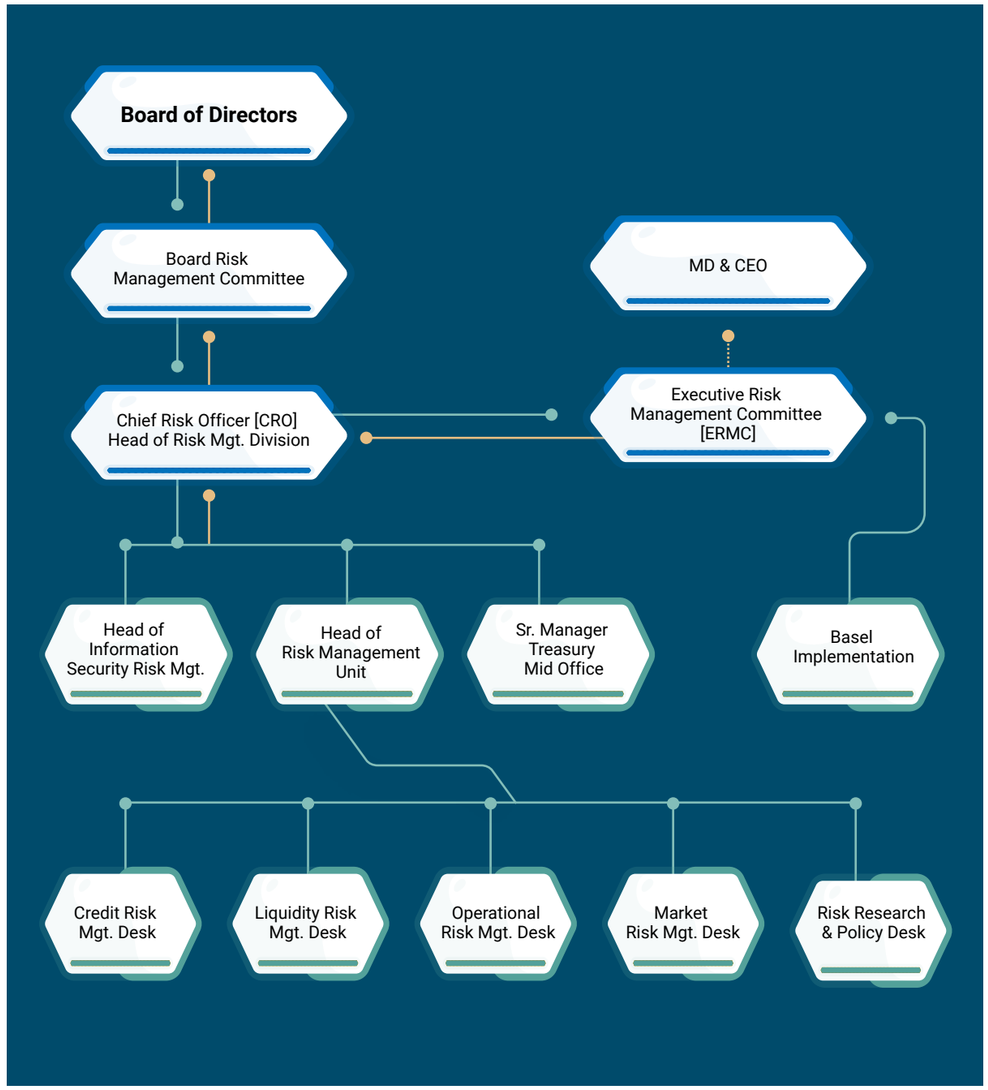
- Promote risk-aware culture and work closely with the Risk Management Division (RMD) to ensure initiatives are in place for risk-controlled outcomes
- Work as an active risk manager of respective unit by identifying departmental risks and performing necessary analysis
- Escalate respective risks to the ERAF forum for discussions and suggest mitigation in bimonthly ERAF meetings

Incident Response Forum (IRF)

Incident Response Forum (IRF) is established with a view to escalate, discuss & manage any crisis event or incident. An incident might be triggered/caused from various reasons/sources like natural, made-made and both. This forum effectively acts as the single-point contact for swift and prompt risk response and resolution. They meet as and when required.

Risk management organogram of BRAC Bank

Following organogram of Risk Management Division has been developed considering size and complexity as per the need of the bank:



RMD has five (05) dedicated desks as detailed in the Risk Management Guideline 2018, where the officials of the RMD will commonly carry out the tasks assigned to the desks. However, all the desks are individually responsible for collecting the related data/information, progress report of the previously taken decisions of ERMC and BRMC from concerned divisions/department for proper risk analysis and identification of risks, making appropriate recommendations, preparing memo on related issues, monitoring and following up of implementation status of the decisions of meeting minutes, ensuring regulatory compliance on related issues, assisting in formulation and review of risk appetite and risk related policies/guidelines. The desks are also responsible for monitoring the associated risks through concerned department/divisions.

Roles & responsibilities of risk desk

Desk name	Notable Roles & Responsibilities
Credit	▪ Assisting in formulation and review of credit risk management policies, guidelines, manual, setting up of credit risk appetite, limit, tolerance, MAT etc. ▪ Monitoring loan portfolio to ensure good quality asset growth; ▪ Monitoring credit concentration and ensuring compliance of internal limit; ▪ Closely monitoring the stressed loans to avoid adverse classification; ▪ Monitoring and following up overdue loans, SMA loans, NPL, law suit cases, written off loans, regular accounts with unsatisfactory repayment, loans having excess over limit, overdue accepted bills, off-balance sheet exposure, forced loan, movement of adverse classification, collateral against loans, credit rating of borrowers, taken over loans etc.; ▪ Analysing Stress Testing report, finding out the vulnerable areas that are needed to be addressed and accordingly advising the same to senior management and board to ensure maintenance of adequate capital for absorbing any unforeseen losses
Market	▪ Measuring interest rate risk of the bank by applying various tools such as sensitivity analysis, duration gap analysis etc. ▪ Monitoring foreign exchange related risk such as exchange rate risk, maintenance of FX related limits, repatriation of export proceeds, outstanding of overdue accepted bill, reconciliation of long pending Nostro account transaction etc. through concerned departments; ▪ Measuring equity price risk by using various tools like VaR and monitoring the same to keep market exposure safe and sound.
Liquidity	▪ Regularly monitoring liquidity ratios, liability concentration, growth of asset and liability including off-balance sheet items, Asset-liability of off-shore banking unit etc. to manage liquidity risk ▪ Playing major role in setting liquidity strategy ▪ Assessing opportunity loss resulted from improper liquidity management.
Operational	▪ Assisting in managing risks related to lapses in people, process and system; ▪ Monitoring unsettled issues (identified fraud/forgeries, major irregularities etc.) through ICC;
Risk Research & Policy	▪ Preparing a consolidated Risk Appetite Statement (RAS). ▪ Developing the KRI & preparing summary of KRI and submitting the same to BRMC on quarterly basis. ▪ Assisting senior management in formulating strategic planning considering bank's risk exposures and industry as a whole ▪ Exploring emerging risks and recommending preventive measures to achieve the organizational goal ▪ Reviewing effectiveness of enterprise-wide risk governance framework and recommending necessary policy measures;

Risk Mitigation Methodology

The risk management framework of BRAC Bank has a built in transcendent risk management methodology framework which is suitable to manage all the risks to which the bank is exposed to and conform to the risk culture of the bank. The risk management methodologies has been proven effective in terms of the bank's asset quality, capital adequacy, liquidity status, quality of earnings, operational resiliency, etc. Bank remains vigilant of its key exposures through its continuous efforts to identify potential threats and vulnerabilities, assess those threats, and decide on its strategies to combat those threats which are articulated in policies. Products and processes are designed under the guidance of mandates provided though policies and executed meticulously. Bank has developed its monitoring framework which included well-furnished roles and responsibilities, matrices, tools, exception management process, escalation and reporting standards.

The year 2022 has been a challenging year for the bank due to several external shocks procreated by the Russian Ukraine conflict, the rise in commodity price and supply chain disruptions has bought in market stresses which has been observed through BOP imbalances, depleting foreign exchange reserve, continuous devaluation of taka, Inflationary pressure, crunch in liquidity availability even under cautiously accommodative fiscal and monetary stances. Under such circumstances it was highly crucial to manage risks of the bank in such a way that will keep bank's ability to satisfy its creditors' liquidity demand available and facilitate loans to productive sectors which will not deteriorate bank's solvency. Market risk and liquidity risk were the key risks, the bank was exposed to during this year. Bank has implemented its risk management methodology cautiously and diligently to extract its risk adjusted return in a prudent manner supported by its risk governance framework.

Credit risk management

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honor its financial or contractual obligations to the bank. Credit risk arises in the bank's direct lending operations, and in its funding, investment and trading activities, where counterparties have repayment or other obligations to the bank.

At BBL following practices are integrated in its credit culture:

- At the beginning of each year, we formulate Risk Appetite Statement where segment wise loan projection along with sector industry potential are thoroughly assessed. RAS statement is approved by the board and eventually meticulously monitored throughout the year.
- Review the Credit Policy every year and get it reviewed by the BRMC and eventually approved by the board. Credit Risk Policy basically articulates the credit risk management framework of the bank.
- Prepare Product Program Guideline (PPG) every year for Retail and SME business segment and thoroughly discuss in credit risk forum and eventually get it approved by the Board.
- To address the concentration risk, certain limit set by the internal and external regulators are meticulously followed, to ensure that the bank does not have excessive concentration to any single borrower, or related group of borrowers, particular industry sector or geographic region.
- Sector exposure meticulously followed through in-house portfolio review, MRMR, CRMR and Concentration tools as used in the ICAAP.
- The results of these reviews are reported to the different risk forums of the bank and accordingly proper actions are designed to remediate the risk issues.

Mitigation strategy

In ideal circumstances there should be more than one source of repayment so that should there be, for some reason, a delay or a problem, the repayment commitment can still be honored. At BRAC Bank, we urge for mainly three sources of repayment:

- The first is always the ability of the business to repay loans from its own cash flows. But if the business fails to generate enough cash flow, the bank needs coverage - not just for the repayment of the principle amount but for interest, fees, legal expenses, and costs of selling the assets.
- As such, banks look for a second source of repayment support to cover possible cash flow shortage, which comes from the value of the collateral. The third source of support is usually in the form of personal guarantee or corporate guarantee supported by net worth statement.
- Insurance coverage is another form of support for loans in case of damage/loss/destruction of assets, goods, services, machinery, equipment etc.

The existence of credit risk mitigation is no substitute for proper loan underwriting and loan administration.

Thus security and collateral are standard fallback arrangement to ensure repayment in case of distress situation. Besides, banks require collateral on certain types of loans when borrower's credit worthiness, the loan amount, and other risk factors seem too risky without security. But loans solely based on security should not be considered.

Collateral

For proper credit risk management, we keep track of which loans are collateralized by which types of collateral. It is imperative that we, when extending credit, demand the type and amount of collateral as stated as per management decision. The loan-to-value ratio must be low enough to absorb declines in the value of the collateral that may occur with a small, though not insignificant probability. The most valuable collateral is cash and easily en-cashable financial collateral stipulated in Risk Based Capital Adequacy Guidelines (in line with Basel III). Other collateral in order of its quality and marketability would be marketable securities, real estate and a personal guarantee. The order of collateral mentioned is the same as the operating cycle of the company.

Third-party guarantees

We understand that the credit risk on a loan is not eliminated by the existence of a third-party guarantee. We merely substitutes the credit risk of the guarantor for that of its own client. With regard to guarantees, we evaluate the level of coverage being provided in relation to the credit-quality and legal capacity of the guarantor. Additionally, following credit enhancing steps are considered:

- The corporate guarantee must be supported by Memorandum of Association (MoA) and be approved in the Board meeting of the corporate guarantor.
- The guarantor company must be rated in any of the investment grade categories by at least one ECAI and not inferior to applicant's credit rating.
- We analyze the balance sheet of the third party giving a corporate guarantee specifically net worth, total assets, profitability, existing credit lines, and security arrangements to ensure that the company is not exposed to financial obligation beyond its capability.
- Once the financial stability of the corporate guarantor has deteriorated in terms of the above, we ask for remedial measures from the borrower (replacement/new collateral).
- Reciprocal guarantee arrangements between two banks will be disregarded.

General norms of acceptability for other mode of security

- Financial Instruments should preferably have 1st party title.
- Goods accepted as security/collateral should be of renowned brand having market demand, commercial value easy marketability, validity of title and easy storability – preferably non-perishable.
- Both personal guarantee and corporate guarantee should be supported by net worth, preferably as per IT-10B. Personal guarantee are required for all business from key directors or shareholder having more than 20% of paid-up capital.
- In case of security for syndicated loans/joint financing, mortgage of property/hypothecation of asset favouring all syndicate lenders should be on pari-passu basis and preferably with first ranking charge on the assets of the borrower.
- Primary security of lease finance is title of the leased asset and lease deposit.

Insurance

Banks finance projects /manufacturing units and trading business -- both inland and foreign trade. There are risks involved in all these business like damage / loss /destruction of assets /goods /services in trading and manufacturing business. Insurance are taken to cover such risks. BBL has structured insurance preferences for business segments and well delineated in the credit policy.

Market and liquidity risk management

Risk management strategy and policies of BRAC Bank Limited provides the foundation on which robust risk management activities are revolving. Our risk management strategy is a structured approach for addressing and mitigating risks not as a series of steps, but as a cyclical process in which new and ongoing risks are continually identified, assessed, managed, and monitored. Our asset-liability management policy, foreign exchange risk management policy, investment policy and risk management policy (enterprise level) support the efficient and effective management of our exposure to market and liquidity perimeters and contribute to the effectiveness of the risk governance framework to achieve the bank's vision of building a profitable and socially responsible financial institution focused on market and business with growth potential.

Identification & assessment of market and liquidity risk

Bank has mapped its balance sheet and off-balance sheet positions to different risk factors. Movement in risk factors, such as, interest rate structure, foreign exchange rate, equity prices, leverage, debt scenario, are observed and linked asset-liability positions are assessed. Bank's cash flow (current & projected) to reflect liquidity in terms of short, medium and longer horizon are analyzed. Bank's exposure is assessed in terms of the impact of risk factors on liquidity as well as earnings. Probability and impact of risk factors are assessed under idiosyncratic as well as systemic level. Probability of stress on liquidity is weighted against probable impact of earnings. Besides financial impacts, bank also considers reputational and strategic impacts to make the decisions, taken based on risk assessment, more objective and sustainable.



Mapping Asset Liability Positions to Risk Factors

The four risk mitigation approaches used to manage market and liquidity risks has been detailed below:

Avoidance	Reduction	Transfer	Acceptance
• Breach of regulatory limits on market risk exposures and liquidity rations • Quotation of out of market rates • Excessive short positions • Holding "z" category shares • Investment in issues which impacts society negatively (e.g: cigar)	• Triggers from any of early warning indicators • Sudden negative market developments • Squeeze of liquidity condition in considering systemic/ idiosyncratic risks • Unproductive/un-earning assets • Margin requirement on IRS	• Cash limits and vault limits are maintained within insurable quota • Use of platform in dealing room which are provided by internally accepted third parties, such as Reuters, Bloomberg, etc. to address model risks	• Booking of long term deposits by providing attractive rates • Dealers' loss limits & positions up to approved limit of Value at Risk • Cumulative Liquidity gap up to approved limit • Investment in "B" & "N" category shares with excellent corporate governance

The bank annually establishes its risk appetite being within its risk bearing capacity, which are supportive to attain its objectives in a risk adjusted manner. Risk parameters are developed keeping alignment with this broad risk appetite. The relevant risk management policies capture all the risk parameters which are used to evaluate and monitor risk exposures mapped with different balance sheet and off-balance sheet exposure and results of financial position of the bank. Early warning indicators are set up for each of the risk parameters so that escalation of risk limit breaches is identified and escalated timely. There are two levels of warnings and action plans covered under policies:

- Level-01: Normal Business conditions
- Level-02: Stressed condition

A detailed board approved contingency funding plan is in place which is expected to be used in case of any emergency situation where bank's exposure to market and liquidity risk factors are in stress.

Operational risk

Operational risks refer to the likelihood of incurring losses from inadequate or ineffective internal procedures, personnel, systems, or external events. Acquiring loss from numerous variables such as human error, system flaws, fraud payment processing, clearing and settlement, accounting and financial reporting, information technology, compliance or external incidents like natural disasters or unstable political conditions is the outcome of Operational risk. It can also arise from legal risks, such as those arising from breaches of contracts or regulations. Consequences of operational risks can be significant, including financial losses, damage to the bank's reputation, regulatory sanctions and even bankruptcy.

Bank's exposure to various operational risks



Addressing operational risk is essential for the long-term success and sustainability for bank. And as such we have introduced number of policies and procedures and set threshold, certificate /compliance standard, tech based solutions among others

Disclosure of Risk Management Reporting

Risk management is a discipline at the core of every enterprise and encompasses all activities that affect its risk profile. There is a strong link between good corporate governance and sound risk management. Without proper risk management, the various functions in a banking institution cannot work together to achieve the bank's objectives. It is an essential part of helping the bank to grow and promote sustainability and resilience. For ensuring proper identification, measurement, timely treatment of risks and implementation of the Bangladesh Bank guideline following risk reporting requisite:

- Risk Appetite Statement (RAS)
- Comprehensive Risk Management Reporting
- Monthly Risk Management Reporting (MRMR)
- Stress Test report
- Risk Based Capital Adequacy evaluation
- Review report of Risk Management Policies and effectiveness of risk management functions
- Meeting Minutes
- Internal capital adequacy assessment process (ICAAP)

Risk Appetite Statement (RAS)

Risk appetite is the cornerstone of a successful risk management framework. At BRAC Bank we have adopted a risk appetite framework (RAF) where considering the bank's strategic view in its exposures and business activities, regulatory requirements, peer group and industry-wise growth, bank's own portfolio growth, trend of NPL, profitability and capital, liquidity position, risk management culture and practices among others. We have prepared the risk report on "Risk Appetite Statement (RAS) 2022" in line with the regulatory directive and was placed before the Board Risk Management Committee (BRMC) and discussed on risk appetite - capacity, limit and trigger in different aspects. A detailed discussion was held on twelve risk areas, Business segment-wise loan portfolio & growth strategy, sector-wise loan portfolio, industry & region wise loan portfolio, and RAS for Treasury and eventually approved by the board.

Comprehensive Risk Management Reporting

Comprehensive Risk Management Reporting (CRMR) is prepared and submitted to the Bangladesh Bank on a half-yearly basis consisting of information in 64 parameters of 06 major areas. Department of Offsite Supervision conducted an off-site audit on CRMR half-yearly basis and provide a rating with a rating scale of 1 to 5. This rating also has an impact on Bank's CAMELS rating. During the 2022 we have submitted two cycle report in due course of time. Reportedly rating of the bank was satisfactory and duly addressed to the BRMC and Board. Risk Management unit of the bank duly monitor the stipulated actions of the BB and progress to be duly communicated to the BRMC and Board.

Monthly Risk Management Reporting (MRMR)

Key risk indicators of the bank reported and monitored through Monthly Risk Management Reporting (MRMR). Basically stated report prepared at each month excluding June and December cycle when CRMR report prepared.

Stress Test report

Stress testing is a simulation technique, which are used to determine the reactions of different financial institutions under a set of exceptional, but plausible assumptions through a series of battery of tests. The impact of this model is expressed through the change in overall CRAR of the bank. Bangladesh Bank (BB) has advised all banks to perform stress testing on a quarterly basis. The outcome of stress testing needs to be submitted to Bangladesh Bank upon review by senior management and the Board. Through the year 2022, bank was able to submit all quarters report to the BB where its capital adequacy after considering the shocks in all events well maintained.

At the end of December-2022, the CRAR of BBL was 14.04% and the CRAR after minor, moderate and major shocks (Combined Shock) as given below:

Particulars	2022		
	CRAR after Shock (%)		
	Minor	Moderate	Major
Performing loan directly downgraded to B/L: Sectoral Concentration - 1	13.57	12.63	11.67
Performing loan directly downgraded to B/L: Sectoral Concentration - 2	13.53	12.51	11.48
Increase in NPLs due to default of top large loan borrowers	10.87	8.20	6.51
Negative shift in NPLs categories	13.67	11.88	11.70
Decrease in the FSV of collateral	13.97	13.90	13.76
Increase in NPLs	11.55	6.17	(0.05)
Interest Rate	13.71	13.39	13.07
FEX: Currency Appreciation	14.03	14.03	14.03
Equity Shock	13.85	13.66	13.28
CRAR Combined Shock	10.60	2.84	(4.41)

Risk Based Capital Adequacy evaluation

The risk profile of a bank is measured by the economic capital usage calculated for credit, market and operational risk. The overall risk positions of the bank is determined by calculating total Risk Weighted Assets (RWAs) of credit, market and operational risk at each quarter end and allocated capital against them. Under Basel III capital framework, the MCR is a Basel prescribed minimum capital assessment process against credit, market and operational risk of the bank. The underlying assessment is a mandatory requirement of the Bangladesh Bank and assessment are carried out on quarterly basis. BRAC Bank was successful in maintaining its capital levels above the minimum requirements of Basel-III thus reflecting robust adherence.

As per the risk profile, Credit Risk was accounted for 86.19% of total Risk Weighted Assets (RWA) where the Market Risk and Operation Risk were 3.68% and 10.13% respectively at the end of December-2022. Breakdown as follows-

Item No	Risk Weighted Assets (RWA) for-		Dec-22 (Solo Position)	% of Total RWA
1	A.	Credit Risk	30,154	86.19%
		On- Balance sheet	28,162	80.50%
		Off- Balance sheet	1,992	5.69%
2	B.	Market Risk	1,286	3.68%
3	C.	Operational Risk	3,544	10.13%
	Total: RWA(A+B+C)		**34,983**	**100.00%**

Minimum Capital Requirement (MCR) under Basel III:

According to the Basel III, the Minimum Capital Requirement (MCR) for the banks in Bangladesh is currently 10% of its total RWAs with the addition of a Capital Conservation Buffer of 2.5% of total RWAs.

A	Eligible Capital (Solo Position)	Amount in BDT Crore
1	1. Tier -I (Core Capital)	4,343.33
2	2. Tier -II	568.53
	3. Total Eligible capital (1+2)	4,911.86
B.	Total Risk Weighted Assets	34,983.17
C.	**Capital Adequacy Ratio (CAR) (A3/B)*100**	**14.04%**
D.	Core Capital to Risk Weighted Assets (A1/B)*100	12.42%
E.	Tier 2 capital to RWA	1.63%
F.	Minimum Capital Requirement (MCR)	3,498

Review report of Risk Management Policies and effectiveness of risk management functions

Bangladesh Bank has instructed all schedule bank to submit a yearly review report on Risk Management Policies and Effectiveness of Risk Management Functions vide DOS Circular No. 04 dated 8th October, 2018. As a prerequisite of that circular, BBL usually submit this report once in a year where how we effectively managing the risk management functions reported.

Key areas of this report are as follows-

- Risk Management Framework of BBL.
- Desk wise Risk Management update
- Risk Reporting of the Bank
- Notable Major incidents of the Risk Management Department.

Key Initiatives taken by Risk Management Department in 2022

During the year 2022, Risk Management Department of BBL has taken different initiatives to strengthen the overall risk management function of the bank. Followings are the major initiatives for the year 2022:

- Incident Response Forum (IRF) a separate risk forum created during 2022 with a view to escalate, discuss & manage any crisis event or incident.

- Annual Risk Conference, 2022 of BRAC Bank Limited was successfully held on 15th October 2022 with a view to creating awareness among its employees on risks in day-to-day banking operations and to find ways to overcome them effectively. The event was organized in a hybrid mode where around 800+ Staffs joined the conference through zoom platform and 40 Staffs including Senior Management Team of BBL, senior officials of Bangladesh bank, Independent Director and Chairman of the Audit Committee of United Commercial Bank were present physically
- BRAC Bank successfully conducted its Business Continuity Planning (BCP) Drill in 2022 to test the effectiveness of the components of its contingency plan in case of any emergency situation

Meeting Minutes

At BRAC Bank we have there (03) different risk forum namely, Enterprise Risk Associate Forum, Executive Risk Management Forum and Board Risk Management Committee. According to the risk management framework of BBL if any risk remains unresolved, it is escalated to Enterprise Risk Associates Forum (ERAF) for resolution. Subsequently, issues that require the top management's guidance are placed at the Executive Risk Management Committee (ERMC). ERAF as well as ERMC convene as per schedule to identify, address and mitigate risk. Besides the regular risk forum, Basel implementation unit also arrange regular meeting to execute Basel agenda and SRP meeting for ICAAP. We prepared the minuets of every meetings and also share a copy to the BB as pre risk management regulation guidance. During 2022 we have arranged six (06) number of ERAF, twelve (12) number of ERMC and four (04) number BRMC meetings. As part of best practices we usually shared all the mandatory regulatory reports to our risk forum first and later on to the regulator.

Internal capital adequacy assessment process (ICAAP)

ICAAP covers risk areas like documentation lapses, concentration, liquidity, reputation, environmental, settlement, core risk etc. and usually submitted to the regulator once in a year. Under Pillar-II of the Basel III accord, a bank must have an Internal Capital Adequacy Assessment Process (ICAAP) in place comprising internal procedures and systems that ensure that the bank possesses adequate capital resources to cover all of its material risks. It thus encompasses the determination of economic capital as opposed to regulatory capital. Economic capital is the capital required to cover all risks that are estimated using the internal risk models of the bank.

Risk Management Reporting Frequency

After proper analysis, risks are to be prioritized and reported to the Bangladesh Bank by RMD on regular basis. The banks are instructed to submit the following reports to DOS of BB within the stipulated time frame:

- Half-yearly excel-based data input template within 31st July and 31st January respectively.
- CRMR prepared for June & December within 10th August & 10th February respectively.
- Half-yearly Stress Test report Along with half-yearly CRMR.
- Monthly Risk Management Report (MRMR) within next month of the reporting period.
- Monthly ERMC meeting minutes -within 7 days of the meeting held.
- BRMC Meeting Minutes- within 7 days of the meeting held.
- Yearly Board approved Risk Appetite Statement (RAS)- Within first 2 months of the year.
- Board approved review report of Risk Management Policies and effectiveness of risk management functions- within first 2 months of the year.

Annual Risk Conference 2022

In "Risk Management Guideline for Bank" issued on 8th Oct 2018 by Bangladesh Bank, it is stated that bank should organize an Annual Risk Conference (at-least one day-long) with the participation of all the Branch Managers and Deputy Branch Managers including the officials related to risk issues. In order to comply the regulation and create awareness among the bank staffs regarding identifying risk on day to day banking activities as well as the effective way of mitigating those risks, Annual Risk Conference, 2022 of BRAC Bank Limited was successfully held on 15th October 2022.

It was a daylong conference conducted with Hybrid modality where 800+ Staffs like Branch Managers (BM), Branch Operations Managers (BOM) and the officials related to risk issues joined the conference remotely through ZOOM and 40 BBL Staffs including Senior Management, High Officials from Bangladesh Bank and Board Members were physically present in BRAC Bank Head Office, Anik Tower, Level-12.

The program started with welcome speech by M Masud Rana DMD & CFO and Acting MD & CEO, inaugurated by Mr. Md. Abdul Mannan, Director, Department of Off-Site Supervision (DOS), and Bangladesh Bank. The entire session was conducted by Mr. Md Lutful Haidar Pasha, Joint Director (Department of Off-Site Supervision (DOS), Bangladesh Bank), Mr. S.M Khaled Abdullah, Joint Director (Department of Off-Site Supervision (DOS), Bangladesh Bank), Mr. Touhid Shipar Rafiquzzaman, Independent Director and the Chairman of the Audit Committee of United Commercial Bank Ltd, Ahmed Rashid Joy, Head of Credit Risk Management & Acting CRO of BRAC Bank Ltd.

The topics discussed during the session were Risk Management for Banks in Operational Risk perspective, CRMR Rating Methodology, How to Improve CRMR Rating by Bank, Portfolio Risk Management and Overview of Risk Management in BRAC Bank Ltd.

The conference ended with closing remarks on various risk insights by Mr. Salek Ahmed Abul Masrur, The Chairman of Board Risk Management Committee (BRMC) of BRAC Bank Ltd.



Report of the Board Risk Management Committee

The Board Risk Management Committee (BRMC) has been formulated by the bank's Board of Directors, in compliance with Section 15Kha(3) of the Banking Companies Act, 1991 (as amended up to 2018) and subsequent Bangladesh Bank BRPD circular no. 11 dated October 27, 2013. The committee carries out effective role in mitigating impending risks arising out from strategies and policies formulated by the Board.

The BRMC of BRAC Bank Limited consists of chairman and three members who have been solely nominated by the Board of Directors. The composition of the BRMC is as follows:

Sl. no.	Name	Representation in the Board	Status on the BRMC
1.	Mr. Salek Ahmed Abul Masrur	Independent Director	Chairman
2	Ms. Fahima Choudhury	Independent Director	Member
3.	Ms. Farzana Ahmed	Independent Director	Member
4.	Dr. Zahid Hussain	Independent Director	Member

The Company Secretary of the bank acts as the Secretary of the Risk Management Committee.

Participation of non-members

Representatives of the risk management team participated in the meetings of the BRMC. The Managing Director, DMD & COO, CRO, DMD and CFO attend the meetings of the committee, together with other concerned members of the management, as determined or invited by the committee.

Roles and responsibilities of BRMC

The roles and responsibilities of the Board's RMC are aligned with the BRPD circular no. 11 dated October 27, 2013 and Risk Management Guidelines for Banks, DOS Circular no. 04, dated 08 October 2018, and other best practices. Key roles and responsibilities of BRMC are summarized below:

- Ensure a robust structure for managing risk within the bank. RMC supervises the constitution of separate management-level committees and monitors their activities for ensuring compliance with major risk pools, such as lending risk, foreign exchange transaction risk, internal control and compliance risk, money laundering risk, and information and communication risk, including other risk-related guidelines.
- Articulation and implementation of appropriate strategies for risk assessment and its control. The Committee reviews the risk management process to ensure effective prevention and control measures.
- Formulating and reviewing (at least annually) risk management policies and strategies for ensuring sound risk management.
- Supervising the activities of the Executive Risk Management Committee (ERMC).
- Ensuring compliance with Bangladesh Bank's instructions with regards to implementation of core risk management.
- Ensuring articulation and review of risk appetite and limits, and recommending these to the Board for their subsequent review and approval.
- Analysing comprehensively existing and probable risk issues in the meeting, taking appropriate decisions for sufficient risk mitigation, incorporating the same in the meeting minutes and engaging in follow-up of decisions for ensuring appropriate implementation.

BRMC meetings during the year

Bangladesh Bank has advised BRMC to hold at least 4 meetings in a year. A total of 4 (four) Risk Management Committee meetings were held during 2022. The meeting dates were as follows:

SL. No.	Meeting number	Date on which the meeting was held
01.	38th BRMC Meeting	27 February 2022
02.	39th BRMC Meeting	23 March 2022
03.	40th BRMC Meeting	23 June 2022
04.	41st BRMC Meeting	14 November 2022

Thorough discussions and review sessions were held with the management regarding their findings, observations and recommendations on issues related to the bank's affairs that needed improvement.

In discharging the responsibilities assigned to the BRMC, the committee reviewed significant issues comprising different risk categories during the year.

Key areas covered in meetings of the BRMC

- Reviewed bank's Risk Appetite Statement (RAS) and recommended for Board approval.
- Reviewed report of risk management policies and effectiveness of risk management functions of the bank and recommended for Board approval.
- Formulated risk management policies and strategies and reviewed annually for sound risk management.
- Reviewed quarterly stress testing report of the bank and recommended for Board approval.
- Reviewed Comprehensive Risk Management Rating (CRMR) of the bank, discussed thoroughly the findings and observations of the report and advised to take necessary actions to improve the rating.
- Reviewed Internal Capital Adequacy Assessment Process (ICAAP) report of the year 2021 and recommended for Board approval.
- Reviewed and assessed portfolio quality of the bank and suggested action plan to lessen the PAR, NPL, concentration risk etc.
- Reviewed credit inspection and monitoring report of the bank.

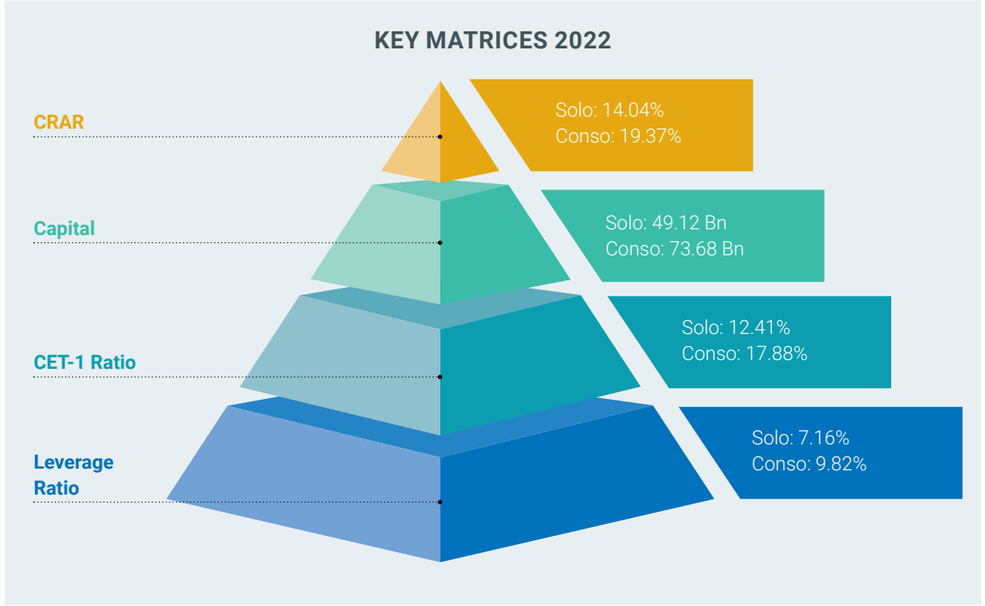


Disclosure on Risk Based Capital under Basel III

For the Year Ended on December 31, 2022

Background

Basel III was introduced to improve the banking sector's shock resilience capacity against financial and economic stress. Pillar III Market discipline under Basel III: Revised Capital Adequacy Framework was introduced to complement Pillar I: minimum capital requirements and Pillar II: the supervisory review process; and to establish a more transparent and more disciplined financial market so that stakeholders can assess the position of a bank. BRAC Bank Limited (BBL) has adopted the Basel III framework as part of its capital management strategy in line with the Bangladesh Bank guidelines on Risk-Based Capital Adequacy (RBCA). Bangladesh Bank has specified the standard of Pillar III disclosure through the RBCA guideline (December 2010), which was revised in December 2014 with effect from January 2015. This disclosure framework has been developed in accordance with the RBCA guideline, which contains the key pieces of information on the assets, risk exposures, risk assessment processes, and capital adequacy to meet the risks.



Basel III at a Glance

Basel III reforms were brought to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. Basel III mainly addresses the following areas:

- Raise the quality and level of capital to ensure banks are better able to absorb losses on both a going concern and a gone concern basis
- Increase the risk coverage of the capital framework
- Introduce leverage ratio to serve as a backstop to the risk-based capital measure
- Raise the standards for the supervisory review process (Pillar 2) and public disclosures (Pillar 3) etc.

The implementation of Basel regulations in the banking sector of Bangladesh started its journey in 1996. The phase-in arrangement for Basel III implementation in Bangladesh was completed in 2019.

Consistency and Validation

The quantitative disclosures are made based on consolidated audited financial statements of BBL and its Subsidiaries for the year ended on December 31, 2022, and prepared according to the relevant International Accounting and Financial Reporting Standards and related circulars/instructions issued by Bangladesh Bank from time to time. The assets, liabilities, revenues and expenses of the subsidiaries are combined with those of the parent company (BBL), eliminating inter-company transactions. Assets of the subsidiaries were risk-weighted, and equities of subsidiaries were crossed out with the investment of BBL while consolidating. Therefore, the information presented in the "Quantitative Disclosures" section can easily be verified and validated with corresponding information presented in the consolidated audited financial statements 2022 of BBL and its Subsidiaries along with separate audited financial statements of the Bank available on the website of the Bank (www.bracbank.com). The report is prepared once a year and is available on the website.

1. Scope of Application:

Qualitative Disclosures

a) The name of the top corporate entity in the group to which this guideline applies

The framework applies to BRAC Bank Limited (BBL) on 'Consolidated Basis' as there were four subsidiaries of the Bank and one associate as on the reporting date, i.e. December 31 2022. However, 'Solo Basis' information has been presented beside those of 'Consolidated Basis' to facilitate comparison.

b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group: (i) that are fully consolidated, (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted

BRAC Bank Limited:

BRAC Bank Ltd. is one of the third-generation private commercial banks (PCBs), which inaugurated its banking operation on July 4, 2001, under the Banking Companies Act 1991. The Bank went for public issue of its shares in 2006, and its shares were listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in 2007. At present, the Bank has 187 banking branches, 11 sub-branches, 198 area offices, 457 SME unit offices, 324 ATMs, 39 RCDMs and 1000 agent outlets spread across the country are in operation.

Subsidiaries: Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. A parent of a subsidiary should present consolidated financial statements according to BAS-27: Consolidated and Separate financial statements and BFRS 10: Consolidated Financial Statements. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases.

The Bank has four subsidiary companies, and one associate:

BRAC Bank Limited				
BRAC EPL Investments	BRAC EPL Stock Brokerage	bKash	BRAC SAAJAN Exchange	BRAC IT Services (Associate)

(i) BRAC EPL Investments Limited (Subsidiary)

BRAC Bank acquired 51% shares of Equity Partners Limited on July 31 2009. This entity was incorporated in Bangladesh on April 19, 2000, as a private limited company, under the Companies Act, 1994, and was subsequently renamed as "BRAC EPL Investments Limited". Since 2019, BRAC Bank holds 99.945% of the total share.

BRAC EPL Investments was established to cater to the needs of the fast-growing capital markets of Bangladesh. It works as a merchant bank with a full-fledged merchant banking license from Bangladesh Securities and Exchange Commission (BSEC). The company's service portfolio comprises lead managing initial public offerings, domestic and international placements, portfolio management and project development and consultancy.

(ii) BRAC EPL Stock Brokerage Limited (Subsidiary)

BRAC Bank Limited acquired 51% shares of Equity Partners Securities Limited on July 31 2009. Equity Partners Securities Limited was incorporated in Bangladesh on May 16 2000, as a private limited company under the Companies Act, 1994. Subsequently, the management decided to rename Equity Partners Securities Limited as BRAC EPL Stock Brokerage Limited. In the year 2011, the Bank acquired an additional 39% shares of EPL Stock Brokerage Limited. As a result, the Bank's controlling interest has risen to 90% of EPL Stock Brokerage Limited.

BRAC EPL Stock Brokerage Limited was established to cater to the needs of the brokerage business in Bangladesh. It has corporate membership of both the Dhaka Stock Exchange and Chittagong Stock Exchange.

(iii) bKash Limited (Subsidiary)

BRAC Bank Limited formed bKash Limited, a private company limited by shares incorporated on March 01 2010, under the Companies Act, 1994. bKash Limited was established to introduce mobile financial services in Bangladesh. The Bank has obtained a license from Bangladesh Bank for bKash Limited for rendering mobile financial services. BRAC Bank currently holds 51% equity shares in the company.

With the consent of all existing shareholders, in 2014, Bill & Melinda Gates Foundation (B&M), in 2018, Alipay Singapore E-Commerce Private Limited ("Alipay") and in 2021, SoftBank further invested in bKash Limited in the form of convertible preference shares. As of December 31 2021, out of the total 163,104 convertible preference shares, B&M holds 22,525 shares, Alipay holds 55,433 shares, and SoftBank holds 85,146 shares. Preference shareholders do not have any voting rights but have the same rights as equity shareholders with respect to an economic interest in the company. These preference shares are convertible at a 1:1 basis to ordinary shares subject to consent as per shareholders' agreement. Consolidated financial statements have been prepared using 35.74% instead of 51% considering the potential dilution, or otherwise according to economic interest on bKash.

(iv) BRAC SAAJAN Exchange Limited (Subsidiary)

At the inception, BRAC Bank Limited acquired 75% shares (250,000 shares out of the total 333,333 shares) of "SAAJAN Worldwide Money Transfer Limited" (SWMTL) in the UK. Bangladesh Bank provided necessary approvals of GBP 500,000 to acquire SWMTL and setting up two new branches in Luton and Bradford, UK. As per permission of Bangladesh Bank, SWMTL has been renamed as "BRAC SAAJAN Exchange Ltd" (BSE). BRAC SAAJAN Exchange Limited was established to offer remittance and exchange services in the UK.

Currently, BRAC Bank Limited holds 93.75% of shares (1,250,000 no. of shares out of the total 1,333,333 shares) of BRAC SAAJAN Exchange Ltd (BSEL). BRAC Bank has been controlling and monitoring all its operations as a holding company.

(v) BRAC IT Services Limited (Associate)

BRAC IT Services Ltd. (bITS) was initially founded as Documenta™ Ltd, a digital archiving firm, in 1999. BRAC IT Services Ltd. was then formed in April 2013 through the merger of Documenta™ Ltd and the IT Division of BRAC Bank. BRAC Bank acquired 51% shares of BRAC IT Services Limited, a private company limited by shares under the Companies Act, 1994, incorporated on 9 April 2013. It currently operates as an IT services company. In the year 2017, BRAC Bank reduced its holding in BRAC IT Services Limited from 51% to 48.67% by selling 1,034 shares to BRAC. Due to this disinvestment, BRAC IT Services Limited was converted as 'Associate' of the bank at the end of the year 2017, from a 'Subsidiary' status. However, due to new investment by BRAC in 2020, the holding percentage of BRAC Bank further reduced to 12.92% at the end of the year 2020.

In 2022, BRAC Bank disposed off 6,818 no. of shares (2.92% shareholding) to BRAC upon approval from Bangladesh Bank. At the end of the year 2022, BRAC Bank's shareholding in biTS stands at 9.9996%.

Basis of Consolidation:

Consolidated financial statements include financial statements of BRAC Bank Limited and its subsidiaries, BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited, bKash Limited and BRAC SAAJAN Exchange Limited, as those of a single economic entity.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) 10: Consolidated Financial Statements. The consolidated financial statements are prepared for a common reporting year ended December 31, 2022.

(c) Any restrictions, or other major impediments, on the transfer of funds or regulatory capital within the group.

The rules and regulations of BRPD of Bangladesh Bank that govern the 'Single Borrower Exposure Limit' for the customers are equally applicable to the Bank in financing its own subsidiaries. The Bank is following the latest Bangladesh Bank circular in determining the maximum amount of finance to the subsidiaries of the Bank.

Quantitative Disclosures

a) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.

Not applicable to the Bank

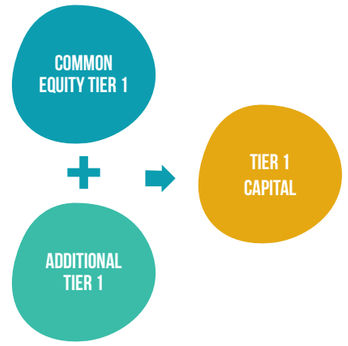
2. Capital Structure

Qualitative Disclosures

a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.

As per RBCA guidelines provided by Bangladesh Bank, regulatory capital is quite different from accounting capital. As per BB guidelines based on the Basel III accord, regulatory capital has two broad categories, namely, Tier 1 Capital (going-concern capital) and Tier II Capital (gone-concern capital).

Tier 1 Capital: This form of capital can absorb losses without triggering the bankruptcy of the Bank. Hence, it is the core measure of a bank's financial strength from the regulator's point of view. The components of Tier 1 Capital are given below:



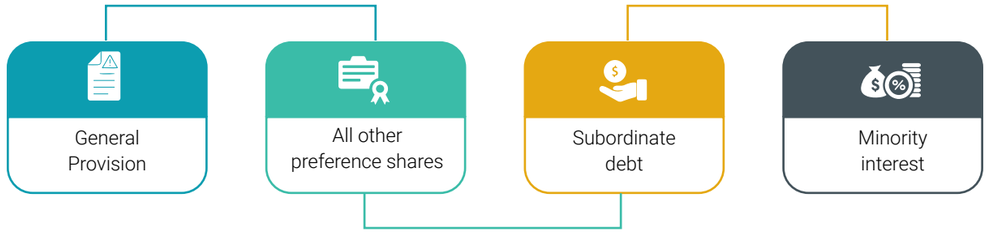
Common Equity Tier 1 (CET1): The main components that comprise the CET-1 Capital are as below:



Additional Tier 1 (AT1):

- Non-cumulative irredeemable preference share
- Instruments issued by banks that meet the qualifying criteria for AT1 (the instrument is perpetual, i.e. no maturity date)
- Minority interest (AT1 issued by consolidated subsidiaries to the third parties)

Tier 2 Capital: Gone concern capital represents other elements that fall short of some of the characteristics of core capital but contribute to the overall strength of the Bank. Tier 2 capital consists of the following items:



Compliance Status:

As per RBCA guidelines 2014, banks are required to maintain regulatory capital as per the following ratios on an ongoing basis. BRAC Bank has been maintaining the regulatory capital as stipulated by Bangladesh Bank.

Conditions for Maintaining Regulatory Capital	Compliance Status
Common Equity Tier 1 of at least 4.5% of the total RWA	Complied
Tier 1 capital will be at least 6.0% of the total RWA	Complied
Minimum CRAR of 10% of the total RWA	Complied
Additional Tier 1 capital can be admitted maximum up to 1.5% of the total RWA or 33.33% of CET1, whichever is higher	Complied
Tier 2 capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher	Complied
Capital Conservation Buffer (CCB) of 2.5% of the total RWA in the form of CET1	Complied

Quantitative Disclosures

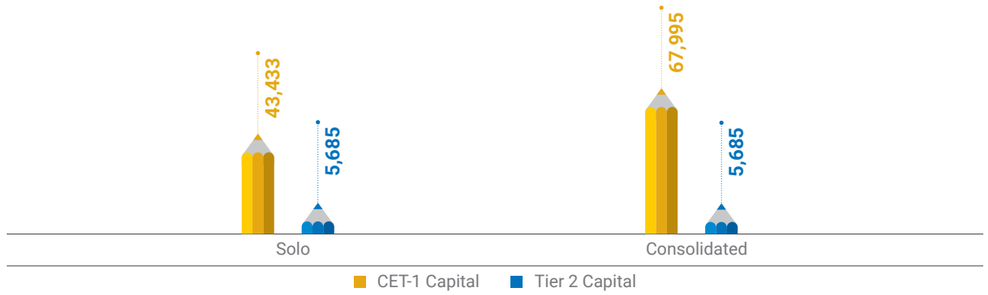
b) The amount of Regulatory capital, with separate disclosure of: CET1 Capital, Additional Tier 1 Capital, Total Tier 1 Capital, Tier 2 Capital

Figures in BDT Million

Sl. No.	Particulars	Solo	Consolidated
(a)	**Common Equity Tier-1 Capital (CET-1)**		
a.1	Paid up capital	14,965.85	14,965.85
a.2	Non-Repayable Share Premium account	3,853.77	3,853.77
a.3	Statutory Reserve	11,112.09	11,148.17
a.4	Retained Earning	18,798.93	29,086.05
a.5	Dividend Equalization Reserve	355.22	355.22
a.6	Minority Interests in Subsidiaries	-	19,875.98
a.7	**Sub-total(a.1 to a.6)**	**49,085.86**	**79,285.04**

Sl. No.	Particulars	Solo	Consolidated
(b)	**Less: Regulatory Adjustments**		
b.1	Goodwill and all other intangible Assets	1,087.49	5,082.23
b.2	Deferred Tax Assets (DTA)	4,565.04	6,207.46
(c)	**Total common equity Tier-1 capital (CET-1)**	**43,433.33**	**67,995.35**
(d)	Additional Tier-1 Capital	-	-
(e)	**Total Tier-1 Capital (Core Capital)**	**43,433.33**	**67,995.35**
(f)	**Tier-2 Capital (Supplementary Capital)**	-	-
f.1	General Provision	5,685.27	5,685.27
(g)	Less: Regulatory Adjustments	-	-
(h)	**Total Admissible Tier-2 capital**	**5,685.27**	**5,685.27**
(i)	**Total Eligible Regulatory Capital**	**49,118.60**	**73,680.62**

Capital Composition



3. Capital Adequacy

Qualitative Disclosures

a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.

Capital Adequacy Management Strategy:

BRAC Bank Limited (BBL), with its focused strategy on risk management, has always been consistent in maintaining a capital adequacy ratio above the regulatory requirements. The Bank focuses on strengthening risk management and control environment rather than increasing capital to cover up weak risk management and control practices. BBL has been successfully managing the incremental growth of the Risk-Weighted Assets (RWA) by diversifying the portfolio in SME, Retail and Corporate segments. However, RWA is also managed by taking collateral against loans. We strive to ensure that external credit rating is duly done by the borrowers.

The Bank's policy is to manage and maintain its capital with the objective of maintaining a strong Capital ratio and high rating. The Bank maintains capital levels that are sufficient to absorb all material risks. The Bank also ensures that the Capital levels comply with regulatory requirements and satisfy the external rating agencies and other stakeholders, including depositors.

Calculation Approach:

Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to the Bangladesh Bank. The Bank has adopted the following approach for the calculation of risk-weighted assets (RWA) and capital adequacy of the Bank.

- Credit Risk: Standardized Approach (SA)
- Market Risk: Standardized Approach (SA)
- Operational Risk: Basic Indicator Approach (BIA)

Compliance with Regulatory Requirements:

As per Risk-Based Capital Adequacy (RBCA) guideline 2014 of Bangladesh Bank, Minimum Capital Requirement (MCR) for the banks in Bangladesh is currently 10% of its total RWA with the addition of Capital Conservation Buffer, which is 2.5% of total RWA. BRAC Bank is well ahead of this minimum target both on a solo basis and consolidated basis as of December 2022.

Excess Capital to Support Current and Future Activities:

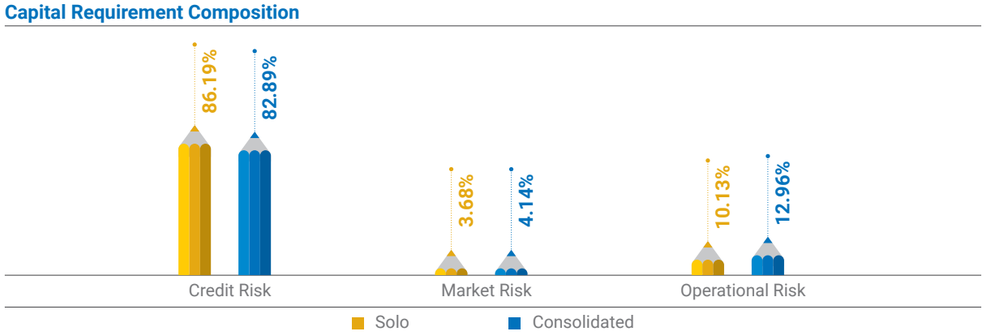
BRAC Bank managed to maintain surplus capital of 1.54% on a solo basis and 6.87% on a consolidated basis in addition to regulatory requirements. The surplus capital maintained by BBL will act as a cushion to absorb the risks that arise from other risks under Pillar II and to support the future business growth of the Bank.

Quantitative Disclosures

Figures in BDT Million

Sl. No.	Particulars	Solo	Consolidated
(b)	Capital Requirement for Credit Risk	30,153.70	31,524.78
(c)	Capital Requirement for Market Risk	1,285.63	1,576.25
(d)	Capital Requirement for Operational Risk	3,543.84	4,930.82
	Minimum Capital Requirement (MCR)	**34,983.17**	**38,031.85**
(e)	**Capital Ratio:**		
	CET 1 Capital	43,433.33	67,995.35
	Total Tier 1 Capital	43,433.33	67,995.35
	Total Tier 2 Capital	5,685.27	5,685.27
	Total Capital	49,118.60	73,680.62
	Total Risk Weighted Assets (RWA):	349,831.72	380,318.53
	Capital to Risk-Weighted Assets Ratio (CRAR)	**14.04%**	**19.37%**
	CET 1 Capital Ratio	12.42%	17.88%
	Tier-1 Capital Ratio	12.42%	17.88%
	Tier-2 Capital Ratio	1.63%	1.49%
(f)	**Capital Conservation Buffer (CCB) (Maintained)**	4.04%	9.37%
(g)	**Available Capital under Pillar 2 Requirement**	14,135.43	35,648.77

Capital Requirement Composition



4. Credit Risk

Qualitative Disclosures

I. The general qualitative disclosure requirement with respect to credit risk:

- Definitions of past due and impaired (for accounting purposes)
- Description of approaches followed for specific and general allowances and statistical methods
- Discussion of the Bank's credit risk management policy

Credit Risk Management at BRAC Bank:

Credit risk generally arises when a bank's borrower or counterparty fails to meet their commitments/ obligations in line with the agreed-upon terms and conditions. Credit risk also arises with deterioration of borrower's credit rating. Effective credit risk management is a vital component of a comprehensive risk management strategy and critical to any bank's long-term sustainability. The likelihood of the borrower defaulting or deterioration and its financial impact on Bank are considered while assessing credit risk.

BRAC Bank, since 2005, has been following its Credit Risk Management policy approved by the Board of Directors for managing credit risk in the Bank. As per the central bank guidelines as well as to accommodate on-going changes and updates, mentioned policy is annually reviewed by the Board. Mentionable that, complying with the business module of BBL, loan processing system here is centralized. Under this system, the Relationship Manager (RM) hunts for business, keeping in mind the BBL acceptance criteria including 5 Cs in a prospective customer. In the onboarding process, RM prepares credit proposal and sends it to Credit Risk Management (CRM) Division/ Underwriting Division for appraisal. CRM appraises submitted proposal in light with existing CRM Policy of the Bank, places it with due recommendations to the appropriate approving authority for taking decision (Approve/Decline). In final stage of loan processing, documentation & disbursement are completed by the Operations division/ Credit Administration. In each of the aforementioned step, a very stringent and rigorous risk assessment process is followed whereby the Bank strives to eliminate every possibility of credit risk. In addition to full compliance with the regulatory guidelines, borrowers credit relationship including liability position, status, security arrangement with other lenders, prescribed credit risk rating models (both external and internal), external credit rating (for large & medium enterprise customers), detailed KYC, analysis of proposed security arrangement and other internal policy guidelines and relevant covenants are considered before extending any credit facility. All of these are followed with sole intention of combating credit risk.

Before approving any facility to a borrower, BBL follows a robust and rigid credit assessment process. Any deal or project is embarked on after scrutinizing that person or organization properly, that starts from accumulating and analyzing that person's or organization's business information, business prospect, present scenario, market position, market reputation, industry growth and peer group comparison and ends with making up the decision whether to onboard or not to onboard that person or organization. At the same time, relevant experience & skill of sponsor directors and key management in primary business, succession plan, corporate governance status, financial statement analysis including projected cash flow and opportunity, checking CIB report and search report, requirement assessment and justification, proposed facility structuring and related such avenues are closely scrutinized. If the status of the client is deemed to be satisfactory, all documents are prepared, and negotiations are undertaken. The Relationship Manager visits the factory (for manufacturing concerns) or retail outlets (for trading concerns) to see if the conditions are satisfactory and justifiable to support facilities. To maintain a thorough knowledge of the factory/ warehouse, a visit as well as stock verification report are prepared and the record is kept in respective client's file. The environmental and social aspects are also considered while opting for any lending decision. In such process, BBL meticulously adheres to exclusion list as per ESRM Guidelines.

i) Definitions of past due and impaired (for accounting purposes);

Classification and provisioning for loans and advances are created based on the period of arrears following the latest Bangladesh Bank guidelines and circulars and other relevant circulars on classification and provisioning. Definition of Past due/overdue as per BB circular is as follows:

- Any Continuous Loan, if not repaid/renewed within the fixed expiry date for repayment or after the demand by the Bank will be treated as past due/ overdue from the following day of the expiry date
- Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the Bank will be treated as past due/overdue from the following day of the expiry date

- In case of any instalment (s) or part of instalment (s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid instalment (s) will be treated as past due/overdue after six months of the expiry date;
- The Short-term Agricultural and Micro-Credit, if not repaid within the fixed expiry date for repayment, will be considered past due/overdue after six months of the expiry date.

In this regard, all the loans and advances/investments are grouped into four categories for the purpose of classification as per BB circulars, namely

i) Continuous Loan
ii) Demand Loan
iii) Fixed Term Loan, and
iv) Short-term Agricultural and Micro Credit.

They are classified as follow:

Type of Facility	Borrower Type	Loan Classification		
		Sub Standard (Overdue Period)	Doubtful (Overdue Period)	Bad & Loss (Overdue Period)
Continuous Loan, Demand Loan & Fixed Term Loan	CMS*	6 months or more but less than 18 months.	18 months or more but less than 30 months.	30 months or more.
	Other than CMS	3 months or more but less than 9 months.	9 months or more but less than 12 months.	12 months or more.
Short-Term Agricultural & Micro Credit		12 months or more but less than 36 months	36 months or more but less than 60 months	60 months or more

*CMS means Cottage, Micro & Small credits defined in SMESPD Circular No. 02 dated September 05, 2019

ii) Description of approaches followed for specific and general allowances and statistical methods;

Provision for loans and advances is maintained to cover the Bank from possible loan losses in future. A 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 categorized as Sub-Standard, Doubtful and Bad/Loss as per Bangladesh Bank circulars. For loans classified as sub-standard, doubtful or bad/loss, specific provision is maintained netting off eligible security value and interest suspense from the amount outstanding. Provision for off-balance sheet items is also maintained as per Bangladesh Bank guidance. For maintenance of required provisions, the latest BB circulars are followed diligently. Interest accrued on Sub-Standard and Doubtful accounts is transferred to interest suspense account, thus not considered as interest income unless actually realized in cash by the Bank.

However, Loans and advances are sometimes written-off from the bank's statement of financial position considering the followings as per BRPD circular no. 01, dated February 06, 2019:

(i) When there is no realistic prospect of recovery and

(ii) Against which legal cases are filed and classified as bad and loss.

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.

At each balance sheet date, BRAC Bank Limited assesses whether there is objective evidence that a financial asset or a group of financial assets, i.e. loans and advances, off-balance sheet items and investments, are impaired. A financial asset or groups of financial assets are impaired, and impairment losses are incurred if there are objectives evidence of impairment as a result of a loss event that occurs after the initial recognition of the asset up to the balance sheet date; the loss event had an impact on the estimated future cash flows of the financial assets or the group of financial assets, and a reliable estimate of the loss amount can be made. In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

The Bank is required to maintain the following general and specific provisions in respect of classified and unclassified loans and advances/investments on the basis of Bangladesh Bank guidelines issued from time to time:

Business Unit		Rates of Provision				
		Un-classified (UC)		Classified		
		Standard	Special Mention Account (SMA)	Substandard (SS)	Doubtful (DF)	Bad loan (BL)
Consumer	House building	1%	1%	20%	50%	100%
	Loans for professionals	2%	2%	20%	50%	100%
	Other than house building and professionals	2%	2%	20%	50%	100%
Loans to BHs/ MBs against share etc.		2%	2%	20%	50%	100%
Cottage, Micro & Small Credit under CMSME		0.25%	0.25%	5%	20%	100%
Medium enterprise		0.25%	0.25%	20%	50%	100%
Short term Agri/Micro credit		1%		5%	5%	100%
Credit Card		2%	2%	20%	50%	100%
All others		1%	1%	20%	50%	100%
Off Balance Sheet		1%	-	-	-	-

iii) Discussion of the Bank's credit risk management policy;

Credit Policy:

BRAC Bank Limited is managing its Credit Risk through a Board directed and approved Credit Policy in line with the Bangladesh Bank Core Risk Management Guidelines, which outlined robust processes and procedures to ensure the quality of its assets portfolio. The Credit Policy also contains the general principles to govern the implementation of detailed lending procedures and risk grading systems of the borrowers. And as such, it specifically addresses the areas of:



Credit Risk Mitigation:

Potential credit risks are mitigated by taking primary and collateral securities. There are other risk mitigation approaches like netting agreements and other guarantees. The professionals of the respected fields verify the legal certainty and enforceability of the mitigation approach. Collateral types eligible for risk mitigation include cash, residential, commercial, industrial property; plant and machinery; marketable securities etc. The bank officials physically verify collaterals simultaneously; these are also valued by an independent third-party surveyor in accordance with the credit policy and procedures.

Credit Assessment and Grading:

Know Your Client (KYC) is the first step to analyzing any credit proposal. The Banker-customer relationship is established through an opening of accounts of the customers. Proper introduction, photographs of the account holders/ signatories, passports etc., and all other required papers as per the Bank's policy are obtained during account opening. Physical verification of customer address is done prior to credit appraisal. The entire process involves relationship teams of respective Asset Portfolio (Retail, SME and Corporate.) booking customer; the Credit Division conducting thorough assessment before placing for approval of the facility. Risk assessment includes borrower risk analysis, Industry risk analysis, financial risk analysis, security risk analysis, account performance risk

analysis & environmental & social risk analysis of the customer. Post-approval, the Credit Administration Department ensures compliance of all legal formalities, completion of documentation including the security of the proposed facility and finally disburses the amount. The above arrangement has not only ensured segregation of duties and accountability but also helps in minimizing the risk of compromise with the quality of the credit portfolio.

Credit Risk Management:

Conventionally, the core function of a Credit Risk Management (CRM) Team is to optimize the risk-adjusted return from Bank Loans and Advances by maintaining an appropriate standard in the underwriting process. However, the scope of BRAC Bank's CRM is not just limited to this. At BBL, a more holistic approach towards risk management is taken, where socio-economic and environmental impacts of the decisions made are emphasized upon. This practice is the hallmark of BRAC Bank's credit risk management objective. BBL believes in development rather than growth and sustainability; rather than mere financial return from a transaction. BBL strives to create value rather than be the consumer of the value. To achieve this goal, BBL manages the credit risk inherent in the entire portfolio of the Bank as well as the risks associated with individual credit proposals or transactions. BBL believes that effective management of credit risk is a critical component of a comprehensive approach to risk management. In last several years, BRAC Bank has been focusing on adopting environmental risk management programs through the assistance, guidance, and/or requirements provided by various international DFIs as well as clearly articulated regulatory guidelines. Bringing social and environmental risk assessment into the credit approval process contributes to the wellbeing of society. Moreover, as the lion's share of the total revenue of BRAC Bank comes particularly through SME lending, the future prospect of the Bank depends on the quality of its asset portfolio. Thus, efficient management of the Loans and Advances is of paramount importance for the Bank.

There is a distributed collection model that consistently follows up with the borrowers for timely repayments. A wing named 'Special Asset Management (SAM)' deals with non-performing assets through amicable settlement, execution of decrees and arrangements of auctions to sell the mortgaged properties. SAM is also engaged in monitoring Early Alert Accounts.

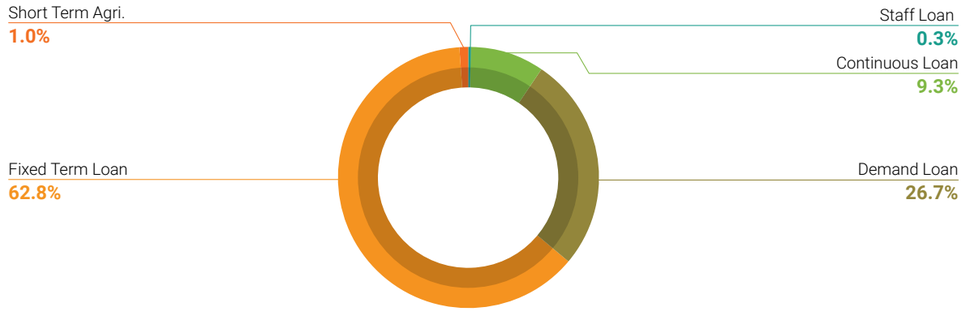
Final authority and responsibility for all activities that expose the Bank to credit risk rest with the Board of Directors. The Board, however, delegated authority to the Managing Director and CEO or other officers of the credit risk management division. The Credit Policy Manual contains the core principles for identifying, measuring, approving, and managing credit risk in the Bank and is designed to meet the organizational requirements that exist today as well as to provide flexibility for the future. The policy covers corporate, retail, small and medium enterprise exposures. Policies and procedures have structured and standardized credit risk management processes both at the obligor and portfolio level and follow the central Bank guideline. Credit risk management function is Independent of business origination functions to establish better internal control and to reduce conflict of interest.

Quantitative Disclosures

II. Total gross credit risk exposures broken down by major types of credit exposure:

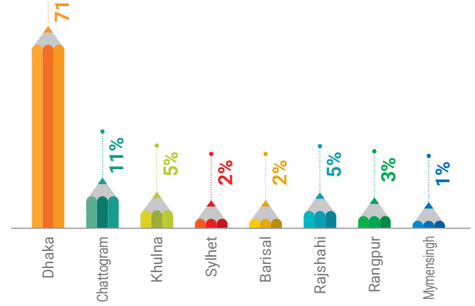
Categories of loans	Outstanding (BDT million)
Continuous Loans (CL-2)	**38,051.61**
i. Small & Medium Enterprises Financing (SMEF)	
a. Small, Cottage & Micro Enterprises	10,657.56
b. Medium Enterprises	2,335.33
ii. Consumer Financing (CF)	11,360.14
iii.Loans to BHs/MBs/SDs against share etc.	1,055.55
iv. Other than SMEF,CF,BHs/MBs/SDs	12,643.04
Demand Loans (CL-3)	**109,519.68**
i.Small & Medium Enterprises Financing (SMEF)	
a. Small, Cottage & Micro Enterprises	13,209.81
b. Medium Enterprises	633.26
ii. Consumer Financing (CF)	
iii.Loans to BHs/MBs/SDs against share etc.	85.00
iv.Other than SMEF,CF,BHs/MBs/SDs	95,591.61
Fixed Term Loan (CL-4)	**257,779.62**
i. Small & Medium Enterprises Financing (SMEF)	
a. Small, Cottage & Micro Enterprises	152,481.26

Categories of loans	Outstanding (BDT million)
b. Medium Enterprises	3,743.93
ii. Consumer Financing (Other than HF & LP)	46,400.31
iii. Housing Finance (HF)	12,684.89
iv. Loans for professionals to Set up business (LP)	5,466.50
V. Loans to BHs/MBs/SDs	
vi. Other than SMEF,CF,HF, LP, BHs/MBs/SDs	37,002.73
Short Term Agri. credit and Micro Credit (CL-5)	**4,185.96**
Staff loan	**1,139.53**
Grand Total	**410,676.41**



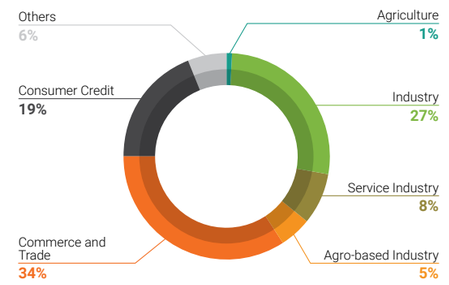
III. Geographical distribution of exposures, broken down in significant areas by major types of credit exposure:

Division	Outstanding (BDT million)
Dhaka Division	292,436.24
Chattogram Division	44,321.48
Khulna Division	21,356.27
Sylhet Division	7,682.51
Barisal Division	6,891.51
Rajshahi Division	20,449.63
Rangpur Division	12,180.55
Mymensingh Division	5,358.22
Grand Total	**410,676.41**



IV. Industry or counterparty type distribution of exposures, broken down by major types of credit exposure:

Industry/Counterparty	Outstanding (BDT million)
Agriculture	5,687.72
Industry	110,177.16
Service Industry	33,146.93
Agro-based Industry	20,471.08
Commerce and Trade	139,169.03
Consumer Credit	77,082.06
Others	24,942.42
Grand Total	**410,676.41**



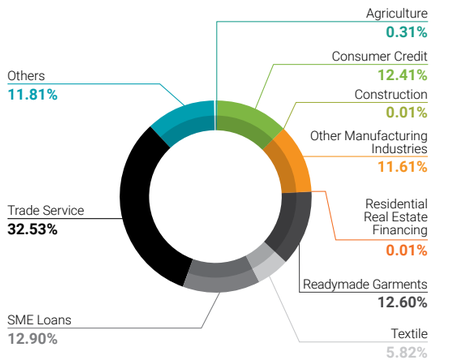
V. Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure:

Residual Contractual Maturity	Outstanding (BDT million)
Repayable on demand	1,884.61
Up to 1 month	36,281.91
Not more than 3 months	67,860.73
More than 3 months but not more than 1 Year	161,443.95
More than 1 year but not more than 5 years	122,587.43
More than 5 years	20,617.78
Grand Total	**410,676.41**

VI. By major industry or counterparty type: Amount of impaired loans and if available, past-due loans, provided separately; Specific and general provisions; and Charges for specific allowances and charge-offs during the period:

Sector-wise NPL	Outstanding (BDT million)
Agriculture	46.83
Consumer Credit	1,894.22
Construction	0.96
Other Manufacturing Industries	1,772.12
Residential Real Estate Financing	1.44
Readymade Garments	1,924.19
Textile	888.07
SME Loans	1,970.25
Trade Service	4,967.52
Others	1,803.03
Grand Total	**15,268.63**

NPL Composition



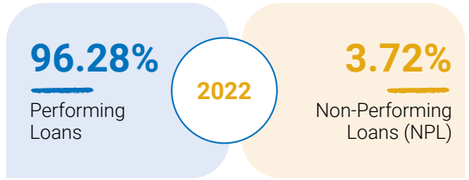
Status	Outstanding loans and advances 2022	Base for provision	% of required provision	Required provision 2022
Unclassified				
All unclassified loans (Other than Small and Medium Enterprise Financing, Consumer Financing, BHs/ MBs/SDs, Housing and loans for professional*)	138,616.01	138,566.46	1%**	1,778.83
Small and Medium enterprise financing	176,308.31	176,308.31	0.25%	440.77
Loans to BHs/MBs/SDs against share etc.*	1,140.55	1,140.55	2%	22.81
Housing Finance	12,135.15	12,135.15	1%	121.35
Loans for professionals to Set up business (LP)	5,402.71	5,402.71	2%	108.05
Consumer finance	46,213.21	46,213.21	2%	924.26
Consumer finance (Credit Card)	10,266.55	10,266.55	2%	205.33
Short Term Agricultural and Micro Credit	4,185.76	4,185.76	1%	41.86
Staff Loan	1,139.53	-	1%	-
Subtotal	395,407.78	394,218.70		3,643.27
Classified - Specific provision				
Sub-standard	3,376.24	2,422.28	20%***	439.03
Doubtful	2,535.95	1,943.78	50%***	499.17

Status	Outstanding loans and advances 2022	Base for provision	% of required provision	Required provision 2022
Bad/Loss	9,356.44	6,954.24	100%	7,065.80
Subtotal	15,268.63	11,320.30		8,004.01
Grand Total	**410,676.41**	**405,539.01**		**11,647.28**
Special General Provision Covid-19				
Special general provision Covid-19 for 2020			1%	385.75
Special general provision Covid-19 for 2021			1.5%, 2%	179.41
Special general provision Covid-19 for 2022 (CMSME)			1% & 2%	17.32
				582.48
Total required provision for loans and advances				12,229.76
Total provision maintained				14,175.16
Excess provision over minimum required provision prescribed by Bangladesh Bank				**1,945.40**

* 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

VII. Gross Non-Performing Assets; Non-Performing Assets to Outstanding Loans & advances; Movement of Non-Performing Assets NPAs); Movement of Specific provisions for NPAs

Particulars	(BDT million)
Outstanding Loans & Advances	410,676.41
Non-Performing Loans	15,268.63
NPL %	3.72%



Movement of Non-Performing Loans (NPL):

Non-Performing Loans	Outstanding (BDT million)
Opening balance	12,522.56
Additions during the year	6,324.24
Reductions during the year	(3,578.17)
Closing Balance	15,268.63

Movement of Specific provisions for NPLs:

Particulars	Amount (BDT million)
Provisions held at the beginning of the year (a)	8,960.50
Less: Transfer to general provision (b)	(210.68)
Less: Write off during the year (c)	(1,875.69)
Add: Provision charged during the year (d)	2,179.49
Add: Recovery of written off bad debts (e)	809.57
Add: Exchange difference (f)	347.74
Net charge to Profit and Loss A/C (g) = (d)-(e)	1,369.92
Provisions held at the end of the year (a+b+c+d+f)	9,401.37

5. Equities: Disclosures for Banking Book Positions

Qualitative Disclosures

a) The general qualitative disclosure requirement with respect to equity risk, including:

- ***differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;***

Investment in equity securities are broadly categorized into two parts:

- **Quoted Securities:** These securities are bought and held primarily for the purpose of selling them in the future or holding for dividend income, which is reported at cost. Unrealized gains are not recognized in the profit and loss statement. But required provisions are kept for diminution in value of the investment.
- **Unquoted Securities:** Investment in unlisted securities is reported at a cost under the cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

ii) Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices

The primary aim is to invest in these equity securities for the purpose of capital gain by selling them in the future or holding for dividend income. As per BRPD Circular no. 14 dated June 25, 2003, investments in quoted shares and unquoted shares are revalued at the year-end at market price and as per book value of the last audited balance sheet of that company, respectively. Provision should be made for any loss arising from diminution in value of investments (portfolio basis), otherwise investments are recognized at cost.

Recognition and Measurement, investments in shares and securities generally fall either under "at fair value through Profit or Loss Account" or under "available for sale" where any change in fair value at the year-end is taken to Profit or Loss Account or Revaluation Reserve Account respectively.

The valuation methods of Marking to Market for investment used are:

i. **Held to Maturity (HTM):** By definition, the Investments which have fixed or determinable payments and fixed maturity that the group has the positive intent and ability to hold to maturity, other than those that meet the definition of 'Held at amortized cost others' are classified as held to maturity. These investments are subsequently measured at amortized cost, less any provision for impairment in value. Amortized cost is calculated by taking into account any discount or premium in acquisition. Any gain or loss on such investments is recognized in the statement of income when the investment is derecognized or impaired.

ii. **Held for Trading (HFT)** Investment 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 present value, and any change in the fair value is recognized 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.

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

VALUATION & ACCOUNTING OF INVESTMENT			
Investment Class	**Initial Recognition**	**Measurement after Recognition**	**Recording of changes**
GOVT. T-BILLS/ BONDS - HFT	Cost	Marking to Market/ fair value	Loss to profit and loss a/c, gain to revaluation reserve
GOVT. T-BILLS/ BONDS - HTM	Cost	Amortized cost	An increase in value of securities is booked to equity, but decrease to profit and loss account.
BOND/DEBENTURE	Cost	Cost	Profit & Loss Account
QUOTED SHARES	Cost	Lower of cost or market price at balance sheet date	Provision for revaluation loss (net off gain) is charged to profit and loss account but no unrealized gain booking.
UN-QUOTED SHARES	Cost	Lower of cost or Net Asset Value (NAV) of last audited account	Provision for unrealized loss to profit and loss Account but no unrealized gain booking.
MUTUAL FUND (CLOSED-END)	Cost	Lower of cost and (higher of market value and 85% of NAV)	Provision for unrealized loss to profit and loss account but no unrealized gain booking.
MUTUAL FUND (OPEN-END)	Cost	Lower of cost and 95% of NAV	Provision for unrealized loss to profit and loss account but no unrealized gain booking.
PRIZE BOND	Cost	Cost	N/A

Quantitative Disclosures

b) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

Figures in BDT million

Particulars	Solo		Consolidated	
	Cost Price	Market Value	Cost Price	Market Value
Value of Quoted Share	4,679.01	4,716.92	6,139.32	6,090.64
Value of Unquoted Share	488.51		632.13	

c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.

d) Total unrealized gains (losses); Total latent revaluation gains (losses); Any amounts of the above included in Tier 2 capital

Figures in BDT million

Sl.	Particulars	Solo	Consolidated
c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	30.51	30.51
d)	Total unrealized gains (losses)	87.92	87.92
	Total latent revaluation gains (losses)	-	-
	Any amounts of the above included in Tier 2 capital.	-	-

e) Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

Figures in BDT million

Capital Charge for Equities	Solo	Consolidated
Specific Risk	471.69	615.63
General Market Risk	471.69	615.63
Total Capital Charge	**943.38**	**1,231.25**

6. Interest rate risk in the banking book (IRRBB)

Qualitative Disclosures

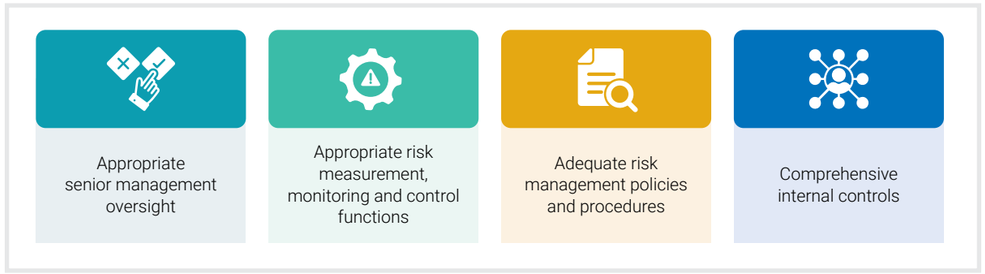
a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement:

Interest rate risk affects the Bank's financial condition due to adverse movements in interest rates of interest-sensitive assets. Changes in interest rates have two types of impact:

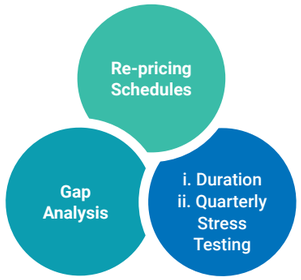
i. **Earnings perspective:** It affects a Bank's earnings by changing its net interest income and the level of other interest-sensitive income and operating expenses.

ii. **Economic value perspective:** The economic value of future cash flows changes when the interest rate changes.

In BRAC Bank Limited, the Asset & Liability Management (ALM) unit, under the supervision of the Asset and Liability Committee (ALCO), is responsible for managing market risk arising from BRAC Bank's banking book activities. Our interest rate risk management involves the application of four basic elements in the management of assets, liabilities, and OBS instruments.



Techniques of Addressing IRRBB: Following techniques for managing the IRRBB in BRAC Bank Limited are applied



Re-pricing Schedules: It is the simplest technique for measuring a bank's interest rate risk exposure, and that is generating a maturity/re-pricing schedule that distributes interest-sensitive assets, liabilities, and OBS positions into a certain number of pre-defined time bands according to their maturity (if fixed-rate) or time remaining to their next re-pricing (if floating-rate). Those assets and liabilities lacking definitive re-pricing intervals (e.g. sight deposits or savings accounts) or actual maturities that could vary from contractual maturities are assigned to re-pricing time bands according to the analytical judgment and past experience of the Bank.

Gap Analysis: It helps to assess the interest rate risk of current earnings. To evaluate earnings exposure, interest rate-sensitive liabilities in each time band are subtracted from the corresponding interest-rate sensitive assets to produce a re-pricing "gap" for that time band. This gap is then multiplied by an assumed change in interest rates to yield an approximation of the change in net interest income that would result from such an interest rate movement.

i. **Duration:** A maturity/re-pricing schedule is also used to evaluate the effects of changing interest rates on a bank's economic value by applying sensitivity weights to each time band. Typically, such weights are based on estimates of the duration of assets and liabilities that fall into each time band.

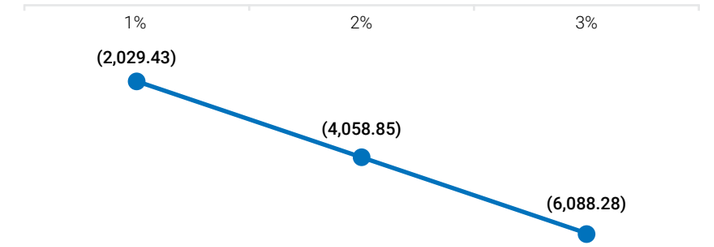
ii. **Quarterly Stress Testing:** It is conducted on a quarterly basis as per the directives of Bangladesh Bank to gain better insight into the vulnerable issue of IRRBB

Quantitative Disclosures

Particulars	Amount (BDT million)
Market Value of Assets	563,553.73
Market Value of Liabilities	504,796.48
Weighted Average of Duration of Assets (DA) in years	1.28
Weighted Average of Duration of Liabilities (DL) in years	1.00
Duration GAP (DA-DL)	0.38
Yield to Maturity (YTM -Assets)	6.39%
Yield to Maturity (YTM -Liability)	2.82%

The magnitude of Interest Rate Change	1%	2%	3%
Change in market value of equity due to an increase in interest rate	(2,029.43)	(4,058.85)	(6,088.28)
Stress Testing	**Minor**	**Moderate**	**Major**
Regulatory capital (after shock)	47,089.17	45,059.75	43,030.32
RWA (after shock)	347,890.70	345,861.27	343,831.85
CRAR (after shock)	13.54%	13.03%	12.51%

Change in market value of equity due to an increase in interest rate



7. Market risk

Qualitative Disclosures

a) (i) Views of BOD on trading/investment activities (ii)Methods used to measure Market risk; (iii) Market Risk Management system; (iv) Policies and processes for mitigating market risk

Views of BOD

Market risk arises due to changes in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. The financial instruments that are held with trading intent or to hedge against various risks are purchased to make a profit from spreads between the bid and ask price are subject to market risk.

BBL has Foreign Exchange Risk Management Guideline entirely customized as per our Bank's need since 2004. The guidelines have been prepared as per Bangladesh Bank guidelines and appraised by our Board of Directors. All financial activities are susceptible to a different degree of risks. To measure, monitor and manage these risks would be crucial for the survival and good health of the organization. Within the Bank, the treasury is vested with the responsibility to measure and minimize the risks associated with Bank's assets and liabilities. Managing foreign exchange risk is one of the prime responsibilities of the treasury.

Treasury is responsible for managing the balance sheet as per the recommendation of ALCO to minimize risk and maximize returns. The committee calls on a meeting at least once every month to set and review strategies on ALM. The ALCO process or ALCO meeting reviews the ALCO paper along with the prescribed agendas. Based on the analysis and views, the committee takes decisions to reduce balance sheet risk while maximizing profits.

At BRAC Bank, the Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to obtain the best balance of risk and return whilst meeting customers' requirements.

Market Risk Measurement

There are several methods used to measure market risk, and the Bank uses those methods which deemed fit for a particular scenario. For measuring interest risk from an earnings perspective, the Bank uses maturity gap analysis, Duration Gap analysis, Sensitivity Analysis. Standardized (Rule-Based) method is used for calculating capital charge against market risks for the minimum capital requirement of the Bank under Basel-III. For each risk category, the minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'.

Market Risk Management

The Treasury Division manages market risk covering liquidity, interest rate and foreign exchange risks with oversight from the Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director.

Policies and Processes

- **Asset Liability Management:**

BRAC Bank Limited gives adequate emphasis so that balance sheet risks are effectively managed. Appropriate policies and procedures have been established as per the guidelines of the Bank's Board of Directors (BOD), including relevant circular guidelines of Bangladesh Bank to control and limit these risks, and proper resources are available for the evaluation and control of these risks. The Asset Liability Committee (ALCO) of the Bank monitors the Balance Sheet and liquidity risk of the Bank.

- **Foreign Exchange Risk Management:**

Foreign exchange risk (also known as FX risk, exchange rate risk or currency risk) is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency. The risk is that adverse fluctuations in exchange rates may result in a loss in earnings. We have our own Board approved policy for the management of FX risk

There are approved limits for Market risk related instruments, both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks.

Quantitative Disclosures

b) The capital requirements for: interest rate risk; equity position risk; foreign exchange risk; and Commodity risk.

Figures in BDT million

Capital Charge for Market Risk	SOLO	Consolidated
Interest Rate risk	311.65	314.40
Equity position risk	943.38	1,231.25
FX Risk	30.60	30.60
Commodity risk	-	-
Total	**1,285.63**	**1,576.25**

8. Operational risk

Qualitative Disclosures

a) Views of BOD on system to reduce Operational Risk; Performance gap of executives and staffs; Potential external events; Policies and processes for mitigating operational risk; Approach for calculating capital charge for operational risk

Views of BOD on system to reduce Operational Risk

Operation risk is the risk of losses resulting from inadequate or failed internal processes, people and systems, or external events. This definition includes legal risk but excludes strategic or reputation risk.

The Board of Directors (BOD) of BRAC Bank Limited and its Management firmly believe that efficient management of operational risks always contributes to the Bank's earnings and, at the same time, secures the interest of its customers and shareholders. To materialize this understanding into reality, there are dedicated risk management associates across the Bank that consistently work for managing the Operational Risks using effective tools and techniques implemented through policies and processes.

Performance gap of executives and staffs

The Bank has a proper mechanism in place to identify the scope of improvement of the employees and executives and work towards addressing them on time. The development of human resources is pivotal for optimum efficiency, and hence, BBL's employees are given numerous learning and capacity development programs throughout the year by the best resources available within the country and abroad. To reduce the knowledge gap and assist in developing our personnel, user user-friendly Operations Manual has been developed and enclosed with functional processes for all employees who are the end-users of these processes. This is a critical initiative for the Bank because having a mapped out process enables users to operate more efficiently, enhances knowledge amongst staff and fills in the lapses in operations. All the policies and processes address clear responsibilities and accountabilities of all employees

Potential external events

There are non-diversifiable external factors that can affect the operations of the business directly or indirectly. BBL understands that business operates under an umbrella of interconnected socio-economic and political environment where macro-economic conditions, regulatory changes, change in demand, and the status of infrastructure significantly influence the Bank's performance. The Bank has a separate mechanism to address such kinds of events.

Policies and processes for mitigating operational risk

In BRAC Bank, a dedicated department under the Risk Management Division (RMD) consistently works in Operational Risk identification, assessment and implementing appropriate risk mitigation strategies across the Bank. It helps to create awareness about various types of risks in pan Bank and enhances the management of significant risk exposures by escalating all risk issues timely and concisely to the MANCOM and Enterprise Risk Management Committee (ERMC). The

team works in collaboration with all the departments in the Bank for minimizing the Operational Risk exposures by collating information from key stakeholders of processes across all functions of the Bank, Incident Reports, Potential Loss Reports, Internal Audit Reports, External Audit Reports and various other sources to identify gaps, risks, compliance and control failures to ensure reporting of significant risks and corporate governance issues.

Such maintenance of a Bank-wide risk management framework enables every department to independently identify, assess and respond to changes in the operating environment.



Moreover, Internal Control and Compliance Division have a key role in identifying and mitigating operational risk. This division works relentlessly under the guidance of the Board Audit committee to manage operational risk issues of the Bank. The audit committee delivers policies and directions from time to time to keep the operational efficiency of the Bank up to the mark.

Approach for calculating capital charge for operational risk

Basic Indicator Approach (BIA) is followed to calculate the capital charges for Operational Risk as per the guidelines of Bangladesh Bank.

As per BIA, the capital charge for Operations Risk is a fixed percentage denoted by α (alpha) of an average positive gross annual income of the Bank over the past three years.

K = [(GI 1 + GI2 + GI3) x α]/n

Where:-

K = the capital charge under the Basic Indicator Approach

GI = only positive annual gross income over the previous three years (i.e. negative or zero gross income if any shall be excluded)

α= 15%

n = number of the previous three years for which gross income is positive

Quantitative Disclosures

b) The capital requirements for operational risk:

Figures in BDT million

Particulars	Solo	Consolidated
Gross Income (Last 3 Years)	70,876.88	98,616.47
Average GI	23,625.63	32,872.16
15% of Average GI	3,543.84	4,930.82
Capital Charge for Operational Risk	**3,543.84**	**4,930.82**

9. Liquidity Ratio

Qualitative Disclosures

a) Views of BOD on system to reduce liquidity Risk; Methods used to measure Liquidity risk; Liquidity risk management system; Policies and processes for mitigating liquidity risk

Liquidity Risk

Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or when a bank is unable to fulfil its commitments in time when payment falls due. Liquidity risk can be of two types:

a) Funding liquidity risk: the risk that a firm will be unable to meet its current and future cash flow and collateral needs without affecting its daily operations or its financial condition.

b) Market liquidity risk: the risk that a firm cannot easily offset or sell a position without incurring a loss because of inadequate depth in the market

Views of BOD on system to reduce liquidity Risk

The Board of Directors of BBL has always been giving utmost importance to minimize the liquidity risk of the Bank. In order to reduce liquidity risk, strict maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Reserve (SLR) is also being emphasized on a regular basis. Apart from these, as a part of Basel-III requirement, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are also maintained under the guidance and sharp insight of our honorable Board of Directors.



Liquidity Risk Parameters

BBL follows Bangladesh Bank's Risk-Based Capital Adequacy guideline in line with Basel III. The bank also follow DOS circular no. 1, dated January 01, 2015, on the implementation of the Basel III liquidity ratio.

Methods used to measure Liquidity risk

Liquidity Coverage ratio: The liquidity coverage ratio (LCR) refers to highly liquid assets held by financial institutions in order to meet short-term obligations. The Liquidity coverage ratio is designed to ensure that financial institutions have the necessary assets on hand to ride out short-term liquidity disruptions. Banks are required to hold an amount of highly-liquid assets, such as cash or Treasury bonds, equal to or greater than their net cash outflows over a 30 day period (having at least 100% coverage)

Net stable funding ratio (NSFR): The NSFR presents the proportion of long term assets funded by stable funding and is calculated as the amount of Available Stable Funding (ASF) divided by the amount of Required Stable Funding (RSF) over a one-year horizon. This ratio must equal or exceed 100%.

LCR
≥100%
Meet short term obligations

NSFR
>100%
Over a one year horizon

Liquidity risk management system

Liquidity is the ability of a bank to generate funds for increasing assets and meet obligations as they come due without incurring the unacceptable cost. The fundamental role of Banks in the maturity transformation of short-term deposits into long-term loans makes banks inherently vulnerable to liquidity risk. Effective liquidity risk management helps ensure a bank's ability to meet cash flow obligations, which are uncertain as they are affected by external events and other agents' behaviour. Liquidity risk management is of paramount importance because a liquidity shortfall at a single institution can have system-wide repercussions.

Responsibility for managing and controlling liquidity of BBL lies with Asset Liability Management Committee (ALCO), which meets at regular intervals. Asset and

Liability Management (ALM) desk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities, and they are primarily responsible for the management of liquidity in the Bank.

Policies and processes for mitigating liquidity risk

Asset Liability Management (ALM) is the core job and integral part of Bank Management. Changes in market liquidity and interest rate expose Bank's business to the risk of loss, which may, in extreme cases, threaten the survival of the institution. As such, it is important that the level of balance sheet risks is effectively managed, appropriate policies and procedures are established to control and limit these risks, and proper resources are available for evaluating and controlling these risks.

Asset Liability Management policy is implemented to monitor, measure and manage the risks associated with the balance sheet and guards the Bank against any unforeseen loss/threat of survival. The Asset Liability Management policy was last updated and approved by the Board in February 2021. The policy was revised to accommodate regulatory changes and ensure better risk management.

The Board of Directors approves the LRM Policy. Asset Liability Committee (ALCO) reviews the policy at least annually or as and when required by taking into consideration any changes in the market dynamics and appropriateness and put a recommendation for changes in policy to the Board for approval. The LRM Policy is guided by international best banking practices, local banking & regulatory environment and prudent guidelines of the Central Bank.

Quantitative Disclosures

b) Liquidity Coverage Ratio; Net Stable Funding Ratio (NSFR); Stock of High quality liquid assets; Total net cash outflows over the next 30 calendar days; Available amount of stable funding; Required amount of stable funding

Particular	Amount (BDT million)
Liquidity Coverage Ratio	227.96%
Net Stable Funding Ratio (NSFR)	117.74%
Stock of High quality liquid assets	88,118
Total net cash outflows over the next 30 calendar days	38,655
Available amount of stable funding	447,305
Required amount of stable funding	379,897

10. Leverage Ratio

Qualitative Disclosures

a) Views of BOD on system to reduce excessive leverage; Policies and processes for managing excessive on and off-balance sheet leverage; Approach for calculating exposure

Views of BOD on system to reduce excessive leverage

In order to avoid building-up excessive on - and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk-based capital requirements

Banks have a range of financial incentives to operate with high leverage. But it creates risk when it crosses a certain point. Therefore, the Board views that sound prudential controls are needed to ensure that the organization maintains a balance between its debt and equity. The Board also believes that the Bank should maintain its leverage ratio on and above the regulatory requirements, which will eventually increase the public confidence in the organization.

Policies and processes for managing excessive on and off balance sheet leverage

To manage excessive leverage, the Bank follows all regulatory requirements for capital, liquidity, commitment, Advance Deposit Ratio (ADR), Maximum Cumulative Outflow (MCO), and other standards set by Bangladesh Bank. The aim is to ensure that the high leverage inherent in banking business models is carefully and prudently managed.

Approach for calculating exposure

BRAC Bank calculates leverage ratio on a quarterly basis as per the RBCA guideline of the Bangladesh Bank and submits it to the Department of Off-site Supervision (DOS), Bangladesh Bank, along with the CRAR report.

The leverage ratio reflects the Bank's tier 1 capital (the numerator) over total exposure (the denominator), which include its balance sheet exposures and certain off-balance sheet exposures. The capital measure for the leverage ratio is based on the Tier 1 capital.

The exposure measure for the leverage ratio follows the accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the followings are applied by the Bank:

- On-balance sheet, non-derivative exposures are net of specific provisions and valuation adjustments
- Physical or financial collateral, guarantee or credit risk mitigation purchased is not considered to reduce on-balance sheet exposure
- Netting of loans and deposits is not considered
- Leverage Ratio=Tier 1 Capital (after related deductions)/Total Exposure (after related deductions)

Quantitative Disclosures

b) Leverage Ratio; On balance sheet exposure; Off balance sheet exposure; Total exposure

Figures in BDT million

Particulars	Solo	Consolidated
Tier-1 Capital (considering all regulatory adjustments)	43,433	67,995
On- Balance Sheet Exposure	553,838	645,324
Off-Balance Sheet Exposure	58,720	58,720
Total Exposure	606,905	692,755
Leverage Ratio (Actual)	**7.16%**	**9.82%**
Leverage Ratio (Required)	3%	3%

11. Remuneration

Qualitative Disclosures

a) Information relating to the bodies that oversee remuneration. Disclosures must include:

(i) Name, composition and mandate of the main body overseeing remuneration:

The remuneration issues in BRAC Bank are overseen by the Senior Management. It comprises the Managing Director & CEO, the Deputy Managing Directors and the Divisional Heads.

Remuneration during Joining:

Head of Human Resources, Head of Compensation & Rewards along with concerned Functional Head fix the remuneration based on fitment analysis of the incoming employee.

Remuneration after Joining:

Head of Human Resources along with concerned Functional Heads and Senior Management review the Remuneration of the Bank from time to time and adjust it based on performance, importance of the role and market benchmark.

Cost of living adjustment is given to the eligible employees as per Bank's policy on yearly basis.

(ii) External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process;

N/A

(iii) A description of the scope of the Bank's remuneration Policy (e.g. by regions, business lines),

including the extent to which it is applicable to foreign subsidiaries and branches.

The remuneration policy of the bank covers all persons engaged in service of the bank. The Salary structure of the Bank is based on Job Grades. Job grades are decided on the basis of an analytic assessment of the position based on the size, responsibilities, decision-making authorities, nature and scope of the job.

(iv) A description of the types of employees considered as material risk takers and as senior managers including the number of persons in each group.

The bank has identified employees in key areas and functions whose impact on the risk profile of the bank will always be material that includes the members of the management body in its supervisory function, whose professional activities have a material impact on the institution's risk profile because of their responsibilities, In particular, all members of Senior Management, Extended Management Team and other department heads have been identified as senior managers and material risk takers.

b) Information relating to the design and structure of remuneration processes:

(i) An overview of the key features and objectives of remuneration policy;

BRAC Bank is committed to maintain fair, competitive and performance-oriented remuneration policies and practices that align with long-term employee and shareholder interests. The bank believes in rewarding employees for performing in a way that creates sustainable values for the bank and its shareholders over the time. We believe that well-established and clearly communicated core remuneration values drive fairness and consistency across our bank.

Upon recommendation from the Management, Board of Directors have the authority to approve and amend the policy.

The remuneration policy of the Bank cover all persons engaged in permanent service of the Bank. Bank has different Job Grades for various levels of employee. Job grade is decided on the basis of an analytic assessment of the position based on the size, responsibilities, decision-making authorities, nature and scope of the job.

The following are the job Grades of BRAC Bank Limited:

- Deputy Managing Director
- Senior Executive Vice President
- Executive Vice President
- Senior Vice President
- Vice President
- Senior Assistant Vice President
- First Assistant Vice President
- Assistant Vice President
- Senior Principal Officer
- Principal Officer
- Senior Officer
- Officer Grade-II
- Officer Grade I

Managing Director & CEO is not a permanent position. It is a fixed-term contractual position as per Bangladesh Bank's approval.

The monthly gross salary of an employee have the following components which may vary depending on employee's grades:

- Basic salary
- House rent
- Medical allowance
- Conveyance
- Festival Bonus
- Leave Fair Allowance
- Others

Salaries are confidential between the employees concerned and the Management. The salary ranges for these job grade is reviewed from time to time by the management committee and approved by the Board of Directors.

In addition to this, an employee receives 2 guaranteed festival bonuses in two festivals each equal to one basic. He/ She also receives Leave Fair Allowance equal to one Basic salary at the time of his Annual Mandatory Leave. He/ She may also receive performance bonus/awards/grants etc. as decided by the Board of Directors/Management of the Bank from time to time.

(ii) Whether the Remuneration Committee reviewed the firms Remuneration policy during the past year, and if so, an overview of any changes that were made.

N/A

(iii) A discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.

Employees engaged in control functions (risk management, human resources, audit, compliance, etc.) are independent from the business units they oversee, have appropriate authority, and are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes.

(i) An overview of the key risks that the Bank takes into account when implementing remuneration measures;

BRAC Bank takes into account all current and future risks, whether on or off balance sheet, differentiating amongst risks relevant for business units and individuals. However, for managing and determining remuneration arrangements, key risks like- Financial Risks, Operational Risks, Compliance Risks, Market Risks, Reputational Risks, and Employee Turnover Risks; etc. are usually taken into account. All of our remuneration practices are carefully managed within the risk taking capacity of the bank.

(ii) An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed);

N/A

(iii) A discussion of the ways in which these measures affect remuneration;

We approach all of our remuneration arrangements, especially the periodic fixed remuneration enhancements and the variable compensation arrangements through an integrated risk, finance, compensation and performance management framework.

The way in which each individual contributes to or impacts on the key criteria differs depending on the area of the business in which they operate and their level of seniority. These differences are reflected in the expected outcomes and performance indicators developed for each individual employee/role and satisfactory performance against these indicators is required to qualify for change in remuneration.

(iv) A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.

All measures remain unchanged during the past year.

d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration :

(i) An overview of the main performance metrics for the Bank, top-level business lines and individuals;

- Based on the Bank's profit, the Board of Directors at their discretion declare a certain percentage of the pre-tax profit as Performance Bonus.
- The method of distribution is based at Management discretion.
- No bonus will be applicable to the employees rating with needs improvement/unacceptable performance.
- Bonus is declared as per individual employee performance. The ratings and associated bonus amount is decided by the Management committee.
- Performance is measured as per pre-defined criteria and set targets at the beginning of the year. Assessment is divided in two categories: A) Business Objective B) Value based objective.
- Eligibility criteria are as follows:
- Confirmed Employees joined within 30th June of the performing year and confirmed within 31st December of that year.
- However, bonus will be calculated on Pro Rata Basis based on joining date for the rest of the calendar year.
- In case of retired employee, he/she will be eligible for proportionate bonus subject to his/her stay for at least one quarter of respective financial year

(ii) A discussion of how amounts of individual remuneration are linked to institution-wide and individual performance;

Though amounts of individual remuneration do not contain any direct formulaic link between business income and individual reward but in case of variable remuneration, we always consider concerned division performance while assessing the employees attached to it. Differentiating performance and value ratings at all levels enable us to target spend towards those who have made the most effective contribution to the bank's performance and unique culture to recognize and motivate performers and retention of them.

(iii) A discussion of the measures in general implement to adjust remuneration in the event that performance metrics are weak.

N/A

e) Description of the ways in which the Bank seeks to adjust remuneration to take account of longer-term performance.

(i) A discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across persons or groups of persons, a description of the factors that determine the fraction and their relative importance;

Currently, we do not offer any variable remuneration that may be deferred or vested either in the form of cash, shares or share-linked instruments.

(ii) A discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting through claw back arrangements.

N/A

f) Description of the different forms of variable remuneration that the Bank utilities and the rationale for using these different forms.

(i) an overview of the forms of variable remuneration offered (i.e., cash, shares and share-linked instruments and other forms)

Apart from fixed remuneration components, employees are also eligible for variable remuneration arrangements consisting of Performance Bonus and Incentives, such bonuses are currently offered only in cash form.

(ii) a discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across persons or groups of persons), a description the factors that determine the mix and their relative importance.

Variable remuneration arrangements differ across groups of employees. Performance Bonus awards are discretionary and recognize the annual performance of the non-sales employees over the immediate past financial year. Performance is measured and reviewed against set goals, which include financial and value metrics; on the other hand, incentive bonuses are non-discretionary and normally paid to salespeople on a monthly basis who meet established business goals, generate new business, and retain current customers.

Quantitative Disclosures

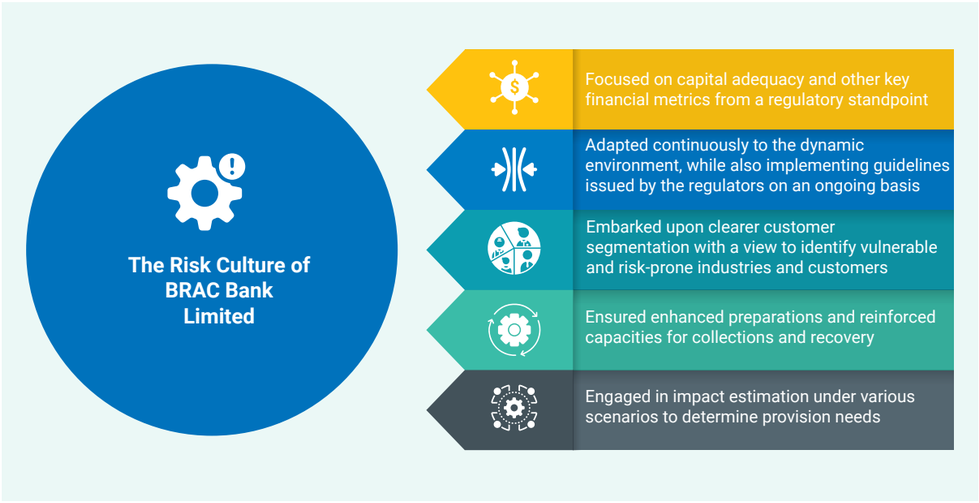
g)	Number of meetings held by the main body overseeing remuneration during the financial year and the remuneration paid to its members.	The Senior Management met several times during the year ended December 31, 2022. No payment is made to Committee members for their membership of the committee.
h)	The number of persons having received a variable remuneration award during the financial year.	Employee No. 8,056 Total Amount: BDT 898,456,660
	Number and total amount of guaranteed bonuses awarded during the financial year.	Employee No. 7,997 Total Festival Bonus: BDT 560,656,373
	Number and total amount of sign-on awards made during the financial year.	N/A
	Number and total amount of termination payments made during the financial year.	Employee No. 34 Termination Payments: BDT 3,397,444
i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	N/A
	Total amount of deferred remuneration paid out in the financial year.	N/A
J)	Breakdown of the amount of remuneration awards for the financial year to show:	
	i. Fixed and variable;	Fixed: BDT 7,023,933,591 Variable: BDT 898,456,660
	ii. Deferred and non-deferred; and	N/A
	iii. The different forms used (cash, shares and share-linked instruments and other forms).	N/A
k)	Quantitative information about persons' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. malus, clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:	
	i. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	N/A
	ii. Total amount of reductions during the financial year due to ex post explicit adjustments.	N/A
	iii. Total amount of reductions during the financial year due to ex post implicit adjustments.	N/A

Basel III Reporting & Compliance: Embedding Resilience for Long-term Sustainability

Enhancing risk culture

BRAC Bank views risk management as a core competency and ensures that risks are identified, assessed and managed well in time. The success of the bank is built on sound management of a broad range of inter-related risks. The diversified business activities require the bank to identify, measure, aggregate and manage risks effectively and to allocate capital among its businesses appropriately. The risk management framework lays emphasis on the bank's risk philosophy, proper organizational structure, risk and reward balance and is supported by dedicated monitoring and risk measuring mechanism. The bank's risk management framework aligns risk and capital management to business strategy, protects its financial strength, reputation and ensures support to business activities for adding value to customers while creating sustainable shareholder value.

Managing risk is a collective responsibility and Business and risk management work together to ensure that business strategies and activities are consistent with approved policies and defined risk appetite. The enterprise-wide risk management aligns with the three lines of defence model towards risk management. Responsibilities for risk management at each line of defence are defined, thereby providing clarity in the roles and responsibilities towards risk management function. As part of our focus on risk supervision to counter the adversities of the COVID-19 pandemic, we embraced the following initiatives:



The Board of Directors has also established a stronger focus on ethics and conduct, which deals with all policies, programmes and guidelines that inculcate and sustain a strong culture of responsible banking and fair dealing. We have developed a risk culture framework that embeds and reinforces a systematic approach to managing risk within the bank and our extended group comprising our subsidiaries. Corresponding initiatives under each component of the framework are identified, developed, enhanced and reinforced to encourage the right behaviours of our staff and encourage responsible employee conduct. The qualitative outcome of our focus on fostering good practices in risk control and mitigation are evidenced in the following key metrics.

14.04%

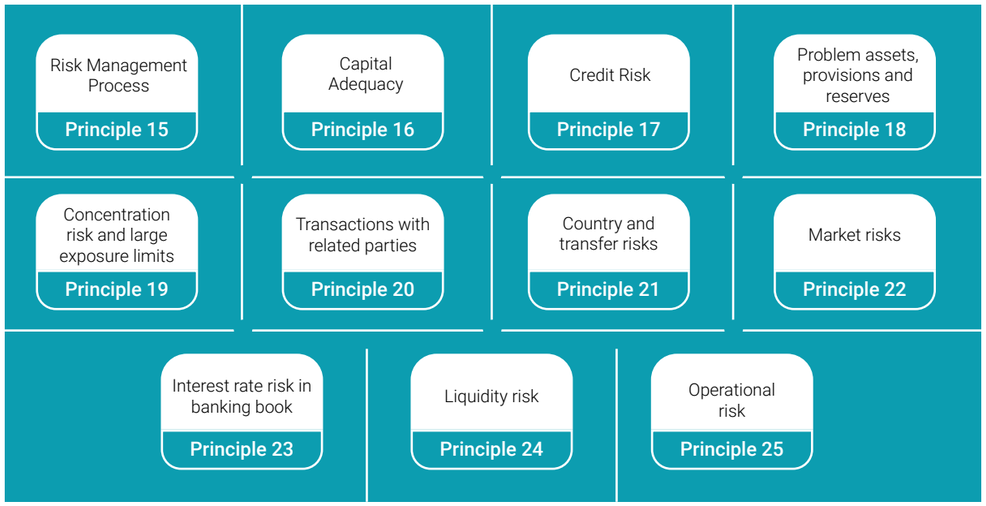
Actual CRAR of BBL, 2022
(Requirement=12.50%)

12.42%

Actual CET-1 plus CCB of BBL, 2022
(Requirement=7.00%)

Adopting Risk Management Principles

BRAC Bank follows the Basel Core Principles to ensure we remain a robust, safe and sustainable bank that helps people and businesses prosper. The bank follows below mentioned international standards for managing risks as specified by BIS in core principles for effective banking supervision:



Embracing the Basel-III international regulatory framework

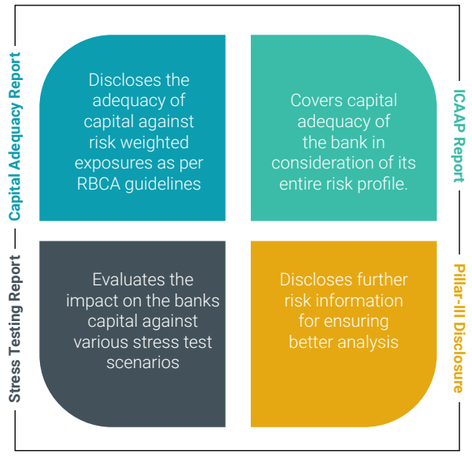
Basel III was introduced to improve banking sector's shock resilience capacity against financial and economic stress. After the 2008 global financial crisis, there was an imminent necessity to update the existing Basel norms to further reduce the risk in the banking system and improve the ability of financial institutions to handle shocks from financial stress and strengthen their transparency and disclosure practices.

As one of the leading banks of Bangladesh and South Asia with a forward-looking stance to embrace international regulations, BRAC Bank has implemented the BB guidelines of Basel-III since the accord came into effect in 2015.

The Bank has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and a strategy for maintaining its capital levels. The process provides an assurance that the Bank has adequate capital to support all risks inherent to its business and an appropriate capital buffer based on its business profile. The Bank identifies, assesses and manages comprehensively the risks that it is exposed to through sound governance and control practices, robust risk management framework and an elaborate process for capital calculation and planning.

At our bank, our Basel III reporting practice comprises comprehensive alignment with regulatory disclosures while also fulfilling our internal requirements, pursuant to the guidelines on Risk-Based Capital Adequacy (RBCA) for Basel-III as provided by our regulators, and other relevant guidelines as circulated by the central bank. Further, we conduct the Internal Capital Adequacy Assessment Process (ICAAP) at least annually to evaluate if we are able to maintain sound capital levels after considering business plans and material risks under both base case and severe stress scenarios. Management actions are proposed, wherever necessary, to ensure that the bank remains

prudently managed. Thus, implementing the Basel framework is an integral part of our efforts to refine and strengthen our risk management systems and processes. Besides, we closely follow ongoing industry and regulatory developments, including higher liquidity and capital requirements. The broader framework of this report that will enable our stakeholders to make a more considered assessment of our risk reporting practice is expressed in the info-visual below.



BRAC Bank manages its capital position to maintain strong capital ratios well in excess of regulatory and Board approved minimum capital adequacy at all times. Capital management practices are built on an assessment of all identified risks and consider the risk reward balance. The objective is to maintain a strong capital base to support long-term stability, planned business growth and risks inherent in various businesses. The Bank's approach to capital management ensures that businesses are adequately capitalised to meet their business plans at all times, while holding adequate capital buffers to absorb the impact of stress events. The strong Tier I capital position of the bank is a source of competitive advantage and provides assurance to regulators, credit rating agencies, depositors and shareholders.

Minimum capital requirements under Pillar-I of Basel-III

At BRAC Bank, we assessed the minimum capital requirements by evaluating aspects of the asset portfolio considered to be most risk-prone. These considerations comprise the following:

- Credit portfolio and market exposures
- Risks concerning the day-to-day banking operations
- Inherent risks within the assets themselves

As per the phase-in transition guidelines expressed in Basel-III, by the end of 2020, banks were required to maintain a minimum capital of 12.50% (including a capital buffer of 2.50%) against their total risk-weighted assets. In this regard, BRAC Bank was successful in maintaining its capital levels above the minimum requirements of Basel-III from the year 2020 onward, thus reflecting robust adherence. The Risk-Weighted Asset (RWA) and minimum capital requirement detail is as below:

Risk-Weighted Assets (RWA)	31-Dec-22		31-Dec-21	
	BDT in million	%	BDT in million	%
Credit Risk	301,537	86%	258,230	84%
On- Balance sheet	281,621	81%	241,810	79%
Off- Balance sheet	19,916	6%	16,420	5%
Market Risk	12,856	4%	16,130	5%
Operational Risk	35,438	10%	33,000	11%
Total Risk Weighted Assets	349,832	100%	307,360	100%
Total Regulatory Capital	49,119		44,132	
Caital to Risk Weighted Asset Ratio (CRAR)	14.04%		14.36%	

In 2022, the bank was required to maintain minimum capital of BDT 34,983 million and a capital conservation buffer of BDT 8,746 million under Pillar I, whereby BBL maintained BDT 49,119 million for the mentioned period.

ICAAP report under Pillar-II of Basel-III

At BRAC Bank, ICAAP is an integral part of the bank's processes and is embedded within the core of the organisation. The senior leadership and management team and our Board of Directors are supportive and fully engaged in the process. The Bank has a structured management framework in the ICAAP for the identification and evaluation of the significance of all risks that the Bank faces, which may have a material adverse impact on its business and financial position. The Bank considers the following as material risks it is exposed to in the course of its business and therefore, factors these while assessing / planning capital:



The ICAAP is linked to overall business planning for maintaining appropriate capital levels during the business horizon. The bank identifies risks to which it is exposed and determines the method and extent of risk mitigation. Risk mitigation takes place through strengthening policies, procedures, improving risk controls and having suitable contingency plans. Finally, the bank determines the risks that will be covered by capital and the level of capital sufficient to cover those risks. There are methodologies implemented that help in capital allocation towards quantifiable Pillar II risks.

Notably, Bangladesh Bank's Supervisory Review Evaluation Process (SREP) under pillar II of Basel III ensures a regular dialogue with the SRP team of banks across the country. This is then followed by a disclosure of results or evaluations of the bank's ICAAP.

BRAC Bank's supervisory review process (SRP) consists of the following:



Market disclosure: Pillar-III of Basel-III

Pillar III Market discipline under Basel III: Revised Capital Adequacy Framework was introduced to complement the Pillar I: minimum capital requirements and Pillar II: the supervisory review process; and to establish a more transparent and more disciplined financial market so that stakeholders can assess the position of a bank. BRAC Bank Limited (BBL) has adopted the Basel III framework as part of its capital management strategy in line with the Bangladesh Bank guidelines on Risk-Based Capital Adequacy (RBCA). Bangladesh Bank has specified the standard of Pillar III disclosure through the RBCA guideline (December 2010), which was revised in December 2014 with effect from January 2015. The disclosure framework of the bank is developed in accordance with the RBCA guideline, which contains the key pieces of information on the assets, risk exposures, risk assessment processes, and capital adequacy to meet the risks. The disclosure is available separately in the website as well as in the annual report.

Stress tests

Stress testing is a key element of the ICAAP and an integral tool in the Risk Management framework as it provides management a better understanding of how portfolios perform under adverse economic conditions. Stress testing is integral to strengthening the predictive approach to risk management and supplements other risk management tools by providing an estimate of tail risks. Impact of the stress scenarios is then assessed on profit and loss and capital levels to determine the level of additional capital if any, that will be needed to absorb losses experienced during a stress condition. The stress testing exercise provides an opportunity to the Bank to develop suitable mitigating response prior to onset of actual conditions exhibiting the stress scenarios.

BRAC Bank engages in stress-testing on a regular basis in order to determine the sensitivity and stability of its capital base. This is done to assure market participants and other stakeholders that the bank has sufficient capital to overcome any unfavourable or exigent situations. The prudent management of our businesses has underpinned the soundness and sustainability of our diversified strategy and has been reflected in our 2022 performance.

The sensitivity of the bank's capital base is assessed for the following scenaios and summary of stress testing outcomes as on December 31, 2022 is as below:

Risk Type	Individual Shock Events	31-Dec-22		
		CRAR after Minor Shock (%)	CRAR after Moderate Shock (%)	CRAR after Major Shock (%)
Credit Shock Individual	Performing loan directly downgraded to B/L : Sectorial Concentration 1	13.57	12.63	11.67
	Performing loan directly downgraded to B/L : Sectorial Concentration 2	13.53	12.51	11.48
	Increase in NPLs due to default of Top 10 borrowers	10.87	8.20	6.51
Credit Shock Combined	Negative Shift in NPLs categories	13.67	11.88	11.70
	Decrease in the FSV of the Collateral	13.97	13.90	13.76
	Increase in NPLs	11.55	6.17	-0.05
Interest Rate	Interest Rate (Adverse movement of interest)	13.71	13.39	13.07
Exchange Rate	FEX : Currency Appreciation (Impact of change in exchange rate on the value of equity)	14.03	14.03	14.03
Equity Price	Equity Shock (Impact of the fall in the market value)	13.85	13.66	13.28
Combined Shock		**10.60**	**2.84**	**-4.41**

The following methodologies are applied on a consistent basis to evaluate and compute the impact of the above factors in the context of our SRP (Supervisory Review Process):

- **Simple sensitivity tests:** These help to determine short-term sensitivity to a single risk constituent
- **Scenario analyses:** These involve risk parameters (with low but positive probability), which change along with a pre-defined scenario, and the assessment of the impact of these parameters

Negative shift in NPL categories

Assessment: This metric signifies the proportion of loans transferring from one NPL category to the next category (as per regulatory classification norms). This is determined on the assumption of 5%, 10% and 15% downward shifts in the NPL categories in minor, moderate and major levels of shock, respectively.

Outcome: BRAC Bank's CRAR remains well above minimum regulatory requirement, even upon absorbing all three levels of shock, ensuring robust stability.

Negative Shift in NPLs Categories

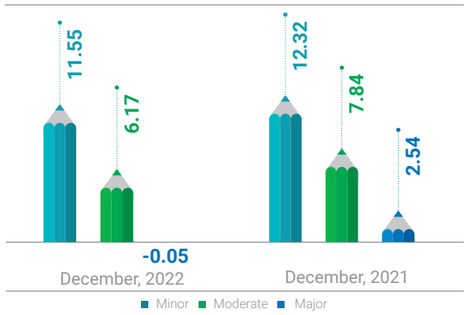


Increase in NPLs

Assessment: This metric indicates a bank's risk profile when NPLs increase significantly. It is anchored on the assumption that 3%, 9% and 15% of the performing loans will be downgraded to the bad/loss category with 100% provisioning requirement in minor, moderate and major levels of shock, respectively.

Outcome: . BRAC Bank's CRAR is impacted negatively after the assumed shock scenario. However, to overcome this issue, we place substantive emphasis on asset quality improvement measures.

Increase in NPLs

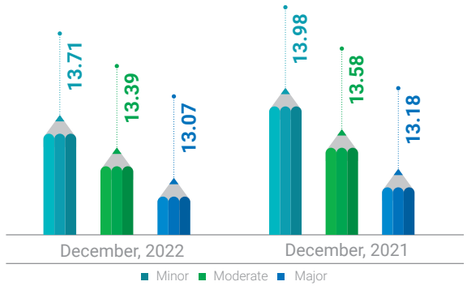


Interest rate shock

Assessment: This metric demonstrates a bank's capital adequacy status when interest rates change sharply. It is premised on the assumption that interest rates will change by 1%, 2% and 3% in minor, moderate and major levels of shock, respectively.

Outcome: BRAC Bank's CRAR remained strong, as compared to the minimum regulatory requirements, even after taking into account all three levels of shock.

Interest Rate Shock

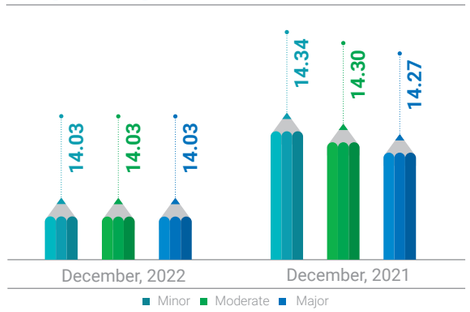


Foreign exchange shocks

Assessment: This metric demonstrates the status of a bank when there is a considerable change in exchange rates. It is anchored on the assumption that exchange rates will change by 5%, 10% and 15% in minor, moderate and major levels of shock, respectively.

Outcome: BRAC Bank's CRAR remains well above the regulatory requirement, even after considering all three levels of shock.

Foreign exchange Shock

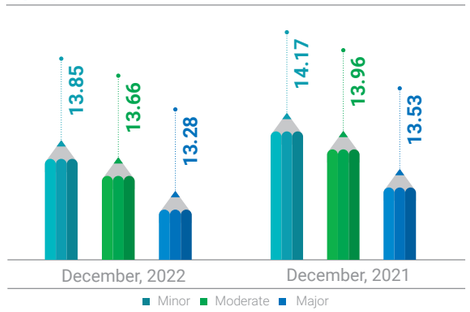


Equity shock

Assessment: This metric demonstrated a bank's risk profile when the market value of invrestment in shares/ equity investment witnessed a considerable decline. It is determined according to the scenario when market value/price fall by 10%, 20% and 40% in minor, moderate, and major levels of shock, respectively.

Outcome: BRAC Bank's CRAR remained above regulatory requirements, even after the application of all three levels of shock.

Equity Shock



Capital Plan

BRAC Bank has prudent capital allocation focus embedded in its annual strategic planning process given the critical importance of capital planning. Considering the strategic focus, risk associated with business aspirations, regulatory emphasis on capital levels, changing macro-economic scenario, and lately the impact of the COVID-19 pandemic, the bank has a continuous process to assess and understand the intermediate and long term capital requirements. This has resulted in the fact that the bank has been able to consistently maintain capital levels over and above stipulated regulatory requirements.

One of the key facets underlying the bank's protected capital buffers is the organization's ability to proactively, diligently and competently engage in forecasting major business trends, risk weighted assets and capital flows. In fact, prudent capital planning is interlinked into the bank's risk and governance processes, as capital remains a key consideration in the development of the bank's strategic plans and risk perimeter.

The bank has also been successful in engaging in careful forecasting about approaching capital requirements, thus succeeding in achieving business goals and also in tactical planning to ensure sufficient capital cushion at all times. Thus, we manage our capital position such that our capital is more than adequate to support our business activities, while also ensuring that it remains in alignment with regulatory mandates.

Furthermore, we strive to shelter our capital at all times, even under high-stress scenarios, which enables us to benefit from any opportunistic gains in terms of leveraging growth prospects, while also ensuring that our enhanced capacities help meet obligations to creditors and counterparties.

A robust capital position also helps us maintain seamless access to the financial markets, while also enabling us to serve as a responsible credit intermediary, remain a source of strength for our subsidiaries, while also satisfying current and future regulatory capital requirements.

We conduct an Internal Capital Adequacy Assessment Process (ICAAP) on a periodic basis. ICAAP is a forward-looking assessment of our projected capital needs and resources, incorporating earnings, balance sheet and risk forecasts under baseline and adverse economic/market conditions.



Regulatory alignment

The Basel Committee views sound capital planning is critical for determining the prudent amount, type and composition of capital that is consistent with a longer-term strategy of being able to pursue business objectives, while also withstanding a stressful event. Bangladesh Bank is aligned with the measures adopted by the Basel Committee to ensure shock resilience capacity of the banks in Bangladesh.

Bangladesh Bank directed to set an appropriate level of capital target for the short-term, medium-term and long-term and develop a Capital Plan to achieve the target. The Capital Plan must identify the capital issuance requirements and options around capital products, such as the issuance of common equity, timing and markets to execute the Capital Plan under different market and economic conditions. The following factors should be taken into account in setting the capital targets:



BRAC Bank has achieved constructive progress in forecasting upcoming capital requirements for attaining corporate goals, while also ensuring that capital is made available on-demand. At BRAC Bank, we believe that the most effective capital planning considers both short-term as well as long-term capital needs and is coordinated with the bank's overall strategy and planning process, usually with a forecast horizon of at least five years. BRAC Bank's capital planning process is customized to the overall risk, complexity and corporate structure of the bank. While the precise content, extent and depth of the capital planning process may vary, our capital planning framework includes the following dimensions:



BRAC Bank's philosophy

BRAC Bank has developed its own capital management pillars, meticulously aligned with regulatory requirements and Basel guidelines, to calculate the capital-to-risk weighted asset ratio (CRAR) and secure adequate capital to cover the risks faced from the perspective of facilitating a sound business.

While doing so, the Board and Management actively define the goals of capital management, such that capital levels (CRAR) always exceed the bank's regulatory requirements by at least 1%. We strive to ensure that our capital levels remain aligned with the risks prevailing in the business and are consistent with our strategic plans, while also ensuring that capital levels maintain an appropriate balance between maximizing shareholder value and protecting the interests of deposit-holders and other creditors.

Various stress scenarios are also taken into cognizance as they are reliable indicators of future adversities. While we consider capital position in determining our risk appetite, fortified measures are also undertaken so that there are no deficiencies at any given point of time.

The results of our prudent and ring-fenced capital management strategy comprise:

- A capital plan that meets the needs of the bank over a five-year horizon
- An ICAAP that determines accurate levels of required capital according to the measures of balance sheet capital and regulatory capital (Tier-1 and Tier-2)
- A process to regularly balance available capital with current and projected solvency needs, and address deficiencies in a timely manner
- A methodology that ensures improvement in the superintendence of stress scenarios

Our approach to capital management is driven by our strategic goals, whilst ensuring that regulatory requirements, capital targets and risk appetite are met at all times and in all conditions. While planning for adequate capital, we consider multiple other factors too. For example, starting from business expansion till network footprint growth, a thorough cost-benefit analysis is conducted at regular periodicity.

As such, BRAC Bank proactively manages its capital position, capital mix and allocation to meet the expectations of key stakeholders- regulators, shareholders, investors, rating agencies and analysts, whilst ensuring that the return on capital is proportionate to the risks undertaken by the respective business wings and subsidiaries.

Capital management framework

Our capital management framework ensures that the bank embraces measures for capital adequacy that are in accordance with its corporate plans and capital management strategies, and changes in the external environment, including the economic cycle.

Thus, a time-trusted mechanism exists to conduct sufficient analysis in order to maintain adequate levels of capital based on the results of monitoring of the status of the internal environment (risk profile, status of use of risk limits, etc.), and the external environment (economic cycle, market conditions, etc.). The framework is able to extensively withstand risks faced by the bank on a category-wise basis, and is also able to specify risks to be subjected to capital management in the ICAAP, in view of the size and nature of the identified risks.

Annual capital plan

BRAC Bank's annual capital plan factors in comprehensive planning of the bank's strategic capital over a five-year horizon. The plan underlines capital projections, capital requirements, levels of capital and capital mix to support the bank's forward business plans and strategic objectives.

Notably, BRAC Bank places high focus on the quality of its capital in order to continue meeting the minimum regulatory requirements and support business growth and the risks undertaken. The majority capital of the bank is in the form of Common Equity Tier 1 (CET 1) capital, which is permanent and has the highest loss absorption capacity (on a going concern basis). Upon due treatment of deferred tax assets, general provisions, goodwill and other regulatory adjustments, our capital base has always remained on a sound footing, despite pressures triggered by the coronavirus pandemic.

Historically, BRAC Bank has always maintained a healthy capital ratio against the minimum regulatory requirement. The following table demonstrates our successful capital management strategy over the last five years.

Particulars (Solo Position)	2018	2019	2020	2021	2022
Common Equity Tier-1 (CET-1) Capital Ratio	12.31%	13.82%	13.21%	12.89%	12.42%
Additional Tier-1 Capital Ratio	-	-	-	-	-
Total Tier-1 Capital Ratio	12.31%	13.82%	13.21%	12.89%	12.42%
Total Tier-2 Capital Ratio	1.35%	1.24%	1.34%	1.47%	1.63%
Total Capital Ratio	13.67%	15.07%	14.55%	14.36%	14.04%

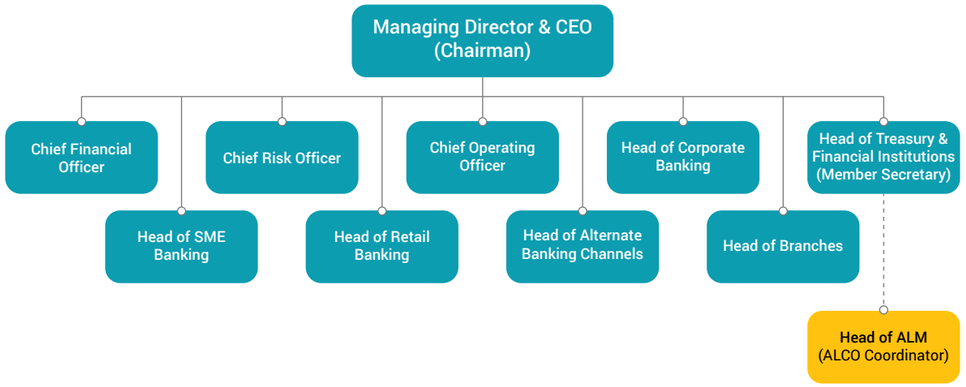
Going forward, BRAC Bank is focused on maintaining healthy regulatory capital levels to support business growth and hence ensure consistent shareholder and stakeholder value creation, despite extraneous circumstances.

Asset Liability Management Committee (ALCO)

Ensuring balance sheet stability and optimal profitability

At BRAC Bank, Asset Liability Management Committee, or ALCO, monitors key funding metrics and liquidity ratios to assess potential risks to the liquidity position, which acts as an early warning indicator of potential market disruptions or liquidity tightness. The Asset-Liability Manager of the Treasury is entrusted with analyzing the balance sheet composition and consequently place recommendations to ALCO and Head of Treasury. Based on the analysis and views, the committee takes strategic decisions to achieve the dual objective of moderating balance sheet risks and optimizing profitability. The committee's meeting is held at least once a month, while special meetings are also arranged at the committee members' discretion.

ALCO Composition



Major Responsibilities of ALCO

- Ensure that the bank's assessment and reporting systems accurately convey the degree of liquidity and market risks;
- Monitor the structure and composition of the bank's assets and liabilities and identify balance sheet management issues, where further scrutiny is required;
- Determine major aspects of the balance sheet structure, such as maturity and currency mix of assets and liabilities, mix of wholesale vs. retail funding, deposit mix, etc.
- Identify the approach to significant, actual and expected increases and decreases in required funding;
- Review maturity profile and mix of assets and liabilities on an ongoing basis;
- Periodically review the transfer pricing policy of the bank;
- Evaluate market risks involved in launching new products;
- Review deposit and loan pricing strategy;
- Assess contingency funding roadmap.

2022 In Review				
	12 Regular meetings	**1** Special Meeting	**BA3** Moody's	**B+** S&P Global

Disclosure on Credit Rating: page 302.

ALM Risk Ratios	Advance to Deposit Ratio (ADR)	Liquidity Coverage Ratio (LCR)	Net Stable Funding Ratio (NSFR)	Maximum Cumulative Outflow (MCO)	Wholesale Borrowing Limit (WBL)
	79.94%	**227.96%**	**117.74%**	**11.95%**	**1.21%**
BB Limit	≤ 87%	≥ 100%	> 100%	≤ 16.50%	≤ 80%



REPORTS & FINANCIAL STATEMENTS

THE GROUP AND BRAC BANK LIMITED

Independent Auditor's Report

to the Shareholders of BRAC Bank Limited
Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of BRAC Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of BRAC Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2022 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex. For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation. At year end the Group reported total gross loans and advances of BDT 412,085 million (2021: BDT 322,135 million) and provision for loans and advances of BDT 15,387 million (2021: BDT 13,998 million).	We tested the design and operating effectiveness of key controls focusing on the following: ▪ Credit appraisal, loan disbursement procedures, monitoring and provisioning process; ▪ Completeness of appropriate documentation before disbursement of loans as well as recording of loan balance; ▪ Alternate procedures applied by management to assess new loan/renewal of existing loans where latest audited financial statements of the borrower is not available; ▪ Identification of loss events, including early warning and default warning indicators; and ▪ Reviewed quarterly Classification of Loans (CL).

In addition, special general provision – COVID 19 has been also maintained as per BRPD circular no. 53 dated 22 December 2022 on the outstanding balance from clients who have taken the deferral facility due to COVID 19. We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias: ▪ Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and ▪ For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows. Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.	Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: ▪ Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; ▪ Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; ▪ Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. ▪ Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained. Due to long-term impact of COVID 19, flood situation in north-eastern areas of Bangladesh and prolonged conflict/war outside the country, many borrowers were adversely impacted during the year. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for loans vide issuing various circulars such as BRPD 14 dated 22 June 2022, and BRPD 51 dated 18 December 2022 whereby Banks are allowed to keep a loan/customer as unclassified subject to the payment of certain percent of quarterly instalment due by 31 December 2022. The Bank has calculated required provision as per Bangladesh Bank letter DBI- 4/115/2023-384 dated 03 April 2023.
See note # 8 and 17.1 to the financial statements	

Risk	Our response to the risk
Interest income recognition	
Recognition and measurement of interest income involve complex IT environment as well as require critical estimates and judgment. Since interest income from loans and advances is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of interest income. Moreover, as per Bangladesh Bank BRPD circular no. 53 dated 22 December 2022, considering future risk banks were allowed to recognize outstanding/ arrear interest income on loans where deferral facilities were given upon considering potential risk of future recovery and receiving certain percent of quarterly instalment due by 31 December 2022. Accordingly this has been considered as key audit matter.	We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of interest on loans and advances. For selected customers and loan files on sample basis we have also performed substantive test of details including recalculation and cut-of testing to check accuracy of interest income. Finally, we also conducted substantive analytical procedures to assess reasonableness of interest recognised during the year with reference to the product wise outstanding loan balances. However, due to the current uncertainty of the overall economic situation, and in particular impacts from major global events such as continuation of COVID 19 related disruptions, Russia-Ukraine conflict, volatility in fuel and commodity price, strengthening of USD, etc., there is inherent risk that the actual recovery of accrued interest income especially from those clients receiving deferral facility could be materially different than the actual situation in future and a portion of interest accrued during the year ended 31 December 2022.
See note # 27 to the financial statements	

Risk	Our response to the risk
Adequacy of income tax provision and measurement of deferred tax assets	
Calculation of income tax provision required compliance with the Income Tax Ordinance 1984 including careful consideration of various temporary and permanent differences. Furthermore, upon final settlement of pending tax assessments any excess or short provision of current tax is also adjusted in the current year. Finally, significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years. Accordingly, this area has been considered as key audit matter. At year end of 2022 the Bank reported income tax provision net off AIT of Tk 4,144 million (2021: Tk 5,022 million) and corresponding current income tax charges of Tk 3,766 million (2021: 3,467 million). In addition, total deferred tax assets of BDT 4,770 million (2021: BDT 4,147 million) and deferred tax income of BDT 590 million (2021: BDT 1,125 million) recognised by the Bank.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of both current tax and deferred tax, including the assumptions used in estimating the Bank's taxable income. We reviewed tax position for those years where income tax assessment is pending and assess adequacy of tax provision recorded by the Bank. Special focus attention was given to any reversal/adjustment of income tax provision from prior year. We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. The Bank has sufficient taxable profit to recover the deferred tax assets in foreseeable future. We involved tax specialists to assess key assumptions, controls, recognition and measurement of current and deferred tax. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax including deduction of DTA on specific provision from regulatory capital.
See notes no 10.4, 17.9, 43 to the financial statements	

Risk	Our response to the risk
Valuation of treasury bill and bond and unquoted corporate bond	
Investment in treasury bills and a portion of treasury bonds are classified as HFT and hence measured at mark to market/fair value. On the other hand a portion of treasury bills and portfolio of corporate bonds are classified as HTM and measured at amortised cost. In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment. Similarly, impairment assessment of financial instruments measured at amortised cost also required mainly unobservable market data and assumptions. Accordingly, this is considered as a key audit matter.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds, and corporate bonds. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the corporate bonds, treasury bills and bonds valuation/ impairment assessment processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

Risk	Our response to the risk
Impairment of goodwill in consolidated financial statements of the Group and fair value of investments in standalone financial statements of the Bank	
The Bank has adopted IFRS 9 Fair value through other comprehensive income (FVOCI) method for measurement of equity investment in subsidiaries and associates in the standalone financial statements. As all such investments 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 as management has assumed that if buyer offer any price of the Bank's investments, they will refer to NAV as reference price. The carrying value of such investment at 31 December 2022 the carrying amount was Tk 13,593 million (2021: 13,182 Tk million).	Our audit procedures on both assessment of goodwill impairment at the Group level and carrying value of investments in subsidiaries at the Bank level included, among others: ▪ evaluating the appropriateness of the assumptions applied to key inputs such as revenue, operating costs, inflation and long-term growth rates used by management, including comparing these inputs with our own assessments based on our knowledge of the entity and the industry;

Similarly, the Group has recognised goodwill of BDT 1,373 million (2021: BDT 1,427 million) which were arisen from acquisition of BRAC EPL Stock Brokerage Limited, BRAC EPL Investments Limited. The determination of fair value of the Bank's investment in subsidiary and annual impairment testing of goodwill at the Group level are considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount (i.e. the higher of the value in use or fair value e.g. NAV). Both the value in use and fair value have been determined with a number of valuation assumptions and inputs including estimates of revenue, operating costs, terminal value, growth rates and the weighted average cost of capital (discount rate).	▪ checking mathematical accuracy of the model, recalculating discount rate used in the model, reviewing other inputs in the model and corroborating these inputs with reference to external market information, third-party sources. ▪ performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on recoverable amount of the respective subsidiaries; and ▪ evaluating the adequacy of the financial statement disclosures. On winning the appeal from honourable Court in UK against suspension notice issued earlier, BRAC Saajan Exchange Limited resumed its operations in December 2022. However, considering the negative net asset value and negative cash flows, an impairment loss of goodwill amounting to BDT 54,905,518 related to BRAC Saajan has been accounted for in the consolidated financials. The Bank has continued to consider bKash Limited as its subsidiary because of holding 51% equity shares as well effective control on the Board. However, bKash has also issued convertible preference shares and these preference shareholders do not have any voting rights but has same rights as equity shareholders with respect to economic interest in the company. Accordingly, consolidated financial statements of the Group have been prepared using 35.74% instead of 51% of the economic interest on bKash considering the potential dilution.
See notes 12 and 38 to the financial statements	

Risk	Our response to the risk
Legal and regulatory matters	
We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. As per the instruction of Bangladesh Bank, the Bank has transferred 50% of income earned through foreign exchange transactions during the months of May and June 2022, after adjustment of related income tax to a dedicated CSR Fund. Management is in discussion with Bangladesh Bank on utilization of this CSR Fund. Pursuant to BRPD Circular Letter No. 28 dated 26 July 2022 and BRPD Circular Letter No. 30 dated 27 July 2022, all schedule banks of Bangladesh are instructed to reduce certain expenses at specific percentage from the allocated amount.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over compliance with various regulatory directives and process to create provision, if any. We enquired to those charged with governance to obtain their view on compliance status of all regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We have checked the calculation of the transfer to the CSR Fund after deducting appropriate tax. We are informed that the Bank has taken several initiatives such as rationalizing the usage of office space to reduce electricity cost, restricting entertainment expenses and travelling, reducing and deferring the expenses on computer and accessories which are not urgently required etc. are disclosed in the financial statements. We also assessed the Bank's provisions and contingent liabilities disclosure.

Risk	Our response to the risk
IT systems and controls	
Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.	We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Group and the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

(a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;

(b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};

(iii) Financial statements for the year ended 31 December 2022 of local subsidiaries namely BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited and bKash Limited have been audited by Rahman Rahman Huq, Chartered Accountants and one associate namely BRAC IT Services Limited have been audited by Howladar Yunus & Co., Chartered Accountants. The group reporting pack of the foreign subsidiary BRAC

SAAJAN Exchange Limited have been audited by Reddy Siddiqui LLP, UK. All these entities have been properly reflected in the consolidated financial statements;

(iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

(v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(vii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

(ix) the information and explanations required by us have been received and found satisfactory;

(x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 3,000 person hours; and

(xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Sabbir Ahmed FCA, Partner
Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 11 April 2023

DVC No: 2304100770AS807408

BRAC Bank Limited and its subsidiaries

Consolidated Balance Sheet

As at 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash	**4**	**31,871,593,250**	**23,459,424,430**
Cash in hand (Including foreign currency)		11,918,067,777	9,207,161,626
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		19,953,525,473	14,252,262,804
Balance with other banks and financial institutions	**5**	**52,951,344,277**	**78,261,312,910**
Inside Bangladesh		47,797,240,230	70,561,465,538
Outside Bangladesh		5,154,104,047	7,699,847,372
Money at call on short notice	**6**	**6,826,376,000**	**3,500,000,000**
Investments	**7**	**116,551,993,858**	**70,068,593,304**
Government		107,319,008,486	60,998,642,835
Others		9,232,985,372	9,069,950,469
Loans and advances	**8**	**412,084,750,584**	**322,135,188,439**
Loans, cash credit, overdrafts etc.		222,711,877,598	169,128,372,833
Small and medium enterprises		187,247,111,913	150,749,009,625
Bills purchased and discounted		2,125,761,073	2,257,805,981
Fixed assets including premises, furniture and fixtures	**9**	**13,463,514,348**	**12,834,169,424**
Other assets	**10**	**20,803,842,677**	**16,222,224,464**
Non-banking assets	**11**	**11,341,700**	**4,541,700**
Goodwill	**12**	**1,372,563,393**	**1,427,468,911**
Total property and assets		**655,937,320,087**	**527,912,923,582**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	**13**	**38,908,810,526**	**24,150,953,707**
Borrowings from central bank & government agencies	**14**	**42,184,501,809**	**23,175,903,824**
Affordable housing bond	**15**	**4,751,000,000**	**-**
Money at call on short notice		**-**	**-**
Deposits and other accounts	**16**	**447,058,816,329**	**364,329,900,482**
Current accounts and other accounts		187,855,608,325	164,417,743,536
Bills payable		1,739,503,614	2,367,889,416
Savings deposits		71,890,957,598	68,334,576,200
Term deposits		182,973,780,522	127,956,809,129
Other deposits		2,598,966,270	1,252,882,201
Other liabilities	**17**	**42,004,580,813**	**39,308,075,071**
Total liabilities		**574,907,709,477**	**450,964,833,084**
Capital and shareholders' equity			
Paid up capital	**18.2**	14,965,853,280	13,921,723,990
Share premium	**18.7**	3,853,767,032	3,853,767,032
Statutory reserve	**19**	11,148,169,834	10,067,956,958
Dividend equalization fund	**20**	355,218,455	355,218,455
Revaluation reserve on govt. securities	**21**	1,337,245,165	2,490,292,927
Fair value reserve		78,920,073	78,920,073
Foreign currency translation reserve	**23**	328,402,260	16,632,383
Surplus in profit and loss account/Retained earnings	**24.1**	29,086,051,630	26,402,962,532
Total shareholders' equity		**61,153,627,729**	**57,187,474,350**

Particulars	Note	2022 Taka	2021 Taka
Non-controlling interest	**24.2**	**19,875,982,881**	**19,760,616,148**
Total equity		**81,029,610,610**	**76,948,090,498**
Total liabilities and equity		**655,937,320,087**	**527,912,923,582**
Off balance sheet items			
Contingent liabilities			
Acceptances and endorsements	**25**	83,028,540,659	50,478,536,940
Irrevocable letters of credit	**25**	27,451,963,219	26,598,203,443
Letter of guarantees	**25.2**	18,607,062,875	11,793,414,671
Bills for collection	**25.3**	21,612,714,770	16,438,866,245
		150,700,281,523	**105,309,021,299**
Other commitments			
Swap deals with banks and customers	**25.4**	13,070,011,143	10,726,189,903
Spot and forward deals with banks and customers	**25.4**	2,074,308,915	18,161,597,791
		15,144,320,058	**28,887,787,694**
Total off balance sheet items		**165,844,601,581**	**134,196,808,993**
Net asset value (NAV) per share	**49**	**40.86**	**38.21**

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

Managing Director and CEO	Director	Director	Chairman

As per our report of same date.

Sabbir Ahmed FCA, Partner
Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 11 April 2023

DVC No: 2304100770AS807408

BRAC Bank Limited and its subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Interest income	**27**	31,365,476,735	24,225,217,948
Interest paid on deposits and borrowing etc.	**28**	12,953,873,731	7,912,883,508
Net interest income		**18,411,603,004**	**16,312,334,440**
Investment income	**29**	7,585,930,404	7,142,434,925
Commission, exchange and brokerage	**30**	11,522,088,039	7,992,853,236
Other operating income	**31**	313,551,635	175,087,450
Total operating income (a)		**37,833,173,082**	**31,622,710,051**
Salaries and allowances		12,044,197,172	9,889,092,833
Rent, taxes, insurance, electricity etc.	**32**	697,538,365	645,414,492
Legal expenses		62,177,773	62,840,810
Postage, stamps, telecommunication etc.	**33**	411,043,177	317,984,231
Stationery, printing, advertisement etc.	**34**	3,223,940,283	2,608,773,879
Chief Executive's salary and fees	**35**	24,471,250	19,424,250
Directors' fees	**36**	4,534,312	4,572,209
Auditors' fees	**37**	8,469,389	7,125,166
Impairment of goodwill	**38**	54,905,518	-
Depreciation and repair of the bank's assets	**39**	5,382,602,590	4,577,170,806
Other expenses	**40**	4,474,735,716	3,383,027,192
Total operating expenses (b)		**26,388,615,545**	**21,515,425,868**
Profit before provisions (c = a-b)		**11,444,557,537**	**10,107,284,183**
Share of profit of associates	**41**	4,860,182	3,742,052
Gain on disposal of associates		2,049,419	17,373,182
Profit/(loss) before provisions (d)		**11,451,467,138**	**10,128,399,417**
Provision for loans/investments:			
Loans and advances		1,938,266,664	2,971,016,470
Diminution in value of investments		20,539,430	(74,000,000)
Off balance sheet items		204,740,420	251,500,000
Other provisions		23,870,068	70,093,002
Total provisions (e)	**42**	**2,187,416,582**	**3,218,609,472**
Total profit/(loss) before taxes (f= d-e)		**9,264,050,556**	**6,909,789,945**
Provision for taxation:			
Current tax expense		4,280,691,722	3,737,018,428
Deferred tax expense/(income)		(1,138,637,890)	(1,479,828,777)
Total provision for taxation (g)	**43**	**3,142,053,832**	**2,257,189,651**
Net profit/(loss) after taxation (f-g)		**6,121,996,724**	**4,652,600,294**
Attributable to:			
Equity holders of BRAC Bank Limited		6,013,972,880	5,464,672,680
Non controlling interest	**24.2.1**	108,023,844	(812,072,386)
		6,121,996,724	**4,652,600,294**

Particulars	Note	2022 Taka	2021 Taka
Retained earnings brought forward from previous year		26,402,962,532	16,368,391,545
Net profit attributable to the equity holders of the Bank		6,013,972,880	5,464,672,680
Net effect of all items directly recognised in equity/retained earnings	**24.1.1**	(104,780,581)	7,322,532,868
Profit available for appropriation		**32,312,154,831**	**29,155,597,093**
Appropriations:			
Statutory reserve		1,080,212,876	662,939,230
General reserve		-	-
Dividend		2,088,258,589	1,988,817,706
Start-up Fund		57,631,736	100,877,625
		3,226,103,201	2,752,634,561
Retained surplus		**29,086,051,630**	**26,402,962,532**
Earnings per share (EPS) [previous year's figure restated]	**48**	**4.02**	**3.65**

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

Managing Director and CEO	Director	Director	Chairman

As per our report of same date.

Sabbir Ahmed FCA, Partner
Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 11 April 2023

DVC No: 2304100770AS807408

BRAC Bank Limited and its subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

Amount in Taka

Particulars	Paid up 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 2022	**13,921,723,990**	**3,853,767,032**	**10,067,956,958**	**355,218,455**	**2,490,292,927**	**78,920,074**	**16,632,382**	**26,402,962,532**	**19,760,616,148**	**76,948,090,498**
Surplus on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	(1,153,047,762)	-	-	-	-	(1,153,047,762)
Changes in foreign currency translation reserve	-	-	-	-	-	-	311,769,877	-	249,129	312,019,006
Remeasurements of defined benefits liability (assets)	-	-	-	-	-	-	-	(102,935,836)	2,059,119	(100,876,717)
Effect of issuance of preference share by bKash	-	-	-	-	-	-	-	-	-	-
Sub total	**13,921,723,990**	**3,853,767,032**	**10,067,956,958**	**355,218,455**	**1,337,245,165**	**78,920,074**	**328,402,259**	**26,300,026,696**	**19,762,924,396**	**76,006,185,025**
Net profit for the year	-	-	-	-	-	-	-	6,013,972,880	108,023,844	6,121,996,724
Dividend for the year 2021:										
Stock dividend	1,044,129,290	-	-	-	-	-	-	(1,044,129,290)	-	-
Cash dividend	-	-	-	-	-	-	-	(1,044,129,299)	-	(1,044,129,299)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-
Adjustment for subsidiaries holdings change	-	-	-	-	-	-	-	(1,844,745)	5,034,641	3,189,896
Start-up Fund	-	-	-	-	-	-	-	(57,631,736)	-	(57,631,736)
Statutory reserve	-	-	1,080,212,876	-	-	-	-	(1,080,212,876)	-	-
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**	**78,920,074**	**328,402,259**	**29,086,051,630**	**19,875,982,881**	**81,029,610,610**

BRAC Bank Limited and its subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

Amount in Taka

Particulars	Paid up 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 2021	**13,258,784,760**	**3,853,767,032**	**9,405,017,728**	**355,218,455**	**4,805,926,053**	**78,920,074**	**(15,052,340)**	**16,368,391,545**	**5,647,578,133**	**53,758,551,440**
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-
Restated balance	**13,258,784,760**	**3,853,767,032**	**9,405,017,728**	**355,218,455**	**4,805,926,053**	**78,920,074**	**(15,052,340)**	**16,368,391,545**	**5,647,578,133**	**53,758,551,440**
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(2,315,633,126)	-	-	-	-	(2,315,633,126)
Changes in foreign currency translation reserve	-	-	-	-	-	-	31,684,722	-	771,145	32,455,867
Remeasurements of defined benefits liability (assets)	-	-	-	-	-	-	-	(122,766,336)	39,418,996	(83,347,340)
Effect of issuance of preference share by bKash	-	-	-	-	-	-	-	7,445,299,204	14,884,920,260	22,330,219,464
Sub total	**13,258,784,760**	**3,853,767,032**	**9,405,017,728**	**355,218,455**	**2,490,292,927**	**78,920,074**	**16,632,382**	**23,690,924,413**	**20,572,688,534**	**73,722,246,305**
Net profit for the year	-	-	-	-	-	-	-	5,464,672,680	(812,072,386)	4,652,600,294
Dividend for the year 2020:										
Stock dividend	662,939,230	-	-	-	-	-	-	(662,939,230)	-	-
Cash dividend	-	-	-	-	-	-	-	(1,325,878,476)	-	(1,325,878,476)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-
Adjustment for subsidiaries holdings change	-	-	-	-	-	-	-	-	-	-
Start-up Fund	-	-	-	-	-	-	-	(100,877,625)	-	(100,877,625)
Statutory reserve	-	-	662,939,230	-	-	-	-	(662,939,230)	-	-
Balance as at 31 December 2021	**13,921,723,990**	**3,853,767,032**	**10,067,956,958**	**355,218,455**	**2,490,292,927**	**78,920,074**	**16,632,382**	**26,402,962,532**	**19,760,616,148**	**76,948,090,498**

BRAC Bank Limited and its subsidiaries

Consolidated Cash Flow Statement

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
A. Cash flows from operating activities			
Interest receipts in cash		37,022,269,415	30,510,937,817
Interest payment		(10,349,004,887)	(8,765,182,197)
Dividend receipts		294,041,064	225,198,769
Fees and commission receipts in cash		44,272,349,310	36,148,193,743
Recoveries on loans previously written off		809,572,845	707,517,594
Cash payments to employees		(11,662,291,298)	(9,942,261,926)
Cash payments to suppliers		(34,548,789,786)	(29,490,800,154)
Income tax paid		(10,350,920,142)	(7,109,584,330)
Receipts from other operating activities	45	953,966,643	592,067,664
Payment for other operating activities	46	(5,714,933,022)	(4,049,473,180)
Operating cash flow before changes in operating assets and liabilities (i)		**10,726,260,142**	**8,826,613,800**
Increase/(decrease) in operating assets and liabilities			
Loans and advances		(90,450,491,062)	(47,587,679,964)
Other assets		(484,467,659)	(376,833,057)
Borrowings from other banks and financial institutions		33,877,162,172	10,667,650,315
Proceeds from Issuance of affordable housing bond		4,751,000,000	-
Deposits from customers		80,145,069,185	31,712,233,455
Other liabilities		(937,467,553)	483,029,607
Cash utilised in operating assets and liabilities (ii)		26,900,805,083	(5,101,599,644)
Net cash flows from operating activities (i+ii) (a)		**37,627,065,225**	**3,725,014,156**
B. Cash flows from investing activities			
Treasury bills		1,155,677,121	7,996,369,494
Treasury bonds		(48,629,090,534)	14,187,750,778
Investment in shares		(615,054,764)	(863,128,507)
Sale/ (Investment) in bonds		410,000,000	642,282,917
Acquisition of fixed assets		(3,541,826,973)	(4,696,385,425)
Disposal of fixed assets		17,736,063	601,372,697
Net cash used in investing activities (b)		**(51,202,559,087)**	**17,868,261,954**
C. Cash flows from financing activities			
Proceeds from issue of convertible preference shares		-	22,330,724,613
Proceeds from issue of ordinary shares		112,140,000	-
Cash dividend paid		(1,042,217,221)	(1,383,245,432)
Net cash flows from financing activities (c)		**(930,077,221)**	**20,947,479,181**
Net increase/(decrease) in cash (a+b+c)		**(14,505,571,083)**	**42,540,755,291**
Cash and cash equivalents at the beginning of the year		105,222,018,140	62,639,236,011
Effect of exchange rate changes on cash and cash equivalent		934,394,370	42,026,838
Cash and cash equivalents at the end of the year	44	**91,650,841,427**	**105,222,018,140**
Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currency)		11,918,067,777	9,207,161,626
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		19,953,525,473	14,252,262,804
Balance with other banks and financial institutions		52,951,344,277	78,261,312,910
Money at call on short notice		6,826,376,000	3,500,000,000
Prize Bond		1,527,900	1,280,800
		91,650,841,427	**105,222,018,140**
Net operating cash flow per share (NOCFPS)	50	**25.14**	**2.49**

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

BRAC Bank Limited and its subsidiaries

Consolidated Liquidity Statement (Asset and Liability Maturity Analysis)

As at 31 December 2022

Amount in Taka

Particulars	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
Assets						
Cash in hand and Balance with Bangladesh Bank	17,234,391,450	-	-	-	14,637,201,800	31,871,593,250
Balance with other banks and financial institutions (including foreign currencies)	13,157,601,136	24,335,099,107	15,458,644,034	-	-	52,951,344,277
Money at call and short notice	6,826,376,000	-	-	-	-	6,826,376,000
Investments	14,188,455,784	1,579,926,666	14,536,811,309	36,654,461,496	49,592,338,603	116,551,993,858
Loans and advances	37,177,621,706	67,860,734,336	163,827,804,476	122,600,813,738	20,617,776,328	412,084,750,584
Fixed assets including premises, furniture and fixtures	-	-	-	12,933,228,662	530,285,686	13,463,514,348
Other assets	8,413,433,120	90,964,829	4,923,386,161	2,242,017,867	5,134,040,700	20,803,842,677
Non - banking assets	-	-	-	-	11,341,700	11,341,700
Goodwill		-	-	-	1,372,563,393	1,372,563,393
Total Assets	**96,997,879,196**	**93,866,724,938**	**198,746,645,980**	**174,430,521,763**	**91,895,548,210**	**655,937,320,087**
Liabilities						
Borrowings from other banks, financial institutions & agents	6,445,003,282	10,636,443,541	21,827,363,703	-	-	38,908,810,526
Borrowings from central bank & government agencies	5,631,493,289	8,114,768,696	12,381,754,222	16,010,838,538	45,647,064	42,184,501,809
Affordable housing bond	-	-	-	4,751,000,000	-	4,751,000,000
Money at call and short notice	-	-	-	-	-	-
Deposits and other accounts	52,368,187,322	79,412,454,837	123,443,464,044	160,143,112,128	31,691,597,998	447,058,816,329
Other liabilities	2,580,830,319	4,601,675,819	11,369,901,768	4,639,745,829	18,812,427,078	42,004,580,813
Total Liabilities	**67,025,514,212**	**102,765,342,893**	**169,022,483,737**	**185,544,696,495**	**50,549,672,140**	**574,907,709,477**
Net Liquidity Gap	**29,972,364,984**	**(8,898,617,955)**	**29,724,162,243**	**(11,114,174,732)**	**41,345,876,070**	**81,029,610,610**

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

BRAC Bank Limited

Balance Sheet

As at 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
PROPERTY AND ASSETS			
Cash	**4**	**31,776,214,097**	**22,676,943,467**
Cash in hand (Including foreign currency)		11,822,688,624	8,424,680,663
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		19,953,525,473	14,252,262,804
Balance with other banks and financial institutions	**5**	16,255,534,724	19,880,951,145
Inside Bangladesh		11,127,982,840	12,261,365,946
Outside Bangladesh		5,127,551,884	7,619,585,199
Money at call on short notice	**6**	6,826,376,000	3,500,000,000
Investments	**7**	**64,287,682,264**	**51,590,814,842**
Government		56,637,669,673	44,051,798,178
Others		7,650,012,591	7,539,016,664
Loans and advances	**8**	**410,676,406,960**	**321,212,230,987**
Loans, cash credit, overdrafts etc.		221,303,533,974	168,205,415,381
Small and medium enterprises		187,247,111,913	150,749,009,625
Bills purchased & discounted		2,125,761,073	2,257,805,981
Fixed assets including premises, furniture and fixtures	**9**	**7,779,346,693**	**7,454,867,399**
Other assets	**10**	**25,626,075,864**	**22,763,775,341**
Non-banking assets	**11**	**11,341,700**	**4,541,700**
Total property and assets		**563,238,978,302**	**449,084,124,881**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	**13**	**38,685,377,271**	**24,134,564,025**
Borrowings from central bank & government agencies	**14**	**42,184,501,809**	**23,175,903,824**
Affordable housing bond	**15**	**4,751,000,000**	**-**
Money at call on short notice		**-**	**-**
Deposits and other accounts	**16**	**384,466,775,242**	**314,590,914,520**
Current accounts & other accounts		123,148,401,399	109,462,945,554
Bills payable		1,739,503,614	2,367,889,416
Savings deposits		71,890,957,598	68,334,576,200
Term deposits		185,088,946,361	133,172,621,149
Other deposits		2,598,966,270	1,252,882,201
Other liabilities	**17**	**34,760,769,207**	**32,763,271,381**
Total Liabilities		**504,848,423,529**	**394,664,653,750**
Capital and shareholders' equity			
Paid up capital	**18.2**	14,965,853,280	13,921,723,990
Share premium	**18.7**	3,853,767,032	3,853,767,032
Statutory reserve	**19**	11,112,086,248	10,067,956,958
Dividend equalization fund	**20**	355,218,455	355,218,455
Revaluation reserve on govt. securities	**21**	1,337,245,165	2,490,292,927
Fair value gain/(loss) on equity investment	**22**	7,643,913,224	7,384,920,564
Foreign currency translation reserve	**23**	323,536,914	15,729,653
Surplus in profit and loss account/Retained earnings	**24**	18,798,934,455	16,329,861,552
Total shareholders' equity		**58,390,554,773**	**54,419,471,131**
Total liabilities and shareholders' equity		**563,238,978,302**	**449,084,124,881**

Particulars	Note	2022 Taka	2021 Taka
Off balance sheet items			
Contingent liabilities			
Acceptances and endorsements	**25**	83,028,540,659	50,478,536,940
Irrevocable letters of credit	**25**	27,451,963,219	26,598,203,443
Letter of guarantees	**25.2**	18,607,062,875	11,793,414,671
Bills for collection	**25.3**	21,612,714,770	16,438,866,245
		150,700,281,523	105,309,021,299
Other Commitments			
Swap deals with banks and customers	**25.4**	13,070,011,143	10,726,189,903
Spot and forward deals with banks and customers	**25.4**	2,074,308,915	18,161,597,791
		15,144,320,058	**28,887,787,694**
Total off balance sheet items		**165,844,601,581**	**134,196,808,993**
Net asset value (NAV) per share	**49**	**39.02**	**36.36**

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

Managing Director and CEO | **Director** | **Director** | **Chairman**

As per our report of same date.

Sabbir Ahmed FCA, Partner
Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 11 April 2023

DVC No: 2304100770AS807408

BRAC Bank Limited

Profit and Loss Account

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
Interest income	**27**	28,462,101,118	21,586,220,747
Interest paid on deposits and borrowing etc.	**28**	13,227,359,203	7,589,298,326
Net interest income		**15,234,741,915**	**13,996,922,421**
Investment income	**29**	5,184,549,425	5,780,677,077
Commission, exchange and brokerage	**30**	5,884,319,986	3,440,196,921
Other operating income	**31**	267,298,708	146,093,679
Total operating income (a)		**26,570,910,034**	**23,363,890,098**
Salaries and allowances		8,151,587,989	6,625,995,876
Rent, taxes, insurance, electricity etc.	**32**	507,158,511	473,700,396
Legal expenses		30,384,953	33,352,689
Postage, stamps, telecommunication etc.	**33**	308,505,338	222,631,352
Stationery, printing, advertisement etc.	**34**	396,662,334	221,634,405
Chief Executive's salary and fees	**35**	24,471,250	19,424,250
Directors' fees	**36**	2,552,000	2,437,600
Auditors' fees	**37**	1,840,000	1,840,000
Depreciation and repair of the bank's assets	**39**	2,304,559,343	2,191,026,040
Other expenses	**40**	3,713,939,396	2,627,953,670
Total operating expenses (b)		**15,441,661,114**	**12,419,996,278**
Profit before provisions (c = a-b)		**11,129,248,920**	**10,943,893,820**
Provision for loans/Investments:			
Loans and advances		1,945,536,063	2,810,975,910
Diminution in value of investments		20,539,430	(74,000,000)
Off balance sheet items		204,740,420	251,500,000
Other provisions		19,572,571	65,866,351
Total provisions (d)	**42**	**2,190,388,484**	**3,054,342,261**
Total profit/(loss) before taxes (e= c-d)		**8,938,860,436**	**7,889,551,559**
Provision for taxation:			
Current tax expense		3,765,699,754	3,467,399,481
Deferred tax income		(590,012,891)	(1,124,778,486)
Total provision for taxation (f)	**43**	**3,175,686,863**	**2,342,620,995**
Net profit after taxation (e-f)		**5,763,173,573**	**5,546,930,564**
Retained earnings brought forward from previous year		16,329,861,552	13,680,255,527
Net effect of all items directly recognised in equity-retained earnings		(104,081,055)	(144,689,978)
Profit available for appropriation		**21,988,954,070**	**19,082,496,113**

Particulars	Note	2022 Taka	2021 Taka
Appropriations:			
Statutory reserve		1,044,129,290	662,939,230
General reserve		-	-
Dividend		2,088,258,589	1,988,817,706
Start-up Fund		57,631,736	100,877,625
		3,190,019,615	2,752,634,561
Retained Surplus		**18,798,934,455**	**16,329,861,552**
Earnings per share (EPS) [previous year's figure restated]	**48**	**3.85**	**3.71**

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

Managing Director and CEO	Director	Director	Chairman

As per our report of same date.

Sabbir Ahmed FCA, Partner
Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 11 April 2023

DVC No: 2304100770AS807408

BRAC Bank Limited

Statement of Changes in Equity

For the year ended 31 December 2022

Amount in Taka

Particulars	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Foreign currency translation reserve	Fair value gain/(loss) on equity investment	Retained earnings	Total
Balance as at 01 January 2022	**13,921,723,990**	**3,853,767,032**	**10,067,956,958**	**355,218,455**	**2,490,292,927**	**15,729,653**	**7,384,920,564**	**16,329,861,552**	**54,419,471,131**
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	**-**
Surplus/deficit on account of revaluation of investments	-	-	-	-	(1,153,047,762)	-	-	-	**(1,153,047,762)**
Changes in translation reserve	-	-	-	-	-	307,807,261	-	-	**307,807,261**
Changes in OCI reserve for investment in subsidiaries and associates	-	-	-	-	-	-	258,992,660	-	**258,992,660**
Actuarial gain/(loss)	-	-	-	-	-	-	-	(104,081,055)	**(104,081,055)**
Sub total	**13,921,723,990**	**3,853,767,032**	**10,067,956,958**	**355,218,455**	**1,337,245,165**	**323,536,914**	**7,643,913,224**	**16,225,780,497**	**53,729,142,235**
Net profit for the year	-	-	-	-	-	-		5,763,173,573	**5,763,173,573**
Dividends for the year 2021:									
Stock dividend	1,044,129,290	-	-	-	-	-	-	(1,044,129,290)	**-**
Cash dividend	-	-	-	-	-	-	-	(1,044,129,299)	**(1,044,129,299)**
Start-up Fund	-	-	-	-	-	-	-	(57,631,736)	**(57,631,736)**
Statutory reserve	-	-	1,044,129,290	-	-	-	-	(1,044,129,290)	**-**
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**	**323,536,914**	**7,643,913,224**	**18,798,934,455**	**58,390,554,773**

Amount in Taka

For the year ended 31 December 2021

Particulars	Paid up capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Foreign currency translation reserve	Fair value gain/(loss) on equity investment	Retained earnings	Total
Balance as at 01 January 2021	**13,258,784,760**	**3,853,767,032**	**9,405,017,728**	**355,218,455**	**4,805,926,053**	**(13,641,635)**	**1,131,197,846**	**13,680,255,527**	**46,476,525,766**
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	**13,258,784,760**	**3,853,767,032**	**9,405,017,728**	**355,218,455**	**4,805,926,053**	**(13,641,635)**	**1,131,197,846**	**13,680,255,527**	**46,476,525,766**
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	**-**
Surplus/deficit on account of revaluation of investments	-	-	-	-	(2,315,633,126)	-	-	-	**(2,315,633,126)**
Changes in translation reserve	-	-	-	-	-	29,371,288	-	-	**29,371,288**
Changes in OCI reserve for investment in subsidiaries and associates	-	-	-	-	-	-	6,253,722,718	-	**6,253,722,718**
Actuarial gain/(loss)	-	-	-	-	-	-	-	(144,689,978)	**(144,689,978)**
Sub total	**13,258,784,760**	**3,853,767,032**	**9,405,017,728**	**355,218,455**	**2,490,292,927**	**15,729,653**	**7,384,920,564**	**13,535,565,549**	**50,299,296,668**
Net profit for the year	-	-	-	-	-	-	-	5,546,930,564	**5,546,930,564**
Dividends for the year 2020:									
Stock dividend	662,939,230	-	-	-	-	-	-	(662,939,230)	**-**
Cash dividend	-	-	-	-	-	-	-	(1,325,878,476)	**(1,325,878,476)**
Start-up Fund	-	-	-	-	-	-	-	(100,877,625)	**(100,877,625)**
Statutory reserve	-	-	662,939,230	-	-	-	-	(662,939,230)	**-**
Balance as at 31 December 2021	**13,921,723,990**	**3,853,767,032**	**10,067,956,958**	**355,218,455**	**2,490,292,927**	**15,729,653**	**7,384,920,564**	**16,329,861,552**	**54,419,471,131**

* Detail of fair value gain/(loss) on equity investments has been provided at Note-10 and Note-22.

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

BRAC Bank Limited

Cash Flow Statement

For the year ended 31 December 2022

Particulars	Note	2022 Taka	2021 Taka
A. Cash flows from operating activities			
Interest receipts in cash		31,508,895,124	27,105,416,678
Interest payment		(10,508,367,195)	(8,504,508,879)
Dividend receipts		232,498,460	174,618,013
Fees and commission receipts in cash		5,884,319,987	3,440,196,921
Recoveries on loans previously written off		809,572,845	707,517,594
Cash payments to employees		(8,135,922,799)	(6,597,572,669)
Cash payments to suppliers		(680,215,058)	(480,845,623)
Income tax paid		(4,642,899,233)	(2,557,956,724)
Receipts from other operating activities	**45**	1,033,184,962	710,776,014
Payment for other operating activities	**46**	(5,385,487,007)	(3,597,592,564)
Operating cash flow before changes in operating assets and liabilities (i)		**10,115,580,086**	**10,400,048,761**
Increase/decrease in operating assets and liabilities			
Loans and advances		(89,464,175,973)	(48,149,037,787)
Other assets		(524,779,722)	(400,388,462)
Borrowings from other banks and financial institutions		33,559,411,231	11,942,273,035
Proceeds from Issuance of affordable housing bond		4,751,000,000	-
Deposits from customers		67,558,949,157	26,460,328,428
Other liabilities		(996,961,563)	912,507,742
Cash utilised in operating assets and liabilities (ii)		14,883,443,130	(9,234,317,044)
Net cash flows from operating activities (i+ii) (a)		**24,999,023,216**	**1,165,731,717**
B. Cash flows from investing activities			
Treasury bills		(422,721,002)	170,075,754
Treasury bonds		(13,316,198,255)	15,284,380,330
Sale/ (Investment) in shares		(520,995,927)	(1,107,182,775)
Sale/ (Investment) in bonds		410,000,000	642,282,917
Acquisition of fixed assets		(2,118,856,350)	(2,955,859,632)
Disposal of fixed assets		17,653,002	601,254,376
Net cash used in investing activities (b)		**(15,951,118,532)**	**12,634,950,970**
C. Cash flows from financing activities			
Dividend paid		(1,042,217,221)	(1,383,245,433)
Net cash flows from financing activities (c)		**(1,042,217,221)**	**(1,383,245,433)**
Net increase/decrease in cash (a+b+c)		**8,005,687,463**	**12,417,437,254**
Cash and cash equivalents at the beginning of year		46,059,175,412	33,603,286,202
Effect of exchange rate changes on cash and cash equivalent		794,789,846	38,451,956
Cash and cash equivalents at the end of the year	**44**	**54,859,652,721**	**46,059,175,412**
Cash and cash equivalents at the end of the year:			
Cash in hand (including foreign currency)		11,822,688,624	8,424,680,663
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		19,953,525,473	14,252,262,804
Balance with other banks and financial institutions		16,255,534,724	19,880,951,145
Money at call on short notice		6,826,376,000	3,500,000,000
Prize Bond		1,527,900	1,280,800
		54,859,652,721	**46,059,175,412**
Net operating cash flow per share (NOCFPS)	**50**	**16.70**	**0.78**

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

The reconciliation of net profit with cash flows from operating activities (standalone basis) has been presented at note - 47.

BRAC Bank Limited

Liquidity Statement (Asset and Liability Maturity Analysis)

As at 31 December 2022

Amount in Taka

Particulars	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
Assets						
Cash in hand and balance with Bangladesh Bank	17,139,012,298	-	-	-	14,637,201,799	31,776,214,097
Balance with other banks and financial institutions (including foreign currencies)	6,005,534,724	10,250,000,000	-	-	-	16,255,534,724
Money at call and short notice	6,826,376,000	-	-	-	-	6,826,376,000
Investments	12,702,469,598	1,579,926,666	13,033,778,937	28,024,952,278	8,946,554,785	64,287,682,264
Loans and advances	38,166,517,554	67,860,734,336	161,443,948,391	122,587,430,351	20,617,776,328	410,676,406,960
Fixed assets including premises, furniture and fixtures	-	-	-	7,249,061,007	530,285,686	7,779,346,693
Other assets	6,506,232,478	37,437,694	23,841,248	560,486,246	18,498,078,198	25,626,075,864
Non-banking assets	-	-	-	-	11,341,700	11,341,700
Total Assets	**87,346,142,652**	**79,728,098,696**	**174,501,568,576**	**158,421,929,882**	**63,241,238,496**	**563,238,978,302**
Liabilities						
Borrowings from other banks, financial institutions & agents	7,446,298,531	10,536,294,000	20,702,784,740	-	-	38,685,377,271
Borrowings from central bank & government agencies	5,631,493,289	8,114,768,696	12,381,754,222	16,010,838,538	45,647,064	42,184,501,809
Affordable housing bond	-	-	-	4,751,000,000	-	4,751,000,000
Money at call and short notice	-	-	-	-	-	-
Deposits and other accounts	46,706,467,499	72,043,815,311	121,288,961,984	141,455,809,394	2,971,721,054	384,466,775,242
Other liabilities	2,034,289,634	3,584,707,271	4,836,188,826	4,144,359,024	20,161,224,452	34,760,769,207
Total Liabilities	**61,818,548,953**	**94,279,585,278**	**159,209,689,772**	**166,362,006,956**	**23,178,592,570**	**504,848,423,529**
Net Liquidity Gap	**25,527,593,699**	**(14,551,486,582)**	**15,291,878,804**	**(7,940,077,074)**	**40,062,645,926**	**58,390,554,773**

The notes 1 to 51.5 and annexures A to J form an integral part of these financial statements.

BRAC Bank Limited

Notes to the financial statements

as at and for the year ended 31 December 2022

1 THE BANK AND ITS ACTIVITIES

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. At present, the bank has 187 banking branches (2021: 187 branches), 11 sub-branches, 198 Area offices (2021: 198 Area offices), 457 SME unit offices (2021: 456 SME unit offices), 1,000 agent banking outlets (2021: 785 agent outlets), 324 ATMs (2021: 373 ATMs) and 39 RCDMs and spread across the country. The registered address of the bank is: Anik Tower, 220/B Tejgaon Gulshan Link Road, Tejgaon, Dhaka-1208. BRAC Bank was listed on the Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly traded company on 28 January 2007 and on 24 January 2007 respectively. The Bank has four subsidiaries and one associate companies in related operations. A brief description of the subsidiaries and associates of the Bank has been provided in Note 1.6.

1.2 Principal activities and nature of operations

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.

As a founder member of GABV and being the trailblazer of values-based banking in Bangladesh, Bank always strives to contribute towards achieving the Sustainable Development Goals (SDGs), where financing for SMEs to generate employment in an environmentally-friendly manner remains as our top priority. The Bank also serving as intermediary for Triple Bottom Line (TBL) by supporting individual or enterprises delivering impact in at least one of the following categories: social empowerment (people), environmental regeneration (planet), and/or economic resiliency (prosperity).

1.3 Off-shore banking unit (OBU)

The Bank commenced its off-shore banking operation on obtaining permission from Bangladesh Bank in 2010. The Off-shore Banking Unit (OBU) is governed by the rules and guidelines of Bangladesh Bank. The consolidated and separate financial statements of the bank included the operations of OBU. In addition, a separate financial statements of OBU has been presented in Annexure-H. In addition, the principal activities of OBU are to provide all kinds of commercial banking services to its customers in Bangladesh in foreign currency.

1.4 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. Financial performance of Security Custodial Services have been separately reported in Annexure-I along with Bank's audited financial statements in compliance with the requirement u/s 10(2) of Security Custodial Services Rules 2003. The due certificate from external auditors has been obtained on internal control and financial statements of security custodial operations of the Bank and annexed with the financial statements.

1.5 Agent banking

BRAC Bank obtained permission from Bangladesh Bank on 11 March 2018, vide reference no. BRPD(P-3)745/(50)2018-1806, to commence agent banking outlets and subsequently started commercial operations on 11 September 2018. Till 31 December 2022, the bank has already opened 1,000 agent banking outlets in 64 districts across the country. Services that are currently being dispensed include account opening (current, savings & term deposit), cash deposit and withdrawal, instant fund transfer within BRAC Bank and outside BRAC Bank accounts through BEFTN, SME loan disbursement & repayment collection, foreign remittance disbursement, corporate bill/distributor fee collection, retail loan and credit card lead generation, credit card bill collection, insurance premium collection, utility bill collection, cheque book & debit card request process & delivery, internet and SMS banking and balance inquiry etc.

1.6 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. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee. 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.

An associate is an enterprise 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 venture). 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'. Under this method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognise the investor's share of profits or losses of the investee after the date of acquisition. The investor's share of the investee's profits or losses is recognised in the investor's profit and loss account. Distributions received from an investee reduce the carrying amount of the investment.

If the holding in subsidiary disposed-off in such a way that the status of the holding now comes to 'Associate' then the fair value of the holding retained in the said entity at the date of such disposal has been considered as opening balance of investment in associate in consolidated financial statements and related gains and losses have been recognised directly in consolidated equity. Any share of profits and losses after such change/disposal have been recognised in consolidated profit and loss as per equity method.

Summary of shareholding in subsidiaries and associates

BRAC Bank's shareholding position in its four subsidiaries and one associate is summarized below:

Name of subsidiaries and associates	Face value per share	Nature of business	Total no. of ordinary shares		No. of ordinary shares held by BBL		BBL's percentage of shareholding	
			2022	2021	2022	2021	2022	2021
BRAC EPL Investments Ltd.	BDT 10	Merchant banking	258,500,000	258,500,000	258,358,734	258,358,734	99.95%	99.95%
BRAC EPL Stock Brokerage Ltd.	BDT 100	Stock brokerage	8,411,446	8,411,446	7,570,249	7,570,249	90.00%	90.00%
bKash Ltd.	BDT 100	Mobile financial services	381,949	381,949	194,800	194,800	51.00%	51.00%
BRAC SAAJAN Exchange Ltd.	GBP 1	Remittance & exchange services	1,333,333	333,333	1,250,000	250,000	93.75%	75.00%
BRAC IT Services Ltd.	BDT 1,000	IT services	233,729	233,729	23,372	30,190	9.9996%	12.92%

1.6.1 BRAC EPL Investments Limited (subsidiary)

BRAC Bank acquired 51% shares of Equity Partners Limited on 31 July 2009. This entity was incorporated in Bangladesh on 19 April 2000 as a private limited company, under the Companies Act, 1994, and was subsequently renamed as "BRAC EPL Investments Limited". BRAC Bank acquired an additional 25% shares in the entity in 2011 and an additional 18.57% in 2016. During 2017, the bank acquired a further 5.275% in the entity. During 2019, the bank acquired another 0.10%, thus taking the total shareholding to 99.945% at the end of the year 2019.

BRAC EPL Investments was established to cater to the needs of the fast growing capital markets of Bangladesh. It works as a merchant bank with a full-fledged merchant banking license from Bangladesh Securities and Exchange Commission (BSEC). The company's service portfolio comprises lead managing initial public offerings, domestic and international placements, portfolio management and project development and consultancy.

1.6.2 BRAC EPL Stock Brokerage Limited (subsidiary)

BRAC Bank Limited acquired 51% shares of Equity Partners Securities Limited on 31 July 2009. Equity Partners Securities Limited was incorporated in Bangladesh on 16 May 2000 as a private limited company under the Companies Act, 1994. Subsequently, the management decided to rename Equity Partners Securities Limited as BRAC EPL Stock Brokerage Limited. In the year 2011, the bank acquired an additional 39% shares of EPL Stock Brokerage Limited. As a result, the bank's controlling interest has risen to 90% of EPL Stock Brokerage Limited.

BRAC EPL Stock Brokerage Limited was established to cater to the needs of the brokerage business in Bangladesh. It has corporate membership of both Dhaka Stock Exchange and Chittagong Stock Exchange.

1.6.3 bKash Limited (subsidiary)

BRAC Bank Limited formed bKash Limited, a private company limited by shares incorporated on 1 March 2010 under the Companies Act, 1994. bKash Limited was established to introduce mobile financial services in Bangladesh. The bank has obtained a license from Bangladesh Bank for bKash Limited to render mobile financial services (MFS). BRAC Bank currently holds 51% equity shares in the company.

With the consent of all existing shareholders, in 2014 Bill & Melinda Gates Foundation (B&M), in 2018 Alipay Singapore E-Commerce Private Limited ("Alipay") and in 2021 SoftBank further invested in bKash Limited in the form of convertible preference shares. As on 31 December 2021, out of the total 163,104 convertible preference shares, B&M holds 22,525 shares, Alipay holds 55,433 shares and SoftBank holds 85,146 shares. Preference shareholders do not have any voting rights but has same rights as equity shareholders with respect to economic interest in the company. These preference shares are convertible at a 1:1 basis to ordinary shares subject to consent as per shareholders' agreement. Consolidated financial statements have been prepared using 35.74% instead of 51% considering the potential dilution, or otherwise according to economic interest on bKash.

1.6.4 BRAC SAAJAN Exchange Limited (subsidiary)

At the inception, BRAC Bank Limited acquired 75%+1 shares of "SAAJAN Worldwide Money Transfer Limited" (SWMTL) in the UK. Bangladesh Bank provided necessary approvals of GBP 500,000 to acquire SWMTL and setting up two new branches in Luton and Bradford, UK. As per permission of Bangladesh Bank, SWMTL has been renamed as "BRAC SAAJAN Exchange Ltd" (BSEL). BRAC SAAJAN Exchange Limited was established to offer remittance and exchange services in the UK.

Notable that the operation of BRAC SAAJAN Exchange Limited was suspended in 2021 on regulatory ground by the local regulator in UK. Management lodged an appeal against the suspension before the Court in UK. After long hearing, the honorable Court released a verdict in 2022 in favour of BRAC Saajan and nodded the company to resume its operations. Accordingly, the company has resumed its operations in December 2022.

Considering the minimum capital requirement as per Financial Conduct Authority (FCA), UK and to resume its full-fledged operations, the company (BRAC Saajan) converted the outstanding OD Loan facilities of BRAC Bank as additional share capital of GBP 1,000,000 (equivalent to BDT 112,140,000) with due approval from the regulators. Currently, BRAC Bank Limited holds 93.75% shares (1,250,000 no. of shares out of the total 1,333,333 shares) of BRAC SAAJAN Exchange Ltd (BSEL).

1.6.5 BRAC IT Services Limited (biTS) (associate)

BRAC IT Services Ltd. (biTS) was initially founded as Documenta™ Ltd, a digital archiving firm, in 1999. BRAC IT Services Ltd. was then formed in April 2013 through the merger of Documenta™ Ltd and the IT Division of BRAC Bank. BRAC Bank acquired 51% shares of BRAC IT Services Limited, a private company limited by shares under the Companies Act, 1994, incorporated on 9 April 2013. It currently operates as an IT services company. In the year 2017, BRAC Bank reduced its holding in BRAC IT Services Limited from 51% to 48.67% by selling 1,034 shares to BRAC. However, due to additional investment by BRAC, the holding percentage of BRAC Bank further reduced to 12.92% at the end of the year 2020.

In 2022, BRAC Bank further disposed off 6,818 no. of shares (2.92% shareholding) to BRAC upon approval from Bangladesh Bank and the bank's shareholding in biTS reduced to 9.9996%. Considering the significant management involvement, the company is still considered as an associate of the Bank as per international accounting standards (IASs)

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 the year ended 31 December 2022 comprise the operation of the Domestic Banking Unit (DBU) (main operations), as well as operations of the Off-shore Banking Unit (OBU), together referred to as 'the Bank'.

Consolidated financial statements 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 to a common reporting year ended 31 December 2022. Intra-company transactions, balances and intra-group gains on transactions between group companies are eliminated on consolidation.

2.2 Statement of compliance with applicable laws, regulations and standards

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 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;
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 Ordinance, 1984, 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; and
viii) Financial Reporting Act, 2015.

The Central Bank of Bangladesh ('Bangladesh Bank'), as primary regulator of the banking industry, has issued a number of circulars/directives which are not consistent with the requirements specified in IASs/IFRSs. 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.

Bank has departed from certain contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Investment in equity instruments except investment in subsidiaries and associates

Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
As per requirements of IFRS 9: Classification and measurement of investment in equity instruments depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors, it would generally fall either under 'at fair value through profit and loss account' or under 'at fair value through other comprehensive income' where any change in the fair value (measured in accordance with IFRS 13) at the year-end is taken to the profit and loss account or other comprehensive income, respectively.	As per Banking Regulation and Policy Department (BRPD) circular no. 14, dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the year-end at market price and as per the book value of the last audited balance sheet, respectively. Provisions should be made for any loss arising from diminution in value of investments; otherwise investments are recognised at cost.

ii) Subsequent measurement of Government securities

Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
Government securities refer primarily to various debt instruments which include both bonds and bills. As per requirements of IFRS 9: Financial Instruments, these investments can be categorised as "Amortised Cost (AC)", or "Fair Value Through Profit or Loss (FVTPL)", or "Fair Value through Other Comprehensive Income (FVOCI)". Investments designated as Amortised Cost are measured at amortised cost method, and interest income is recognised through profit and loss account. Any changes in fair value of investments designated as FVTPL is recognised in the profit and loss account. Any changes in fair value of investments designated as FVOCI is recognised in other reserves, as a part of equity.	As per DOS Circular no. 05, dated 26 May 2008, and subsequent clarification in DOS Circular no. 05, dated 28 January 2009, Government securities/bills are classified into Held for Trading (HFT) and Held to Maturity (HTM). HFT securities are revalued on the basis of mark-to-market and at year-end, any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity. Any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities, including amortisation of discount, are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at year-end, and gains or losses on amortization are recognised in other reserves as part of equity.

iii) Provision on loans and advances

Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
As per IFRS 9: Financial Instruments, an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses, if the credit risk on these loans and advances has increased significantly since initial recognition, whether assessed on an individual or collective basis, considering all reasonable information (including that which is forward-looking). For those loans and advances for which credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12-month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after the reporting date.	As per BRPD circular no. 14 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. 12 dated 20 August 2017, BRPD circular No. 15 dated 27 September 2017, BRPD circular no. 1 dated 20 February 2018, BRPD Circular no. 07 dated 21 June 2018, BRPD Circular no 13 dated 18 October 2018, BRPD circular no. 3 dated 21 April 2019, BRPD circular no. 16 Dated 21 July 2020, BRPD circular no. 52 Dated 20 October 2020, BRPD circular no. 19 dated 26 August 2021, BRPD circular no. 51 dated 29 December 2021, BRPD circular no. 52 dated 29 December 2021, BRPD circular no. 03 dated 20 January 2022, BRPD circular no. 09 dated 7 April 2022, BRPD circular no. 07 dated 27 April 2022, BRPD circular no. 14 dated 22 June 2022, BRPD circular no. 51 dated 18 December 2022, the general provision at 0.25% to 2% under different categories of unclassified loans (good/standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also, provision for different categories of classified loans (sub-standard, doubtful and bad and loss loans) has to be provided at 20%, 50% and 100%, respectively, for loans and advances depending on time past due. Furthermore, as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 07 dated 21 June 2018, a general provision at 1% is required to be provided for all off-balance sheet exposures except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by multilateral development bank (MDB)/international bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks, in line with Basel-III). As per BRPD circular no. 16 dated 21 July 2020, provision @ 5%, 20% on SMEF financing on SS and DF except medium enterprise has to be maintained. Such provision policies are not specifically in line with those prescribed by IFRS 9. Such provision policies are not specifically in line with those prescribed by IFRS 9.

iv) Other comprehensive income

Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
As per IAS 1 Presentation of Financial Statements, other comprehensive income is a component of financial statements or the elements of other comprehensive income are to be included in single comprehensive income statements.	Bangladesh Bank has issued templates for financial statements which is followed by all banks. The templates of financial statements issued by Bangladesh Bank neither include Other Comprehensive Income nor the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) statement. As such, the bank does not prepare Other Comprehensive Income statement. However, elements of OCI, if any, are shown in the Statement of Changes in Equity.

v) Financial instruments – presentation and disclosure

Treatment as per IFRS	Treatment adopted as per BB circulars and guidelines
some disclosure and presentation requirements of IFRS 7 Financial Instruments: Disclosures and IAS 32 Financial Instruments: Presentation cannot be made in the financial statements.	In several cases, Bangladesh Bank guideline categorize, recognise, measure and present financial instruments differently from those prescribed in IFRS 9: Financial Instruments.

vi) Repo and reverse repo transactions	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IFRS 9, when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan, and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).	As per DOS Circular letter no. 6, dated 15 July 2010, and subsequent clarification in DOS Circular no. 03, dated 30 January 2012 and DOS circular no. 2, dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction, and the financial assets are de-recognised in the seller's book and recognised in the buyer's book. However, as per DMD circular letter no. 7, dated 29 July 2012, non-primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collateralised repo arrangements with Bangladesh Bank. Here, the selling bank accounts for the arrangement as a loan, thereby continuing to recognise the asset.

vii) Financial guarantees	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IFRS 9: Financial Instruments, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs if a specified debtor fails to make payment when due, in accordance with the term of debt instruments. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount, and the loss allowance determined as expected credit loss under IFRS 9. Financial guarantees are prescribed to be included within other liabilities.	As per BRPD circular no. 14, dated 25 June 2003, financial guarantees, such as Letter of Credit and Letter of Guarantee should be treated as off balance sheet items. No liability is recognised for the guarantee, except the cash margin.

viii) Cash and cash equivalents	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
Cash and cash equivalent items should be reported as cash item as per IAS 7: Statement of Cash Flows.	Some cash and cash equivalent items, such as money at call and on short notice, treasury bills, Bangladesh Bank bills and prize bonds are not shown as cash and cash equivalents. Money at call and on short notice is shown separately in the balance sheet. Treasury bills, Bangladesh Bank bills and prize bonds are shown under investment in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash-in-hand, balance with Bangladesh Bank and other banks.

ix) Non-banking assets	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
There is no particular/specific guideline about non-banking assets in IFRS.	As per BRPD circular no. 22, dated 20 September 2021, there is a separate balance sheet item titled as non-banking asset that exists in the standard format.

x) Cash flow statement	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IAS 7: Statement of Cash Flows, cash flow statement can be prepared either in direct method or indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per BRPD circular no. 14, dated 25 June 2003, the cash flow statement is a mix of both the direct and indirect methods.

xi) Balance with Bangladesh Bank	
Balance with Bangladesh Bank should be treated as other asset, as it is not available for use in day to day operations, as per IAS 7: Statement of Cash Flows.	Balance with Bangladesh Bank is treated as cash and cash equivalents.

xii) Presentation of intangible asset	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
Intangible assets must be identified and recognised, and the disclosure must be given as per IAS 38: Intangible Assets.	Intangible assets are shown in fixed assets, including premises and furniture and fixtures, as there is no specific regulation for intangible assets in BRPD circular no. 14, dated 25 June 2003.

xiii) Off balance sheet items	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IFRS, there is no requirement for disclosure of off balance sheet items on the face of the balance sheet.	As per BRPD circular no. 14, dated 25 June 2003, off balance sheet items, e.g. Letter of Credit, Letter of Guarantee and Acceptance must be disclosed separately on the face of the balance sheet.

xiv) Disclosure of appropriation of profit	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
There is no requirement to show appropriation of profit on the face of statement of comprehensive income.	As per BRPD circular no. 14, dated 25 June 2003, appropriation of profit should be disclosed on the face of profit and loss account.

xv) Loans and advances/investments net of provision	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IFRS 9, loans and advances/investments should be presented net of provision.	As per BRPD circular no. 14, dated 25 June 2003, provision on loans and advances/investments are presented separately as liability and cannot be netted-off against loans and advances.

xvi) Recognition of interest in suspense	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
Loans and advances to customers are generally classified at amortised cost as per IFRS 9, and interest income is recognised in the profit and loss account by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently becomes credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.	As per BRPD circular no. 14, dated 23 September 2012, once a loan is classified as Sub-standard, Doubtful BL (special reason), interest accrued on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account which is presented as other liability in the balance sheet.

xvii) Provision on undrawn loan commitments	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IFRS 9, the bank shall recognise credit losses on undrawn loan commitments, such as Letter of Credit (L/C), Letter of Guarantee (L/G), etc., as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that the bank expects to receive.	As per BRPD Circular no. 07, dated 21 June 2018, and BRPD Circular no. 14, dated 23 September 2012, the bank is required to maintain a provision at 1% rate against off balance sheet exposures (which includes all types of undrawn loan commitments).

xviii) Name of the financial statements	
Treatment as per IFRS	**Treatment adopted as per BB circulars and guidelines**
As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes, comprising significant accounting policies and other explanatory information.	The forms of financial statements and directives for preparation thereof of the bank companies in Bangladesh are guided by BRPD Circular no. 14, dated 25 June 2003 and subsequent amendments thereof from time to time. BRPD circular no. 14 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.

2.2.2 Summary statement of compliance with IFRSs

Ref.	Name of the standards	Status
IFRS-1	First-Time Adoption of International Financial Reporting Standards	Not applicable
IFRS-2	Share-based Payment	Not applicable
IFRS-3	Business Combinations	Complied
IFRS-4	Insurance Contracts	Not applicable
IFRS-5	Non-current assets Held for Sale and Discounted Operations	Not applicable
IFRS-6	Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS-7	Financial Instruments: Disclosures	Complied *
IFRS-8	Operating Segments	Complied *
IFRS-9	Financial Instruments	Complied *
IFRS-10	Consolidated Financial Statements	Complied
IFRS-11	Joint Arrangements	Not applicable
IFRS-12	Disclosure of Interests in Other Entities	Complied
IFRS-13	Fair Value Measurement	Complied
IFRS-14	Regulatory Deferral Accounts	Not applicable
IFRS-15	Revenue from Contracts with Customers	Complied
IFRS-16	Leases	Complied
IAS-1	Presentation of Financial Statements	Complied *
IAS-2	Inventories	Not applicable
IAS-7	Statement of Cash Flows	Complied *
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS-10	Events after the Reporting Period	Complied
IAS-12	Income taxes	Complied
IAS-16	Property, Plant and Equipment	Complied
IAS-19	Employee Benefits	Complied
IAS-20	Accounting for Government Grants and Disclosure of Government Assistance	Complied
IAS-21	The Effect of Changes in Foreign Exchanges Rates.	Complied
IAS-23	Borrowing Cost	Complied
IAS-24	Related Party Disclosures	Complied
IAS-26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS-27	Separate Financial Statements	Complied
IAS-28	Investment in Associates and Joint Venture	Complied
IAS-29	Financial Reporting in Hyperinflationary Economies	Not applicable
IAS-32	Financial Instruments: Presentation	Complied *
IAS-33	Earnings Per Share	Complied
IAS-34	Interim Financial Reporting	Complied
IAS-36	Impairment of Assets	Complied
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS-38	Intangible Assets	Complied *
IAS-40	Investment Property	Not applicable
IAS-41	Agriculture	Not applicable

* Complied to the extent possible subject to compliance to Bangladesh Bank guidelines in this respect.
** Complied in the preparation of interim financial reports of the Bank.

2.2.3 Standards issued but not yet effective

A number of new standards and amendments to standards are issued but not yet effective for annual periods beginning after 01 January 2022 and earlier application is permitted. However, the Bank has not adopted early the following new or amended standards in preparing these financial statements.

A) Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)
B) Other standards: The following new and amended standards are not expected to have a significant impact on the bank's standalone and consolidated financial statements:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Lease liability in sale and leaseback (Amendments to IFRS 16)

2.3 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'.

The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the bank's ability to continue as a going concern.

2.4 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.

2.5 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 wherever necessary to conform with the current presentation.

2.6 Functional and presentation currency

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

2.7 Reporting period

These financial statements cover one calendar year - from 01 January to 31 December 2022.

2.8 Basis of measurement of elements of financial statements

The financial statements of the Bank have been prepared on historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marked to market with gains, if any, credited to revaluation reserve.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.

2.9 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. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statement in line with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the year in which the estimates are revised and in any future periods affected. Significant areas where management requiring the use of estimate and judgment:

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

2.10 Foreign currency transactions

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.

Translation of foreign currency operations

The results of financial statements of any foreign operation (including subsidiaries, off-shore banking unit, etc.) whose functional currency is not Bangladeshi Taka are translated into Bangladeshi Taka as follows:

a. assets and liabilities for each statement of balance sheet have been translated at the closing rate on the date of the balance sheet.

b. income and expenses for the profit and loss account have been translated at average rate.

Foreign currency differences are recognised in OCI and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to NCI.

Exchange rates

The assets and liabilities as at 31 December 2022 in foreign currencies have been converted to BDT at the following rates:

Name of Currencies	2022	2021
USD 1= BDT	103.30	85.80
SGD 1= BDT	76.60	63.41
GBP 1= BDT	124.43	115.70
AUD 1= BDT	69.44	62.33
EUR 1= BDT	110.01	97.12
CHF 1= BDT	111.74	93.71
JPY 1= BDT	0.77	0.75
CAD 1= BDT	75.97	67.12
AED 1= BDT	28.13	23.36
CNY 1= BDT	14.84	13.46

Translation reserve in separate financial statements

The functional currency of the Bank's Off-shore Banking Unit (OBU) is in United States Dollar (USD). So, translation reserve has been generated in separate financial statements for translating offshore banking operations in bank's presentation currency (BDT).

Translation reserve in consolidated financial statements

The functional currency of one of the Bank's subsidiaries BRAC SAAJAN Exchange Limited is in Great Britain Pound (GBP). As a result, in consolidated financial statements translation reserve includes the balances of separate financial statements as well as the balances for translating SAAJAN's GBP operations to bank's presentation currency (BDT).

2.11 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. No provision is recognised for-

a. Any possible obligation that arises from past events and 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; or

b. Any present obligation that arises from past events but is not recognised because-

i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in extremely rare circumstances where no reliable estimate can be made.

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.

2.12 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.

2.13 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's cash flows during the period have been classified as operating activities, investing activities and financing activities.

2.14 Basis of preparation of liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following basis:

a) Balances with other bank and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
b) Investments are on the basis of their residual maturity term.
c) Loans and advances are on the basis of their repayment/ maturity schedule.
d) Fixed assets are on the basis of their useful life.
e) Other assets are on the basis of their adjustment.
f) Borrowing from other banks, financial institutions and agents as per their maturity/ repayment term.
g) Deposits and other accounts are on the basis of their maturity term and behavioural past trend.
h) Other long term liability on the basis of their maturity term.
i) Provisions and other liabilities are on the basis of their settlement.

2.14 Changes in accounting policies, estimates and errors

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, states that the effect of a change in accounting policy and correction of errors, if material, is to be applied retrospectively, and change in an accounting estimate is to be applied prospectively. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change. The bank followed the same accordingly.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements except the recognition of defined benefit obligation and plan assets relating to the gratuity fund on the balance sheet of the Bank from 2018. The net effect in opening balance for such recognition has been charged in profit and loss considering the effect as immaterial as per IAS - 8.

3.1 Assets and the basis of their valuation

3.1.1 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. 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.

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.

3.1.2 Investments (Categorized and reported as per Bangladesh Bank)

Investment in securities

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 of government 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 revaluated 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 mutual funds

The Department of off-site Supervision (DOS) of Bangladesh Bank vide its circular letter no. 03 dated 12 March 2015 directed that investment in mutual fund (closed end) will be revalued at lower of cost and (higher of marker value and 85% of NAV). Provision should be made for any loss arising from diminution in value of investment on portfolio basis; otherwise investments are recognized at cost.

Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities. As per Bangladesh Bank DOS Circular no. 04, dated 24 November 2011, provision for diminution in value of investment was made by netting off unrealised gain (loss) of shares from market price/book value less cost price.

Besides, the Bank complied with Bangladesh Bank BRPD Circular no. 14, dated 25 June 2003, as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of the last audited balance sheet. Provisions should be made for any loss arising from diminution in value of investment."

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

Investment Class	Initial Recognition	Measurement after Recognition	Recording of changes
Government Treasury Bills (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss A/C, gain to revaluation reserve
Government Treasury Bills (HTM)	Cost	Amortised cost	Amortised gain to revaluation reserve and loss to profit and loss
Government Treasury Bonds (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss A/C, gain to revaluation reserve
Government Treasury Bonds (HTM)	Cost	Amortised cost	Amortised gain to revaluation reserve and loss to profit and loss
Zero Coupon Bond	Cost	Cost	N/A
Prize Bond and Other Bond	Cost	Cost	N/A
Debentures	Cost	Cost	Profit and Loss Account
Un-quoted Shares (ordinary)	Cost	Lower of cost or NAV of last audited account	Profit and Loss Account
Quoted Shares (ordinary)	Cost	Lower of cost or market price at balance sheet date	Loss (net off gain) to Profit and Loss Account but no unrealized gain booking
Mutual Fund (open-end)	Cost	Lower of cost or 95% of NAV	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.
Mutual Fund (closed-end)	Cost	Lower of cost or (higher of market value or 85% of NAV)	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.

3.1.3 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.

b) 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:

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

c) Interest on classified loans and advances is 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) Write off Loans and Advance: 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.

3.1.4 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.

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

i) any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

ii) any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

iii) the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as consequence of having used the item during a particular period of purpose other than to produce during that period.

Subsequent costs

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

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 Limited	BRAC EPL Investments Limited	BRAC EPL Stock Brokerage Limited	BRAC Saajan Exchange Limited	bKash Limited
Furniture and fixture	10%	10%-20%	12.5%	10%	20%
Building	2.5%	5%	2%	-	-
Office equipment	20%	10%-20%	20%	10%	20%
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%	10%	20%

The consolidated financial statements of BRAC Bank for the year ended 31 December 2022 have been prepared applying uniform depreciation policy in compliance with IFRS 10 " Consolidated Financial Statements".

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 reassessment or lease modifications.

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

Short-term leases and leases of low value assets

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

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

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.

E. Investment properties

Investment property is held to earn rentals or for capital appreciation or both and the future economic benefits that are associated with the investment property but not held for sale in the ordinary course of business. Investment property is accounted for under cost model in the financial statements. Accordingly, after recognition as an asset, the property is carried at its cost, less accumulated depreciation and accumulated impairment loss.

3.1.5 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.

Accordingly, below cumulative fair value gain/(loss) has been directly recognised in equity in the separate financial statements of the bank till to date 31 December 2022.

Name of the subsidiaries and associates	BBL's investment at cost	Net asset value of investee	BBL's share of net asset	Gross fair value gain/(loss)	Gain/(loss) net of deferred tax
BRAC EPL Investment Ltd.	2,891,704,014	1,302,350,935	1,301,639,222	(1,590,064,792)	(1,351,555,073)
BRAC EPL Stock Brokerage Ltd.	1,344,147,500	1,457,088,870	1,311,371,003	(32,776,497)	(27,860,022)
bKash Ltd.	168,921,800	30,602,346,146	10,937,169,476	10,768,247,676	9,153,010,525
BRAC Saajan Exchange Ltd.	171,528,531	22,534,817	21,126,396	(150,402,135)	(127,841,815)
BRAC IT Services Ltd. (biTS)	23,372,000	212,076,519	21,206,835	(2,165,165)	(1,840,390)
Total	**4,599,673,845**	**33,596,397,287**	**13,592,512,932**	**8,992,839,087**	**7,643,913,224**

For shareholding percentage, please refer to Note 1.6 "Summary of shareholding in subsidiaries and associates". Economic shareholding percentage of bKash 35.74% has been used for BBL's share of net asset considering dilution for bKash's preference shares having rights like ordinary shares.

c. Reporting 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.

The summary of accounting of equity investment in subsidiaries and associate both in consolidated and separate financial statements is as follows:

Investment class	Initial recognition	Measurement after recognition	Recording of changes
Investment in subsidiary	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.
Investment in associate	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. The share of post acquisition income is recognised in consolidated profit and loss account.

3.2 Liabilities and provisions

3.2.1 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.

3.2.2 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 12 years. These items are brought to account at the gross value of the outstanding balance which includes accrued interest.

3.2.3 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 Ordinance-1984 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. Provision for diminution in value of investments

Please refer to above note 3.1.2 for detail policies for recognition, measurement and provisioning of investment.

d. 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. 14 dated 23 September 2012 and BRPD circular no. 7 dated 21 June 2018 except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by Multilateral Development Bank (MDB)/International Bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III).

e. Provisions for nostro accounts

Provisions for unsettled transactions on nostro accounts made are reviewed on a monthly basis by management in Risk management meeting (RMM) and certified by the Bank's external auditors on a semi-annual basis in accordance with Bangladesh Bank Foreign Exchange Policy Department (FEPD) circular letter No. (FEPD)/01/2005-677 dated 13 September 2005. At the Balance Sheet date, Bank is not required to make provision regarding un-reconciled debit entries which are outstanding for more than six (06) months in accordance with BRPD circular no. 04 dated 12 April 2022 .

f. 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.

3.2.4 Share capital and shareholders' equity

Capital Management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve four major objectives: exceed regulatory thresholds and meet longer-term internal capital targets, maintain strong credit ratings, manage capital levels commensurate with the risk profile of the Bank and provide the Bank's shareholders with acceptable returns.

Capital is managed in accordance with the Board-approved Capital Management Planning from time to time. Senior management develop the capital strategy and oversee the capital management planning of the Bank. The Bank's Finance, Treasury and Risk Management department are key in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal matrix.

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. Statutory reserve

The Bank is required to transfer at least 20% of its profit before tax to the Statutory Reserve in accordance with provisions of section 24 of the Banking Companies Act, 1991. This is mandatory until such reserve is equal to the paid up capital together with amount in the share premium account.

e. Dividend Equalization Fund

According to BRPD Circular No. 18, dated 20 October 2002, the equivalent amount of exceeding 20% cash dividend shall be kept separately under Dividend Equalization Fund which shall be treated as permanent capital. On June 02, 2016 cash dividend @ 25% (Tk. 2.5 per share of 10 each) amounting to Taka 1,776,092,275 was approved by the shareholders in 17th Annual General Meeting and the cash dividend was paid accordingly. Therefore the excess 5% cash dividend equivalent amounting to Taka 355,218,455 has been transferred to Dividend Equalization Fund. This is treated as Common Equity Tier-1 (CET1)' of the Bank.

f. 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.

g. Remeasurements gain/(loss) of defined benefits liability (assets)

Remeasurement gain/loss arises from the actuarial valuation report carried out by professional actuary time to time on BRAC Bank Employees' Gratuity Fund. The last actuarial valuation were carried out based on 31 December 2022 and actuarial gain/loss was recognised in equity as a component of equity net of any deferred tax impact.

h. 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.

3.2.5 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.

3.2.6 Revenue and expense recognition

Interest Income

Interest income is recognised on an accruals basis. Interest on loans and advances ceases to be taken into income when such advances are classified, kept in interest suspense account. Interest on classified advances is accounted for on a realisation basis as per Bangladesh Bank guidelines.

a. Interest and fees receivable on credit cards

Interest and fees receivable on credit cards are recognised on an accruals basis. 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. Income on Bills purchased and discounted

Income on Bills purchased and Discounted is recognised on accrual basis.

Interest paid on deposits and borrowings etc.

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

Investment income

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

Dividend Income on Shares

Dividend income from investment in shares is recognised when the right to receive the dividend is established. It is recognised when:

a) It is probable that the economic benefit associated with the transaction will flow to the entity; and
b) The amount of the revenue can be measured reliably.

Commission, exchange and brokerage

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

Other operating income

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

3.2.7 Employee benefits

a. Provident Fund (Defined Contribution Plan)

A "Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. Provident Fund benefits are given to the staff of the Bank in accordance with the registered Provident Fund Rules. The commissioner of Income Tax, Large Tax Payers Unit, Dhaka has approved the Provident Fund as a recognized fund within the meaning of section 2(52) read with the provisions of part - B of the First Schedule of Income Tax ordinance 1984. The fund is operated by a Board of Trustees consisting of employees of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount of the employees' contribution to the fund. In addition, there will be an option for a voluntary contribution of a maximum of 10% (at a multiple of 5%) from the monthly basic salary of the employee at the time of payment thereof and will be paid to the Trustees account mentioned in Rule -13. Upon completion of 1 year of service length after confirmation employees are entitled to 100% of employer's contribution along with his/her own contribution. Interest earned from the investments is credited to the members' account on half yearly basis.

b. Gratuity Fund (Defined Benefit Plan)

Gratuity Fund benefits are given to the staff of the Bank in accordance with the approved Gratuity Fund rules. Employees are entitled to Gratuity benefit after completion of minimum 05 (five) years of service in the Bank. The Gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service, or in the case of service of 10 years or more at the rate of one and half month's basic pay for every completed year of service. Beyond 5 years, 6 months and more shall be considered as full year of service. Gratuity fund is a "Defined Benefit Plan" and contribution to Gratuity Fund is measured through the result of actuarial valuation of the fund.

The Bank's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. The Bank determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense, current service cost and other expenses related to defined benefit plans are recognised as salaries and allowances in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

c. Worker's Profit Participation Fund (WPPF)

Consistent with the industry practice and in accordance with section 11(1) of the Bank Company Act,1991 (as amended up to date) and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by bank in the reporting period for WPPF.

d. Life Insurance

The objective of the scheme is to provide death or permanent disability benefits to its confirmed employees and on their families with a sum equal to 50 times (in case of normal death) and 100 times (in case of accidental death) of the last drawn basic salary to the nominee.

e. Welfare Fund

The objective of the Employees' Welfare Fund is to provide regular category employees from Officer Grade-1 to Senior Principal Officer of the BRAC Bank incurring severe accidents during official job, extended illness (not less than 3 months), Education for Children, Marriage of Children which costs would not be affordable by the employee and which are not covered by any other means. All regular confirmed employees of the Bank are contributing monthly to the Fund according to the designation. The sum subscribed monthly from salaries of the employees is credited separately in an "Employee Welfare Fund" as a liability of the Bank. There are at least 3 (three) members of Management Committee to manage the fund. The Managing Director and CEO of the Bank is the Chairman of this committee and other 2 (two) members are nominated from the regular category staff.

f. Hospitalization Insurance

The Bank has introduced a health insurance scheme to its confirmed employees and their respective dependents at rates provided in the health insurance coverage policy.

g. Performance bonus

BRAC Bank provides performance bonus to the eligible employees every year. This bonus amount is being distributed among the employees based on their performance rating and management decision. The bonus amount is paid annually, normally in the following year and the costs are accounted for in the period to which it relates.

h. Staff leave facilities

Annual leave

The provision for leave fare represents the current outstanding liability to employees at the balance sheet date. Leave Fare Assistance is a non-recurring benefit for all permanent employees of the Bank who are entitled to annual leave. According to Bangladesh Bank policy all permanent employees have to avail 15 consecutive days of mandatory leave and LFA will be given in this leave period.

Casual leave

Casual leave means a leave of absence for a very short period granted to an employee who may be unable to attend duty due to sudden illness or urgent private affairs. Casual leave up to 5 working days can be granted per year. Not more than 3 days casual leave can be taken at a time.

Sick leave

Employee may avail Sick leave up to 14 calendar days in a year. Sick Leave for more than 2 days can be taken subject to submission of medical certificates.

Paternity leave

All regular male employees are entitled to avail paternity leave for a period of 5 working days. Such leave can be taken before and/or after the birth of the child only to look after his family and home. A male employee can avail this leave only twice during his service life.

Maternity leave

Female employees of the Bank are entitled to 6 (six) months of paid maternity leave. They will be eligible to avail this paid maternity leave after 6 (six) months of continuous service with the bank for the first 2 (two) children. A female employee who wants to avail maternity leave before completion of 6 (six) months of continuous service with the bank will also be entitled to maternity leave but that would be without pay.

Personal, House building and car loans are provided to the permanent staff at a subsidized rate. Criteria and details of types wise staff loan is given below:

Personal Loan: A permanent staff can avail personal loan taking approval from department head and Head of HR subject to completion of a specific service length and performance rating.

House building Loan: A permanent staff completing 5 year of service can avail house building loan taking approval from House Building Loan Committee subject to performance rating and completed service length with BRAC Bank.

Car Loan: All confirmed staff at job grade from PO can avail staff car loan taking approval from department head and head of HR.

3.2.8 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.

a. 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.

b. 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.

3.2.9 Earnings Per Share

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.

a. Basic earnings

This represents earnings for the year attributable to ordinary shareholders. Net profit after tax less preference dividend has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

The basis of computation of number of shares is in line with the provisions of IAS 33 Earnings Per Share. The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings. In contrast, other shares were issued against consideration in cash or in kind, and accordingly there is an increase in resource generating new earnings. Therefore, the total number of shares issued in particular year are multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

b. Diluted earnings per share

The objective of diluted earnings per share is consistent with that of basic earnings per share; that is, to provide a measure of the interest of each ordinary share in the performance of an entity taking into account dilutive potential ordinary shares outstanding during the year.

As per IAS-33 "Earnings Per Share", the calculation of diluted earning per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti dilutive effect on earning per share. The bank has no dilutive instruments that is why we are not considering the diluted earning per share.

3.3 Dividend policy

Dividend on ordinary shares is recognised as a liability and deducted from retained earnings when they are approved by shareholders at the Annual General Meeting (AGM) of the Bank.

Dividend on ordinary shares for the year that is recommended by the Directors after the balance sheet date for approval of shareholders at the Annual General Meeting are disclosed in Note - 51.5 to the financial statements.

3.3.1 Dividend Distribution Policy of BRAC Bank

Bangladesh Securities and Exchange Commission (BSEC) has made it mandatory for the listed Company to have their dividend distribution policy and disclosed it in the Company's website and in the Annual Report. Accordingly, BRAC Bank has formulated the dividend distribution policy which has been approved by Board of Directors in its 303rd meeting held on 20 September 2021. The policy is also available in bank's website accordingly.

The BRAC Bank Ltd shall propose and declare dividend by ensuring compliance with the regulatory guidelines on dividend declaration and other directives from Bangladesh Securities and exchange commission (BSEC), DSE, CSE, Bangladesh Bank, NBR and other applicable regulatory requirements as well as aligned with company's business strategy.

3.4 Reconciliation of inter-bank/inter-branch account

Books of accounts with regard to interbank (in Bangladesh and outside Bangladesh) are reconciled on a monthly basis, and there are no material differences which may affect the financial statements significantly.

3.5 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 31 December 2022. Each operating segment is reportable as per latest evaluation in accordance with IFRS 8: Operating segments.

In consolidated basis, each of subsidiary can be considered as operating segment in addition to segments on standalone basis. However, no segment reporting has been made for subsidiaries as their audited financial statements have been appended with Bank's financial statements.

3.6 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.

3.7 Events after the Balance Sheet Date

As per IAS - 10 "Events after the Reporting Period" events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of event can be identified:

a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and

b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

The details about the events after reporting period can be found at note - 51.5.

3.8 Risk management

Risk management is a discipline at the core of every enterprise and encompasses all activities that affect its risk profile. The Standards of Risk Management, as taken up by the Bank for International Settlements (BIS) and, particularly, Basel Committee on Banking Supervision (BCBS), has been applied by bank regulators across the world. The Central Bank of Bangladesh, i.e. Bangladesh Bank also issued revised risk management guidelines in October 2018, which forms the basis of risk management of all scheduled banks in Bangladesh.

BRAC Bank Limited (BBL) rigorously follows a robust risk management framework across the organization and across all risk types, underpinned by our culture and values where we follow the three lines of defense model. Each of the three lines of defense plays distinct roles in BBL's broader governance framework. Bank's risk management framework is applied enterprise-wide and consists of three key elements: risk governance, risk appetite, and risk management tools. Major risks for BBL include credit, market, liquidity and operational risk. In line with the regulatory requirement and elevating its risk management function, BRAC Bank has established comprehensive risk management guidelines, duly approved by its Board of Directors. The bank's risk management strategy is based on a thorough awareness of diverse risks, a disciplined risk assessment process, and cautious measurement processes with ongoing monitoring. The bank is continuing to improve its risk management systems, not only to meet regulatory obligations, but also to achieve superior risk-adjusted returns and optimal capital use while keeping the organization's business objectives in mind. The bank handles risk across two strategic layers: the managerial layer and the operational layer, for effective risk management. Risk discussions are held at those levels with the goal of identifying and measuring the impact of various types of risk in core banking. Risk mitigation and viable solutions are examined, and conclusions are reached as a result.

A. Operating Environment

The Bank's operating environment during the year ended 2022 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, start of Russia-Ukraine conflict, increase in fuel and commodity prices, strengthening of US Dollars, etc. Most of these events also had significant impact on the local economic environment affecting the Bank's operations. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macro-economic situation and factor these issues into the decision making process.

B. Credit risk management

Effective credit risk management is a vital component of a comprehensive risk management strategy and critical to any bank's long-term sustainability. Considering key elements of credit risk, the bank has separate divisions for Corporate, SME, Retail and Credit Cards are entrusted with the responsibility of maintaining effective relationship with customers, marketing credit products, exploring new business opportunities, etc. For transparency in operations during the entire credit process, teams for i. Credit Approval, ii. Asset Operations, iii. Recovery Unit and Special Asset Management have been set up.

The entire process involves relationship teams of respective asset portfolios (Retail, SME and Corporate) booking clients and the underwriting team conducting thorough assessment before placing the facility for approval with the authority. Risk assessment includes borrower risk analysis, industry risk analysis, financial risk analysis, security risk analysis, account performance risk analysis, AML risk analysis and environmental & social risk analysis of the customer. Post-approval, the Credit Administration Department ensures compliance with all legal formalities, completion of documentation, including security of proposed facility, and eventual disbursement. This arrangement has not only ensured segregation of duties and accountability, but also helped in minimizing risk of compromise with quality of the credit portfolio.

To ensure sound practices in credit risk management, including taking calculated risk and maintaining asset portfolio quality, BRAC Bank follows well-established Credit Policy Guidelines, as approved by the Board of Directors and prepared in line with internationally-accepted risk management principles and best practices. The guidelines are also aligned with the 'Guidelines on Credit Risk Management (CRM) for Banks' (March, 2016) by Bangladesh Bank, the Bank Company Act, 1991 (Amended in 2013), Risk Management Guidelines for Banks (October, 2018) and credit-related circulars and instructions of Bangladesh Bank circulated from time to time. In 2022, BRAC Bank has updated its credit policy in line with with the instructions issued by Bangladesh Bank for the loan accounts at the time of sanctioning or renewal, where applicable.

In 2022, BRAC Bank has complied with the instructions given by Bangladesh Bank vide BRPD Circular letter no 04 dated 04-Jan-21 and BRPD Circular letter no 35 dated 06-Jul-21 for the loan accounts at the time of sanctioning or renewal, where applicable.

C. Foreign exchange risk management

Foreign exchange risk arises from fluctuations in currency prices, influenced by various macro and micro economic factors. Contemporary financial institutions engage in activities starting from basic currency buy, sell, imports, exports and remittances to complex structured products. Within the bank, the Treasury division is vested with the responsibility to measure and minimize risk associated with bank's foreign currency position.

All treasury functions are clearly demarcated between treasury front office, mid office and back office which has separate and independent reporting lines to ensure segregation of duties and accountability and also helps minimize the risk of compromise. The front office is involved only in dealing activities, mid office is involved in monitoring of different limits, e.g. counterparty limits, dealers' trading limits, stop/loss limits, etc. and calculation of Value at Risk (VaR) and reports directly to the Chief Risk/Operating Officer of the bank. Treasury back office is responsible for all related processing functions with separate reporting line to the Head of Operations.

Dealing room is well-equipped with Reuter's dealing system, a number of FX trading platforms and voice loggers, etc. State-of-the-art treasury system is in place to ensure straight through processing (STP) of all deals. Dealing room also offers an FX trading platform 'BBL Electra' to counterparty banks where all deals are auto-hedged and processed through STP without creating any position for the dealing room. The robust treasury system of the Bank also facilitates the mid office in effective monitoring and risk reporting and the back office with different reports, along with easy processing of transactions. Counterparty limit is set by the Credit Committee and monitored by the mid office. Clearly expressed dealers' trading limits, stop-loss limits and currency-wise open position limits are in place that are monitored by the mid office. All Treasury including FX transactions are carried out by well-trained and dynamic dealers who ensure local and global regulatory compliance.

D. Asset liability management

Changes in market liquidity and or interest rate exposes the bank's business to the risk of loss, which may, in extreme cases, threaten the survival of the institution. Thus, it is essential that the level of balance sheet risks are effectively managed, appropriate policies and procedures are established to control and limit these risks and proper resources are made available for evaluating and controlling these risks. The Asset Liability Management Committee (ALCO) of the bank monitors liquidity and market risks of the bank and plans balance sheet & pricing strategy accordingly. Bank has dedicated ALM desk under Treasury and FI division, to support ALCO in decision making.

ALCO also reviews the country's overall economic position, the bank's liquidity position, ALM ratios, interest rate risks, capital adequacy, deposit/advances growth, cost of deposit and yield on advances, FX gap, market interest rates, loan loss provision adequacy and deposit and lending pricing strategy.

E. Operational Risk

Operational risk is the risk of direct or indirect loss resulting a wide variety of causes associated with the Bank's processes, people, technology or infrastructure, or from external factors. Operational risk is inherent in the Bank's activities and as with other risk types is managed through an overall framework with checks and balances that include implementation of three line of defence, recognised ownership of the risk by the businesses and independent risk management oversight.

The operational risk policy codifies the core governing principles for operational risk management and provides a framework for operational risk. In accordance with the policy, each business area is responsible to identify its key operational risks as well as the controls established to mitigate those risks and to ensure compliance with laws, regulations, regulatory administrative actions and the Bank's policies.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the reputation of the Bank's reputation with overall cost effectiveness and innovation. In all cases, the Bank's policy requires compliance with all applicable legal and regulatory requirements.

F. Equity Risk

Equity risk arises from movement in market value of equities held. The risks are monitored by Bank's Treasury and Fis Division under a well designed policy framework.

G. Prevention of Money Laundering (ML), Terrorist Financing (TF) and Proliferation Financing (PF)

The Bank as the legal framework of the "Money Laundering Prevention Act, 2012 (amended in 2015)" and Anti Terrorism Act, 2009 (amended in 2013), has been pursuing the policy of closed-fisted compliance with all directives and circulars issued by regulatory body to ensure the culture of good governance in all aspects of its banking services and operations. The BRAC Bank has implemented additional processes and procedures covering areas of CDD/KYC, review of high-risk accounts, Trade CDD and risk grading of customers, PEP/IP, Ultimate Beneficial Owner guideline, name screening (that includes sanctions and adverse media) are under monitoring and revision to ensure policies of the Bank remains up-to-date.

New transaction monitoring reports that has been introduced with a risk-based approach resulted in the detection and reporting of suspicious activities/transactions (SAR/STR). Further discipline was brought in improving the quality of the quarterly meeting and self-assessment reports by branches through training and guidance notes to assess themselves. As the key objectives of the Bank are to ensure the implementation of policies and procedures in line with BFIU Guidelines, improve employee awareness and commitment, integrate higher engagement and focus of Senior Management within Bank's control measures to improve overall AML-CFT Governance and better mitigate the money laundering & terrorist financing risk, thereby thriving to increase AML/CFT rating through a continuous process.

H. Internal Control and Compliance (ICC)

The bank has instituted internal control mechanism to provide reasonable assurance regarding the attainment of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies. Through internal control systems, the bank identifies weaknesses associated with the process and adopts appropriate measures to overcome these deficiencies.

The main objectives of internal control are as follows:

a) Operations objectives: Attainment of the bank's mission and vision.

b) Reporting objectives: Timely, accurate and comprehensive reporting - financial and non-financial, internal and external.

c) Compliance objectives: Conducting activities and taking specific actions in accordance with applicable laws and regulations.

The bank has established an effective internal control system whose primary aim is to ensure the overall management of risks and also provide reasonable assurance that the objectives set by the bank will be met. It has been designed to develop a high level of risk culture among our people, establish efficient and effective operating standards, ensure reliability of internal and external information, including accounting and financial information, secure the bank's operations and assets, and comply with laws, regulatory requirements and internal policies.

The key functions that have been established in reviewing adequacy and integrity of the system of internal controls are as follows:

a) Various committees are established by the Board to assist it in ensuring the effectiveness of the bank's daily operations are in accordance with the corporate objectives, strategies and the annual budget, as well as approved policies and business directions.

b) The Internal Audit Department of the Bank checks for compliance with policies and procedures and the effectiveness of the internal control systems on an ongoing basis using samples and rotational procedures and highlights significant findings in respect of any non-compliance.

c) Audits are carried out on various departments/units, SME Service Centres and all branches in accordance with the annual audit plan, approved by the Audit Committee of the Board. Findings of the internal audit are submitted to the Audit Committee of the Board for review at their periodic meetings.

d) The Audit Committee of the Board of the bank reviews internal control issues identified by the Internal Audit Department, Bangladesh Bank, External Auditors and the management, and evaluates the adequacy and effectiveness of the risk management and internal control systems. The minutes of the Audit Committee meetings of the Board are tabled at the meetings of the Board of Directors of the bank on a periodic basis.

e) Self-assessment of anti-fraud internal controls is carried out on a semi-annual basis and is sent to Bangladesh Bank, as per requirements of DOS Circular Letter No. 10, dated 09 May 2017, issued by Bangladesh Bank.

f) In assessing the internal control system, identified officers of the bank continued to review and update all procedures and controls that are connected with significant accounts and disclosures of the financial statements of the bank.

I. Information and communication technology (ICT) security

BRAC Bank is dedicated to provide high-quality service and banking security. The bank has an ICT security strategy for cyber security and ICT risk mitigation, in accordance with the Bangladesh Bank ICT guidelines stated in BRPD circular no. 14 dated 23 October 2005 regarding "Guideline on Information and Communication Technology for Scheduled Banks", BRPD circular no. 21 dated 20 May 2010 and BRPD circular no. 09 dated 17 September 2015 and well-established frameworks and international standards and controls, such as COBIT, ITIL, ISO 27001, ISO 18788, NIST, GDPR, PCI, and SANS.

Bank has implemented multiple robust security solutions to prevent any unwanted/unauthorized/ unauthorized malware attack as well as a zero-day attack based on static behavior, to detect and prevent data leakage, unauthorized use and transmission of sensitive information, and to reduce insider threats by detecting the inappropriate actions that can lead to malware infections or data breaches, etc. The Bank has also implemented a thorough Data Leakage Prevention scheme to safeguard the data of its clients and the bank itself.

Comprehensive annual maintenance contracts (AMCs) and service level agreements (SLAs) were established with partners of major data center equipment manufacturers to guarantee 24x7 servicing for all active data center and disaster recovery site equipment. With the upgrade to the monitoring system of the data center and disaster recovery site, the bank is now able to proactively monitor all system parameters and take appropriate preventative action. Additionally, BRAC Bank has implemented the ITIL framework of best practice recommendations to ensure complete IT service management.

The BRAC bank believes integrated cyber protection and digital transformation to be essential. As a digitally oriented bank, BRAC Bank has built a comprehensive cyber security roadmap and is aiming to equip itself with the finest personnel, security solutions, processes, and procedures. BRAC Bank utilizes premier worldwide external organizations to undertake assessments and regularly assesses its cyber security posture and future readiness.

J. Implementation of BASEL- III

To cope up with the international best practices and to make the bank's capital shock absorbent 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks was introduced by Bangladesh Bank as per BASEL III. BASEL III framework has three main components referred to as pillars:

i. Pillar I addresses minimum capital requirement;

ii. Pillar II elaborates the process for assessing the overall capital adequacy aligned with risk profile of a bank as well as capital growth plan; and

iii. Finally, Pillar III gives a framework of public disclosure on the position of a bank's risk profiles, capital adequacy, and risk management system.

BRAC Bank has fully complied with all the directives provided by the Central bank from time to time, starting from Pillar I, II and III reporting requirements to periodic Stress Testing activity etc. Formation of BASEL Steering Committee chaired by the Managing Director of the bank helps us to ensure supreme governance and strict regimentation at execution level. As yet, BRAC bank has been able to successfully implement the phase in transition arrangement for Basel III, which started from the year 2015 and ended in 2020.

As per RBCA Guideline, all scheduled banks are required to calculate Capital to Risk Weighted Asset Ratio (CRAR) based on 'Solo' basis as well as on 'Consolidated' basis. The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy as issued by Bangladesh Bank vide BRPD Circular no. 18 dated December 21, 2014 and subsequent related circulars of Bangladesh Bank.

K. Disclosure on country risk exposure

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

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

L. 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 31 December 2022 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 2023
Credit Rating Information and Services Ltd (CRISL)	AA+	ST-1	Stable	02 July 2023
Emerging Credit Rating Ltd (ECRL)	AA+	ST-1	Stable	30 June 2023
S&P global Ratings	B+	B	Stable	December, 2023
Moody's	Ba3	NP	Rating under review	December, 2023

3.9 Director's and management's responsibilities on statement

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

3.10 Approval of the financial statements

The financial statements have been approved by the Board of Directors on 11 April 2023.

3.11 General

a) Figures appearing in the financial statements have been rounded-off to the nearest Taka.

b) Figures of previous year have been rearranged, wherever considered necessary, to conform with the current year's presentation.

c) The expenses, irrespective of capital or revenue in nature, accrued/due but not paid have been provided for in the books of accounts.

d) The expenses include VAT charges on respective services or goods received.

Notes to the financial statements

as at and for the year ended 31 December 2022

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
4 Cash					
Cash in hand (Including foreign currency)	4.1	11,918,067,777	9,207,161,626	11,822,688,624	8,424,680,663
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	4.2	19,953,525,473	14,252,262,804	19,953,525,473	14,252,262,804
		31,871,593,250	**23,459,424,430**	**31,776,214,097**	**22,676,943,467**
4.1 Cash in hand (Including foreign currency)					
Local currency		11,836,218,828	9,166,408,109	11,740,839,675	8,383,927,146
Foreign currency		81,848,949	40,753,517	81,848,949	40,753,517
		11,918,067,777	**9,207,161,626**	**11,822,688,624**	**8,424,680,663**
4.2 Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)					
Local currency		17,384,764,667	12,208,257,526	17,384,764,667	12,208,257,526
Foreign currency		1,611,159,007	961,504,172	1,611,159,007	961,504,172
		18,995,923,674	13,169,761,698	18,995,923,674	13,169,761,698
Sonali Bank as an agent of Bangladesh Bank (local currency)		957,601,799	1,082,501,106	957,601,799	1,082,501,106
		19,953,525,473	**14,252,262,804**	**19,953,525,473**	**14,252,262,804**

4.3 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 December 2022 is maintained on the basis of weekly ATDTL of October 2022), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.

Daily basis

Reserves maintained by the bank as at 31 December are as follows:

Average total demand and time liabilities of October 2022 and October 2021		
DBU	377,372,496,754	280,299,190,703
OBU	31,435,723,645	16,755,464,795
	408,808,220,399	**297,054,655,498**
Required reserve		
DBU (2022: 3.5% and 2021: 1.5%)	13,208,037,386	9,810,471,675
OBU (2022: 1.5% and 2021: 1.5%)	471,535,855	251,331,972
	13,679,573,241	**10,061,803,647**
Actual reserve maintained as per Bangladesh Bank statement	18,014,672,220	12,027,375,845
Surplus	**4,335,098,979**	**1,965,572,198**

Bi-weekly basis

The Bank maintained excess cash reserve of Tk. 4,461,126,945 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 2022.

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
4.4 Statutory liquidity ratio (SLR) (Bank only)					
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 December 2022 is based on weekly ATDTL of October 2022), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for both DBO & OBO.					
Required reserve (13% of ATDTL)				53,145,068,652	38,617,105,215
Actual reserve maintained (2022: 17.54%, 2021: 18.19%)	4.4.1			71,708,187,223	54,038,211,717
Surplus				**18,563,118,571**	**15,421,106,502**
4.4.1 Actual reserve maintained					
Cash in hand				11,822,688,624	8,424,680,663
Balance with Sonali Bank as per statement				956,771,049	1,081,433,955
Daily excess reserve				2,291,057,877	480,298,921
Un-encumbered approved securities (HFT)				27,931,292,483	16,203,146,653
Un-encumbered approved securities (HTM)				28,704,849,290	27,847,370,725
Un-encumbered approved securities (other eligible)				1,527,900	1,280,800
				71,708,187,223	**54,038,211,717**
5 Balance with other Banks and Financial Institutions					
Inside Bangladesh	5.1	47,797,240,230	70,561,465,538	11,127,982,840	12,261,365,946
Outside Bangladesh	5.2	5,154,104,047	7,699,847,372	5,127,551,884	7,619,585,199
		52,951,344,277	**78,261,312,910**	**16,255,534,724**	**19,880,951,145**
5.1 Balance inside Bangladesh					
In current deposit accounts with:					
Banks		17,894,986,491	15,137,298,752	127,982,840	121,365,946
Less: Inter unit/company elimination		3,743,224,457	3,578,641,104	-	-
	5.1.1	14,151,762,034	11,558,657,648	127,982,840	121,365,946
In fixed deposit accounts with:					
Banks		32,060,644,035	57,278,619,910	7,300,000,000	5,200,000,000
Non-banking financial institutions (NBFIs)	5.1.1	3,700,000,000	6,940,000,000	3,700,000,000	6,940,000,000
		35,760,644,035	64,218,619,910	11,000,000,000	12,140,000,000
Less: Inter unit/company elimination		2,115,165,839	5,215,812,020	-	-
		33,645,478,196	59,002,807,890	11,000,000,000	12,140,000,000
Total balance at the end of the year		**47,797,240,230**	**70,561,465,538**	**11,127,982,840**	**12,261,365,946**
5.1.1 Balance with other banks and financial institutions (Inside Bangladesh)					
Current accounts					
Standard Chartered Bank		164,681,276	697,558,859	34,701,716	62,953,505
Southeast Bank Limited		213,395,231	234,305,990	-	-
Al-Arafa Islami Bank Limited		-	253,887	-	-
Jamuna Bank Limited		646,577,801	241,354,134	-	23,314
Prime Bank Limited		2,000,553,679	9,230,839	544,797	9,071,179
NRB Global Bank Limited		1,200,000	1,000,000	1,200,000	1,000,000
Midland Bank Limited		14,753,454	1,593,920	1,500,000	1,500,000
Mutual Trust Bank Limited		361,222,986	3,413,896,870	-	-
Pubali Bank Limited		284,810,139	122,888,233	8,400,689	8,515,281
Janata Bank Limited		607,165	3,379,141	599,333	2,211,029

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Bangladesh Krishi Bank Limited		36,252,238	7,427,580	36,252,238	6,334,880
The City Bank Limited		1,409,005,698	2,059,742,754	214,674	216,451
Agrani Bank Limited		25,137,755	10,550,205	4,418,575	5,330,389
Islami Bank Bangladesh Limited		114,723,914	4,035,199	435,579	470,174
United Commercial Bank Limited		1,780,889,910	918,964,790	201,488	202,805
National Bank Limited		297,736	3,018,628	297,736	305,559
Sonali Bank Limited		125,005,940	244,447,395	5,781,430	2,137,294
Dutch Bangla Bank Limited		11,486,431	2,106,776	11,486,431	2,106,776
IFIC Bank Limited		1,980,619	-	-	-
Rupali Bank Limited		9,219,683	2,031,388	425,233	403,045
Social Islami Bank Limited		1,213,865	1,133,586	-	-
First Security Islami Bank Limited		5,031,001	4,895,934	3,599,617	3,544,921
EXIM Bank Limited		11,281,895	12,273,490	11,281,895	11,222,970
BASIC Bank Limited		837,662	814,470	837,662	814,470
Bank Asia Limited		1,624,782	7,416,397	-	-
Standard Bank Limited		502,149	843,731	500,000	-
Meghna Bank Limited		-	1,473,335	-	-
One Bank Limited		1,066,909,962	1,591,498,158	2,370,212	68,369
Mercantile Bank Limited		1,165,240,429	386,036,905	2,433,535	2,433,535
Union Bank Limited		500,000	500,000	500,000	500,000
Trust Bank Limited		301,149,089	62,653,151	-	-
Eastern Bank Limited		2,122,017,483	1,053,264,735	-	-
Dhaka Bank Limited		1,121,797,710	334,393,959	-	-
NCC Bank Limited		1,147,004,493	116,770,312	-	-
Habib Bank Limited		8,208	2,311	-	-
NRB Commercial Bank Limited		525,119	522,131	-	-
NRB Bank Limited		9,022	9,712	-	-
The Premier Bank Limited		1,131,603	-	-	-
AB Bank Limited		1,382,163	1,301,813	-	-
Uttara Bank Limited		1,415,982	1,336,589	-	-
Allied Bank Limited		377,762	399,608	-	-
Security deposit to bank by BRAC Sajaan Exchange Ltd		-	3,330,733	-	-
		14,151,762,034	**11,558,657,648**	**127,982,840**	**121,365,946**
Fixed deposit with banks					
Southeast Bank Limited		-	1,000,000,000	-	-
Mutual Trust Bank Limited		3,100,000,000	-	-	-
The City Bank Limited		-	4,000,000,000	-	-
NCC Bank Limited		8,010,000,000	1,710,000,000	3,000,000,000	1,700,000,000
Jamuna Bank Limited		114,208,772	3,009,481,081	-	2,000,000,000
Dhaka Bank Limited		-	500,000,000	-	-
United Commercial Bank Limited		3,600,000,000	6,000,000,000	2,000,000,000	-
Mercantile Bank Limited		5,578,267,327	3,073,467,327	1,500,000,000	-
Standard Chartered Bank		30,083,669	29,544,482	-	-
Prime Bank Limited		-	2,000,000,000	-	-
Standard Bank Limited		800,000,000	1,500,000,000	800,000,000	1,500,000,000
Eastern Bank Limited		200,000,000	-	-	-
Janata Bank Limited		-	7,840,000,000	-	-
Sonali Bank Limited		1,000,000,000	13,150,000,000	-	-
Pubali Bank Limited		1,000,000,000	-		
Agrani Bank Limited		-	8,240,000,000	-	-
Trust Bank Limited		6,502,000,000	-	-	-
Padma Bank Limited		10,918,428	10,315,000	-	-
		29,945,478,196	**52,062,807,890**	**7,300,000,000**	**5,200,000,000**

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Fixed deposit with financial institutions					
Industrial and Infrastructure Development Finance Co. Limited		-	140,000,000	-	140,000,000
United Finance Limited		700,000,000	800,000,000	700,000,000	800,000,000
IPDC Finance Limited		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Delta Brac Housing Finance Corporation Limited		-	3,000,000,000	-	3,000,000,000
		3,700,000,000	**6,940,000,000**	**3,700,000,000**	**6,940,000,000**
		33,645,478,196	**59,002,807,890**	**11,000,000,000**	**12,140,000,000**
		47,797,240,230	**70,561,465,538**	**11,127,982,840**	**12,261,365,946**

There are some unreconciled entries as on 31 December 2022 and status of unreconciled entries has been presented in Annexure-B-2.

5.2 Balance outside Bangladesh

On shore balance	5.2.1	10,300,711,807	13,827,605,643	10,274,159,644	13,747,343,470
Off shore balance	5.2.1	2,382,125,360	5,974,658,657	2,382,125,360	5,974,658,657
		12,682,837,167	19,802,264,300	12,656,285,004	19,722,002,127
Less: On shore to BBL off-shore placement		7,528,733,120	12,102,416,928	7,528,733,120	12,102,416,928
		5,154,104,047	**7,699,847,372**	**5,127,551,884**	**7,619,585,199**

5.2.1 Balance with other banks and financial institutions (outside Bangladesh)

On shore balance				
Standard Chartered Bank-New York, USA	648,185,631	497,936,217	648,185,631	497,936,217
Standard Chartered Bank, United Kingdom	107,923,960	16,027,822	107,923,960	16,027,822
Standard Chartered Bank, Frankfurt, Germany	368,010,970	14,323,040	368,010,970	14,323,040
Mashreq Bank, New York, USA	149,848,892	69,942,687	149,848,892	69,942,687
Bank of Tokyo Mitsubishi	20,512,994	5,975,580	20,512,994	5,975,580
ICICI Bank Limited, Mumbai, India	74,637,602	6,962,245	74,637,602	6,962,245
Zuercher Kantonal Bank, Switzerland	13,630,753	3,721,299	13,630,753	3,721,299
Commerz Bank AG, Germany (USD)	6,466,957	1,908,554	6,466,957	1,908,554
Commerz Bank AG, Germany (EURO)	14,920,292	(72,805,071)	14,920,292	(72,805,071)
Commerz Bank, Frankfurt, Germany (GBP)	6,254	5,815	6,254	5,815
JP Morgan Chase Bank, New York, USA	711,997,619	331,450,001	711,997,619	331,450,001
HDFC Bank Limited, India	257,249,753	19,459,599	257,249,753	19,459,599
Habib Metro Bank Limited	-	1,790,293	-	1,790,293
JP Morgan Chase Bank, Sydney (AUD)	8,273,641	605,425,151	8,273,641	605,425,151
AB Bank Limited, Mumbai, India	44,940,238	16,637,248	44,940,238	16,637,248
AXIS Bank Limited	57,087,322	44,326,693	57,087,322	44,326,693
Abu Dhabi Commercial Bank (AED)	5,194,973	6,196,415	5,194,973	6,196,415
Kookmin Bank, Seoul, South Korea (USD)	6,039,326	6,187,529	6,039,326	6,187,529
Citi Bank N.A., New York, USA	41,089,752	24,844,680	41,089,752	24,844,680
Shanghai Pudong Development Bank Co. Ltd, China (CNY)	2,011,473	813,173	2,011,473	813,173
DBS Bank Ltd, Singapore, SGD	17,357,195	13,486,513	17,357,195	13,486,513
Punjab National Bank, Kolkata (USD)	115,867,928	30,311,059	115,867,928	30,311,059
Al Rajhi Bank, Riyadh (SAR)	3,187,340	-	3,187,340	-
Meezan Bank Limited, Gtb Karachi, ACU (USD)	70,985,659	-	70,985,659	-
Balance with different banks maintained by BRAC SAAJAN Exchange Ltd.	26,552,163	80,262,173	-	-
	2,771,978,687	1,725,188,715	2,745,426,524	1,644,926,542
Add: On shore to off shore placement	7,528,733,120	12,102,416,928	7,528,733,120	12,102,416,928
Total on shore balance	10,300,711,807	13,827,605,643	10,274,159,644	13,747,343,470

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
Off shore balance					
JP Morgan Chase Bank, New York		702,418,166	138,374,290	702,418,166	138,374,290
JP Morgan AG, Frankfurt, Germany		25,564,908	425,313	25,564,908	425,313
JP Morgan Chase Bank, NA, London		1,390,286	1,459,054	1,390,286	1,459,054
BBL OBU to Other Bank OBU placement		1,652,752,000	5,834,400,000	1,652,752,000	5,834,400,000
Total off shore balance		2,382,125,360	5,974,658,657	2,382,125,360	5,974,658,657
		12,682,837,167	19,802,264,300	12,656,285,004	19,722,002,127
Less: On shore to BBL off-shore placement		7,528,733,120	12,102,416,928	7,528,733,120	12,102,416,928
		5,154,104,047	**7,699,847,372**	**5,127,551,884**	**7,619,585,199**

There are some unreconciled entries as on 31 December 2022 and status of unreconciled entries has been presented in Annexure-B-1 and detail balance has been presented in Annexure - C except BBL OBU to Other Bank OBU placement.

5.3 Maturity grouping of balance with other banks and financial institutions

On Demand	-	-	3,602,782,724	-
Up to 1 month	13,157,601,136	6,339,852,686	2,402,752,000	6,548,951,145
More than 1 month but not more than 3 months	24,335,099,107	21,968,040,315	10,250,000,000	8,432,000,000
More than 3 months but not more than 1 year	15,458,644,034	49,953,419,909	-	4,900,000,000
More than 1 year but not more than 5 years	-	-	-	-
More than 5 years	-	-	-	-
	52,951,344,277	**78,261,312,910**	**16,255,534,724**	**19,880,951,145**

6 Money at call on short notice

IDLC Finance Limited	3,000,000,000	3,500,000,000	3,000,000,000	3,500,000,000
Delta BRAC Housing Finance Corporation Limited	3,000,000,000	-	3,000,000,000	-
Pubali Bank Limited	826,376,000	-	826,376,000	-
	6,826,376,000	**3,500,000,000**	**6,826,376,000**	**3,500,000,000**

7 Investments

Government	7.1	107,319,008,486	60,998,642,835	56,637,669,673	44,051,798,178
Others	7.2	9,232,985,372	9,069,950,469	7,650,012,591	7,539,016,664
		116,551,993,858	**70,068,593,304**	**64,287,682,264**	**51,590,814,842**

7.1 Government (investment in Govt. securities)

Treasury bills	7.1.1	502,645,248	1,658,322,369	502,645,248	79,924,246
Treasury bonds	7.1.2	106,814,835,338	59,339,039,666	56,133,496,525	43,970,593,132
Prize bonds		1,527,900	1,280,800	1,527,900	1,280,800
		107,319,008,486	**60,998,642,835**	**56,637,669,673**	**44,051,798,178**

7.1.1 Treasury bills

Treasury bills (91 Days)	-	79,924,246	-	79,924,246
Treasury bills (182 Days)	-	1,479,534,000	-	-
Treasury bills (364 Days)	502,645,248	98,864,123	502,645,248	-
	502,645,248	**1,658,322,369**	**502,645,248**	**79,924,246**

7.1.2 Treasury Bonds

Treasury bonds (2 years BGTB)	15,126,121,903	13,314,480,669	7,037,969,509	-
Treasury bonds (5 years BGTB)	26,035,244,848	27,236,823,583	24,087,842,247	27,230,297,168
Treasury bonds (10 years BGTB)	17,697,865,069	8,660,373,429	9,737,871,279	8,660,373,429
Treasury bonds (15 years BGTB)	8,490,777,069	2,466,208,715	1,100,623,840	1,535,758,458
Treasury bonds (20 years BGTB)	26,973,511,049	7,661,153,270	1,677,874,250	6,544,164,077
Reverse REPO	12,491,315,400	-	12,491,315,400	-
	106,814,835,338	**59,339,039,666**	**56,133,496,525**	**43,970,593,132**

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
7.1.3 BB category wise investment					
Held for trading (HFT)		27,931,292,483	16,203,146,653	27,931,292,483	16,203,146,653
Held to maturity (HTM)		79,386,188,103	44,794,215,382	28,704,849,290	27,847,370,725
Other securities		1,527,900	1,280,800	1,527,900	1,280,800
		107,319,008,486	**60,998,642,835**	**56,637,669,673**	**44,051,798,178**

7.2 Others (investment in other than Govt. securities)

Corporate bonds- unquoted and quoted	7.2.1	2,480,000,000	2,900,000,000	2,480,000,000	2,890,000,000
Ordinary shares and mutual funds (MFs) - unquoted and quoted	7.2.2	6,750,485,372	6,165,950,469	5,167,512,591	4,645,016,664
Preference shares	7.2.3	2,500,000	4,000,000	2,500,000	4,000,000
		9,232,985,372	**9,069,950,469**	**7,650,012,591**	**7,539,016,664**

* Investment in shares, mutual funds and preference shares are detailed in Annexure-D.

7.2.1 Corporate bonds- unquoted and quoted

Unquoted

North West Power Generation Company Limited Coupon Bearing Bond	1,200,000,000	1,500,000,000	1,200,000,000	1,500,000,000
Jamuna Bank II Floating Rate Subordinated Bond	180,000,000	270,000,000	180,000,000	270,000,000
Bank Asia Floating Rate Subordinated Bond	-	20,000,000	-	20,000,000
EBL Floating Rate Subordinated Bond	-	20,000,000	-	20,000,000
Prime Bank Floating Rate Subordinated Bond	-	20,000,000	-	20,000,000
EXIM Bank Mudaraba Subordinated Floating Rate Bond	-	50,000,000	-	50,000,000
AB Bank Floating Rate Subordinated Bond II	-	60,000,000	-	60,000,000
MTBL Floating Rate Subordinated Bond	-	50,000,000	-	50,000,000
MTBL Floating Rate Subordinated Bond IV	400,000,000	400,000,000	400,000,000	400,000,000
Meghna Bank 1st Subordinate Coupon Bearing Bond	200,000,000	-	200,000,000	-
	1,980,000,000	**2,390,000,000**	**1,980,000,000**	**2,390,000,000**

Quoted

Beximco Green Sukuk Al Istisna'a	-	10,000,000	-	-
Ashuganj Power Station Company Limited Bond	500,000,000	500,000,000	500,000,000	500,000,000
	500,000,000	**510,000,000**	**500,000,000**	**500,000,000**
	2,480,000,000	**2,900,000,000**	**2,480,000,000**	**2,890,000,000**

7.2.2 Ordinary shares and mutual funds (MFs) - unquoted and quoted

Unquoted

Industrial and Infrastructure Development Finance Company Ltd (IIDFC)	29,683,820	29,683,820	29,683,820	29,683,820
Bangladesh Rating Agency Limited (BDRAL)	10,671,700	10,671,700	10,671,700	10,671,700
Central Depository Bangladesh Limited (CDBL)	6,277,770	6,277,770	6,277,770	6,277,770
Investment in non-publicly traded mutual fund	441,872,220	249,686,370	441,872,220	249,686,370
Investment in share - IPO	46,637,763	-	-	-
Investment in DSE & CSE	96,986,595	96,986,595	-	-
	632,129,868	**393,306,255**	**488,505,510**	**296,319,660**

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
Quoted					
Investment in secondary market		6,118,355,504	5,772,644,214	4,679,007,081	4,348,697,004
		6,118,355,504	**5,772,644,214**	**4,679,007,081**	**4,348,697,004**
		6,750,485,372	**6,165,950,469**	**5,167,512,591**	**4,645,016,664**
7.2.3 Preference shares					
Union Capital Preference Share		2,500,000	4,000,000	2,500,000	4,000,000
		2,500,000	**4,000,000**	**2,500,000**	**4,000,000**
7.3 Maturity wise grouping of investment					
On demand		-	-	5,417,713,320	-
Up to 1 month		14,188,455,784	2,710,582,737	7,284,756,278	5,297,464
More than 1 month but not more than 3 months		1,579,926,666	220,724,640	1,579,926,666	200,000,000
More than 3 months but not more than 1 year		14,536,811,309	18,305,723,722	13,033,778,937	6,210,894,725
More than 1 year but not more than 5 years		36,654,461,496	33,494,806,504	28,024,952,278	31,885,306,402
More than 5 years		49,592,338,603	15,336,755,701	8,946,554,785	13,289,316,251
		116,551,993,858	**70,068,593,304**	**64,287,682,264**	**51,590,814,842**
8 Loans and advances					
Loans, cash credit, overdrafts etc.	8.1.1	222,711,877,598	169,128,372,833	221,303,533,974	168,205,415,381
Small and medium enterprises	8.1.2	187,247,111,913	150,749,009,625	187,247,111,913	150,749,009,625
Bills purchased and discounted*	8.2	2,125,761,073	2,257,805,981	2,125,761,073	2,257,805,981
		412,084,750,584	**322,135,188,439**	**410,676,406,960**	**321,212,230,987**

* Bills purchased and discounted excludes bills purchased and discounted of small and medium enterprises (SME).

8.1.1 Loans, cash credit, overdrafts etc.				
Overdrafts	14,264,660,532	9,386,377,592	14,264,660,532	9,386,377,592
Demand loans	93,550,846,726	63,339,447,043	93,550,846,726	63,339,447,043
Term loans	101,066,162,683	84,980,045,030	101,066,162,683	84,980,045,030
Lease receivables	488,267,689	823,850,563	488,267,689	823,850,563
Credit Cards	10,794,068,205	8,562,449,791	10,794,068,205	8,562,449,791
Staff loans	1,152,911,527	1,123,591,696	1,139,528,139	1,113,245,362
Margin loan	2,383,856,084	1,769,581,139	-	-
	223,700,773,446	169,985,342,854	221,303,533,974	168,205,415,381
Less: Inter company elimination	988,895,848	856,970,021	-	-
	222,711,877,598	**169,128,372,833**	**221,303,533,974**	**168,205,415,381**
8.1.2 Small and medium enterprises				
Overdrafts	12,992,885,904	17,716,943,831	12,992,885,904	17,716,943,831
Demand loans	13,789,378,536	13,336,489,437	13,789,378,536	13,336,489,437
Term loans	160,407,248,749	119,647,429,292	160,407,248,749	119,647,429,292
Lease receivables	3,904,457	12,493,658	3,904,457	12,493,658
Bills purchased and discounted (SME)	53,694,267	35,653,407	53,694,267	35,653,407
	187,247,111,913	**150,749,009,625**	**187,247,111,913**	**150,749,009,625**
8.2 Bills purchased and discounted				
Bills purchased and discounted (except SME)	2,125,761,073	2,257,805,981	2,125,761,073	2,257,805,981
Bills purchased and discounted (SME)	53,694,267	35,653,407	53,694,267	35,653,407
	2,179,455,340	**2,293,459,388**	**2,179,455,340**	**2,293,459,388**

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
8.3 Net loans and advances					
Gross loans and advances		412,084,750,584	322,135,188,439	410,676,406,960	321,212,230,987
Less: Interest suspense	17.6	1,710,681,546	1,637,871,114	1,710,681,546	1,637,871,114
Less: Provision for loans and advances including Covid special provision	17.1	15,386,996,797	13,997,832,683	14,175,161,027	12,778,727,514
		394,987,072,241	**306,499,484,642**	**394,790,564,387**	**306,795,632,359**
8.4 Loans and advances under the following broad categories					
Inside Bangladesh:					
Loans		384,754,942,424	294,765,610,883	383,346,598,800	293,842,653,431
Cash credit		-	-	-	-
Overdrafts		27,257,546,436	27,103,321,423	27,257,546,436	27,103,321,423
		412,012,488,860	321,868,932,306	410,604,145,236	320,945,974,854
Outside Bangladesh:					
Loans		-	-	-	-
Cash credits		-	-	-	-
Overdrafts		72,261,724	266,256,133	72,261,724	266,256,133
		72,261,724	266,256,133	72,261,724	266,256,133
		412,084,750,584	**322,135,188,439**	**410,676,406,960**	**321,212,230,987**
8.5 Geographical location wise portfolio grouping					
Inside Bangladesh: Rural					
Dhaka Division		21,801,834,985	16,286,585,281	21,801,834,985	16,286,585,281
Chattogram Division		7,748,731,551	5,710,367,078	7,748,731,551	5,710,367,078
Khulna Division		2,135,336,810	1,867,179,063	2,135,336,810	1,867,179,063
Sylhet Division		684,612,772	587,922,421	684,612,772	587,922,421
Barisal Division		2,676,094,860	2,252,683,323	2,676,094,860	2,252,683,323
Rajshahi Division		-	-	-	-
Rangpur Division		-	-	-	-
Mymensingh Division		-	-	-	-
		35,046,610,978	**26,704,737,166**	**35,046,610,978**	**26,704,737,166**
Inside Bangladesh: Urban					
Dhaka Division		271,970,483,868	206,468,770,801	270,562,140,244	210,003,581,273
Chattogram Division		36,572,748,273	29,398,804,991	36,572,748,273	29,933,898,705
Khulna Division		19,220,934,984	14,920,391,316	19,220,934,984	14,920,391,316
Sylhet Division		6,997,893,761	6,052,596,788	6,997,893,761	5,517,503,075
Barisal Division		17,773,535,883	3,754,903,491	17,773,535,883	14,860,502,458
Rajshahi Division		6,891,514,015	20,018,904,916	6,891,514,015	5,263,466,418
Rangpur Division		12,180,549,220	6,403,619,148	12,180,549,220	9,309,338,283
Mymensingh Division		5,358,217,878	8,146,203,689	5,358,217,878	4,432,556,160
		376,965,877,882	**295,164,195,140**	**375,557,534,258**	**294,241,237,688**
Outside Bangladesh		**72,261,724**	**266,256,133**	**72,261,724**	**266,256,133**
		412,084,750,584	**322,135,188,439**	**410,676,406,960**	**321,212,230,987**
8.6 Loans and advances on the basis of significant concentration					
8.6.1 Loans and advances to directors, executives and others					
Directors, subsidiaries and others		989,873,937	857,164,160	989,873,937	857,164,160
Staffs:					
Managing Director and CEO		-	-	-	-
Senior executives		127,336,202	117,266,663	113,952,814	106,920,329
Other executives and staffs		1,025,575,325	1,006,325,033	1,025,575,325	1,006,325,033
		1,152,911,527	1,123,591,696	1,139,528,139	1,113,245,362

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Industries:					
Agro-based		18,197,184,243	19,580,349,837	18,197,184,243	19,580,349,837
Large and medium		96,137,380,399	67,128,717,347	96,137,380,399	67,128,717,347
Small and cottage		28,146,418,322	26,021,968,591	28,146,418,322	26,021,968,591
Service industry		25,376,563,870	14,618,681,406	25,376,563,870	14,618,681,406
		167,857,546,834	127,349,717,181	167,857,546,834	127,349,717,181
Agricultural		5,687,724,141	5,753,930,713	5,687,724,141	5,753,930,713
Consumers		75,941,549,558	64,361,156,599	75,941,549,558	64,361,156,599
Trade and commercial		143,656,845,308	106,519,590,246	142,261,885,072	105,606,979,128
Others		16,798,299,279	16,170,037,844	16,798,299,279	16,170,037,844
		412,084,750,584	**322,135,188,439**	**410,676,406,960**	**321,212,230,987**
8.6.2 Staff loan					
Personal loan		48,030,769	58,119,303	34,647,381	47,772,969
Car and motorcycle loan		567,667,332	547,275,877	567,667,332	547,275,877
House building loan		537,213,426	518,196,516	537,213,426	518,196,516
		1,152,911,527	**1,123,591,696**	**1,139,528,139**	**1,113,245,362**
8.7 Overall Sector wise concentration of loans and advance					
Agriculture		5,687,724,141	5,753,930,713	5,687,724,141	5,753,930,713
Communication		3,287,943,562	1,925,739,616	3,287,943,562	1,925,739,616
Construction		1,671,888,713	1,137,737,429	1,671,888,713	1,137,737,429
Consumer credit		77,082,055,787	65,474,596,100	77,082,055,787	65,474,596,100
Other manufacturing industries		84,860,249,089	66,934,713,222	84,860,249,089	66,934,713,222
Power, Gas		1,034,096,725	1,160,503,826	1,034,096,725	1,160,503,826
Readymade garments		27,869,772,720	22,844,920,562	27,869,772,720	22,844,920,562
Residential real estate financing		574,576,479	1,077,921,947	574,576,479	1,077,921,947
Service industries		24,825,639,412	17,999,936,722	24,825,639,412	17,999,936,722
Textile		6,489,929,560	4,943,877,117	6,489,929,560	4,943,877,117
Trade service		146,335,501,432	106,736,606,921	146,335,501,432	106,736,606,921
Ship building		70,285,749	70,785,749	70,285,749	70,785,749
Others		32,295,087,215	26,073,918,516	30,886,743,591	25,150,961,064
		412,084,750,584	**322,135,188,439**	**410,676,406,960**	**321,212,230,987**
8.8 Securities wise loans and advances including bills purchased and discounted					
Collateral of moveable/ immoveable assets		126,686,442,834	135,307,188,774	126,686,442,834	135,307,188,774
Local banks and financial institutions guarantee		-	-	-	-
Government guarantee		-	-	-	-
Foreign banks guarantee		-	-	-	-
Export documents		-	-	-	-
Fixed deposit receipts (FDR)		6,748,674,909	5,791,509,559	6,748,674,909	5,791,509,559
FDR of other banks		-	-	-	-
Government bonds		-	-	-	-
Personal guarantee and other securities		277,021,246,522	179,969,307,739	277,007,863,134	179,958,961,405
Other securities		1,628,386,319	1,067,182,367	233,426,083	154,571,249
		412,084,750,584	**322,135,188,439**	**410,676,406,960**	**321,212,230,987**
8.9 Classified and unclassified loans and advances					
Unclassified					
Standard (including staff loan)		394,146,614,538	307,143,533,027	393,963,577,819	307,445,882,479
Special Mention Accounts (SMA)		1,444,198,040	1,243,788,089	1,444,198,040	1,243,788,089
		395,590,812,578	308,387,321,116	395,407,775,859	308,689,670,568

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Classified					
Sub-standard		3,376,237,529	2,200,671,339	3,376,237,529	2,200,671,339
Doubtful		2,535,948,774	987,009,923	2,535,948,774	987,009,923
Bad/Loss		10,581,751,703	10,560,186,061	9,356,444,799	9,334,879,157
		16,493,938,006	13,747,867,323	15,268,631,102	12,522,560,419
		412,084,750,584	**322,135,188,439**	**410,676,406,961**	**321,212,230,987**
8.9.1 Business segment wise concentration of classified loans and advances/ NPL of the Bank					
Corporate		6,621,370,896	6,188,357,727	6,621,370,896	6,188,357,727
Retail		3,119,523,698	3,154,195,395	1,894,216,794	1,928,888,491
Small and medium enterprises		6,753,043,412	4,405,314,201	6,753,043,412	4,405,314,201
		16,493,938,006	**13,747,867,323**	**15,268,631,102**	**12,522,560,419**
8.9.2 Sector wise concentration of classified loans and advances/ NPL of the Bank					
Agriculture		52,630,207	31,871,445	52,630,207	31,871,445
Communication		-	486,924,192	-	486,924,192
Construction		2,497,490	-	2,497,490	-
Consumer credit		1,894,219,834	1,356,644,787	1,894,219,834	1,356,644,787
Other manufacturing industries		4,515,403,972	2,619,111,630	4,515,403,972	2,619,111,630
Power, Gas		-	-	-	-
Readymade garments		1,793,914,272	2,370,137,460	1,793,914,272	2,370,137,460
Residential real estate financing		-	-	-	-
Ship building		-	70,785,749	-	70,785,749
Service industries		316,325,077	176,784,009	316,325,077	176,784,009
Textile		805,904,806	1,093,866,163	805,904,806	1,093,866,163
Trade service		6,671,088,591	4,944,211,307	5,445,781,687	3,718,904,403
Others		441,953,757	597,530,580	441,953,757	597,530,580
		16,493,938,006	**13,747,867,323**	**15,268,631,102**	**12,522,560,419**
8.9.3 Movements of classified loans and advances					
Opening balance		13,747,867,323	9,233,853,039	12,522,560,419	8,008,546,135
Additions during the year		6,324,236,743	6,875,879,905	6,324,236,743	6,875,879,905
Released during the year		(3,578,166,060)	(2,361,865,621)	(3,578,166,060)	(2,361,865,621)
		16,493,938,006	**13,747,867,323**	**15,268,631,102**	**12,522,560,419**
8.9.4 Loan type wise classified loans and advances					
Overdraft		2,280,501,223	1,439,279,855	2,280,501,223	1,439,279,855
Demand loan		3,301,376,505	3,440,164,860	3,301,376,505	3,440,164,860
Term loan		9,129,361,188	7,042,575,016	9,129,361,188	7,042,575,016
Lease finance		29,873,780	27,804,883	29,873,780	27,804,883
Credit cards		527,518,406	572,735,805	527,518,406	572,735,805
Margin loan		1,225,306,904	1,225,306,904	-	-
		16,493,938,006	**13,747,867,323**	**15,268,631,102**	**12,522,560,419**

8.10 Details of large loan (Standalone basis)

Large loan clients are those to whom loans and advances sanctioned are 10% or more of the total regulatory capital of the Bank. Total capital of the Bank was Taka 49,118,601,214 as at 31 December 2022 and taka 44,131,714,067 as at 31 December 2021. Client wise details of large loans have been presented in below:

Number of clients	22
Amount of outstanding loans and advances	79,698,345,561
Amount of classified loans and advances	NIL

Client wise break-up is as follows:

SL	Name of clients	Funded	Non-funded	Total Outstanding 31 December 2022
1	Meghna Group of Industries	2,233,750,906	4,686,834,775	6,920,585,681
2	BSRM Group	5,733,020,639	683,562,443	6,416,583,082
3	Summit Group	3,919,864,694	2,445,333,880	6,365,198,574
4	Abul Khair Group	2,603,843,863	3,383,574,207	5,987,418,070
5	City Group	2,952,999,915	2,249,590,927	5,202,590,842
6	PRAN-RFL Group	4,178,180,074	479,259,185	4,657,439,259
7	Renata Group	4,199,383,041	138,210,223	4,337,593,264
8	Walton Group	3,860,443,442	136,684,425	3,997,127,868
9	Akij Group	3,529,105,292	295,666,550	3,824,771,842
10	Bitopi Group	2,789,779,566	680,690,898	3,470,470,464
11	Veon Group	1,513,770,480	1,890,105,041	3,403,875,520
12	Samuda Group	2,179,325,467	1,201,814,338	3,381,139,805
13	Confidence Group	2,001,184,438	1,352,534,532	3,353,718,971
14	Urmi Group	1,497,418,180	1,156,821,337	2,654,239,518
15	Meghna Cycle Group	2,052,455,417	420,108,586	2,472,564,003
16	Mir Group	1,777,447,327	614,087,775	2,391,535,102
17	Badsha Group	1,750,332,666	625,188,588	2,375,521,254
18	BRAC Group	1,834,228,860	224,936,135	2,059,164,995
19	Square Group	735,295,244	1,322,575,503	2,057,870,747
20	Robi Axiata	1,589,064,624	459,827,419	2,048,892,043
21	Yunusco Group	1,464,201,374	485,584,663	1,949,786,037
22	Nesco-Desco Group	-	370,258,620	370,258,620
	Grand Total	**54,395,095,508**	**25,303,250,051**	**79,698,345,561**

Note: Large exposures has been calculated on the basis of BRPD Circular No 01, dated 16 January 2022.

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

Amount in Taka

Status	Outstanding loans and advances 2022	Base for provision	Percentage (%) of required provision	Required provision 2022	Required provision 2021
Unclassified					
All unclassified loans (Other than Small and Medium Enterprise Financing, Consumer Financing, BHs/MBs/SDs, Housing and loans for professional*)	138,616,008,372	138,566,463,509	1%**	1,778,829,266	1,331,178,040
Small and Medium Enterprise Financing	176,308,310,896	176,308,310,896	0.25%	440,770,777	356,006,759
Loans to BHs/MBs/SDs against share etc.*	1,140,548,317	1,140,548,317	2%	22,810,966	15,806,672
Housing Finance	12,135,153,745	12,135,153,745	1%	121,351,537	129,508,580
Loans for professionals to Set up business (LP)	5,402,713,749	5,402,713,749	2%	108,054,275	105,836,050
Consumer finance	46,213,205,233	46,213,205,233	2%	924,264,105	734,780,715
Consumer finance (Credit Card)	10,266,549,799	10,266,549,799	2%	205,330,996	159,794,280
Short Term Agricultural and Micro Credit	4,185,757,607	4,185,757,607	1%	41,857,576	39,409,917
Staff Loan	1,139,528,139	-		-	-
	395,407,775,857	394,218,702,856		**3,643,269,498**	**2,872,321,013**
Classified - Specific provision					
Sub-standard	3,376,237,529	2,422,283,006	20%***	439,033,298	210,607,228
Doubtful	2,535,948,774	1,943,776,800	50%***	499,174,067	145,090,096
Bad/Loss	9,356,444,799	6,954,244,541	100%****	7,065,798,541	7,627,363,819
	15,268,631,102	11,320,304,347		**8,004,005,906**	**7,983,061,143**
	410,676,406,959	**405,539,007,203**			
Special General Provision Covid-19					
Special general provision Covid-19 for 2020			1%	385,747,960	564,532,639
Special general provision Covid-19 for 2021			1.5%, 2%	179,414,701	219,674,585
Special general provision Covid-19 for 2022			1% & 2%	17,320,997	-
				582,483,659	**784,207,224**
Total required provision for loans and advances				**12,229,759,063**	**11,639,589,380**
Total provision maintained (Note 17.1)				**14,175,161,027**	**12,778,727,514**
Excess provision over minimum required provision prescribed by Bangladesh Bank				**1,945,401,964**	**1,139,138,134**

* BHs = Brokerage Houses, MBs = Merchant Banks, SDs = Stock Dealers against shares

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

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

**** 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

	Particulars	2022 Taka	2021 Taka
8.12	**Particulars of loans and advances (Bank only)**		
i)	Loans considered good in respect of which Bank is fully secured	82,497,853,549	86,137,720,340
ii)	Loans considered good against which Bank holds no security other than the debtor's personal guarantee	327,039,025,272	233,961,265,285
iii)	Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	1,139,528,139	1,113,245,362
iv)	Loans adversely classified; provision not maintained there against	-	-
		410,676,406,960	**321,212,230,987**
v)	Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons	1,140,506,228	1,113,439,501
vi)	Loans due from companies or firms in which the directors of the bank have interested as directors, partners or managing agents or in case of private companies as members	988,895,848	856,970,022
vii)	Maximum total amount of advance including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person	1,140,506,228	1,113,439,501
viii)	Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies, as members	988,895,848	856,970,022
ix)	Due from banking companies	-	-
x)	Information in respect of classified loans and advances		
	a) Classified loan on which interest has not been charged to income	15,268,631,102	12,522,560,419
	i) Increase/decrease of provision (specific)	440,870,144	1,466,974,668
	ii) Amount of loans written off	2,067,242,232	1,634,560,945
	iii) Amount recovered against loan previously written off	809,572,845	707,517,594
	b) Amount of provision kept against loan classified as "bad/ loss" on the date of preparing the balance sheet	7,065,798,541	7,627,363,819
	c) Interest creditable to the Interest Suspense account	1,408,486,946	1,533,746,003
xi)	Cumulative amount of the written off loan		
	Opening balance	22,743,200,267	21,108,639,322
	Amount written off during the year	2,067,242,232	1,634,560,945
		24,810,442,499	22,743,200,267
	The amount of written off loans for which law suits have been filed	**22,675,202,492**	**21,652,814,618**

Amount in Taka

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
8.13	**Write off of loans and advances (net basis)**					
	Balance at the beginning of the year		12,508,427,034	11,646,828,978	12,508,427,034	11,646,828,978
	Add: Write off during the year		2,067,242,232	1,634,560,945	2,067,242,232	1,634,560,945
	Less: written-off recovery and interest waiver		868,939,265	772,962,889	868,939,265	772,962,889
	Balance at the end of the year		**13,706,730,001**	**12,508,427,034**	**13,706,730,001**	**12,508,427,034**
8.14	**Bill Purchased and Discounted under the following broad categories**					
	Inside Bangladesh		2,179,455,340	2,293,459,388	2,179,455,340	2,293,459,388
	Outside Bangladesh		-	-	-	-
			2,179,455,340	**2,293,459,388**	**2,179,455,340**	**2,293,459,388**

Amount In Taka

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
8.15	**Maturity wise grouping of loans and advances**					
	On demand		37,177,621,706	26,883,955,082	1,884,609,633	27,740,925,103
	Up to 1 month		-	-	36,281,907,921	-
	Not more than 3 months		67,860,734,336	50,194,511,523	67,860,734,336	50,194,511,523
	More than 3 months but not more than 1 year		163,827,804,476	133,482,324,464	161,443,948,391	131,712,743,325
	More than 1 year but not more than 5 years		122,600,813,738	97,469,578,104	122,587,430,351	97,459,231,770
	More than 5 years		20,617,776,328	14,104,819,266	20,617,776,328	14,104,819,266
			412,084,750,584	**322,135,188,439**	**410,676,406,960**	**321,212,230,987**
8.16	**Maturity wise grouping of lease receivables including SME**					
	On demand		913,172	1,151,132	913,172	1,151,132
	Up to 1 month		512,992	-	512,992	-
	Not more than 3 months		1,757,045	2,344,909	1,757,045	2,344,909
	More than 3 months but not more than 1 Year		6,740,340	18,873,511	6,740,340	18,873,511
	More than 1 year but not more than 5 years		482,248,597	475,272,980	482,248,597	475,272,980
	More than 5 years		-	338,701,689	-	338,701,689
			492,172,146	**836,344,221**	**492,172,146**	**836,344,221**
8.17	**Maturity wise grouping of bill purchased and discounted**					
	On Demand		9,568,998	-	9,568,998	-
	Payable within 1 month		1,088,965,356	1,096,020,362	1,088,965,356	1,096,020,362
	Over 1 month but less than 3 months		956,729,734	1,036,935,079	956,729,734	1,036,935,079
	Over 3 months but less than 6 months		124,191,252	132,174,913	124,191,252	132,174,913
	6 months or more		-	28,329,034	-	28,329,034
			2,179,455,340	**2,293,459,388**	**2,179,455,340**	**2,293,459,388**
9	**Fixed assets including premises, furniture and fixtures**					
	Land		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		2,387,318,002	2,336,543,136	2,170,822,095	2,140,914,382
	Office equipment		1,473,696,734	1,450,379,835	1,361,168,512	1,344,953,601
	IT hardwares		7,029,432,768	6,284,258,630	3,275,504,031	3,049,688,043
	Motor vehicles		650,117,297	504,714,769	422,497,790	354,296,880
	Leasehold improvements		157,107,776	134,421,114	-	-
	Right of use assets (ROU) as per IFRS 16		7,299,267,882	6,448,373,021	6,103,024,179	5,489,602,469
	Capital expenditure work in progress		584,054,423	585,568,883	207,119,223	251,206,514
	IT software (finite useful lives)		7,542,139,410	6,081,922,651	2,800,445,366	2,322,117,221
	Total cost		**27,671,265,618**	**24,374,313,365**	**16,871,890,930**	**15,484,088,844**
	Accumulated depreciation and amortisation		14,207,751,270	11,540,143,941	9,092,544,237	8,029,221,445
	Written down value at 31 December		**13,463,514,348**	**12,834,169,424**	**7,779,346,693**	**7,454,867,399**

* Fixed assets schedules on standalone basis are shown in Annexure-E.

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
10	**Other assets**					
	Income generating					
	Interest receivables	10.1	3,811,701,206	2,721,178,635	3,811,701,206	2,721,178,635
	Dividend receivables		69,353,683	35,919,830	69,353,683	35,919,830
	Investment in subsidiary	10.2	-	-	13,571,306,097	13,161,378,451

Amount In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Investment/carrying value in associates	10.3	21,206,835	21,115,234	21,206,835	21,115,234
Investment in swift share		8,083,464	8,083,464	8,083,464	8,083,464
Prepaid interest expenses on IFFD		2	24,511,806	2	24,511,806
Receivables against sanchayapatra		22,879,838	44,502,037	22,879,838	44,502,037
Balance with BRAC EPL Stock Brokerage Limited		2,351,718	1,166,738	2,351,718	1,166,738
Non- Income generating					
Stock of stamps		49,971,414	48,826,086	49,971,414	48,826,086
Stock of security stationery		40,311,581	47,369,961	40,311,581	47,369,961
Stock of printing stationery		14,557,854	12,007,770	14,557,854	12,007,770
Advance to staff		7,503,770	6,617,457	7,503,770	6,617,457
Advance to supplier		30,635,256	30,451,912	9,170,157	24,933,886
Advance value added tax		5,858,631	4,370,000	5,858,631	4,370,000
Advance to SME unit offices		1,308,690	1,308,690	1,308,690	1,308,690
Advance against office rent		72,000,795	68,234,617	72,000,795	68,234,617
Advance security deposit		16,571,559	13,362,635	12,103,651	8,894,727
Receivables from biTS		154,857,249	187,859,621	154,857,249	187,859,621
Deferred revenue expenditure		231,241,555	173,250,448	231,241,555	173,250,448
Deferred tax asset	10.4	6,411,981,091	5,233,012,588	4,769,561,708	4,147,255,591
Receivable settlement account-OBU/DBU		-	11,166	-	11,166
Net plan assets - employees' gratuity fund	10.5	132,156,493	127,281,040	132,156,493	127,281,040
Other receivables	10.6	2,618,589,473	1,887,698,086	2,618,589,473	1,887,698,086
Other assets of subsidiaries	10.7	7,080,720,520	5,524,084,643	-	-
		20,803,842,677	**16,222,224,464**	**25,626,075,864**	**22,763,775,341**

10.1 Interest receivables

Receivable against Govt. securities	925,810,324	978,845,897	925,810,324	978,845,897
Receivable against other securities	49,041,453	50,972,387	49,041,453	50,972,387
Receivable against balance with other bank	153,927,383	82,740,585	153,927,383	82,740,585
Receivable against loans and advances	2,682,922,046	1,608,619,766	2,682,922,046	1,608,619,766
	3,811,701,206	**2,721,178,635**	**3,811,701,206**	**2,721,178,635**

10.2 Investment in subsidiaries

BRAC EPL Investments Limited			1,301,639,222	1,036,320,904
BRAC EPL Stock Brokerage Limited			1,311,371,003	1,241,795,091
bKash Limited			10,937,169,476	10,874,512,125
BRAC Saajan Exchange Limited			21,126,396	8,750,331
			13,571,306,097	13,161,378,451

10.3 Investment/carrying value in associates

BRAC IT Services Limited	**10.3.1**	21,206,835	21,115,234	21,206,835	21,115,234
		21,206,835	**21,115,234**	**21,206,835**	**21,115,234**

10.3.1 Carrying value of investment in associates

BRAC IT Services Limited

Opening balance/fair value of residual interest retained	21,115,234	-
Gain/(loss) on disposal/loss of shares in associates	(4,768,581)	17,373,182
Share of profit/(loss) of equity in associate company	4,860,182	3,742,052
	21,206,835	**21,115,234**

10.4 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 31 December 2022					
Loan loss provision including Covid-19 special provision (Note -17.1) and QJ general provision of BDT 722,066,972	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 (Note -17.4)	34,119,549	-	34,119,549	10.00%	3,411,955
Fixed assets except RoU (Annexure - E)	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 17 (Annexure - E)	4,183,776,896	764,211,113	(3,419,565,783)	37.50%	(1,282,337,168)
Leased Liability as per IFRS 16 (Note - 17)	3,861,470,125	-	3,861,470,125	37.50%	1,448,051,297
Deferred tax asset (a)					**4,769,561,708**
Deferred tax liability arises due to actuarial valuation gain	-	-	-	37.50%	-
Deferred tax liability arises from fair value gain 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 (Note -10.1)	925,810,324	-	(925,810,324)	37.50%	(347,178,872)
Dividend receivables (Note -10)	-	-	-	20.00%	-
Deferred tax liability (b)					**(1,696,104,735)**
Net deferred tax asset at 31 December 2022 (a+b)					**3,073,456,973**
Increase of deferred tax asset recognised in profit and loss account as income					562,940,585
Decrease of deferred tax liability recognised in profit and loss account as income					27,072,306
Net Deferred tax income recognised in profit and loss account during the year ended 31 December 2022					**590,012,891**
Net Deferred tax liability recognised in equity during the year ended 31 December 2022					**(42,621,486)**

Particulars	Accounting base	Tax base	Deductible/ (Taxable) temporary difference	Applicable tax rate	Deferred Tax Asset/ (Liability)
Balance as at 31 December 2021					
Loan loss provision including Covid-19 special provision (Note -17.1)	9,744,711,824	-	9,744,711,824	37.50%	3,654,266,934
Provision against capital market (Note -17.4)	13,580,119	-	13,580,119	10.00%	1,358,012
Fixed assets except RoU (Annexure - E)	2,522,794,574	3,532,771,605	1,009,977,031	37.50%	378,741,387
Right of use assets (RoU) as per IFRS 17 (Annexure - E)	4,150,429,766	847,913,185	(3,302,516,581)	37.50%	(1,238,443,718)
Leased Liability as per IFRS 16 (Note -17)	3,603,554,603	-	3,603,554,603	37.50%	1,351,332,976
Deferred tax asset (a)					**4,147,255,591**
Deferred tax liability arises due to actuarial valuation gain	8,221,604	-	(8,221,604)	37.50%	(3,083,101)
Deferred tax liability arises from fair value gain as per IFRS 9	8,688,141,840	-	(8,688,141,840)	15.00%	(1,303,221,276)
Interest receivable from treasury bills and bonds (Note -10.1)	978,845,897	-	(978,845,897)	37.50%	(367,067,212)
Dividend receivables (Note -10)	35,919,830	-	(35,919,830)	20.00%	(7,183,966)
Deferred tax liability (b)					**(1,680,555,555)**
Net deferred tax asset at 31 December 2021 (a+b)					**2,466,700,036**
Increase of deferred tax asset recognised in profit and loss account as income					948,468,648
Decrease of deferred tax liability recognised in profit and loss account as income					176,309,838
Net Deferred tax income recognised in profit and loss account during the year ended 31 December 2021					**1,124,778,486**
Net Deferred tax liability recognised in equity during the year ended 31 December 2021					**(1,016,784,141)**

10.4.1 Recoverability/adjustment/reversal of deferred tax

Deferred tax on Specific provision on loans and advances

Specific provisions for loans are not tax allowable under local tax regulations. So, when calculating taxable income, the loan loss provision charged to the profit and loss account is added back to income. The loan recovery or write-off, however, will be accepted by the tax office as a legitimate tax expense. The Bank will either make a recovery or write off the loans at some point in the future; thus, this item only makes a transitory effect.According to IAS 12, the Bank recognizes the deferred tax on this particular provision, creating a deductible temporary difference to the degree that it can be applied as a credit. Once the underlying bad debt is either repaid or cancelled, the deferred tax will be reversed.

Deferred tax on Fixed assets including intangible assets

Accounting depreciation is not taken into consideration when determining the tax obligation according to local tax regulations. The tax authorities permit tax depreciation at various rates as per third schedule of ITO 1984 which is different fromaccounting depreciation rate in many cases. Hence transitory differences are created due to the varying depreciation rates and methodology against which the Bank recognises deferred tax. This is a common occurrence since the accounting depreciation rate and the tax depreciation rate differ from one another. The remaining amount of deferred tax will be released when the assets' useful economic life has passed, though.

Deferred tax on Provision against capital market investment

Capital market-related provisions are not deductible for tax purposes under local tax regulations. As a result, when calculating taxable income, such provision charged to the profit and loss account is added back to income. The tax office will, however, permit the release or reversal of the provision as an allowable expense through realized gains or losses as a result of the temporary difference that this item causes. According to IAS 12, the Bank recognizes the deferred tax on such a provision, creating a deductible temporary difference to the extent that it can be applied as a credit against other liabilities. As soon as the related provision is released or reversed, the deferred tax will also be released.

Deferred tax on Interest receivables on government securities

As per Tax Law, Tax is being paid on BGTB income on a cash basis, whereas the same income is accounted for on an accrual basis in the financial statement. This difference in interest income recognition has created a temporary difference on which the bank recognized the DT liability on the interest receivable on BGTB in the respective year, which will be reversed upon payment of tax on cash interest received in the subsequent years.

Deferred tax on Right of use assets (RoU) and lease liabilities as per IFRS 16

According to local tax regulations, lease payments are treated as an allowable expense, while accounting depreciation and interest on RoU assets under IFRS 16 are not. As a result, when calculating taxable profit, depreciation and interest expense were added back and the amount of the actual lease payment was subtracted. Due to the temporary differences caused by this, deferred tax is recognized. However, when the assets' economic useful lives are up, the remaining amount of deferred tax will be automatically released.

Amount In Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
10.5 Net plan assets - employees' gratuity fund					
Fair value of plan assets	10.5.1	2,741,694,323	2,278,452,754	2,140,086,266	1,749,085,730
Less: Defined benefit obligation	10.5.2	2,609,537,830	2,151,171,714	2,007,929,773	1,621,804,690
		132,156,493	**127,281,040**	**132,156,493**	**127,281,040**
10.5.1 Fair value of plan assets - gratuity fund					
Fair value of plan assets as on 1 January		2,278,452,754	1,968,963,855	1,749,085,730	1,511,837,864
Interest income on plan assets		157,417,716	136,065,408	157,417,716	136,065,408
Actual employer contributions		481,503,712	249,642,432	409,262,679	177,401,399
Actual net benefits payments		(156,555,251)	(90,128,124)	(156,555,251)	(90,128,124)
Remeasurement gain/(losses) on plan assets		(19,124,608)	13,909,183	(19,124,608)	13,909,183
Fair value of plan assets as on 31 December		**2,741,694,323**	**2,278,452,754**	**2,140,086,266**	**1,749,085,730**

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
10.5.2 Defined benefit obligation - gratuity fund					
Defined benefit obligation as on 1 January		2,151,171,714	1,620,587,088	1,621,804,690	1,163,461,097
Current service cost		409,186,202	358,220,441	249,312,832	198,347,071
Past service cost due to amendment of gratuity benefits		145,962,422	-	145,962,422	-
Interest cost		-	104,711,499	-	104,711,499
Actual net benefits payments		(156,555,251)	(90,128,124)	(156,555,251)	(90,128,124)
Remeasurement (gain)/loss		59,772,743	157,780,810	147,405,080	245,413,147
Defined benefit obligation as on 31 December		**2,609,537,830**	**2,151,171,714**	**2,007,929,773**	**1,621,804,690**
10.5.3 Remeasurements gain/(loss) of defined benefits liabilities/assets					
Opening balance		(133,663,763)	(76,606,123)	5,138,502	149,828,479
Remeasurement gain/(losses) on plan assets		(19,124,608)	13,909,183	(19,124,608)	13,909,183
Remeasurement gain/(losses) on defined benefit obligation		(59,772,743)	(157,780,810)	(147,405,080)	(245,413,147)
		(212,561,114)	(220,477,750)	(161,391,186)	(81,675,485)
Less: Deferred tax (expense)/income		62,448,633	86,813,987	62,448,633	86,813,987
		(150,112,481)	**(133,663,763)**	**(98,942,553)**	**5,138,502**

* Remeasurement gain/(loss) has been recognised as per actuarial valuation report 2022.

10.6 Other Receivables

Receivable against remittance	27,644,923	11,559,766	27,644,923	11,559,766
Receivable against DD	189,500,000	133,000,000	189,500,000	133,000,000
Receivable against cards	111,440,750	64,353,917	111,440,750	64,353,917
Receivable from merchant	286,156,041	241,107,676	286,156,041	241,107,676
Receivable from partners	2,679,383	220,116	2,679,383	220,116
Receivable from co-brand ATM	27,020,242	27,020,242	27,020,242	27,020,242
Receivable against fraud and forgery/ protested bill	119,040,216	117,873,609	119,040,216	117,873,609
Receivable from NPS	178,437,000	103,551,000	178,437,000	103,551,000
Sundry debtors*	1,471,753,211	1,150,197,828	1,471,753,211	1,150,197,828
Receivable from BACH	5,000,000	5,000,000	5,000,000	5,000,000
Coupon interest adjustment	181,239,015	13,627,536	181,239,015	13,627,536
REPO interest expenditure	-	(1,119,412)	-	(1,119,412)
Interest rate swap	18,678,692	21,305,808	18,678,692	21,305,808
	2,618,589,473	**1,887,698,086**	**2,618,589,473**	**1,887,698,086**

*In compliance with FRC notification no. 179/FRC/FRM/Notification/2020/2, we have already adjusted the forfeited fund previously distributed among active members of provident fund for the period from 2015 to 2021 as per the existing Fund Rules. Additionally, we have recognized other receivable of BDT 1,287,595 under sundry debtors for the forfeited fund for 2022.

10.7 Other assets of subsidiaries

BRAC EPL Investments Limited	88,878,423	65,146,951
BRAC EPL Stock Brokerage Limited	123,946,712	80,943,352
bKash Limited	6,919,169,697	5,344,095,037
BRAC Saajan Exchange Limited	32,691,029	60,971,865
	7,164,685,861	5,551,157,205
Less: Inter company transactions:		
BRAC Bank Limited	15,056,402	22,664,005
bKash Limited	68,908,939	4,408,557
	83,965,341	27,072,562
Total	**7,080,720,520**	**5,524,084,643**

Amount in Taka

Particulars		Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
11	**Non-banking assets**					
		Possession date				
	M/S Macca & Modina Store	16 January 2017	1,200,000	1,200,000	1,200,000	1,200,000
	M/S. Akash Auto Mobile	11 June 2018	3,041,700	3,041,700	3,041,700	3,041,700
	M/S Shawan Enterprise	12 January 2021	300,000	300,000	300,000	300,000
	M/S SB Variety Store*	12 October 2022	6,800,000	-	6,800,000	-
			11,341,700	**4,541,700**	**11,341,700**	**4,541,700**

*The Bank has been awarded ownership of the mortgaged property M/S SB Variety Store, verdict of the honourable Artharin Court of Jamalpur under Section 33(7) of Artharin Adalat Ain 2003 and reported as non-banking assets in accordance with Bank Companies Act 1991 and BRPD circular no. 14 of 2003. The value of the non-banking assets has been determined on the basis of valuation report of an independent valuer.

12	**Goodwill**					
	(i) BRAC EPL Investments Limited		246,289,821	246,289,821		
	(ii) BRAC EPL Stock Brokerage Limited		1,126,273,572	1,126,273,572		
	(iii) BRAC Saajan Exchange Limited*		-	54,905,518		
	Total		**1,372,563,393**	**1,427,468,911**		

*Please refer to note-38 impairment of goodwill for relevant explanation

13	**Borrowings from other banks, financial institutions and agents**					
	Borrowings inside Bangladesh	13.1	207,944,839	429,000,000	-	429,000,000
	Borrowings outside Bangladesh	13.2	38,700,865,687	23,721,953,707	38,685,377,271	23,705,564,025
			38,908,810,526	**24,150,953,707**	**38,685,377,271**	**24,134,564,025**
13.1	**Borrowings inside Bangladesh**					
	Eastern Bank Limited		207,944,839	-	-	-
	Woori Bank		-	429,000,000	-	429,000,000
			207,944,839	**429,000,000**	**-**	**429,000,000**
13.2	**Borrowings outside Bangladesh**					
	State Bank of India, Hong Kong		2,479,128,000	858,000,000	2,479,128,000	858,000,000
	Nabil Bank Limited, Nepal		639,026,231	300,300,000	639,026,231	300,300,000
	HDFC Bank Limited, India		1,549,455,000	858,000,000	1,549,455,000	858,000,000
	Standard Chartered Bank, Singapore		516,485,000	2,368,080,000	516,485,000	2,368,080,000
	Asian Development Bank		3,098,910,000	2,574,000,000	3,098,910,000	2,574,000,000
	Caixabank S.A.		6,920,899,000	561,185,625	6,920,899,000	561,185,625
	The National Bank of Ras Al-Khaimah, UAE		5,164,850,000	1,716,000,000	5,164,850,000	1,716,000,000
	Abu Dhabi Commercial Bank, UAE		1,549,455,000	2,574,000,000	1,549,455,000	2,574,000,000
	CDC Group Plc, United Kingdom		886,288,260	1,471,298,400	886,288,260	1,471,298,400
	International Finance Corporation (IFC), USA		3,098,910,000	4,719,000,000	3,098,910,000	4,719,000,000
	JP Morgan Chase Bank N.A. Singapore		5,061,553,000	1,287,000,000	5,061,553,000	1,287,000,000
	Bank Muscat Saog, Oman		1,756,049,000	-	1,756,049,000	-
	Cargill Financial Services International		3,098,910,000	-	3,098,910,000	-
	Commercial Bank of Qatar		1,032,970,000	-	1,032,970,000	-
	Mizuho Bank Ltd, Singapore		1,032,970,000	-	1,032,970,000	-
	Yes Bank, India		799,518,780	-	799,518,780	-
	DBS Bank, Singapore		-	2,402,400,000	-	2,402,400,000
	Axis Bank Limited		-	858,000,000	-	858,000,000
	Siddhartha Bank Limited, Kathmandu		-	300,300,000	-	300,300,000
	First Abu Dhabi Bank PJSC, UAE		-	858,000,000	-	858,000,000
	Millennium Bank, Portugal		15,488,416	16,389,682	-	-
			38,700,865,687	**23,721,953,707**	**38,685,377,271**	**23,705,564,025**
13.3	**Security against borrowings from other banks, financial institutions and agents:**					
	Secured (Treasury bills)		-	-	-	-
	Unsecured		38,908,810,526	24,150,953,707	38,685,377,271	24,134,564,025
			38,908,810,526	**24,150,953,707**	**38,685,377,271**	**24,134,564,025**

Amount in Taka

13.4 Disclosure regarding REPO

Disclosure regarding REPO transactions of the Bank are given as per Bangladesh Bank DOS Circular No. 6 dated 15 July 2010.

(a) (i) Disclosure regarding outstanding Repo as on 31 December 2022

Counter party name	SL. no	Agreement date	Reversal date	Amount as on 31 December 2022	Amount as on 31 December 2021
Standard Chartered Bank Dhaka	i	December 29, 2021	January 2, 2022	Nil	1,593,212,388
Standard Chartered Bank Dhaka	ii	December 30, 2021	January 2, 2022	Nil	7,757,656,399
United Commercial Bank Limited	iii	December 30, 2021	January 4, 2022	Nil	927,638,685
The City Bank Limited	iv	December 30, 2021	January 6, 2022	Nil	1,024,745,040
Prime Bank Limited	v	December 29, 2021	January 3, 2022	Nil	1,946,907,218
Prime Bank Limited	vi	December 30, 2021	January 3, 2022	Nil	442,388,250
Agrani Bank Limited	vii	December 26, 2022	January 1, 2023	5,525,476,218	Nil
Agrani Bank Limited	viii	December 27, 2022	January 3, 2023	3,064,628,767	Nil
Janata Bank Limited	ix	December 28, 2022	January 4, 2023	4,079,793,226	Nil
				12,669,898,211	**13,692,547,980**

(a) (ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2022

Counter party name	SL. no	Agreement date	Reversal date	Amount (1st leg cash consideration)	Amount (1st leg cash consideration)
				-	-

(b) Disclosure regarding overall transaction of Repo and Reverse repo during the year 2022

Particulars	Minimum outstanding during the year 2022	Maximum outstanding during the year 2022	Daily average outstanding during the year 2022	Daily average outstanding during the year 2021
Securities sold under repo:				
i) with Bangladesh Bank	732,877,208	1,464,473,775	9,268,855	-
ii) with other banks & FIs	487,504,500	9,354,162,154	2,138,552,906	2,082,542,687
Securities purchased under reverse repo:				
i) with Bangladesh Bank	-	-	-	-
ii) with other banks & FIs	97,025,710	10,003,649,860	1,480,047,089	64,700,456

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
13.5	**Maturity wise grouping of borrowing from other bank and financial institutions**				
Repayable on demand		6,445,003,282	1,233,701,684	7,446,298,531	2,102,100,000
Not more than 3 months		10,636,443,541	5,222,479,736	10,536,294,000	4,928,405,625
More than 3 months but not more than 1 year		21,827,363,703	16,958,608,287	20,702,784,740	16,367,894,400
More than 1 year but not more than 5 years		-	736,164,000	-	736,164,000
More than 5 years		-	-	-	-
		38,908,810,526	**24,150,953,707**	**38,685,377,271**	**24,134,564,025**

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
14 Borrowings from central bank & government agencies					
BB - Export development fund (EDF)		16,168,162,980	9,124,444,403	16,168,162,980	9,124,444,403
SME Foundation pre finance		506,077,187	817,222,000	506,077,187	817,222,000
BB - Long term financing facility (LTFF)		785,064,454	763,079,166	785,064,454	763,079,166
BB - Green transformation fund (GTF)		232,733,347	261,070,057	232,733,347	261,070,057
BB - Stimulus fund		55,370,628	387,594,399	55,370,628	387,594,399
BB - Working capital stimulus fund		1,514,040,573	528,491,391	1,514,040,573	528,491,391
BB - PSC stimulus package		1,367,527,000	45,242,000	1,367,527,000	45,242,000
BB - Refinancing for green initiatives		30,000,000	40,000,000	30,000,000	40,000,000
BB - SME re-finance		21,370,475,640	11,108,860,408	21,370,475,640	11,108,860,408
Joyeeta foundation pre or re-finance		155,050,000	99,900,000	155,050,000	99,900,000
		42,184,501,809	**23,175,903,824**	**42,184,501,809**	**23,175,903,824**
14.1 Maturity wise grouping of Borrowings from central bank & government agencies					
Repayable on demand		5,631,493,289	1,471,515,580	5,631,493,289	1,471,515,580
Not more than 3 months		8,114,768,696	4,159,284,124	8,114,768,696	4,159,284,124
More than 3 months but not more than 1 year		12,381,754,222	11,097,209,099	12,381,754,222	11,097,209,099
More than 1 year but not more than 5 years		16,010,838,538	5,684,815,855	16,010,838,538	5,684,815,855
More than 5 years		45,647,064	763,079,166	45,647,064	763,079,166
		42,184,501,809	**23,175,903,824**	**42,184,501,809**	**23,175,903,824**
15 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.					
16 Deposits and other accounts					
Current accounts and other accounts	16.1	187,855,608,325	164,417,743,536	123,148,401,399	109,462,945,554
Bills payable	16.2	1,739,503,614	2,367,889,416	1,739,503,614	2,367,889,416
Savings deposits	16.3	71,890,957,598	68,334,576,200	71,890,957,598	68,334,576,200
Term deposits*	16.4	182,973,780,522	127,956,809,129	185,088,946,361	133,172,621,149
Other deposits	16.5	2,598,966,270	1,252,882,201	2,598,966,270	1,252,882,201
		447,058,816,329	**364,329,900,482**	**384,466,775,242**	**314,590,914,520**
* Term deposits include the deposit pension scheme (DPS).					
16.1 Current accounts and other accounts					
Local currency		183,410,331,638	161,837,234,177	114,959,900,255	103,303,795,091
Foreign currencies		8,188,501,144	6,159,150,463	8,188,501,144	6,159,150,463
		191,598,832,782	167,996,384,640	123,148,401,399	109,462,945,554
Less: Inter unit/company elimination		3,743,224,457	3,578,641,104	-	-
		187,855,608,325	**164,417,743,536**	**123,148,401,399**	**109,462,945,554**
16.1.1 Current accounts and other accounts					
Current deposits		177,062,146,540	155,015,630,031	108,611,715,157	96,482,190,945
Special notice deposit		14,536,686,242	12,980,754,609	14,536,686,242	12,980,754,609
		191,598,832,782	**167,996,384,640**	**123,148,401,399**	**109,462,945,554**
Less: Inter unit/company elimination		3,743,224,457	3,578,641,104	-	-
		187,855,608,325	**164,417,743,536**	**123,148,401,399**	**109,462,945,554**
16.2 Bills payable					
Local currency		1,709,235,613	2,164,588,843	1,709,235,613	2,164,588,843
Foreign currencies		30,268,001	203,300,573	30,268,001	203,300,573
		1,739,503,614	**2,367,889,416**	**1,739,503,614**	**2,367,889,416**

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
16.3 Savings deposits					
Local currency		71,890,957,598	68,334,576,200	71,890,957,598	68,334,576,200
Foreign currencies		-	-	-	-
		71,890,957,598	**68,334,576,200**	**71,890,957,598**	**68,334,576,200**
16.4 Term deposits					
Local currency		181,477,648,780	131,121,074,245	181,477,648,780	131,121,074,245
Foreign currencies		3,611,297,581	2,051,546,904	3,611,297,581	2,051,546,904
		185,088,946,361	**133,172,621,149**	**185,088,946,361**	**133,172,621,149**
Less: Inter unit/company elimination		2,115,165,839	5,215,812,020	-	-
		182,973,780,522	**127,956,809,129**	**185,088,946,361**	**133,172,621,149**
16.5 Other deposits					
Local currency	16.5.1	2,591,975,775	1,247,004,101	2,591,975,775	1,247,004,101
Foreign currencies	16.5.2	6,990,495	5,878,100	6,990,495	5,878,100
		2,598,966,270	1,252,882,201	2,598,966,270	1,252,882,201
Less: Inter unit/company elimination		-	-	-	-
		2,598,966,270	**1,252,882,201**	**2,598,966,270**	**1,252,882,201**
16.5.1 Other local currency deposits					
Security deposits		813,000	800,000	813,000	800,000
Security deposit from retail loan client		-	7,355,223	-	7,355,223
Sundry deposit	16.5.1.1	2,591,162,775	1,238,848,878	2,591,162,775	1,238,848,878
		2,591,975,775	**1,247,004,101**	**2,591,975,775**	**1,247,004,101**
16.5.1.1 Sundry deposit					
Lease deposits		-	934,785	-	934,785
Payable to NPS		2,368,101,519	1,000,841,185	2,368,101,519	1,000,841,185
EFTN and BACH adjustments account		129,174,085	201,401,857	129,174,085	201,401,857
Payable against customers, loan account and others		93,887,171	35,671,051	93,887,171	35,671,051
		2,591,162,775	**1,238,848,878**	**2,591,162,775**	**1,238,848,878**
16.5.2 Other foreign currency deposits					
Proceeds awaiting for remittance (BTB LC)		6,990,495	5,878,100	6,990,495	5,878,100
Remittance awaiting for disposal (RAD)		-	-	-	-
		6,990,495	**5,878,100**	**6,990,495**	**5,878,100**
16.6 Deposits concentration					
Deposits from banks-inside Bangladesh	16.6.1	416,079,447	3,943,113,946	416,079,447	3,943,113,946
Other than banks		446,642,736,882	360,386,786,536	384,050,695,795	310,647,800,574
		447,058,816,329	**364,329,900,482**	**384,466,775,242**	**314,590,914,520**
16.6.1 Deposits from banks inside Bangladesh					
Current deposits:					
NRB Bank Limited		1,346,966	1,436,920	1,346,966	1,436,920
Islami Bank Bangladesh Limited		440,548	-	440,548	-
One Bank Limited		977,208	151,297	977,208	151,297
Meghna Bank Limited		409,935,258	535,996	409,935,258	535,996
		412,699,980	2,124,213	412,699,980	2,124,213

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
Special notice deposit:					
Dutch-Bangla Bank Mobile Banking-Rocket		3,379,467	40,989,733	3,379,467	40,989,733
Term deposits from Banks:					
State Bank of India		-	400,000,000	-	400,000,000
Habib Bank Limited		-	500,000,000	-	500,000,000
Pubali Bank Limited		-	3,000,000,000	-	3,000,000,000
		-	3,900,000,000	-	3,900,000,000
Total deposits from banks		**416,079,447**	**3,943,113,946**	**416,079,447**	**3,943,113,946**
16.7 Payable on demand and time deposit					
i) Demand deposit					
Current deposits		165,130,420,939	145,277,838,464	100,423,214,013	90,323,040,482
Saving deposits (9% of total saving deposits)		6,470,186,184	6,150,111,858	6,470,186,184	6,150,111,858
Foreign currency deposits		8,195,491,639	6,165,028,563	8,195,491,639	6,165,028,563
Sundry deposits		2,591,162,775	1,238,848,878	2,591,162,775	1,238,848,878
Bills payable		1,739,503,614	2,367,889,416	1,739,503,614	2,367,889,416
		184,126,765,151	**161,199,717,179**	**119,419,558,225**	**106,244,919,197**
ii) Time deposit					
Saving deposits (91% of total saving deposits)		65,420,771,414	62,184,464,342	65,420,771,414	62,184,464,342
Foreign currency deposits		3,611,297,581	2,051,546,904	3,611,297,581	2,051,546,904
Term deposits		160,951,254,291	109,066,283,138	163,066,420,130	114,282,095,158
Deposit pension schemes (DPS)		18,411,228,650	16,838,979,087	18,411,228,650	16,838,979,087
Special notice deposit		14,536,686,242	12,980,754,609	14,536,686,242	12,980,754,609
Security deposits		813,000	8,155,223	813,000	8,155,223
		262,932,051,178	**203,130,183,303**	**265,047,217,017**	**208,345,995,323**
		447,058,816,329	**364,329,900,482**	**384,466,775,242**	**314,590,914,520**

16.8 Maturity wise grouping of deposits and other accounts

Repayable on demand	12,889,777,748	10,678,266,582	12,889,777,748	10,678,266,582
Repayable within 1 month	39,478,409,574	29,812,031,680	33,816,689,751	26,823,992,430
Over 1 months but within 6 months	123,692,377,070	78,146,789,069	123,692,377,070	78,146,789,069
Over 6 months but within 1 year	126,570,721,489	111,672,492,397	69,640,400,225	64,921,545,685
Over 1 year but within 5 years	141,455,809,394	130,364,719,339	141,455,809,394	130,364,719,339
Over 5 years but within 10 years	2,971,721,054	3,655,601,415	2,971,721,054	3,655,601,415
Over 10 years	-	-	-	-
Total balance	**447,058,816,329**	**364,329,900,482**	**384,466,775,242**	**314,590,914,520**
Unclaimed deposits for 10 years or more	**57,875,419**	**50,123,305**	**57,875,419**	**50,123,305**

As per Bank Company Act 1991, Section 35 and BB circular letter no. BRPD 10 dated 12 September 2018, if any money or valuable asset (except deposits from Government, minor or litigation) is unclaimed for ten years or above as of 31 December every year, a three months' notice will be given to depositors concerned. Based on the response from the concerned depositors by following three months, amount will be paid to them otherwise unclaimed deposit will be deposited to Bangladesh Bank by 30 April of the following year. We reported BDT BDT 57,875,419 as 10 years and above unclaimed deposit amount as on 31 December 2022 (cut off basis) to Bangladesh Bank.

Amount in Taka

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
17	**Other liabilities**					
	Provision for loans and advances	17.1	14,602,789,573	13,213,625,459	13,390,953,803	11,994,520,290
	Special general provision Covid-19	17.1	784,207,224	784,207,224	784,207,224	784,207,224
	Provision for interest receivable from loan	17.2	20,676,127	13,457,003	20,676,127	13,457,003
	Provisions for off balance sheet Items	17.3	911,486,554	706,746,134	911,486,554	706,746,134
	Provision for diminution in value of investments	17.4	34,119,549	13,580,119	34,119,549	13,580,119
	Provision for other assets	17.5	247,263,926	234,820,125	247,263,926	234,820,125
	Provision against non banking assets (NBA)		6,800,000	-	6,800,000	-
	Interest suspense	17.6	1,710,681,546	1,637,871,114	1,710,681,546	1,637,871,114
	Withholding tax payable	17.7	546,837,799	201,214,386	546,837,799	201,214,386
	VAT payable	17.8	231,322,683	208,608,833	231,322,683	208,608,833
	Excise duty payable		329,663,279	262,341,336	329,663,279	262,341,336
	Provision for taxation net off AIT	17.9	5,448,621,002	5,920,521,742	4,144,359,024	5,021,558,503
	Deferred tax liability	10.4	347,178,871	377,334,278	1,696,104,735	1,680,555,555
	Interest payable on borrowings		733,123,758	331,043,315	733,123,758	331,043,315
	Accrued expenses		4,781,984,329	5,337,303,430	1,367,743,072	2,108,043,731
	CSR Fund (FX gain)	17.14	188,198,573	-	188,198,573	-
	Share subscription - IPO (refund warrant)		273,606	229,509	273,606	229,509
	Payable to off-shore banking unit		4	-	4	-
	Unclaimed and undistributed dividend	17.10	11,588,296	9,676,218	11,588,296	9,676,218
	Suppliers payable		162,427,092	125,946,941	162,427,092	125,946,941
	Leased liabilities as per IFRS 16		4,465,075,566	4,085,484,681	3,861,470,127	3,603,554,604
	Payable against exchange houses		60,200	100	60,200	100
	Payable against insurances		6,260,997	6,155,625	6,260,997	6,155,625
	Payable against proxy account		1,366,816	206,092	1,366,816	206,092
	Payable against SWIFT charge		27,144,741	1,716,000	27,144,741	1,716,000
	Start-up Fund	17.11	158,509,361	100,877,625	158,509,361	100,877,625
	Other payables	17.12	4,188,126,315	3,716,340,999	4,188,126,315	3,716,340,999
	Other liabilities of subsidiaries	17.13	2,058,793,026	2,018,766,783	-	-
			42,004,580,813	**39,308,075,071**	**34,760,769,207**	**32,763,271,381**

17.1 Provision for loans and advances including Covid special provision

A. General provision including Covid special provision				
Provisions held at the beginning of the year	3,818,222,914	3,254,158,676	3,818,222,914	3,254,158,676
Add: Transfer from specific provision	210,677,063	64,204,586	210,677,063	64,204,586
Add: Special general provision Covid-19	-	10,077,106	-	10,077,106
Add: Net charge to profit and loss A/C	575,618,832	490,317,074	575,618,832	490,317,074
Add: Exchange difference	169,267,474	(534,528)	169,267,474	(534,528)
Provisions held at the end of the year	**4,773,786,283**	**3,818,222,914**	**4,773,786,283**	**3,818,222,914**
B. Specific provision				
Provisions held at the beginning of the year (i)	10,179,609,769	8,552,594,541	8,960,504,600	7,493,529,932
Less: Transfer to general provision (ii)	(210,677,063)	(64,204,586)	(210,677,063)	(64,204,586)
Less: Write off during the year (iii)	(1,875,687,554)	(1,503,380,807)	(1,875,687,554)	(1,503,380,807)
Add: Provision charged for the year including special provision Covid-19 (iv)	2,172,220,677	3,178,139,884	2,179,490,076	3,018,099,324
Add: Recovery of written off bad debts (v)	809,572,845	707,517,594	809,572,845	707,517,594
Add: Exchange difference (vi)	347,744,685	16,460,737	347,744,685	16,460,737
Net charge to profit and loss A/C (vii) = (iv)-(v)	1,362,647,832	2,470,622,290	1,369,917,231	2,310,581,730
Provisions held at the end of the year (i+ii+iii+iv+v+vii)	**10,613,210,514**	**10,179,609,769**	**9,401,374,744**	**8,960,504,600**
Total provision held at the end of the year (A+B)	**15,386,996,797**	**13,997,832,683**	**14,175,161,027**	**12,778,727,514**

Amount in Taka

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
17.2	**Provision for interest receivable from loan**					
	Provisions held at the beginning of the year		13,457,003	13,457,003	13,457,003	13,457,003
	Add: Net charge to profit and loss A/C		7,219,124	-	7,219,124	-
	Provisions held at the end of the year		**20,676,127**	**13,457,003**	**20,676,127**	**13,457,003**
17.3	**Provisions for off balance sheet items**					
	Balance at the beginning of the year		706,746,134	455,246,134	706,746,134	455,246,134
	Provision made during the year		204,740,420	251,500,000	204,740,420	251,500,000
	Balance at the end of the year		**911,486,554**	**706,746,134**	**911,486,554**	**706,746,134**

17.3.1 Particulars of required provisions for off balance sheet items - general provision (Bank only)

Particulars	Base for provision	Percentage (%) of required provision	Required provision 2022	Required provision 2021
Acceptances and endorsements (net of UPAS Loans)	46,851,368,815	1%	468,513,688.00	323,280,430
Irrevocable letters of credit	27,451,963,219	1%	274,519,632.00	265,982,034
Letter of guarantees	18,607,062,875	1%	186,070,629.00	117,934,147
Total required provision before considering counter guarantee			929,103,949	707,196,612
Deduction for counter guarantee			17,617,395	3,955,406
Total required provision			911,486,554	703,241,206
Total provision maintained (Note 17.3)			911,486,554	706,746,134
Excess/(short) provision			**-**	**3,504,928**

17.4	**Provision for diminution in value of investments**					
	Balance at the beginning of the year		13,580,119	87,580,119	13,580,119	87,580,119
	Provision made/(released) during the year		20,539,430	(74,000,000)	20,539,430	(74,000,000)
	Balance at the end of the year		**34,119,549**	**13,580,119**	**34,119,549**	**13,580,119**
	Above provision includes provision for dividend receivable on preference share of BDT 1,250,000.					
17.5	**Provision for other assets**					
	Provisions held at the beginning of the year		234,820,125	195,208,855	234,820,125	168,102,992
	Add: Net movement during the year		12,443,801	39,611,270	12,443,801	66,717,133
	Provisions held at the end of the year		**247,263,926**	**234,820,125**	**247,263,926**	**234,820,125**

17.5.1 Particulars of required provision for other assets (Bank only)

Other asset type	Other assets balance	Doubtful (50%)	Bad/Loss (100%)	Required provision 31 Dec 2022	Required provision 31 Dec 2021
Accrued interest on loans and advances	2,088,565,945	-	-	-	-
Receivables from govt./BB for interest subsidy	565,538,368	-	-	-	-
Accrued interest on investment	1,157,596,892	-	518,135	518,135	-
Dividend receivables	69,353,683		-	-	
Receivables against sanchayapatra	22,879,838			-	
Stock of stamps & stationery	104,840,850	-	-	-	-
Advance to staff & supplier	16,673,927	165,000	2,694,851	2,859,851	-
Deferred revenue expenditure	231,241,555			-	-
Advance to SME unit offices	1,308,690			-	-
Advance security deposit	84,104,446		781,000	781,000	
Advances, receivables and other settlement balances	5,927,047,081	937,674	-	937,674	
Other receivables	1,406,755,963	639,676	13,669,813	14,309,489	
Receivable from partners	2,679,383	-	-	-	-
Receivable from co-brand atm	27,020,242	-	27,020,242	27,020,242	27,020,241

Other asset type	Other assets balance	Doubtful (50%)	Bad/Loss (100%)	Required provision 31 Dec 2022	Required provision 31 Dec 2021
Receivable for fraud and forgery-protested bill	119,040,216	-	119,040,216	119,040,216	117,873,609
Receivables in cash shortage-branch	1,416,050	-	1,416,050	1,416,050	1,324,350
Receivables in cash shortage-atm	2,000	-	2,000	2,000	220,000
Receivable from BBL-RBL atm	5,144,030	-	5,144,030	5,144,030	5,144,030
Receivable from BACH	5,000,000	-	-	-	5,000,000
Proxy accounts	-	-	-	-	4,788,745
Receivables against remittance	27,644,922	-	-	-	1,600,000
Charge back receivables in suspense-cards	-	-	-	-	143,635
Receivable for outstanding priority pass bill payment	-	-	-	-	22,276
Receivable from merchant(On US)-cards	-	-	-	-	193,925
Receivable for Govt stimulus	127,545,483			-	-
Subsidy receivable from BB-financial stimulus fund	2,749,620	-	-	-	-
Unclaimed dividend paid to BSEC	60,840,320	-	60,840,320	60,840,320	60,840,320
Total required provision for other assets				232,869,007	224,171,131
Total provision maintained				247,263,926	234,820,125
Excess/(short) provision				**14,394,919**	**10,648,994**

Amount in Taka

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
17.6	**Interest suspense**					
	Balance at the beginning of the year		1,637,871,114	1,443,050,060	1,637,871,114	1,443,050,060
	Add: Amount transferred to "interest suspense" account during the year		1,408,486,946	1,533,746,003	1,408,486,946	1,533,746,003
			3,046,358,060	2,976,796,063	3,046,358,060	2,976,796,063
	Less: Amount recovered and adjusted in "interest suspense" account during the year		1,144,121,836	1,207,744,812	1,144,121,836	1,207,744,812
	Less: Amount written off during the year		191,554,678	131,180,137	191,554,678	131,180,137
	Balance at the end of the year		**1,710,681,546**	**1,637,871,114**	**1,710,681,546**	**1,637,871,114**
17.7	**Withholding tax payable**					
	Payable on Interest		324,275,459	81,459,135	324,275,459	81,459,135
	Payable (suppliers)		10,450,449	3,669,132	10,450,449	3,669,132
	Payable (staff salaries and allowance)		21,993,118	16,461,797	21,993,118	16,461,797
	Payable (rent)		4,707,295	4,345,397	4,707,295	4,345,397
	Payable (export)		106,535,195	36,596,076	106,535,195	36,596,076
	Payable on commission paid		31,152,002	16,259,115	31,152,002	16,259,115
	Payable on professional services		8,645,651	10,718,853	8,645,651	10,718,853
	Payable on export cash subsidy		-	42,474	-	42,474
	Payable on local LC		297,114	979,909	297,114	979,909
	Payable on foreign buyer agent		18,633,996	18,788,738	18,633,996	18,788,738
	Freight forward agency commission		731,720	-	731,720	-
	Payable on IGW services		3,446,146	859,352	3,446,146	859,352
	Payable on others		15,969,654	11,034,408	15,969,654	11,034,408
			546,837,799	**201,214,386**	**546,837,799**	**201,214,386**

In Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
17.8 VAT Payable					
Payable on banking service		78,280,195	82,588,034	78,280,195	82,588,034
Payable - supplier		64,361,016	32,777,748	64,361,016	32,777,748
Payable - rent		13,554,752	12,437,967	13,554,752	12,437,967
Payable - DPDC, DESCO, BPDB & REB		75,126,720	80,805,084	75,126,720	80,805,084
		231,322,683	**208,608,833**	**231,322,683**	**208,608,833**
17.9 Provision for taxation net off AIT (BBL only)					
A. Provision for tax:					
Balance at the beginning of the year				27,502,064,330	23,934,664,849
Net addition during the year				3,765,699,754	3,567,399,481
Balance at the end of the year				**31,267,764,084**	**27,502,064,330**
B. Advance income tax:					
Balance at the beginning of the year				22,480,505,827	19,922,549,103
Add: Paid during the year				4,642,899,233	2,557,956,724
Balance at the end of the year				27,123,405,060	22,480,505,827
Provision for taxation (A-B)				**4,144,359,024**	**5,021,558,503**

Corporate tax position of the Bank has been presented in Annexure F.

17.10 Unclaimed and undistributed dividend

As on 31 December 2022, the unclaimed/undistributed dividend was BDT 11,588,296

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 ExchangeCommission (BSEC) 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).

17.11 Start-up fund (Bank Only)

As per SMESPD circular 04 dated March 29, 2021 and SMESPD circular letter 05 dated April 26, 2021, 1% of net profit after tax has been transferred to the fund. The details are given below:

Balance at the beginning of the year			100,877,625	-
Addition during the period (1% of PAT)			57,631,736	100,877,625
Closing balance at the end of the year			**158,509,361**	**100,877,625**
17.12 Other payables				
Payables related to cards and others	657,651,647	516,065,060	657,651,647	516,065,060
Payable to merchant	6,058,310	4,791,116	6,058,310	4,791,116
Payables to co brand ATM	3,106,745	3,106,744	3,106,745	3,106,744
Miscellaneous payable	3,521,309,613	3,192,378,079	3,521,309,613	3,192,378,079
	4,188,126,315	**3,716,340,999**	**4,188,126,315**	**3,716,340,999**
17.13 Other liabilities of subsidiaries				
BRAC EPL Investments Limited	73,148,145	197,875,533		
BRAC EPL Stock Brokerage Limited	702,205,336	1,008,535,941		
bKash Limited	1,319,305,112	811,129,171		
BRAC Saajan Exchange Limited	35,700,372	16,870,406		
	2,130,358,965	**2,034,411,051**		
Less: Inter company transactions:				
BRAC Bank Limited	68,908,939	4,408,557		
bKash Limited	2,657,000	11,235,711		
	71,565,939	15,644,268		
	2,058,793,026	**2,018,766,783**		

17.14 CSR Fund (FX gain)

Net CSR Fund represents the amount of CSR liability set aside from the foreign exchange gain net of tax arisen during May and June 2022 according to Bangladesh Bank directive. The calculation is presented below:

Particulars	FX income May'22	FX income Jun'22	50% of FX income for May-Jun 2022	Tax charged on income @37.5%	Net CSR Fund after tax
Net CSR Fund expense	226,964,371	375,271,061	301,117,716	112,919,144	188,198,573

18 Share capital

18.1 Authorized capital		
2,000,000,000 ordinary shares of Tk. 10 each	**20,000,000,000**	**20,000,000,000**
18.2 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
1,037,942,153 Ordinary Shares of Tk. 10/- each issued as bonus share	11,423,550,820	10,379,421,530
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
	14,965,853,280	**13,921,723,990**

18.2.1 History of paid-up capital

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

Particulars	Allotment year	Number of shares issued		Total paid up shares (No of shares)	Addition in amount of share capital (BDT)	Total paid up capital (BDT)
		Bonus shares	Subscription			
First(Subscription to the Memorandum and Articles of Association) at the time of Incorporation	1999	-	2,000,000	2,000,000	200,000,000	200,000,000
BRAC (subscription)	2001	-	500,000	2,500,000	50,000,000	250,000,000
BRAC (subscription)	2003	-	674,500	3,174,500	67,450,000	317,450,000
ShoreCap International Ltd.	2004	-	875,700	4,050,200	87,570,000	405,020,000
International Finance Corporation	2004	-	949,800	5,000,000	94,980,000	500,000,000
IPO	2006	5,000,000	-	10,000,000	500,000,000	1,000,000,000
Bonus Share 20%	2007	2,000,000	-	12,000,000	200,000,000	1,200,000,000
Bonus Share 10%	2008	1,200,000	-	13,200,000	120,000,000	1,320,000,000
Right Share 20%	2008	-	2,640,000	15,840,000	264,000,000	1,584,000,000
Bonus Share 30%	2009	4,752,000	-	20,592,000	475,200,000	2,059,200,000
Bonus Share 30%	2010	6,177,600	-	26,769,600	617,760,000	2,676,960,000
Bonus Share 20%	2011	5,353,920	-	32,123,520	535,392,000	3,212,352,000
Denomination of face value from Tk.100 to Tk.10 per share	2011	-	-	321,235,200	-	3,212,352,000
Bonus Share 20%	2012	64,247,040	-	385,482,240	642,470,400	3,854,822,400
Bonus Share 15%	2013	57,822,336	-	443,304,576	578,223,360	4,433,045,760
Bonus Share 10%	2014	44,330,457	-	487,635,033	443,304,570	4,876,350,330
Right share 50%	2014	-	221,652,288	709,287,321	2,216,522,880	7,092,873,210
Fresh Issue against Bond, 1st Conversion of Bond	2016	-	1,149,589	710,436,910	11,495,890	7,104,369,100
Fresh Issue against Bond, 2nd Conversion of Bond	2017	-	2,237,835	712,674,745	22,378,350	7,126,747,450
Bonus Share 20%	2017	142,534,949	-	855,209,694	1,425,349,490	8,552,096,940
Fresh Issue against Bond, 3rd Conversion of Bond	2018	-	2,790,534	858,000,228	27,905,340	8,580,002,280
Bonus Share 25%	2018	214,500,057	-	1,072,500,285	2,145,000,570	10,725,002,850
Bonus Share 15%	2019	160,875,042	-	1,233,375,327	1,608,750,420	12,333,753,270
Bonus Share 7.50%	2020	92,503,149		1,325,878,476	925,031,490	13,258,784,760
Bonus Share 5%	2021	66,293,923	-	1,392,172,399	662,999,230	14,965,853,280
Bonus Share 7.50%	2022	104,412,929	-	1,496,585,328	1,044,129,290	14,965,853,280
Total			**13,921,723,990**	**13,921,723,990**	**14,965,853,280**	**14,965,853,280**

18.2.2 Issued, subscribed and paid up capital

Balance at the beginning of the year	13,258,784,760	13,921,723,990	13,258,784,760
Add: Stock dividend of 2021 issued in 2022	662,939,230	1,044,129,290	662,939,230
Balance at the end of the year	**13,921,723,990**	**14,965,853,280**	**13,921,723,990**

18.3 Initial public offering (IPO)

According to IPO rules 2006 "Initial public offering (IPO)" means first offering of security by an issuer to the general public. Out of the total issued, subscribed, and fully paid up capital of the bank 5,000,000 ordinary shares of Tk. 100.00 each amounting to Taka 500,000,000 was raised through Initial public offering of shares held in 2006.

18.4 Cash dividend/bonus Issue

On 28 April 2022, 15% Dividend (7.5% stock & 7.5% Cash) were approved by the shareholders at it's 23rd Annual General Meeting. The stock dividend was distributed on 06 June 2022 accordingly.

18.4.1 The Bank held its 8th EGM on 3 November 2011 and changed the face value of share from Tk. 100 per share to Tk. 10 per share and market lot of shares from 50 shares to 500 shares in each lot. The maximum limit for Authorized Share capital was increased to BDT 20,000,000,000. At 11 December 2014, DSE new Trading system launched that neutralize market lot into 1 shares.

18.5 Ordinary Shares

	No. of Shares (2022)	% of shareholding (2022)	2022 Taka	2021 Taka
Sponsors and Directors	692,041,839	46.24%	6,920,418,390	6,437,712,840
Government	-	0.00%	-	-
Institutions	196,660,035	13.14%	1,966,600,350	1,428,665,140
Foreign	503,403,548	33.64%	5,034,035,480	5,272,976,420
General public	104,479,906	6.98%	1,044,799,060	782,369,590
	1,496,585,328	**100%**	**14,965,853,280**	**13,921,723,990**

18.5.1 Share trading

Trading of BRAC Bank's ordinary shares was started on 31 January 2007 at Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). The closing market price on 31 December 2022 was Tk. 38.50 at Dhaka Stock Exchange (DSE) and Tk. 38.70 at Chittagong Stock Exchange (CSE).

18.6 Classification of shareholding

Range of holding of shares	Number of shareholders (2022)	Number of shares (2022)	Percentage of holding of shares (2022)
Less than 500	8,087	1,658,147	0.11%
500 to 5,000	10,848	19,072,814	1.27%
5,001 to 10,000	2,051	14,360,555	0.96%
10,001 to 20,000	862	12,170,649	0.81%
20,001 to 30,000	356	8,812,477	0.59%
30,001 to 40,000	166	5,773,098	0.39%
40,001 to 50,000	104	4,802,623	0.32%
50,001 to 100,000	199	14,148,651	0.95%
100,001 to 1,000,000	259	75,733,345	5.06%
Over 1,000,000	99	1,340,052,969	89.54%
Total	**23,031**	**1,496,585,328**	**100%**

18.6.1 Name of the directors and their shareholdings as at 31 December 2022:

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

18.7 Share premium

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

18.7.1 Particulars of share premium

Sponsor:		
BRAC	1,324,534,000	1,324,534,000
Others	192,580	192,580
Non sponsor:		
International Finance Corporation (IFC)	219,056,640	219,056,640
ShoreCap International Limited	92,473,920	92,473,920
Non Resident Bangladeshis	91,555,530	91,555,530
Mutual Funds	189,254,190	189,254,190
General Public	1,936,700,172	1,936,700,172
	3,853,767,032	**3,853,767,032**

18.8 Capital Adequacy Ratio - As per BASEL-III

Amount in Taka

Particulars	Consolidated		BRAC Bank Limited	
	2022	2021	2022	2021
Common equity tier-1 (going concern capital)				
Fully paid-up capital/funds from head office for the purpose of meeting the capital adequacy	14,965,853,280	13,921,723,990	14,965,853,280	13,921,723,990
Non-repayable share premium account	3,853,767,032	3,853,767,032	3,853,767,032	3,853,767,032
Statutory reserve	11,148,169,834	10,067,956,958	11,112,086,248	10,067,956,958
Retained earnings	29,086,051,630	26,402,962,532	18,798,934,455	16,329,861,552
Dividend equalization fund	355,218,455	355,218,455	355,218,455	355,218,455
Minority/Non-controlling interest in subsidiaries	19,875,982,881	19,760,616,148	-	-
Sub-total	**79,285,043,112**	**74,362,245,115**	**49,085,859,470**	**44,528,527,987**

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Regulatory adjustments					
Goodwill and all other intangible assets		5,082,229,672	4,958,310,051	1,087,487,802	957,240,725
Deferred tax assets (DTA)		6,207,462,673	5,050,299,241	4,565,043,290	3,964,542,244
Sub-total		**11,289,692,345**	**10,008,609,292**	**5,652,531,093**	**4,921,782,969**
Total admissible tier-1 capital		**67,995,350,767**	**64,353,635,823**	**43,433,328,377**	**39,606,745,018**
Tier-2 capital (going concern capital)					
General provision		5,685,272,837	4,524,969,048	5,685,272,837	4,524,969,048
Sub-total		**5,685,272,837**	**4,524,969,048**	**5,685,272,837**	**4,524,969,048**
Maximum limit of tier-2 capital (Tier 2 capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)		51,989,248,501	49,708,531,248	30,833,575,176	28,375,981,919
Total admissible tier-2 capital		**5,685,272,837**	**4,524,969,048**	**5,685,272,837**	**4,524,969,048**
Total capital		**73,680,623,604**	**68,878,604,871**	**49,118,601,214**	**44,131,714,066**
Total risk weighted assets		380,318,534,649	337,281,898,721	349,831,724,733	307,359,660,182
Minimum capital requirement (MCR - 12.50%)		47,539,816,831	42,160,237,340	43,728,965,592	38,419,957,523
Surplus/ (deficiency)		26,140,806,772	26,718,367,531	5,389,635,623	5,711,756,543
Capital adequacy ratio:					
Common equity tier-1 (against standard of minimum 6%)		17.88%	19.08%	12.42%	12.89%
Total capital to risk-weighted asset ratio*		19.37%	20.42%	14.04%	14.36%
Minimum CRAR %		12.50%	12.50%	12.50%	12.50%
Surplus/(deficiency) %		6.87%	7.92%	1.54%	1.86%

* In Standalone regulatory capital calculation, fair value gain of BDT 7,643,913,224 on investment in subsidiaries and associates arisen out of application of IFRS 9 for the measurement of equity investment in subsidiaries and associate at fair value. The fair value gain/loss reported as FVOCI directly as part of equity as per IFRS 9. In absence of any specific guidelines for the treatment of Fair value gain/loss in Risk Based Capital Adequacy guidelines by Bangladesh Bank, the fair value gain /loss has not been considered as part of Tier 1 capital. However, as this has emerged from implementation of IFRS 9 (which came in to effect in 2018), we have requested Bangladesh Bank for their guidance on the same. While the fair value gain /loss is a part of Tier 1 capital according to the recommendation of International Basel Committee. Had the fair value gain/loss been considered as component of Tier-I capital as per international practice, the standalone Regulatory Capital to Risk-weighted Asset Ratio (CRAR) would have been reported at 15.72%.

19 Statutory reserve

Balance at the beginning of the year	10,067,956,958	9,405,017,728	10,067,956,958	9,405,017,728
Transferred from profit during the year	1,080,212,876	662,939,230	1,044,129,290	662,939,230
Balance at the end of the year	**11,148,169,834**	**10,067,956,958**	**11,112,086,248**	**10,067,956,958**

20 Dividend equalization fund

Dividend equalization fund	355,218,455	355,218,455	355,218,455	355,218,455
	355,218,455	355,218,455	355,218,455	355,218,455

21 Revaluation reserve on govt. securities

Balance at the beginning of the year	2,490,292,927	4,805,926,053	2,490,292,927	4,805,926,053
Add: Addition during the year	527,891,705	1,277,441,975	527,891,705	1,277,441,975
Less: Adjustment during the year	1,680,939,467	3,593,075,101	1,680,939,467	3,593,075,101
	1,337,245,165	**2,490,292,927**	**1,337,245,165**	**2,490,292,927**

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

Balance at the beginning of the year	7,384,920,564	1,131,197,846
Net change during the year	258,992,660	6,253,722,718
	7,643,913,224	**7,384,920,564**

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
23 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.					
24 Surplus in profit and loss account/Retained earnings (standalone)					
Balance at the beginning of the year				16,329,861,552	13,680,255,527
Add: Remeasurements gain/ (loss) of defined benefits liabilities (assets)	10.5.3			(104,081,055)	(144,689,978)
Add: Retained surplus for the year				5,763,173,573	5,546,930,564
Less: Transfer to statutory reserve				1,044,129,290	662,939,230
Less: Start-up Fund				57,631,736	100,877,625
Less: Cash dividend paid				1,044,129,299	1,325,878,476
Less: Bonus share issued				1,044,129,290	662,939,230
Closing balance				**18,798,934,455**	**16,329,861,552**

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021
24.1 Surplus in profit and loss account/Retained earnings (Consolidated)			
BRAC Bank Limited		18,798,934,455	16,329,861,552
		18,798,934,455	**16,329,861,552**
BRAC EPL Investment Limited			
Opening balance		(1,607,496,637)	(1,855,049,822)
Add: Retained surplus/(deficit) for the year		272,841,038	247,553,185
Sub total		**(1,334,655,599)**	**(1,607,496,637)**
BRAC EPL Stock Brokerage Limited			
Opening balance		943,567,598	711,882,093
Add: Retained surplus/(deficit) for the year		68,281,410	231,685,505
Less: Transfer to statutory reserve		23,213,334	-
Sub total		**988,635,674**	**943,567,598**
bKash Limited			
Opening balance		10,742,740,197	3,715,030,852
Add: Retained surplus/(deficit) for the year		59,554,596	(439,513,503)
Add: Effect of change in preference share of bKash		-	7,445,299,204
Add: Remeasurements of defined benefits liability (assets)		1,145,219	21,923,644
Less: Transfer to statutory reserve		12,870,252	-
Sub total		**10,790,569,760**	**10,742,740,197**
BRAC Saajan Exchange Limited			
Opening balance		3,364,585	146,462,896
Add: Retained surplus/(deficit) for the year		(101,881,820)	(143,098,311)
Less: Impairment of goodwill		(54,905,518)	-
Add: Effect of change of shareholding		(1,844,745)	-
Sub total		**(155,267,498)**	**3,364,585**
Associates			
Opening balance - (biTS)		(9,074,763)	(30,190,001)
Add: Share of profit/(loss) of equity in associate company - (biTS)		4,860,182	3,742,052
Gain/(loss) on disposal/loss of control of associates		2,049,419	17,373,186
Sub total		**(2,165,162)**	**(9,074,763)**
		29,086,051,630	**26,402,962,532**

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021
24.1.1 Net effect of all items directly recognised in equity			
Effect of change of shareholding in subsidiaries		(1,844,745)	-
Effect of change in preference share of bKash		-	7,445,299,202
Remeasurement of defined benefits liabilities (assets)-Gratuity		(102,935,836)	(122,766,334)
		(104,780,581)	**7,322,532,868**
24.2 Non-controlling interest			
BRAC EPL Investments Limited		716,701	567,516
BRAC EPL Stock Brokerage Limited		145,404,780	137,817,957
bKash Limited		19,728,452,974	19,619,313,898
BRAC SAAJAN Exchange Limited		1,408,426	2,916,777
		19,875,982,881	**19,760,616,148**

24.2.1 Reconciliation of Non-controlling interest

Particulars	Note	BRACEPL Investments Ltd.	BRAC EPL StockBrokerage Ltd.	bKash Limited	BRAC SAAJAN Exchange Limited
Opening balance		567,516	137,817,957	19,619,313,898	2,916,777
Share of profit/(loss)		149,185	7,586,823	107,079,957	(6,792,121)
Effect of change of shareholding		-	-	-	5,034,641
Translation adjustment		-	-	-	249,129
Remeasurements loss on defined benefits liability (assets)		-	-	2,059,119	-
		716,701	**145,404,780**	**19,728,452,974**	**1,408,426**

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
25 Contingent liabilities					
Acceptances and endorsements		83,028,540,659	50,478,536,940	83,028,540,659	50,478,536,940
Irrevocable letters of credit		27,451,963,219	26,598,203,443	27,451,963,219	26,598,203,443
Total Letters of credit and acceptances and endorsements	25.1	110,480,503,878	77,076,740,383	110,480,503,878	77,076,740,383
Letter of guarantees	25.2	18,607,062,875	11,793,414,671	18,607,062,875	11,793,414,671
Bills for collection	25.3	21,612,714,770	16,438,866,245	21,612,714,770	16,438,866,245
Other Commitments	25.4	15,144,320,058	28,887,787,694	15,144,320,058	28,887,787,694
		165,844,601,581	**134,196,808,993**	**165,844,601,581**	**134,196,808,993**

25.1 Irrevocable letters of credit including acceptances and endorsements

Letter of credit (Inland)	319,104,717	2,778,557,467	319,104,717	2,778,557,467
Letter of credit (General)	81,869,143,598	57,860,271,470	81,869,143,598	57,860,271,470
Back to back L/C	5,871,563,146	4,052,799,770	5,871,563,146	4,052,799,770
Back to back bills	5,771,087,024	1,208,061,714	5,771,087,024	1,208,061,714
Back to back bills (EDF)	16,649,605,393	11,177,049,962	16,649,605,393	11,177,049,962
	110,480,503,878	77,076,740,383	110,480,503,878	77,076,740,383
Less: Margin	923,190,579	748,254,248	923,190,579	748,254,248
	109,557,313,299	**76,328,486,135**	**109,557,313,299**	**76,328,486,135**

Amount in Taka

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
25.2	**Letter of guarantees**					
	Letter of guarantee (Local)		8,419,835,932	10,898,451,190	8,419,835,932	10,898,451,190
	Letter of guarantee (Foreign)		2,798,693,660	576,806,964	2,798,693,660	576,806,964
	Foreign counter guarantee		7,388,533,283	318,156,517	7,388,533,283	318,156,517
			18,607,062,875	11,793,414,671	18,607,062,875	11,793,414,671
	Less: Margin		178,553,887	216,052,368	178,553,887	216,052,368
			18,428,508,988	**11,577,362,303**	**18,428,508,988**	**11,577,362,303**
	Balance for which the Bank is contingently liable in respect of guarantee issued favouring:					
	Government		3,986,558,266	2,948,353,668	3,986,558,266	2,948,353,668
	Bank and other financial institutions		744,161,442	589,670,734	744,161,442	589,670,734
	Others		13,876,343,167	8,255,390,270	13,876,343,167	8,255,390,270
			18,607,062,875	11,793,414,672	18,607,062,875	11,793,414,672
	Less : Margin		178,553,887	216,052,368	178,553,887	216,052,368
			18,428,508,988	**11,577,362,304**	**18,428,508,988**	**11,577,362,304**
25.3	**Bills for collection**					
	Outward local bills for collection		15,302,217,027	15,299,010,106	15,302,217,027	15,299,010,106
	Outward foreign bills for collection		6,310,497,743	1,139,856,139	6,310,497,743	1,139,856,139
			21,612,714,770	**16,438,866,245**	**21,612,714,770**	**16,438,866,245**
25.4	**Other Commitments**					
	Swap deals with banks and customers		13,070,011,143	10,726,189,903	13,070,011,143	10,726,189,903
	Spot and forward deals with banks and customers		2,074,308,915	18,161,597,791	2,074,308,915	18,161,597,791
			15,144,320,058	**28,887,787,694**	**15,144,320,058**	**28,887,787,694**
25.5	**Significant concentration wise grouping**					
	i) Documentary credits and short term trade related transactions		150,700,281,523	105,309,021,299	150,700,281,523	105,309,021,299
	ii) Forward asset purchased and forward deposits placed		-	-	-	-
	iii) Undrawn formal standby facilities, credit lines and commitments to lend:					
	-Under one year		-	-	-	-
	-One year and over;		-	-	-	-
	iv) Spot and forward foreign exchange rate contracts		-	-	-	-
	v) Other exchange contracts		2,074,308,915	18,161,597,791	2,074,308,915	18,161,597,791
	vi) Others		13,070,011,143	10,726,189,903	13,070,011,143	10,726,189,903
			165,844,601,581	**134,196,808,993**	**165,844,601,581**	**134,196,808,993**

25.6 Suit filed by the Bank

No law suit has been filed by the bank against contingent liabilities. However, there are three performance guarantees under litigation between Bank's customers and beneficiaries. Adequate provisions has been kept against these contingencies.

Amount in Taka

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
26	**Income statement**					
	Income:					
	Interest, discount and similar income	26.1	37,897,775,275	30,613,868,935	32,593,018,679	26,613,113,886
	Dividend income	29	265,932,312	179,816,729	265,932,312	179,816,729
	Fees, commission and brokerage	26.2	9,007,549,889	7,297,576,594	3,369,781,836	2,744,920,279
	Gains less losses arising from government securities		757,187,142	345,451,894	757,187,142	345,451,894
	Gains less losses arising from investment securities/trading shares-MF		30,512,410	228,515,315	30,512,410	228,515,315
	Gains less losses arising from dealing from foreign currencies	30	2,514,538,150	695,276,642	2,514,538,150	695,276,642
	Other operating income	31	313,551,635	175,087,450	267,298,708	146,093,679
			50,787,046,813	**39,535,593,559**	**39,798,269,237**	**30,953,188,424**
	Expenses:					
	Interest paid on deposits and borrowings etc.	28	12,953,873,731	7,912,883,508	13,227,359,203	7,589,298,326
	Administrative expenses	26.3	18,349,072,941	15,105,621,818	9,935,583,382	8,059,931,152
	Impairment of goodwill	38	54,905,518	-	-	-
	Depreciation on banking assets	39	3,509,901,370	3,026,776,858	1,792,138,336	1,732,111,456
	Other operating expenses	40	4,474,735,716	3,383,027,192	3,713,939,396	2,627,953,670
			39,342,489,276	**29,428,309,376**	**28,669,020,317**	**20,009,294,604**
	Operating Profit		**11,444,557,537**	**10,107,284,183**	**11,129,248,920**	**10,943,893,820**
26.1	**Interest, discount and similar income**					
	Interest on loans and advances		27,591,738,769	21,653,006,358	27,456,551,626	21,235,466,936
	Interest on balance with other banks		870,824,757	594,251,565	5,502,854	2,173,585
	Interest on fixed deposits with other banks		2,437,768,808	1,892,247,656	534,902,237	262,867,857
	Other interest income		465,144,401	85,712,369	465,144,401	85,712,369
	Interest on government securities		3,305,864,953	4,747,356,870	3,305,864,953	4,747,356,870
	Interest on reverse repo		581,790,857	4,247,691	581,790,857	4,247,691
	Interest on corporate & subordinated bond		244,450,943	275,455,497	244,450,943	275,455,497
	Interest on interest rate swap (IRS)		5,209,823	5,319,038	5,209,823	5,319,038
	Gain (loss) on interest rate swap (IRS) position		(6,399,015)	(5,485,957)	(6,399,015)	(5,485,957)
	Investment income/loss from subsidiaries		2,401,380,979	1,361,757,848	-	-
			37,897,775,275	**30,613,868,935**	**32,593,018,679**	**26,613,113,886**
26.2	**Fees, commission and brokerage**					
	Fees		2,392,273,067	1,988,438,814	2,392,273,067	1,988,438,814
	Commission		6,615,276,822	5,309,137,780	977,508,769	756,481,465
			9,007,549,889	**7,297,576,594**	**3,369,781,836**	**2,744,920,279**

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
26.3 Administrative expenses					
Salaries and allowances		12,044,197,172	9,889,092,833	8,151,587,989	6,625,995,876
Rent, taxes, insurance, electricity etc.		697,538,365	645,414,492	507,158,511	473,700,396
Legal expenses		62,177,773	62,840,810	30,384,953	33,352,689
Postage, stamps, telecommunication etc.		411,043,177	317,984,231	308,505,338	222,631,352
Stationery, printing, advertisement etc.		3,223,940,283	2,608,773,879	396,662,334	221,634,405
Chief executive's salary and fees		24,471,250	19,424,250	24,471,250	19,424,250
Directors' fees and expenses		4,534,312	4,572,209	2,552,000	2,437,600
Auditors' fee		8,469,389	7,125,166	1,840,000	1,840,000
Repairs and maintenance of fixed assets		1,872,701,220	1,550,393,948	512,421,007	458,914,584
		18,349,072,941	**15,105,621,818**	**9,935,583,382**	**8,059,931,152**
27 Interest income					
Interest on loans and advances		27,591,738,769	21,653,006,358	27,456,551,626	21,235,466,936
Interest on balance with other banks		870,824,757	594,251,565	5,502,854	2,173,585
Interest on fixed deposits with other banks		3,470,458,213	2,333,307,976	920,914,577	515,005,098
Other interest income		465,144,401	85,712,369	465,144,401	85,712,369
		32,398,166,140	24,666,278,268	28,848,113,458	21,838,357,988
Less: Elimination of inter unit/ company transactions		1,032,689,405	441,060,320	386,012,340	252,137,241
		31,365,476,735	**24,225,217,948**	**28,462,101,118**	**21,586,220,747**
28 Interest paid on deposits and borrowings etc.					
A. Interest paid on deposits:					
Current account		1,239,115,775	972,611,273	950,072,542	539,413,646
Short term deposit		165,519,630	200,927,646	165,519,630	200,927,646
Savings deposit		714,431,796	665,574,233	714,431,796	665,574,233
Term deposit		9,281,055,265	5,226,073,047	9,281,055,265	5,226,073,047
		11,400,122,466	7,065,186,199	11,111,079,233	6,631,988,572
B. Interest paid for borrowings:					
Interest on money at call and short notice		124,418,722	132,329,734	124,418,722	132,329,734
Interest on borrowings from banks and FIs		1,550,896,151	642,769,998	1,466,747,791	563,459,364
Interest on funding SWAP		85,424,425	19,776,850	85,424,425	19,776,850
Interest on re-finance and pre-finance from central bank & government agencies		509,774,721	406,218,426	509,774,721	406,218,426
Interest on repurchase agreement (REPO)		197,086,569	87,662,621	197,086,569	87,662,621
Interest expense-Affordable Housing Bond		118,840,082	-	118,840,082	-
		2,586,440,670	1,288,757,629	2,502,292,310	1,209,446,995
		13,986,563,136	**8,353,943,828**	**13,613,371,543**	**7,841,435,567**
Less: Elimination of inter unit/ company transactions		1,032,689,405	441,060,320	386,012,340	252,137,241
		12,953,873,731	**7,912,883,508**	**13,227,359,203**	**7,589,298,326**
29 Investment income					
Interest on government securities		3,305,864,953	4,747,356,870	3,305,864,953	4,747,356,870
Interest on reverse REPO		581,790,857	4,247,691	581,790,857	4,247,691
Interest on corporate & subordinated bond		244,450,943	275,455,497	244,450,943	275,455,497
Interest on interest rate swap (IRS)		5,209,823	5,319,038	5,209,823	5,319,038

Amount in Taka

Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
Dividend on shares & mutual funds		265,932,312	179,816,729	265,932,312	179,816,729
Capital gain (loss) on government securities		757,187,142	345,451,894	757,187,142	345,451,894
Capital gain (loss) on shares & mutual funds		30,512,410	228,515,315	30,512,410	228,515,315
Gain (loss) on interest rate swap (IRS) position		(6,399,015)	(5,485,957)	(6,399,015)	(5,485,957)
Investment income/(loss) of subsidiaries	29.1	2,401,380,979	1,361,757,848	-	-
		7,585,930,404	**7,142,434,925**	**5,184,549,425**	**5,780,677,077**
29.1 Investment income/(loss) of subsidiaries					
Dividend income		66,045,174	44,823,469		
Realised gain/(loss) during the year		(128,542,694)	(102,153,300)		
Fair value adjustment at reporting date		(40,670,769)	209,675,164		
Interest on treasury bills & bonds		2,504,549,268	1,209,412,515		
		2,401,380,979	**1,361,757,848**		
30 Commission, exchange and brokerage					
Commission from sale of sanchaya patra		6,795,798	84,301,766	6,795,798	84,301,766
Commission from issue of payment orders, DD and TT		3,519,353	5,830,538	3,519,353	5,830,538
Commission from issue of letter of guarantee		97,011,555	73,718,628	97,011,555	73,718,628
Commission from issue of letters of credit (Import and Export)		723,271,753	470,603,536	723,271,753	470,603,536
Other commission		146,910,310	122,026,997	146,910,310	122,026,997
Gain /(Loss) on foreign currency dealings		2,514,538,150	695,276,642	2,514,538,150	695,276,642
Loan processing fees		875,409,231	560,484,117	875,409,231	560,484,117
Account activity fees		105,643,412	179,914,635	105,643,412	179,914,635
Import and export related fees		242,234,916	214,464,552	242,234,916	214,464,552
Fees and commission-cards		864,187,353	645,545,812	864,187,353	645,545,812
Relationship fees		6,399,494	3,761,463	6,399,494	3,761,463
Loan early settlement fees		34,799,586	77,592,716	34,799,586	77,592,716
Service charges for ATM Card		138,287,642	149,712,089	138,287,642	149,712,089
Fund collection/ transfer fees		121,080	137,718	121,080	137,718
Student service center fees		15,890,250	13,646,700	15,890,250	13,646,700
Cancellation fees		23,650	69,900	23,650	69,900
Cheque collection fees		11,730	188,100	11,730	188,100
Custodian fees		21,759,954	20,398,110	21,759,954	20,398,110
Other fees	30.1	87,504,769	122,522,902	87,504,769	122,522,902
Commission and brokerage income of subsidiaries		5,684,804,213	4,593,062,686	-	-
		11,569,124,199	8,033,259,607	5,884,319,986	3,440,196,921
Less: Elimination of inter unit/ company transactions		47,036,160	40,406,371	-	-
		11,522,088,039	**7,992,853,236**	**5,884,319,986**	**3,440,196,921**

Amount in Taka

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
30.1	**Other fees**					
	Passport endorsement fees		671,712	159,400	671,712	159,400
	Locker fees		5,622,587	5,265,039	5,622,587	5,265,039
	Service fees - ATM		604,505	449,979	604,505	449,979
	Service fees - BIT		1,395,440	1,373,050	1,395,440	1,373,050
	Service fees - bKash		6,318,705	9,097,338	6,318,705	9,097,338
	Annual membership fees-premium banking		11,800	11,800	11,800	11,800
	Annual fees-SMS banking		32,316,815	37,593,510	32,316,815	37,593,510
	Annual fees-internet banking		1,320,000	1,780,000	1,320,000	1,780,000
	Syndication fees		6,120,000	-	6,120,000	-
	Valuation fees		11,385	-	11,385	-
	E-commerce acquiring fees		-	23,041,325	-	23,041,325
	Miscellaneous fees income		33,111,820	43,751,461	33,111,820	43,751,461
			87,504,769	**122,522,902**	**87,504,769**	**122,522,902**
31	**Other operating income**					
	Profit on sale of fixed assets		15,414,283	3,798,917	15,414,283	3,798,917
	Profit share from other bank		107,150,999	107,157,532	107,150,999	107,157,532
	Miscellaneous income		144,733,426	35,137,230	144,733,426	35,137,230
	Other operating income of subsidiaries		46,252,927	28,993,771	-	-
			313,551,635	**175,087,450**	**267,298,708**	**146,093,679**
32	**Rent, taxes, insurance, electricity, etc.**					
	Rent, rates and taxes	32.1	331,562,654	322,815,149	284,237,227	270,100,724
	Insurance		98,826,955	89,905,087	22,790,558	13,827,612
	Power and electricity		257,066,521	223,032,603	190,147,884	180,256,170
	WASA and sewerage		10,082,235	9,661,653	9,982,842	9,515,890
			697,538,365	**645,414,492**	**507,158,511**	**473,700,396**
32.1	**Rent, rates and taxes**					
	Rent, taxes, insurance, electricity, etc.		1,443,367,456	1,355,992,047	1,186,768,665	1,128,047,204
	Less: Rent exp. reversal due to depreciation and interest exp. under IFRS 16 -Leases		1,111,804,802	1,033,176,898	902,531,438	857,946,480
			331,562,654	**322,815,149**	**284,237,227**	**270,100,724**
33	**Postage, stamp, telecommunication, etc.**					
	Postage and courier		67,630,940	51,388,405	42,979,569	34,325,260
	Telegram, telex, fax and network		146,324,119	94,216,080	119,022,158	60,469,128
	Court fees and stamps		89,136,635	78,141,242	89,136,635	78,141,242
	Telephone		107,951,483	94,238,504	57,366,976	49,695,722
			411,043,177	**317,984,231**	**308,505,338**	**222,631,352**
34	**Stationery, printing, advertisements, etc.**					
	Stationery and printing		176,560,577	100,607,005	160,478,031	91,173,910
	Security stationery		102,415,600	53,297,028	102,415,600	53,297,028
	Advertisement		2,944,964,106	2,454,869,846	133,768,703	77,163,467
			3,223,940,283	**2,608,773,879**	**396,662,334**	**221,634,405**
35	**Chief executive's salary and fees**					
	Basic salary		17,010,000	13,249,250	17,010,000	13,249,250
	Bonus and others	35.1	5,961,250	4,675,000	5,961,250	4,675,000
	House rent allowance		1,500,000	1,500,000	1,500,000	1,500,000
			24,471,250	**19,424,250**	**24,471,250**	**19,424,250**

Amount in Taka

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
35.1	**Bonus and others**					
	Festival bonus		2,835,000	2,100,000	2,835,000	2,100,000
	Performance bonus		1,000,000	1,000,000	1,000,000	1,000,000
	Leave fair assistance		2,126,250	1,575,000	2,126,250	1,575,000
			5,961,250	**4,675,000**	**5,961,250**	**4,675,000**
36	**Directors' fees**					
	Directors' fees represent fees paid for attending board meeting, board audit committee meeting and risk management committee meeting @ Tk. 8,000 from January to December 2022 per director per meeting.					
	Meeting attendance fees		4,534,312	4,572,209	2,552,000	2,437,600
			4,534,312	**4,572,209**	**2,552,000**	**2,437,600**
37	**Auditor's fees**					
	Audit fees		8,469,389	7,125,166	1,840,000	1,840,000
			8,469,389	**7,125,166**	**1,840,000**	**1,840,000**
38	**Impairment of goodwill**					
	On 26 May 2021, the operations of BRAC Saajan Exchange Limited was suspended on regulatory ground by the local regulator in UK and subsequently to meet up fixed operational costs, the net asset value (NAV) becomes negative. In 2022, considering the negative net asset value and negative cash flows, an impairment loss of goodwill amounting to BDT 54,905,518 related to BRAC Saajan has been accounted for in the consolidated financials in line with International Accounting Standard (IAS) 36: Impairment of Assets.					
39	**Depreciation and repair of the bank's assets**					
	Depreciation of property, plant and equipment					
	Furniture and fixtures		154,099,718	163,899,773	139,671,303	148,736,943
	Office floor space		612,569	516,375	100,858	100,858
	Office equipment		90,755,778	108,234,082	81,295,046	94,567,471
	IT hardware		993,221,762	810,561,705	393,579,196	353,862,417
	Motor vehicles		63,815,458	88,859,710	52,113,021	64,518,382
	Leasehold improvement		39,156,862	12,393,972	-	-
	Right of use assets (RoU) as per IFRS 16		1,006,689,271	953,842,898	777,297,844	762,397,055
	IT software		1,161,549,952	888,468,343	348,081,068	307,928,330
			3,509,901,370	**3,026,776,858**	**1,792,138,336**	**1,732,111,456**
	Repairs and maintenance expenses					
	Transportation expenses		599,399,886	528,010,816	417,009,409	371,932,390
	Equipment repairing expense		81,908,289	70,986,044	22,046,155	13,135,741
	Hardware and software maintenance expense		1,039,090,279	820,320,339	10,076,930	12,967,822
	Premises maintenance expense		152,302,766	131,076,749	63,288,513	60,878,631
			1,872,701,220	1,550,393,948	512,421,007	458,914,584
			5,382,602,590	**4,577,170,806**	**2,304,559,343**	**2,191,026,040**
40	**Other expenses**					
	Conveyance expense		88,041,422	127,323,767	88,041,422	127,323,767
	Fuel expenses	40.1	40,352,651	24,580,181	40,352,651	24,580,181
	Traveling cost		46,755,693	27,586,782	46,755,693	27,586,782
	Professional fees		86,052,814	118,553,625	86,052,814	118,553,625
	Entertainment		78,947,542	45,520,007	78,947,542	45,520,007
	SWIFT cost		-	7,663,074	-	7,663,074
	Business promotion and development		76,761,080	34,250,516	76,761,080	34,250,516
	Books, news papers and periodicals		652,924	148,861	652,924	148,861
	Donation and subscription	40.2	435,735,033	236,669,080	435,735,033	236,669,080

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Government Levy, VAT and excise duty		6,330,619	1,895,285	6,330,619	1,895,285
Other operational loss		710,236	4,484,559	710,236	4,484,559
Staff training and development		37,000,556	8,596,578	37,000,556	8,596,578
Staff liveries		21,312	185,940	21,312	185,940
Staff recruitment		4,578,608	9,478,227	4,578,608	9,478,227
Salaries and allowance - outsourcing staff		754,643,686	414,478,552	754,643,686	414,478,552
Staff sales incentives		646,306,662	398,905,613	646,306,662	398,905,613
Bank charges		21,415,936	21,638,477	21,415,936	21,638,477
Interest expense on lease liability as per IFRS 16		427,409,866	240,975,386	266,790,141	157,503,682
Documentation charges - CIB		19,931,570	7,571,438	19,931,570	7,571,438
IT enabled services		674,053,553	566,345,069	674,053,553	566,345,069
Security guard cost		211,467,465	212,770,875	211,467,465	212,770,875
Commission paid - vendor		12,224,564	9,798,827	12,224,564	9,798,827
Cash carrying charges		66,639,796	62,792,683	66,639,796	62,792,683
Spare parts expense		91,291,533	74,519,716	91,291,533	74,519,716
Archiving expense		32,535,418	30,451,572	32,535,418	30,451,572
Covid prevention expense		4,931,452	16,285,221	4,931,452	16,285,221
Miscellaneous		9,767,130	7,955,463	9,767,130	7,955,463
Other expenses of subsidiaries	40.3	647,212,755	712,008,189	-	-
		4,521,771,876	**3,423,433,563**	**3,713,939,396**	**2,627,953,670**
Less: Elimination of inter unit/ company transactions		47,036,160	40,406,371	-	-
		4,474,735,716	**3,383,027,192**	**3,713,939,396**	**2,627,953,670**

40.1 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 2nd half of 2022 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-H2, 2022	Actual-H2, 2022	Saving in exp.	Savings in %
1	Fuel expense	31,927,719	26,659,391	5,268,328	17%
2	Power and electricity expenses	134,400,000	103,304,166	31,095,834	23%

40.2 The donation and subscription include the following:

i) Out of total CSR expense BDT 188,198,573 (net of income tax) made from theforeign exchange gain arisen during May and June 2022 according to Bangladesh Bank directive;BDT 48,528,973 as part of regular CSR expense to various CSR activities and remaining CSR amount ofBDT 140,000,000 spent from discount on SME insurance premium as per BRPD instruction;

ii) Subscription of BDT 59,007,488 made for various sponsorship and membership held by BRAC Bank;

Amount in Taka

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
40.3 Other expenses of subsidiaries					
BRAC EPL Investments Limited		51,090,162	27,163,142		
BRAC EPL Stock Brokerage Limited		165,474,547	189,693,939		
bKash Limited		399,570,392	289,758,928		
BRAC SAAJAN Exchange Limited		31,077,654	205,392,180		
		647,212,755	**712,008,189**		
41 Share of profit of associates					
BRAC IT Services Limited		4,860,182	3,742,052		
		4,860,182	**3,742,052**		
42 Provisions					
Provision for loans and advances					
Specific provision charged during the year		2,172,220,677	3,178,139,884	2,179,490,076	3,018,099,324
Recovery of written off bad debts		(809,572,845)	(707,517,594)	(809,572,845)	(707,517,594)
Specific provision (net off recovery) for the year		1,362,647,832	2,470,622,290	1,369,917,231	2,310,581,730
General provision charged during the year		575,618,832	490,317,074	575,618,832	490,317,074
Special provision Covid-19 charged during the year		-	10,077,106	-	10,077,106
Total provision for loans and advances		1,938,266,664	2,971,016,470	1,945,536,063	2,810,975,910
Diminution in value of Investments		20,539,430	(74,000,000)	20,539,430	(74,000,000)
Off Balance Sheet items		204,740,420	251,500,000	204,740,420	251,500,000
Other provisions:					
Other assets		16,741,298	70,093,002	12,443,801	65,866,351
Interest receivable from loan		7,128,770	-	7,128,770	-
		2,187,416,582	**3,218,609,472**	**2,190,388,484**	**3,054,342,261**
43 Provision for taxation					
Current tax expense/ (income)*		4,280,691,722	3,737,018,428	3,765,699,754	3,467,399,481
Deferred tax expense/ (income) (Net)		(1,138,637,890)	(1,479,828,777)	(590,012,891)	(1,124,778,486)
Total provision for Taxation		**3,142,053,832**	**2,257,189,651**	**3,175,686,863**	**2,342,620,995**

* Current tax includes the reversal of surplus tax provision for 2010-2017 of BDT 14 crore based on latest assessment order from tax office.

Particulars	2022 (Standalone)		2021 (Standalone)	
	%	Taka	%	Taka
43.1 Reconciliation of effective tax rate				
Profit before income tax as per profit and loss account		8,938,860,436		7,889,551,559
Income tax as per applicable tax rate	37.50%	3,352,072,664	37.50%	2,958,581,835
Factors affecting the tax charge for current year				
Inadmissible expenses	15.77%	1,409,234,884	51.36%	4,051,715,522
Admissible expenses in the current year(i.e. write-off etc.)	-9.33%	(833,857,792)	-35.26%	(2,781,861,936)
Tax exempted income	0.00%	-	-1.64%	(129,568,012)
Tax savings from reduced tax rates for dividend	0.00%	-	-0.40%	(31,467,927)
Tax loss/(savings) from reduced tax rates for capital gain	0.00%	-	0.00%	-
Reversal of previous years' excess tax (2010 - 2017)	-1.57%	(140,000,000)	-7.60%	(600,000,000)
Effect of deferred tax	-6.84%	(611,762,892)	-14.26%	(1,124,778,487)
Total income tax expenses	**35.53%**	**3,175,686,864**	**29.69%**	**2,342,620,995**

Amount in Taka

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
44	**Cash and cash equivalents**					
	Cash in hand (including foreign currency)	4.1	11,918,067,777	9,207,161,626	11,822,688,624	8,424,680,663
	Balance with Bangladesh Bank and its agents banks (including foreign currency)	4.2	19,953,525,473	14,252,262,804	19,953,525,473	14,252,262,804
	Balance with other banks and financial institutions	5	52,951,344,277	78,261,312,910	16,255,534,724	19,880,951,145
	Money at call and on short notice	6	6,826,376,000	3,500,000,000	6,826,376,000	3,500,000,000
	Prize Bond	7.1	1,527,900	1,280,800	1,527,900	1,280,800
			91,650,841,427	**105,222,018,140**	**54,859,652,721**	**46,059,175,412**
45	**Receipts from other operating activities**					
	Miscellaneous income		144,733,426	35,137,230	144,733,426	35,137,230
	Capital gain (loss) on shares & mutual funds		30,512,410	228,515,315	30,512,410	228,515,315
	Profit share from other banks		107,150,999	107,157,532	107,150,999	107,157,532
	Capital gain (loss) on government securities		757,187,142	345,451,894	757,187,142	345,451,894
	Gain (loss) on interest rate swap (IRS) position		(6,399,015)	(5,485,957)	(6,399,015)	(5,485,957)
	Other receipts of subsidiaries		(79,218,319)	(118,708,350)	-	-
			953,966,643	**592,067,664**	**1,033,184,962**	**710,776,014**
46	**Payment for other operating activities**					
	Rent, taxes, insurance, electricity etc.		484,199,987	464,325,834	484,199,987	464,325,834
	Audit fees		1,840,000	1,840,000	1,840,000	1,840,000
	Directors fees and expenses		2,552,000	2,437,600	2,552,000	2,437,600
	Repair and maintenance		588,292,005	524,909,515	588,292,005	524,909,515
	Other expenses		4,284,132,440	2,593,818,978	4,284,132,440	2,593,818,978
	Legal expenses		24,470,575	10,260,637	24,470,575	10,260,637
	Other payments of subsidiaries		329,446,015	451,880,616	-	-
			5,714,933,022	**4,049,473,180**	**5,385,487,007**	**3,597,592,564**

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

Profit before tax as per profit and loss account	8,938,860,436	7,889,551,559
Adjustment for non-cash items:		
Provision for loans and advances	2,755,108,908	3,518,493,504
Provision for diminution in value of investments	20,539,430	(74,000,000)
Provision for off balance sheet items	204,740,420	251,500,000
Provision for other assets	19,572,571	65,866,351
Depreciation of property plant and equipment	1,792,138,336	1,732,111,456
Foreign exchange gain/(loss)	208,678,200	486,268,924
Profit on sale of fixed assets	(15,414,283)	(3,798,917)
Increase/decrease in operating assets & liabilities:		
Loans and advances	(89,464,175,973)	(48,149,037,787)
Other assets	(1,829,975,159)	136,271,733
Borrowings from other banks and financial institutions	33,559,411,231	11,942,273,035
Proceeds from issuance of affordable housing bond	4,751,000,000	-
Deposits from customers	67,558,949,157	26,460,328,428
Other liabilities	1,142,489,175	(532,139,845)
Income tax paid	(4,642,899,233)	(2,557,956,724)
Net cash flows from operating activitiesas per cash flow statement	**24,999,023,216**	**1,165,731,717**

Amount in Taka

	Particulars	Note	Consolidated 2022	Consolidated 2021	BRAC Bank Limited 2022	BRAC Bank Limited 2021
48	**Earnings per share (EPS)**					
	Profit after taxation		6,121,996,724	4,652,600,294	5,763,173,573	5,546,930,564
	Profit/(loss) attributable to non controlling interest		108,023,844	(812,072,386)	-	-
	Profit attributable to ordinary shareholders of BRAC Bank Limited		6,013,972,880	5,464,672,680	5,763,173,573	5,546,930,564
	Weighted average number of shares outstanding		1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
			4.02	**3.65**	**3.85**	**3.71**
49	**Net asset value (NAV) per share**					
	Net asset value attributable to shareholders of parent		61,153,627,729	57,187,474,350	58,390,554,773	54,419,471,131
	Number of ordinary share outstanding at the end of the year		1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
			40.86	**38.21**	**39.02**	**36.36**
50	**Net operating cash flow per share (NOCFPS)**					
	Net operating cash flow		37,627,065,225	3,725,014,156	24,999,023,216	1,165,731,717
	Number of ordinary share outstanding at the end of the year		1,496,585,328	1,496,585,328	1,496,585,328	1,496,585,328
			25.14	**2.49**	**16.70**	**0.78**

51 General Disclosures

51.1 Audit Committee

An audit committee was constituted by the Board of Directors of BRAC Bank Limited in its 23rd meeting held on 02 March 2003. As on 31 December 2022, the Audit Committee as under:

Sl No	Name of the director	Status with the Bank	Status with the committee	Educational qualification
01	Ms. Farzana Ahmed	Independent Director	Chairman	MA (Hons) Philosophy, Politics, Economics & Chartered Accountant
02	Ms. Fahima Choudhury	Independent Director	Member	B.Sc. (Hons.) Management and M.Sc. Management from London School of Economics and Political Science, the United Kingdom
03	Dr. Zahid Hussain	Independent Director	Member	Ph.D. in Economics, Boston University

During the year ended 31 December 2022, the Audit Committee of the Board conducted 08 (Eight) meeting in which among others, the following issues were discussed:

- Risk Based Audit Plan 2023
- Revised Manual of Audit Procedures and Revised Audit Charter 2022
- Revised Audit Policy, Compliance Policy, Monitoring Policy and Internal Control & Compliance Policy 2022
- Concurrent Audit Policy 2022
- Year Summary of Internal Audit Observations for the year 2021
- Overall effectiveness of Internal Control System.
- Fraud/forgeries and operational loss report
- Annual Health Report of BRAC Bank Limited 2021
- Management Report of BRAC Bank Limited for the year ended 31 December 2021
- Summary of Audit Observations of Branch, SKB, SMESC, Departments/Division and IT Departments 2022
- Compliance Status 2020 and 2021

51.2 Particulars of Board of Directors

i) Name of Directors and the entities in which they have interest as on 31 December 2022:

Sl No	Name of director	Status with the Bank	Name of the firms/companies in which they have interest	Educational qualification
1	Dr. Ahsan H. Mansur	Chairman Independent Director	Policy Research Institute of Bangladesh (PRI) Walton Hi-Tech Industries Ltd Water Garden Resort and Spa	Ph.D in Economics, University of Western Ontario, Canada, M.A. Economics, McMaster University, Canada, M.A. in Economics, University of Dhaka, Bangladesh
2	Mr. Asif Saleh (Nominated by BRAC)	Nominated Director	BRAC IT Services Limited BRAC Net Limited Institute of Informatics and Development (IID) Edotco Bangladesh Co. Ltd. BRAC Kaiyachara Tea Company Ltd BRAC OSIRIS Impact Ventures Ltd. BRAC Kumon Affordable Health Care Trust BRAC Probashbondhu Ltd bKash Limited	Masters of Business Administration, New York University, Stern School of Management
3	Ms. Fahima Choudhury	Independent Director	Ogilvy & Mather Communications Pvt. Ltd Adcomm Ltd. Adcomm Holdings Ltd. Aktivision Advertising Ltd Graphic People Nazimgarh Resorts Ltd Northbrook Consultants Ltd Screaming Girl Production Ltd. Software People BRAC EPL Investments limited BRAC EPL Stock Brokerage Limited. Northern Resort bKash Limited	B.Sc. (Hons.) Management and M.Sc. Management from London School of Economics and Political Science, the United Kingdom
4	Ms. Farzana Ahmed	Independent Director	Kids Tutorial	MA (Hons) Philosophy, Politics, Economics & Chartered Accountant
5	Dr. Zahid Hussain	Independent Director	BRAC EPL Stock Brokerage Limited BRAC EPL Investment Limited World Bank, Bangladesh	Ph.D. in Economics, Boston University
6	Mr. Meheriar M Hasan (Nominated by BRAC)	Nominated Director	Toyota Financial Savings Bank bKash Limited	Master of Science in Finance, USA, BA in Economics
7	Mr. Shameran Bahar Abed	Nominated Director	bKash Limited BRAC OSIRIS Impact Ventures Ltd.	BA in Economics, USA, Bar-at-Law, UK
8	Dr. Mustafa Kamal Mujeri	Independent Director	Institute for inclusive Finance and Development (InM)	Ph.D. in Economics from McMaster University, Canada M.A in Economics from McMaster University
9	Mr. Faruq Mayeenuddin Ahmed	Independent Director	N/A	MSS in Economics, University of Dhaka
10	Mr. Salek Ahmed Abul Masrur	Independent Director	N/A	MBA ,The University of Tennessee, USA, BBA The Tri-State University of Indiana.
11	Mr. Selim R.F. Hussain	Managing Director & CEO	Industrial and Infrastructure Development Finance Company (IIDFC) BRAC EPL Investments Ltd. BRAC EPL Stock Brokerage Ltd. bKash Limited BRAC IT Services Limited BRAC Sajaan Exchange Ltd Association of Bankers, Bangladesh	MBA (IBA), University of Dhaka

The bank carried out transactions with related parties in the normal course of business on an arms length basis. As on 31 December 2022, the bank had following transactions with the 'Related Party/(ies)' as defined in the BRPD circulars no. 14 issued by the Bangladesh Bank on 25 June 2003.

Details of transactions with related parties can be found at Annexure-J	Taka
ii) Significant contracts where bank is a party and wherein Directors have interest:	Nil
iii) Shares issued to Directors and executives without consideration or exercisable at discount	Nil
iv) Lending Policies to related parties: Lending to related parties is effected as per requirement of section 27(1) of the Banking Companies Act ,1991.	Nil
v) Loan and advances to Directors and subsidiaries: Classification Status	989,873,937 Unclassified
vi) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Banking Companies Act,1991.	Nil
vii) Investment in the Securities of Directors and their related concern	Nil

51.3 Claim not Acknowledged as Debt

There was no claim against the Bank not acknowledged as debt as on 31 December 2022.

51.4 Number of Employees

The number of employees including contractual engaged for the whole year or part there of who received a total yearly remuneration of Tk. 36,000 or above were 7,863 (2021: 7,619).

51.5 Events after the Balance Sheet Date

A. The Board of Directors in its 343rd Board meeting held on 11 April 2023 has proposed total 15% dividend (Cash dividend: 7.50% and stock dividend: 7.50%) subject to the approval of the shareholders at the next Annual General Meeting.

Managing Director and CEO | **Director** | **Director** | **Chairman**

BRAC Bank Limited and its subsidiaries

Annexure - A

Highlights on the overall Activities

As at 31 December 2022

Amount in Taka unless otherwise specified

Particulars	Note	Consolidated		BRAC Bank Limited	
		2022	2021	2022	2021
Paid-up capital	18.2	14,965,853,280	13,921,723,990	14,965,853,280	13,921,723,990
Total capital including general provisions	18.8	73,680,623,604	68,878,604,871	49,118,601,214	44,131,714,066
Capital surplus	18.8	26,140,806,772	26,718,367,531	5,389,635,623	5,711,756,543
Total assets		655,937,320,087	527,912,923,582	563,238,978,302	449,084,124,881
Total deposits	16	447,058,816,329	364,329,900,482	384,466,775,242	314,590,914,520
Total loans and advances	8	412,084,750,584	322,135,188,439	410,676,406,960	321,212,230,987
Total contingent liabilities and commitments	25	165,844,601,581	134,196,808,993	165,844,601,581	134,196,808,993
Income from investments	29	7,585,930,404	7,142,434,925	5,184,549,425	5,780,677,077
Profit after tax and provisions		6,121,996,724	4,652,600,294	5,763,173,573	5,546,930,564
Amount of classified loans during the current year	8.9	16,493,938,006	13,747,867,323	15,268,631,102	12,522,560,419
Provision kept against classified loans	17.1	10,613,210,514	10,179,609,769	9,401,374,744	8,960,504,600
Provisions surplus/deficit	8.11	1,945,401,964	1,139,138,134	1,945,401,964	1,139,138,134
Interest earning assets		632,686,260,328	507,237,092,081	547,340,438,588	434,883,338,336
Non-interest earning assets		23,251,059,759	20,675,831,501	15,898,539,714	14,200,786,545
Credit deposit ratio (Loans and Advances/Deposits)*		-	-	79.94%	81.86%
Percentage of classified loans against total loans and advances		4.00%	4.27%	3.72%	3.90%
NPL coverage ratio (incl. GP)		110%	121%	111%	124%
Total Capital to Risk-weighted Asset Ratio		19.37%	20.42%	14.04%	14.36%
Cost of fund		4.33%	4.16%	4.83%	4.49%
Cost to income ratio		70%	68%	58%	53%
Return on investment (ROI) [PAT/(Shareholders equity+Borrowings)]		4.78%	5.79%	4.69%	6.04%
Return on assets (ROA) [PAT/Average assets]		1.02%	1.11%	1.14%	1.31%
Return on equity (ROE)[PAT/Average shareholders equity]		10.16%	10.38%	10.22%	11.00%
Earnings per share [previous years figure restated]	48	4.02	3.65	3.85	3.71
Net income per share [(PAT-Dividend on preference share/No. of Ordinary Shares)] [previous years figure restated]		4.02	3.65	3.85	3.71
Price earning ratio (Market price per share/EPS)		-	-	10.00	13.88
Net Asset Value per Share (NAV) [(Shareholders equity- Preference Share)/No. of Ordinary Share] [previous years figure restated]	49	40.86	38.21	39.02	36.36
Net Operating Cash Flow Per Share [previous years figure restated]	50	25.14	2.49	16.70	0.78

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

BRAC Bank Limited

Annexure B-1

Statement of outstanding unreconciled entries in nostro accounts (foreign)

As at 31 December 2022

Nostro Account represents outstanding transactions (net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as at 31 December 2022 is given below:

Amount in USD

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	306	1,862,242	69	16,370,163	39	18,902,906	720	41,224,756
02	More than 03 months but less than 06 months	-	-	1	635	-	-	40	585,830
03	More than 06 months but less than 09 months	-	-	1	2,953.14	-	-	12	403,325
04	More than 09 months but less than 12 months	-	-	-	-	-	-	7	106,199
05	More than 12 months	-	-	-	-	-	-	2	65,559
	Total	**306**	**1,862,242**	**71**	**16,373,751**	**39**	**18,902,906**	**781**	**42,385,668**

As at 31 December 2021

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	509	17,105,576	253	16,159,227	69	3,592,222	804	31,786,404
02	More than 03 months but less than 06 months	-	-	2.00	42,215.41	-	-	79	328,671
03	More than 06 months but less than 09 months	-	-	1.00	2,547.91	-	-	6	25,719
04	More than 09 months but less than 12 months	-	-	-	-	-	-	3	7,257
05	More than 12 months	-	-	-	-	-	-	1	2,103
	Total	**509**	**17,105,576**	**256**	**16,203,990**	**69**	**3,592,222**	**893**	**32,150,154**

Annexure B-2

BRAC Bank Limited

Statement of outstanding unreconciled entries in nostro accounts (local)

As at 31 December 2022

Amount in Taka

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	12	2,606,294	-	-	208	11,116,157	31	12,102,911
02	More than 03 months but less than 06 months	2	361,270	4	403	7	2,006,046	11	1,969,898
03	More than 06 months but less than 09 months	-	-	-	-	-	-	3	20,904
04	More than 09 months but less than 12 months	-	-	-	-	-	-	-	-
05	More than 12 months	-	-	27	734,389	24	2,118,119	18	847,269
	Total	**14**	**2,967,564**	**31**	**734,792**	**239**	**15,240,322**	**63**	**14,940,982**

As at 31 December 2021

SL No	Period of Unreconciliation	As per Local Book				As perCorrespondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	4	546,434	-	-	75	11,881,903	6	10,296,527
02	More than 03 months but less than 06 months	-	-	-	-	-	-	-	-
03	More than 06 months but less than 09 months	1	4,000	-	-	-	-	1	79,713
04	More than 09 months but less than 12 months	-	-	-	-	-	-	1	420,287
05	More than 12 months	-	-	27	734,389	23	2,115,119	16	347,269
	Total	**5**	**550,434**	**27**	**734,389**	**98**	**13,997,022**	**24**	**11,143,796**

Annexure C

BRAC Bank Limited

Balance with other banks-outside Bangladesh (Nostro Account)

As at 31 December 2022

Amount in Taka

Name of Bank	Currency	A/C Type	2022			2021		
			Amount in foreign currency	Exchange rate	Equivalent Taka	Amount in foreign currency	Exchange rate	Equivalent Taka
DBU balance:								
Standard Chartered Bank, New York, USA	USD	CD	6,274,971	103.30	648,185,631	5,803,452	85.80	497,936,217
Standard Chartered Bank, United Kingdom	GBP	CD	867,336	124.43	107,923,960	138,528	115.70	16,027,822
Standard Chartered Bank, Frankfurt, Germany	EUR	CD	3,345,369	110.01	368,010,970	147,482	97.12	14,323,040
Mashreq Bank, New York, USA	USD	CD	1,450,661	103.30	149,848,892	815,183	85.80	69,942,687
Bank of Tokyo Mitsubishi UFJ Ltd	JPY	CD	26,540,649	0.77	20,512,994	8,019,542	0.75	5,975,580
ICICI Bank Limited, Mumbai, India	USD	CD	722,553	103.30	74,637,602	81,145	85.80	6,962,245
Zuercher Kantonal Bank, Switzerland	CHF	CD	121,981	111.74	13,630,753	39,709	93.71	3,721,299
Commerz Bank AG, Germany (USD)	USD	CD	62,605	103.30	6,466,957	22,244	85.80	1,908,554
Commerz Bank AG, Germany (EURO)	EUR	CD	135,632	110.01	14,920,292	(749,663)	97.12	(72,805,071)
Commerz Bank, Frankfurt, Germany (GBP)	GBP	CD	50	124.43	6,254	50	115.70	5,815
JP Morgan Chase Bank, New York, USA	USD	CD	6,892,723	103.30	711,997,619	3,863,054	85.80	331,450,001
HDFC Bank Limited, India	USD	CD	2,490,389	103.30	257,249,753	226,802	85.80	19,459,599
Habib Bank Limited, Pakistan	USD	CD	-	103.30	-	20,866	85.80	1,790,293
JP Morgan Chase Bank, Sydney (AUD)	AUD	CD	119,146	69.44	8,273,641	9,713,312	62.33	605,425,151
AB Bank Limited, Mumbai, India	USD	CD	435,059	103.30	44,940,238	193,907	85.80	16,637,248
AXIS Bank Limited, Kolkata (ACU)	USD	CD	552,652	103.30	57,087,322	516,628	85.80	44,326,693
Abu Dhabi Commercial Bank (AED)	AED	CD	184,696	28.13	5,194,973	265,268	23.36	6,196,415
Kookmin Bank, Seoul, South Korea (USD)	USD	CD	58,466	103.30	6,039,326	72,116	85.80	6,187,529
Citi Bank N.A., New York, USA	USD	CD	397,783	103.30	41,089,751	289,565	85.80	24,844,680
Shanghai Pudong Development Bank Co. Ltd, China (CNY)	CNY	CD	135,569	14.84	2,011,473	60,410	13.46	813,173
DBS Bank Ltd, Singapore (SGD)	SGD	CD	226,591	76.60	17,357,195	212,688	63.41	13,486,513
Punjab National Bank, Kolkata (USD)	USD	CD	1,121,697	103.30	115,867,928	353,276	85.80	30,311,059
Al Rajhi Bank, Riyadh (SAR)	SAR	CD	116,019	27.47	3,187,340			
Meezan Bank Limited, Gtb Karachi, ACU (USD)	USD	CD	687,200	103.30	70,985,659			
					2,745,426,523			**1,644,926,542**
OBU balance:								
JP Morgan Chase Bank, New York	USD	CD	6,799,986	103.30	702,418,166	1,612,754	85.80	138,374,289
JP Morgan AG, Frankfurt, Germany	EUR	CD	233,019	109.71	25,564,909	4,373	97.27	425,313
JP Morgan Chase Bank, NA, London	GBP	CD	11,183	124.32	1,390,286	12,609	115.72	1,459,054
					729,373,361			140,258,656
Total					**3,474,799,884**			**1,785,185,198**

Annexure D

BRAC Bank Limited

Investment in shares, mutual funds and quoted bonds

As at 31 December 2022

Amount in Taka

Sl. no	Name of the company	Industry	Face value	No. of shares	Cost of holding	Average costing price	Market Price	Total market value (Tk)
	Quoted ordinary shares							
1	Bata Shoe Company (Bangladesh) Limited	Tannery Industries	10	86,193	91,771,631	1,064.72	952.30	82,081,594
2	Berger Paints Bangladesh Ltd.	Miscellaneous	10	360,946	614,266,461	1,701.82	1,722.60	621,765,580
3	Eastern Bank Limited	Bank	10	1,575,243	44,926,754	28.52	31.80	50,092,727
4	Grameenphone Limited	Telecommunication	10	3,100,427	1,000,947,718	322.84	286.60	888,582,378
5	Linde Bangladesh Limited	Fuel & Power	10	98,165	128,911,193	1,313.21	1,397.70	137,205,221
6	Marico Bangladesh Limited	Pharmaceuticals & Chemicals	10	494,626	1,069,411,830	2,162.06	2,421.50	1,197,736,859
7	Renata Limited	Pharmaceuticals & Chemicals	10	127,981	129,022,131	1,008.14	1,217.90	155,868,060
8	Singer Bangladesh Limited	Engineering	10	2,039,109	355,561,149	174.37	151.90	309,740,657
9	Square Pharmaceuticals Limited	Pharmaceuticals & Chemicals	10	6,071,734	1,244,188,214	204.91	209.80	1,273,849,793
					4,679,007,081			**4,716,922,869**
	Quoted corporate Bond							
1	APSCL redeemable coupon bearing bond	Corporate Bond	5,000	100,000	**500,000,000**	5,000.00	5,500.00	**550,000,000**
					500,000,000			**550,000,000**
	Unquoted shares and mutual funds							
1	Industrial and Infrastructure Development Finance Co. Limited (IIDFC)		10	10,449,259	29,683,820			
2	Central Depository Bangladesh Limited (CDBL)		10	2,284,721	6,277,770			
3	The Bangladesh Rating Agency Limited (BRAL)		100	106,717	10,671,700			
4	Blue Wealth 1st Balance Fund		10	2,500,000	25,000,000			
5	EDGE Al-Amin Shariah Consumer Fund		10	2,500,000	25,000,000			
6	EDGE High Quality Income Fund		10	2,500,000	25,000,000			
7	Ekush Growth Fund		10	2,500,000	25,000,000			
8	HFAML Shariah Unit Fund		10	2,000,000	20,000,000			
9	IDLC Balanced Fund		10	4,511,370	45,113,700			
10	VIPB Accelerated Income Unit Fund		10	4,600,000	51,198,000			
11	VIPB Growth Fund		10	2,014,000	20,140,000			
12	VIPB NLI 1st Unit Fund		10	7,218,585	72,185,850			
13	VIPB SEBL 1st Unit Fund		10	13,323,467	133,234,670			
					488,505,510			
	Preference shares							
1	Union Capital Preference Share		2,500,000	1	2,500,000			
					2,500,000			

Annexure E

BRAC Bank Limited

Schedule of Fixed Assets

As at 31 December 2022

Amount in Taka

Particulars	Cost				Depreciation				Written-down value as at 31 December 2022
	Opening balance as on 01 January 2022	Addition/ Revaluation during the year	Disposals/ Adjustments during the year	Total balance as at 31 December 2022	Opening balance as on 01 January 2022	Charge during the year	Disposals/ Adjustments during the year	Total balance as at 31 December 2022	
Property, plant & equipments									
Land	527,275,400	-	-	527,275,400	-	-	-	-	527,275,400
Office floor space	4,034,334	-	-	4,034,334	923,190	100,858	-	1,024,048	3,010,286
Furniture & fixture	2,140,914,383	117,645,818	87,738,105	2,170,822,096	1,530,914,211	139,671,303	86,961,413	1,583,624,101	587,197,995
Office equipments	1,344,953,601	84,716,918	68,502,007	1,361,168,512	1,204,097,640	81,295,046	68,478,599	1,216,914,087	144,254,425
IT Hardware	3,049,688,043	602,165,146	376,349,158	3,275,504,031	2,303,039,328	393,579,196	376,152,265	2,320,466,259	955,037,772
Motor vehicles	354,296,880	68,200,910	-	422,497,790	286,197,878	52,113,021	-	338,310,899	84,186,891
Right of use assets (RoU)	5,489,602,469	811,886,704	198,464,994	6,103,024,179	1,339,172,702	777,297,844	197,223,267	1,919,247,279	4,183,776,900
Capital expenditure work in progress	251,206,513	502,011,558	546,098,849	207,119,222	-	-	-	-	207,119,222
Sub-total	**13,161,971,623**	**2,186,627,053**	**1,277,153,112**	**14,071,445,564**	**6,664,344,949**	**1,444,057,267**	**728,815,544**	**7,379,586,672**	**6,691,858,891**
Intangible assets:									
With definite useful lives:									
IT Software	2,322,117,221	478,328,146	-	2,800,445,367	1,364,876,496	348,081,068	-	1,712,957,564	1,087,487,802
Sub-total	**2,322,117,221**	**478,328,146**	**-**	**2,800,445,367**	**1,364,876,496**	**348,081,068**	**-**	**1,712,957,564**	**1,087,487,802**
As at 31 December 2022	**15,484,088,844**	**2,664,955,199**	**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

Schedule of Fixed Assets

As at 31 December 2021

Amount in Taka

Particulars	Cost				Depreciation				Written-down value as at 31 December 2022
	Opening balance as on 01 January 2021	Addition/ Revaluation during the year	Disposals/ Adjustments during the year	Total balance as at 31 December 2021	Opening balance as on 01 January 2021	Charge during the year	Disposals/ Adjustments during the year	Total balance as at 31 December 2022	
Property, plant & equipments									
Land	527,275,400	-	-	527,275,400	-	-	-	-	527,275,400
Leasehold Building	4,034,334	-	-	4,034,334	822,332	100,858	-	923,190	3,111,144
Furniture & fixture	2,096,550,341	58,151,911	13,787,869	2,140,914,383	1,395,740,435	148,736,943	13,563,167	1,530,914,211	610,000,172
Office equipments	1,307,461,739	48,474,903	10,983,041	1,344,953,601	1,120,463,136	94,567,471	10,932,967	1,204,097,640	140,855,961
IT Hardware	2,900,091,204	171,197,743	21,600,904	3,049,688,043	1,970,565,211	353,862,417	21,388,300	2,303,039,328	746,648,715
Motor vehicles	354,296,880	-	-	354,296,880	221,679,496	64,518,382	-	286,197,878	68,099,002
Right of use assets (RoU)	4,374,375,108	2,600,924,979	1,485,697,618	5,489,602,469	1,465,505,184	762,397,055	888,729,537	1,339,172,702	4,150,429,767
Capital expenditure work in progress	402,817,173	108,642,199	260,252,859	251,206,513	-	-	-	-	251,206,513
Sub-total	**11,966,902,179**	**2,987,391,735**	**1,792,322,291**	**13,161,971,623**	**6,174,775,794**	**1,424,183,126**	**934,613,971**	**6,664,344,949**	**6,497,626,674**
Intangible assets:									
With definite useful lives:									
IT Software	2,093,396,465	228,720,756	-	2,322,117,221	1,056,948,166	307,928,330	-	1,364,876,496	957,240,725
Sub-total	2,093,396,465	228,720,756	-	2,322,117,221	1,056,948,166	307,928,330	-	1,364,876,496	957,240,725
As at 31 December 2021	**14,060,298,644**	**3,216,112,491**	**1,792,322,291**	**15,484,088,844**	**7,231,723,960**	**1,732,111,456**	**934,613,971**	**8,029,221,445**	**7,454,867,399**

Annexure F

BRAC Bank Limited

Statement of Tax Position

As at 31 December 2022

Amount in Taka

Accounting year	Assessment year	Gross tax provision in financial statements	Adjustment of excess/deficit provision during 2022	Net tax provision in financial Statements	Tax as perlatest assessment	(Short)/ Excess provision	Advance tax as per assessment order	Present status
2009	2010-2011	1,140,000,000	-	1,140,000,000	1,226,332,530	(86,332,530)	1,225,978,580	Assessment in progress and filed appeal before Honorable High Court against the Order of The Taxes Appellate Tribunal
2010	2011-2012	1,416,240,000	-	1,416,240,000	1,316,974,555	99,265,445	1,228,668,951	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2011	2012-2013	1,460,000,000	-	1,460,000,000	1,535,641,921	(75,641,921)	1,256,758,569	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2012	2013-2014	1,530,000,000	-	1,530,000,000	1,537,477,180	(7,477,180)	1,304,653,579	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2013	2014-2015	1,797,698,269	-	1,797,698,269	1,536,388,741	261,309,528	1,088,661,543	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2014	2015-2016	2,097,475,597	-	2,097,475,597	1,916,762,068	180,713,529	1,250,930,480	Appeal in progress before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2015	2016-2017	2,250,022,595	-	2,250,022,595	2,269,625,619	(19,603,024)	1,540,453,195	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2016	2017-2018	2,629,520,979	-	2,629,520,979	2,177,689,835	451,831,144	1,739,275,075	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2017	2018-2019	3,196,240,955	-	3,196,240,955	2,880,663,875	315,577,080	2,402,077,500	Assessment in progress and filed appeal before The Honorable High Court Division against the order of The Taxes Appellate Tribunal
2018	2019-2020	2,523,031,538	-	2,523,031,538	2,601,281,979	(78,250,441)	2,459,662,676	Appeal filled to Commissioner Taxes of Appeal against the DCT Assessment Order
2019	2020-2021	3,718,904,812	-	3,718,904,812	3,432,353,978	286,550,834	3,432,353,978	Tax return submitted for the assessment
2020	2021-2022	2,728,499,267	(191,123,342)	2,537,375,925	2,466,141,523	71,234,402	2,174,170,846	Tax return submitted for the assessment
2021	2022-2023	4,067,399,481	(500,000,000)	3,567,399,481	3,899,871,425	(332,471,944)	3,771,290,998	Tax return submitted for the assessment
2022	2023-2024	3,905,699,754	(140,000,000)	3,765,699,754				Not yet due to submit Tax Return

Annexure G

BRAC Bank Limited

Statement of Segment Reporting

For the year ended 31 December 2022

Amount in Taka

Particulars	SME	Retail	Corporate	Treasury	Total
Total external revenue	14,800,252,361	1,492,851,642	3,449,646,545	6,828,159,486	26,570,910,034
Inter segment revenue /(expenses)	(6,887,543,453)	6,230,297,901	1,866,871,065	(1,209,625,513)	-
Total segment revenue	**7,912,708,908**	**7,723,149,543**	**5,316,517,610**	**5,618,533,973**	**26,570,910,034**
Total segment operating expenses	6,909,617,085	6,292,696,657	1,661,389,682	577,957,690	15,441,661,114
Segment operating profit/(loss)	**1,003,091,823**	**1,430,452,886**	**3,655,127,928**	**5,040,576,283**	**11,129,248,920**

For the year ended 31 December 2021

Particulars	SME	Retail	Corporate	Treasury	Total
Total external revenue	11,628,176,923	1,508,130,376	4,199,827,507	6,027,755,292	23,363,890,098
Inter segment income /(expenses)	(4,051,915,294)	5,224,979,657	418,513,593	(1,591,577,956)	-
Total segment revenue	**7,576,261,629**	**6,733,110,033**	**4,618,341,100**	**4,436,177,336**	**23,363,890,098**
Total segment operating expenses	5,395,517,168	5,285,573,794	1,415,952,685	322,952,631	12,419,996,278
Segment operating profit/(loss)	**2,180,744,461**	**1,447,536,239**	**3,202,388,415**	**4,113,224,705**	**10,943,893,820**

Segmental assets and liabilities

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

BRAC Bank Limited
Off-shore Banking Units

Financial Statements

as at and for the year ended 31 December 2022

Annexure - H

Off-shore Banking Units

Balance Sheet

As at 31 December 2022

Particulars	Note	2022		2021	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash		-	-	-	-
Cash in hand (Including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		-	-	-	-
Balance with other banks and financial institutions	**3**	**23,060,934**	**2,382,125,360**	**69,634,716**	**5,974,658,656**
Inside Bangladesh		-	-	-	-
Outside Bangladesh		23,060,934	2,382,125,360	69,634,716	5,974,658,656
Money at call on short notice		-	-	-	-
Investments		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
Loans and advances	**4**	**478,265,314**	**49,403,372,046**	**402,592,989**	**34,542,478,506**
Loans, cash credit, overdrafts etc.		457,081,025	47,215,098,555	375,658,784	32,231,523,671
Small and medium enterprises		1,312,019	135,527,658	1,712,685	146,948,408
Bills purchased and discounted		19,872,270	2,052,745,833	25,221,520	2,164,006,427
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	**5**	9,795,692	1,005,074,422	9,272,615	795,603,813
Total Property and Assets		**511,121,940**	**52,790,571,828**	**481,500,320**	**41,312,740,975**
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	**6**	**447,328,736**	**46,207,716,494**	**422,378,794**	**36,240,100,482**
Money at call and short notice		-	-	-	-
Deposits and other accounts	**7**	21,650,219	2,236,402,572	9,716,023	833,634,780
Current accounts and other accounts		626,567	64,722,483	809,354	69,442,595
Bills payable		-	-	-	-
Savings deposits		-	-	-	-
Fixed deposits		20,300,041	2,096,933,295	8,633,540	740,757,724
Other deposits		723,611	74,746,794	273,129	23,434,461
Other liabilities	**8**	**48,012,922**	**4,214,678,041**	**54,361,285**	**4,496,927,343**
Total Liabilities		**516,991,877**	**52,658,797,107**	**486,456,102**	**41,570,662,605**
Capital and Shareholders' Equity					
Paid up share capital		-	-	-	-
Statutory reserve		-	-	-	-
Revaluation reserve		-	-	-	-
Foreign currency translation reserve		-	329,930,810	-	12,610,122
Surplus in profit and loss account/ Retained earnings	**9**	(5,869,937)	(198,156,089)	(4,955,782)	(270,531,752)
Total shareholders' equity		**(5,869,937)**	**131,774,721**	**(4,955,782)**	**(257,921,630)**
Total Liabilities and Shareholders' Equity		**511,121,940**	**52,790,571,828**	**481,500,320**	**41,312,740,975**

Continuation of Annexure - H

Off-shore Banking Units

Balance Sheet

As at 31 December 2022

Particulars	Note	2022		2021	
		USD	Taka	USD	Taka
Off balance sheet items					
Contingent liabilities					
Acceptances and endorsements		10,857,616	1,121,559,199	12,205,159	1,032,165,486
Letter of guarantees		1,580,960	163,308,451	-	-
Irrevocable letter of credits		-	-	5,118,638	436,927,963
Bills for collection		14,422,755	1,489,827,345	13,693,469	1,129,567,424
Other contingent liabilities		-	-	176,241	-
Total		**26,861,331**	**2,774,694,995**	**31,193,507**	**2,598,660,873**
Other commitments					
Swap deals with banks and customers		-	-	-	-
Spot and forward deals with banks and customers		-	-	-	-
		-	-	-	-
Total off balance sheet items		**26,861,331**	**2,774,694,995**	**31,193,507**	**2,598,660,873**

Continuation of Annexure - H

Off-shore Banking Units

Profit and Loss Account

For the year ended 31 December 2022

Particulars	Note	2022 USD	2022 Taka	2021 USD	2021 Taka
Interest income	10	21,862,980	2,087,787,637	10,637,272	905,068,309
Interest paid on deposits and borrowing etc.	11	15,802,206	1,514,202,169	6,883,601	576,258,553
Net interest income		**6,060,774**	**573,585,468**	**3,753,671**	**328,809,756**
Investment income		-	-	-	-
Commission, exchange and brokerage	12	602,932	55,988,752	508,614	43,131,460
Other operating income	13	391,005	36,401,181	529,967	45,018,624
Total operating income		**7,054,711**	**665,975,401**	**4,792,252**	**416,959,840**
Salaries and allowances		1,088,154	102,230,848	830,182	70,720,500
Rent, taxes, insurance, electricity etc.	14	89,169	8,355,139	78,498	13,874,663
Legal expenses		52	4,996	-	-
Postage, stamps, telecommunication etc.	15	4,932	459,035	4,024	342,605
Stationery, printing, advertisement etc.	16	9,218	871,479	4,466	381,255
Depreciation and repairs to bank's assets		119,857	11,275,665	103,166	8,785,868
Other expenses		677,532	63,737,066	202,099	17,215,042
Total operating expenses		**1,988,914**	**186,934,228**	**1,222,435**	**111,319,933**
Profit before provisions		**5,065,797**	**479,041,173**	**3,569,817**	**305,639,907**
Provision for:					
Loans and advances	17	4,787,320	406,665,510	10,976,329	938,079,064
Off balance sheet items		-	-	-	-
Others		-	-	-	-
Total provision		**4,787,320**	**406,665,510**	**10,976,329**	**938,079,064**
Profit/(loss) before taxes		**278,477**	**72,375,663**	**(7,406,512)**	**(632,439,157)**
Provision for tax:					
Current tax expense		-	-	-	-
Deferred tax expense/ (income)		-	-	-	-
Total provision for tax	18	-	-	-	-
Total profit/(loss) after taxes		**278,477.00**	**72,375,663**	**(7,406,512)**	**(632,439,157)**

Continuation of Annexure - H

Off-shore Banking Units

Cash Flow Statement

For the year ended 31 December 2022

	Particulars	2022 USD	2022 Taka	2021 USD	2021 Taka
A.	**Cash flows from operating activities**				
	Interest receipts in cash	15,581,532	1,394,352,068	9,543,342	809,552,379
	Interest payment	(12,722,680)	(1,171,094,674)	(6,790,073)	(566,899,959)
	Fees and commissions receipts	602,932	55,988,753	508,613	43,131,459
	Cash payments to employees	(1,088,154)	(102,230,848)	(830,183)	(70,720,500)
	Cash payments to suppliers	(14,150)	(1,330,513)	(8,489)	(723,860)
	Receipts from other operating activities	391,005	36,401,181	530,005	45,021,853
	Payment for other operating activities :	(418,015)	(43,711,111)	(346,800)	(36,747,012)
	Operating cash flow before changes in operating assets and liabilities (i)	**2,332,470**	**168,374,856**	**2,606,415**	**222,614,360**
	Increase/decrease in operating assets and liabilities				
	Loans and advances to customers	(75,672,323)	(14,860,893,539)	(157,942,112)	(13,795,814,994)
	Other assets	(6,933,789)	483,784,961	67,943	(577,465)
	Deposits from other banks/borrowings	24,949,943	9,967,616,012	154,703,199	13,540,915,651
	Deposits from customers	11,934,195	1,402,767,792	146,412	22,121,222
	Other liabilities	(3,184,278)	(796,591,722)	2,730,913	201,113,661
	Cash utilised in operating assets and liabilities (ii)	(48,906,252)	(3,803,316,496)	(293,645)	(32,241,925)
	Net cash (used)/flows from operating activities (i+ii)	**(46,573,782)**	**(3,634,941,640)**	**2,312,770**	**190,372,435**
B.	**Cash flows from investing activities**				
	Investment in commercial paper	-	-	-	-
	Net cash used in investing activities	-	-	-	-
C.	**Cash flows from financing activities**	**-**	**-**	**-**	**-**
D.	Net increase/(decrease) in cash (A+B+C)	(46,573,782)	(3,634,941,640)	2,312,770	190,372,435
E.	Cash and cash equivalents at beginning of year	69,634,716	5,974,658,656	67,321,946	5,708,975,151
	Exchange difference	-	42,408,344	-	75,311,070
	Cash and cash equivalents at the end of year (D+E)	**23,060,934**	**2,382,125,360**	**69,634,716**	**5,974,658,656**
	Cash and cash equivalents at the end of the year:				
	Cash in hand (including foreign currency)	-	-	-	-
	Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	-	-	-	-
	Balance with other banks and financial institutions	23,060,934	2,382,125,360	69,634,716	5,974,658,656
		23,060,934	**2,382,125,360**	**69,634,716**	**5,974,658,656**

Off-Shore Banking Units

Continuation of Annexure - H

Notes to the financial statements

as at and for the year ended 31 December 2022

1 Status of the units

Off-shore Banking Units of BRAC Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The bank commenced the operation of its Off-shore banking Unit from 2010 after obtaining necessary approval from Bangladesh Bank.

1.1 Principal Activities

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its off-shore Banking units in Bangladesh.

2 Summary of significant accounting policies and basis of preparation

2.1 A summary of the principle accounting policies which have been applied consistently (unless otherwise stated), are set out below:

a) Basis of accounting

The off-shore Banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Companies Act 1991, International Financial Reporting Standards and other applicable directives issued by Bangladesh Bank.

b) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

c) Foreign currency transactions and translations to presentation currency

Foreign currency transactions are converted into equivalent functional currency i.e. USD using the exchange rates ruling on the dates of respective transactions as per IAS -21" The Effects of Changes in Foreign Exchange Rates".

All revenue items have been translated to presentation currency i.e. BDT at average rate and all balance sheet items except retained earnings were translated to presentation currency at the closing rate. Any resulting differences have been recognised as foreign currency translation reserve.

Commitments for outstanding forward foreign exchange contracts disclosed in the financials are translated at contracted rates. Contingent liabilities/ commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

2.2 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2022.

2.3 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, highly liquid interest bearing investment/securities with original maturities of less than three month.

As per IAS 7 Statement of Cash Flows, cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry . The method selected is applied consistently. As per BRPD 14 dated 25 June 2003, cash flow statement should be a mixture of direct and indirect method.

2.4 Loans and advances

a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.
b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

2.5 Provision for liabilities

A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 " Provisions, Contingent Liabilities and Contingent Assets".

2.6 General

a) Figures appearing in these financial statements have been rounded off to the nearest Taka and rearranged wherever necessary.

	Particulars	2022 USD	2022 Taka	2021 USD	2021 Taka
3	**Balance with other banks and financial institutions**				
	JP Morgan Chase Bank, New York	6,799,986	702,418,166	1,612,754	138,374,289
	JP Morgan AG, Frankfurt, Germany	247,489	25,564,908	4,957	425,313
	JP Morgan Chase, N.A., London	13,459	1,390,286	17,005	1,459,054
	BBL OBU to Other Bank OBU placement	16,000,000	1,652,752,000	68,000,000	5,834,400,000
		23,060,934	**2,382,125,360**	**69,634,716**	**5,974,658,656**
4	**Loans and advances**				
	Loans, cash credits, overdrafts etc. (note 4.1)	457,081,025	47,215,098,555	375,658,784	32,231,523,671
	Small and medium enterprises	1,312,019	135,527,658	1,712,685	146,948,408
	Bills purchased and discounted (note 4.2)	19,872,270	2,052,745,833	25,221,520	2,164,006,427
		478,265,314	**49,403,372,046**	**402,592,989**	**34,542,478,506**
4.1	Overdrafts	2,259,757	233,426,083	5,150,889	441,946,251
	Demand loans	409,950,673	42,346,674,651	326,653,467	28,026,867,478
	Term loans	44,870,595	4,634,997,821	43,854,428	3,762,709,942
		457,081,025	**47,215,098,555**	**375,658,784**	**32,231,523,671**
4.2	Bills purchased and discounted	19,872,270	2,052,745,833	25,221,520	2,164,006,427
	Bills purchased and discounted SME	-	-	-	-
		19,872,270	**2,052,745,833**	**25,221,520**	**2,164,006,427**
5	**Other assets**				
	Interest receivables	9,207,982	944,365,760	2,926,535	250,930,191
	Deferred revenue expenditure	587,710	60,708,662	200,313	17,186,834
	Receivables against collateral margin-swap	-	-	-	180,000
	Receivable settlement account-OBU/DBU	-	-	6,145,767	527,306,788
		9,795,692	**1,005,074,422**	**9,272,615**	**795,603,813**
6	**Borrowings from other banks, financial institutions and agents**				
	Inside Bangladesh:				
	Woori Bank, Dhaka	-	-	5,000,000	429,000,000
	On Shore to BBL Off Shore	72,822,436	7,522,339,223	141,090,169	12,105,536,457
		72,822,436	**7,522,339,223**	**146,090,169**	**12,534,536,457**
	Outside Bangladesh:				
	State Bank of India, Hong Kong	24,000,000	2,479,128,000	-	-
	Nabil Bank Limited, Nepal	6,186,300	639,026,231	3,500,000	300,300,000
	HDFC Bank Limited, India	15,000,000	1,549,455,000	10,000,000	858,000,000
	Standard Chartered Bank, Singapore	5,000,000	516,485,000	27,600,000	2,368,080,000
	DBS Bank Singapore	-	-	28,000,000	2,402,400,000
	Asian Development Bank	30,000,000	3,098,910,000	30,000,000	2,574,000,000
	Axis Bank Limited	-	-	20,000,000	1,716,000,000
	Caixabank S.A.	67,000,000	6,920,899,000	30,000,000	2,574,000,000
	Siddhartha Bank Limited, Kathmandu	-	-	10,000,000	858,000,000
	The National Bank of Ras Al-Khaimah, UAE	50,000,000	5,164,850,000	17,148,000	1,471,298,400
	Abu Dhabi Commercial Bank, UAE	15,000,000	1,549,455,000	55,000,000	4,719,000,000
	First Abu Dhabi Bank PJSC, UAE	-	-	10,000,000	858,000,000
	CDC Group Plc, United Kingdom	8,580,000	886,288,260	6,540,625	561,185,625
	International Finance Corporation (IFC), USA	30,000,000	3,098,910,000	15,000,000	1,287,000,000
	JP Morgan Chase Bank N.A. Singapore	49,000,000	5,061,553,000	3,500,000	300,300,000
	Bank Muscat Saog	17,000,000	1,756,049,000	10,000,000	858,000,000
	Cargill Financial Services International	30,000,000	3,098,910,000		
	Commercial Bank Of Qatar	10,000,000	1,032,970,000		
	Mizuho Bank Ltd, Singapore	10,000,000	1,032,970,000	-	-
	Yes Bank, India	7,740,000	799,518,780	-	-
		374,506,300	**38,685,377,271**	**276,288,625**	**23,705,564,025**
		447,328,736	**46,207,716,494**	**422,378,794**	**36,240,100,482**

	Particulars	2022 USD	2022 Taka	2021 USD	2021 Taka
7	**Deposit and other accounts**				
	Local currency:				
	Current and other accounts	-	-	-	-
	Bills payable	-	-	-	-
	Saving deposits	-	-	-	-
	Fixed deposits	-	-	-	-
	Other deposits	-	-	-	-
		-	-	-	-
	Foreign currency:				
	Current and other accounts	626,567	64,722,483	809,354	69,442,595
	Bills payable	-	-	-	-
	Saving deposits	-	-	-	-
	Fixed deposits	20,300,041	2,096,933,295	8,633,540	740,757,724
	Other deposits	723,611	74,746,794	273,129	23,434,461
		21,650,219	2,236,402,572	9,716,023	833,634,780
	Total Deposit and other accounts	**21,650,219**	**2,236,402,572**	**9,716,023**	**833,634,780**
8	**Other liabilities**				
	Provisions for loans and advances	16,631,233	1,717,956,454	24,297,996	1,958,679,094
	Special provision COVID-19	361,561	37,348,170	435,293	37,348,170
	Provision on interest receivable	91,394	9,440,739	21,488	1,843,706
	Interest suspense	1,028,776	106,269,450	1,918,811	164,633,977
	Provision for taxation net off AIT	654,488	67,606,624	787,956	67,606,624
	Interest payable on borrowings	4,068,022	420,214,461	1,275,007	109,395,602
	Accrued expenses	419,620	35,607,707	(48,975)	(4,054,049)
	Suppliers payable	(680)	(70,212)	(231,137)	(19,901,732)
	Payable to on-shore	23,280,472	1,709,927,600	27,431,048	2,105,368,327
	Payable against SWIFT charge	9,048	934,644		
	Others payable	1,468,988	109,442,404	(1,526,202)	76,007,624
		48,012,922	**4,214,678,041**	**54,361,285**	**4,496,927,343**
9	**Surplus in profit and loss account/ retained earnings**				
	Balance at the beginning of the year	(4,955,782)	(270,531,752)	2,450,290	235,781,082
	Adjustment to retained earnings	(1,192,632)	-	440	126,126,323
	Add: Retained surplus for the year	278,477	72,375,663	(7,406,512)	(632,439,157)
		(5,869,937)	**(198,156,089)**	**(4,955,782)**	**(270,531,752)**
10	**Interest income**				
	Interest on loans and advances	21,824,509	2,084,233,475	10,634,503	904,832,171
	Interest on money at call and short notice	-	-	-	-
	Interest on Funding SWAP	-	-	-	-
	Other interest income	38,471	3,554,162	2,769	236,138
		21,862,980	**2,087,787,637**	**10,637,272**	**905,068,309**
11	**Interest paid on deposits and borrowing etc.**				
	Interest on deposits	490,650	46,309,807	240,178	13,228,827
	Interest on borrowing from banks & FIs	15,298,529	1,466,632,860	32,869	559,529,636
	Interest on funding SWAP	-	-	6,602,017	721,430
	Interest on money at call and short notice	13,027	1,259,502	8,537	2,778,660
		15,802,206	**1,514,202,169**	**6,883,601**	**576,258,553**
12	**Commission, exchange and brokerage**				
	Commission from letters of credit-foreign	151,603	14,154,755	140,757	11,934,049
	Import and export related fees	451,439	41,845,080	367,868	31,198,363
	Other fees	(110)	(11,083)	(11)	(952)
		602,932	**55,988,752**	**508,614**	**43,131,460**

	Particulars	2022 USD	2022 Taka	2021 USD	2021 Taka
13	**Other operating income**				
	Miscellaneous income	391,005	36,401,181	529,967	45,018,624
		391,005	**36,401,181**	**529,967**	**45,018,624**
14	**Rent, taxes, insurance, electricity etc.**				
	Rent, rates and taxes	78,667	7,369,485	68,008	5,792,896
	Insurance	1,731	163,568	1,543	7,319,806
	Power and electricity	8,002	749,423	8,029	683,964
	WASA and sewerage	769	72,663	918	77,997
		89,169	**8,355,139**	**78,498**	**13,874,663**
15	**Postage, stamp, telecommunication etc.**				
	Postage and courier	977	88,099	661	56,171
	Court fees & stamps	789	74,829	255	21,737
	Telephone- Office	3,166	296,107	3,108	264,697
		4,932	**459,035**	**4,024**	**342,605**
16	**Stationery, printing, advertisement etc.**				
	Stationery and printing	3,368	318,286	1,473	125,394
	Security stationery	2,383	221,764	1,309	111,589
	Advertisement	3,467	331,429	1,684	144,272
		9,218	**871,479**	**4,466**	**381,255**
17	**Provisions for loans and advances**				
	For classified loans and advances	1,830,399	178,850,259	9,487,900	810,646,253
	For unclassified loans and advances	2,883,633	220,308,571	1,488,429	127,432,811
	Provision for interest receivable	73,288	7,506,680	-	-
		4,787,320	**406,665,510**	**10,976,329**	**938,079,064**

18 Provision for tax

Offshore Banking Unit (OBU) is an integral business unit of the Bank. The income from OBU is included in the separate financial statement of the Bank and tax has been provided on total income of the Bank including income from OBU. Hence provision for tax has not been calculated for OBU portion separately.

To whom it may concern

This is to certify that as detailed in the Annexure-I, BRAC Bank Limited made the custodian transactions on account of custodian services provided during the year ended 31 December 2022, which have been verified with the books of account, invoices and other related documents as produced to us for our verification.

We also certify that management of the Bank prepared and fairly presented of the income and expenses in accordance with the requirement of the Securities and Exchange Commission (Securities Custodian Service) Rules 2003, and made necessary disclosures in the Bank's audited financial statements for the year ended 31 December 2022.

Dhaka, 11 April 2023

Sabbir Ahmed FCA, Partner
Enrolment No: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Annexure - I

BRAC Bank Limited

Custodian Service

For the year ended 31 December 2022

Particulars	2022 Taka	2021 Taka
Operating income		
Commission, exchange and brokerage	21,789,916	20,405,215
Total operating income	**21,789,916**	**20,405,215**
Operating expenses		
Salaries and allowances	2,780,388	2,805,181
Rent, taxes, insurance, electricity etc.	960,135	963,510
Postage, stamps, telecommunication etc.	149,391	121,790
Stationery, printing, advertisement etc.	924	909,363
Depreciation on and repairs to bank's assets	258,547	1,220,677
Other expenses	148,164	9,800,386
Total operating expenses	**4,297,549**	**15,820,907**
Operating profit	**17,492,367**	**4,584,308**

Annexure - J

BRAC Bank Limited

Details of transactions with related parties

For the year ended 31 December 2022

SL No.	Name of the related parties (Companies)	Relationship with BBL	Balance type	Opening balance on 01 January 2022	Additions for deposit made/loan disbursed/ interest orfees charged	Deductions for deposit withdrawn/ loan recovered	Closing balance on 31 December 2022
1	BRAC and Its associated organization	Parent Company	Deposits	14,622,760,969	267,474,069,607	267,159,314,152	14,937,516,424
2	bKash Limited	Subsidiary	Deposits	8,539,255,713	502,155,899,099	505,488,223,013	5,206,931,799
3	BRAC EPL Investments Limited	Subsidiary	Deposits	15,685,315	17,348,369,036	17,253,111,165	110,943,186
4	BRAC EPL Stock Brokerage Limited	Subsidiary	Deposits	242,464,433	7,014,725,820	6,679,549,425	577,640,828
5	BRAC IT Services Limited (biTS)	Associates	Deposits	111,170,288	493,299,919	548,651,894	55,818,313
6	BRAC SAAJAN Exchange Limited	Subsidiary	Deposits	60,647,285	41,598,001	98,224,767	4,020,519
7	Edotco Bangladesh Co. Limited	Common Board member	Deposits	120,116,043	836,366,282	955,782,510	699,815
8	Policy Research Institute of Bangladesh (PRI)	Common Board member	Deposits	849,010	875,660	812,710	911,960
9	RSA Advisory Ltd.	Common Board member	Deposits	15,515	99,340,601	95,458,288	3,897,828
10	Blue-Wealth Assets Limited	Common Board member	Deposits	4,425	48,168	690	51,903
11	Walton Hi-Tech Industries Limited	Common Board member	Deposits	55,108,388	4,938,786,419	4,991,914,807	1,980,000
12	Water Garden Resort and Spa	Common Board member	Deposits	343,359	12,361,366	12,581,115	123,610
13	Affordable Health Care	Common Board member	Deposits	71,814,240	-	71,740,690	73,550
14	RAC EPL Investments Limited	Subsidiary	Continuous loan	590,713,888	1,045,238,154	1,371,158,390	916,634,124
15	BRAC Saajan Exchange Limited	Subsidiary	Continuous loan	266,256,133	223,156,832	29,162,423	72,261,724
17	IPDC Finance Limited	Common Board member	Term placement	3,000,000,000	N/A		3,000,000,000
19	BRAC IT Services Limited (biTS)	Associates	Receivables	187,859,621	N/A		154,857,249
20	Key Management Personnel (Note - 8.6)	Senior Management	Loans and Advances	106,920,329	N/A		113,952,814
21	BRAC Bank Employees' Gratuity Fund (Post employment benefit plan)	Details of transactions with BRAC Bank Employees' Gratuity Fund can be found at note no 10.5					

SL No.	Name of the related parties (Directors)	Relationship with BBL	Balance type	Opening balance on 01 January 2022	Closing balance on 31 December 2022	Credit Card Limit	Lien Amount
1	Asif Saleh	Director	Credit card	106,081	58,602	500,000	500,000
2	Selim Reza Farhad Hussain	Director	Credit card	64,568	509,113	1,000,000	1,000,000
3	Fahima Choudhury	Director	Credit card	15,176	63,702	500,000	500,000
4	Shameran Bahar Abed	Director	Credit card	1,340	346,672	500,000	500,000

Note: In addition, BRAC Bank has credit exposure on NGOs where its Directors are involved in the capacity of executive committee members. As on 31 December 2022, the Bank has credit exposures amounting BDT 845,333,012. 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.



REPORTS & FINANCIAL STATEMENTS

SUBSIDIARY COMPANIES

BRAC EPL Investments Limited

BRAC EPL Investments Limited (BEIL) is a public limited company, which has established itself as a full-fledged merchant bank and portfolio manager in Bangladesh. Since its inception in 2009, BEIL has developed a successful track record as transaction advisor in executing and closing even the most challenging deals/transactions, including arranging structured debt and equity facilities for leading local and foreign clients.

Being a part of the BRAC family, BEIL possess a valuable network of local and global institutions, foreign and local capital, and solid foundational values of ethics and integrity. Its longstanding and trust-based relationship with regulators and other external stakeholders, such as the stock exchanges, auditors, lawyers and consultants, allow us to provide customised, effective and coherent solutions to meet our clients' financial needs and expectations.

Products and services

1. Portfolio Management

BEIL provides three types of portfolio management services:

a) Cap Edge (Non-Discretionary Portfolio Accounts)

Cap Edge is an Investor controlled account. Investors retain all the authority and power to select the items to buy and sell, and the timing of trade while the portfolio managers assist them with trade execution and continuous advice.

b) Cap Cash (Non-Discretionary Portfolio Accounts):

Cap Cash is a unique non-discretionary product of BEIL offering clients margin and non-margin services through individual BO Account. Cap Cash is an Investor controlled account.

c) Managed Cap Edge (Discretionary Portfolio Account)

Managed Cap Edge is a Portfolio Manager controlled account. Managers retain all the authority and power to select the items to buy and sell, and the timing of trade while the investors can guide the managers by providing input on their return and risk preference. Under this arrangement, investors pay management fees and settlement fees for trading.

2. Investment Banking

The Investment Banking Department widened its scope further to provide a complete suite of investment banking solutions in 2022. Under the seasoned leadership and the new team, BEIL provided valuation services to two Foreign Institutions, and Underwriting services to one of the largest IPO in Bangladesh's capital market. BEIL is also the mandated Buy-Side Advisor for 3 transactions. Over the year 2022, BEIL has developed a healthy pipeline of deals, which is expected to result in both debt and equity transactions in 2023.

a) Debt Arrangement

BEIL is focused on originating, structuring, and distributing debt in the form of syndicated loans, corporate bonds, bridge finance, mezzanine debt, asset-backed securities and other debt products for the corporate houses of Bangladesh.

b) Private Equity

In recent years, alternative investment asset classes such as private equity placement have become increasingly important pools of capital in the global financial system. With our vast network of foreign and local equity investors, we advise our clients on the optimum mode of financing requirement with alternatives to debt such as private equity and venture capital investments.

c) Mergers & Acquisitions

BEIL provides best in-class merger & acquisition advisory solutions for its clients in buying, selling or consolidating companies across all industries and across international borders. BEIL acts as both buy-side and sell-side advisors. BEIL assists in finding potential sellers/ buyers, negotiating to achieve the best possible price, valuing the company, and conducting due diligence and all related activities in bringing the transaction to closure.

d) Corporate Advisory

BEIL provides various corporate and financial advisory on project financing, corporate restructuring, financial due-diligence, valuation, etc. for its clients.

3. Distribution Networks

We have seven offices that include a Corporate Head Office and six branches in Mohakhali and Gulshan (Dhaka), Chittagong, Sylhet, Chowmuhani and Comilla.

BEIL at a glance

Particulars	2022	2021	2020	2019	2018
Total assets	4,062,509,886	3,060,295,519	3,439,576,759	3,270,419,252	3,561,757,301
Total liabilities	2,760,158,952	2,023,407,972	2,649,640,096	2,524,704,375	2,447,584,114
Total shareholders' equity	1,302,350,935	1,036,887,546	789,936,663	745,714,876	1,114,173,187
Revenue	164,685,180	518,893,779	46,928,977	36,923,451	113,043,936
Net profit	265,463,388	246,950,883	44,221,787	(368,458,312)	(218,339,130)

Outlook and Way Forward 2023

BEIL is strategically optimizing business growth and profitability for the year 2023. The focus of the strategies would be rationalizing costs, enhancing fee-based income and boosting performance for establishing a sustainable merchant bank.

Outlook and Way Forward

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Directors' Report to the Shareholders of BRAC EPL Investments Limited

Dear Shareholders,

The Board of Directors of BRAC EPL Investments Limited (BEIL) is pleased to present the Directors' Report on the operational and financial activities of BEIL together with the Audited Financial Statements for the year ended 31 December 2022. The Directors' Report has been prepared in compliance with Section 184 of the Companies Act, 1994, and the requirements mandated by the regulatory bodies.

Global Economy

As we enter into 2023, we reflect on the challenges faced by the global economy in the past year. The year began with the expectation of recovery to pre-covid levels by the end of the year, but unfortunately, the Russia-Ukraine war that began in February 2022 caused significant disruptions to the geopolitical landscape and global supply chain, ultimately hindering the recovery process.

The war has had far-reaching consequences, causing a surge in energy and food prices, leading to inflationary pressures and rising debt levels across the globe. The high cost of living and lingering economic effects of the pandemic have pushed several economies into economic crises.

In 2020, global economic growth slowed to 3.0% due to the COVID-19 pandemic-induced negative shock. In 2021, growth recovered to 6.0% as economies returned to normalcy; however, in 2022, the growth rate again fell to 3.4%, according to the International Monetary Fund (IMF). Global growth is predicted to drop to 2.9% in 2023 and slightly edge up to 3.1% in 2024.

The bleak economic condition will continue to pose challenges to the world economy, policy rates, global trade, commodity prices and inflation outlook. As governments worldwide have been forced to increase the cost of funds to tackle soaring inflation, the world braces itself for a challenging year in 2023 with expectations of a recession.

Despite these challenges, economic growth proved surprisingly resilient compared to forecasts, with strong labor markets, robust household consumption and business investment, and better-than-expected adaptation to the energy crisis in Europe. Inflation, too, showed improvement, with overall measures now decreasing in most countries, even if core inflation has yet to peak in many countries. China's re-opening paves the way for a possible rebound in global activity.

Bangladesh Economy

As Bangladesh's economy was poised to regain its growth momentum of pre-covid levels, the effects of the Russia-Ukraine war had slowed down the country's progress making it a challenging year to navigate.

Bangladesh's forex reserve reached a peak of USD 48 billion in August 2021. However, the economy was plagued with a depleting forex reserve, which fell to USD 33 billion as exports and remittances failed to compensate for the skyrocketing import payments due to rising energy prices and the reopening of global economies. This led to the local currency being depreciated, and the exchange rate crossed BDT 107 in December 2022.

Rising energy prices, disruption in the supply chain and depreciating currency have led to high inflation throughout much of the year, eroding people's savings. Low deposit growth, along with record-high NPL, has led to a liquidity crisis in the country's financial sectors.

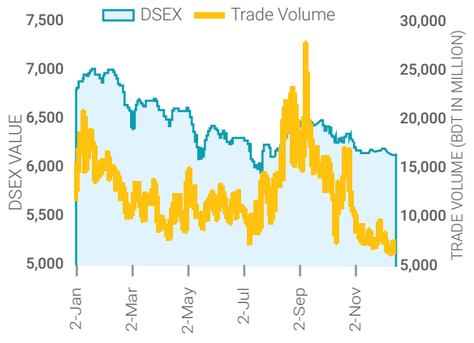
However, the inauguration of the long-awaited Padma Bridge and Dhaka Metro Rail has been a glimmer of hope in a rather bleak year. Padma Bridge connected the isolated 21 southwestern districts to the mainstream economy. It has also connected the port of Mongla and the port of Payra with the capital. On the other hand, Metro rail is expected to improve the mobility of Dhaka.

Moreover, the government has received the first installment of USD 476 million from IMF out of the USD 4.70 billion loan package, which will provide much-needed relief to the ailing forex reserve.

Capital Market

On the back of the 2020-2021 bullish years, where the market posted double-digit returns, the market started positively in the first one and half months of 2022. However, the onset of the Russia-Ukraine war triggered a shift in momentum; which was further exacerbated by worsening of macro indicators such as Inflation, Export, Remittance, Import, Forex Reserve, and Current Account Balance throughout the rest of the year.

Particulars	2020	2021	2022	Change (%) 2021	Change (%) 2022
DSEX (in pts)	5,402	6,757	6,206	25.08%	-8.15%
Daily Turnover (in BDT Bn)	6.48	14.68	9.61	126.54%	-34.54%
IPO Funds (in Bn)	9.62	21.8	7.14	126.61%	-67.25%
BO Accounts (in Mn)	2.55	2.03	1.86	-20.39%	-8.37%



DSEX, the country's broad market Index which opened the year at 6,757, declined by 8.15% and closed the year at 6,206. Average Daily Turnover fell from a decade-high of BDT 14.7 billion in 2021 to BDT 9.6 billion in 2022. Due to declining share prices across the market, the primary regulatory imposed floor prices in July 2022, resulting in a large portion of the stocks being stuck at their assigned floor prices, which restricted losses for market participants but also negatively affected the overall morale, sentiment, and activities in the market. To revive investment activities, BSEC withdrew the floor price of 168 companies with a 1% lower circuit limit on 20th December 2022, but it did little to bring back investors' confidence or revive market activities.

The negative impact of macroeconomic issues, regulator's intervention, and foreign investors' negative sentiment on the capital market outlook have also been significant. The devaluation of the local currency has resulted in a reduction of the dollar value of foreign investors' portfolios, leading to a departure of their investments from the capital market. The 66-day shutdown of the capital market in 2020 at the beginning of the Covid-19 outbreak initiated a decrease in foreign investors' trust, which was further aggravated by the re-introduction of floor prices in July 2022. Furthermore, with the Federal Reserve raising interest rates in the United States, foreign investors are receiving more lucrative returns. As a result, it is expected that a significant proportion of foreign investors will continue to liquidate their position and remain hesitant to invest in the market in the long run.

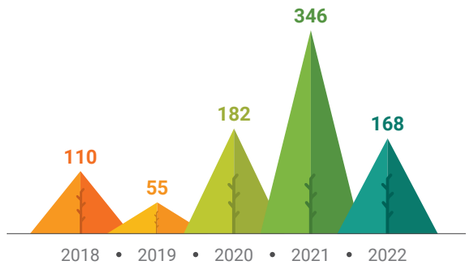
As we look ahead to 2023, it is important to note that the upcoming national election may have an impact on investors' confidence, making them more cautious. However, the Bangladesh Securities and Exchange Commission (BSEC) is expected to withdraw the floor prices imposed in 2022 at some point of the year, which should help to improve investor sentiment in the medium to long term. Moreover, the positive impact of easing global inflationary pressure and the IMF loan supporting the local forex reserve is expected to be reflected in the financial performance of companies with strong fundamentals. This should lead to an improvement in their earnings and act as a catalyst in boosting investor sentiment, which is anticipated to drive up the indices subsequently. As such, value-based investing in discounted prices of good large-cap stocks with good dividend history and pay-out ratio is expected to generate good long-term returns.

Business Review

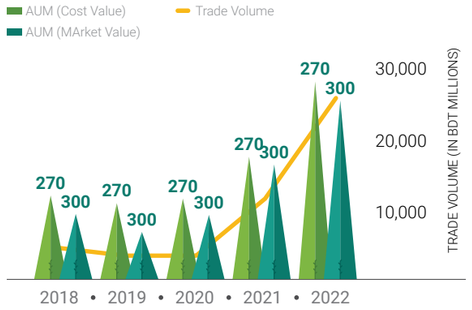
2022 has been a challenging year for BEIL in the face of various external shocks to the global economy, macroeconomy, and the industry as a whole. While investors and businesses started the year with an optimistic outlook for 2022, with expectations of recovery, the Russia-Ukraine war and the economic challenges that ensued led to a lackluster market and uncertain business environments. However, with the changing business dynamics, BEIL also altered its approach by operating more conservatively by putting in practice various risk management measures to protect itself and its valued customers.

The company continued to serve its customers with Cap Cash, Cap Edge, and Managed Cap Edge accounts. It opened 168 new accounts in 2022.

Number of Accounts



Aum and Trade Volume



The Asset under Management of the company stood at approximately BDT 2,504 million (at market value) at the end of 2022 up from BDT 1,631 million at the end of 2021. Furthermore, on the back of higher AuM, BEIL experienced significant growth in the trade volume during 2022 compared to 2021.

The Investment Banking Department focused on M&A and Debt Offerings for Financial Institutions during 2022. BEIL acted as the valuer for two Foreign Entities on two separate buy-side acquisitions. BEIL has been appointed as the valuer for an Alternative Investment Fund. BEIL has also secured the mandate to act as the advisor on three separate buy-side acquisitions. BEIL also has a few Issue Management (IPO) and Financial Institutions' debt advisory and M&A transactions in the pipeline, which is expected to bear fruit in 2023.

Operating Results

Along with the performance of most capital market intermediaries, BEIL's business revenue declined in 2022 as compared to 2021, affected by a stagnant market and overall macroeconomic conditions. The Revenue from Retail business stood at BDT 161.69 million, and the Revenue from the corporate business at BDT 2.99 million. Investment Income from the company's proprietary portfolio returned a negative BDT 83.85 million, owing to a fall in market prices across all investments. Despite the Y0Y decline in the revenue lines, BEIL still managed to end the year 2022 with a net profit of BDT 265.43 million.

Balance Sheet Performance

The total assets of the company stood at Tk. 2,647.04 million on 31 December 2022. Of this, BEIL's investment in quoted securities position stands at BDT 1,040.46 million as of the same date. The company invests in quoted securities traded on the secondary capital market in Bangladesh. At the reporting date, these are recognized at market value on an aggregate basis.

BEIL's outstanding margin loan position stands at BDT 741.92 million as of December 31, 2022 up from BDT 289.31 million at the end of December 31, 2021, signaling an increase of 156.45%.

The company borrowed up to Tk. 1,124.58 million in short-term loans and overdrafts, on which the average borrowing rate during the year was 8.25% per annum.

Appointment of Auditors

The existing Auditors, Rahman Rahman Huq Chartered Accountants, 9 & 5 Bir Uttam AK Khandakar Rd, Dhaka 1212 will retire and be eligible for re-appointment for the year 2023. Accordingly, they have expressed their willingness for re-appointment and the Board of Directors has recommended (subject to shareholder approval in the AGM) to re-appointing them as auditors of the Company for the year 2023.

Note of Appreciation

On behalf of the board, I would like to express my appreciation to the entire BRAC EPL Investments Limited team. We would be remiss if we do not acknowledge the exceptional efforts of our employees who worked in collaboration to meet many challenges throughout a difficult year. They were called upon to embrace some major challenges while at the same time maintaining the highest standards of service to our clients.

Finally, the Directors would like to thank our clients and respected shareholders for their continued support of BEIL. Taking this opportunity, the members of the Board would also like to thank the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, and Central Depository Bangladesh Limited.

For and on behalf of the Board of Directors



Chairperson

Independent Auditor's Report

To the shareholders of BRAC EPL Investments Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists,

we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bangladesh Securities and Exchange Commission Act 1993, the Securities and Exchange Rules 2020 and other applicable laws and regulations, we also report the following:

a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

d) the expenditure incurred was for the purposes of the Company's business.

Dhaka, 29 MAR 2023

DVC: 2304040509AS888498

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

BRAC EPL Investments Limited

Statement of financial position

In Taka	Note	31 December 2022	31 December 2021
Assets			
Property, plant and equipment	5	9,453,714	9,527,894
Intangible assets	6	2,394,458	-
Right-of-use assets	7	6,481,064	3,094,166
Deferred tax assets	8	602,758,082	207,934,376
Non-current assets		**621,087,318**	**220,556,436**
Account receivables	9	22,217,323	28,764,319
Investments securities	10	1,040,469,819	1,018,842,981
Current tax assets	11	9,387,752	26,478,858
Loans and advances to customers	12	741,921,801	289,309,374
Accrued interest and management fees receivables	13	51,459,044	22,064,675
Advances, deposits and prepayments	14	2,644,860	1,760,762
Cash and cash equivalents	15	157,852,605	215,983,749
Current assets		**2,025,953,204**	**1,603,204,718**
Total assets		**2,647,040,522**	**1,823,761,154**
Equity			
Share capital	16	2,585,000,000	2,585,000,000
Share premium		436,825,951	436,825,951
Retained earnings		(1,719,475,016)	(1,984,938,405)
Total equity		**1,302,350,935**	**1,036,887,546**
Liabilities			
Lease Liabilities	17	5,020,633	3,143,081
Non-current liabilities		**5,020,633**	**3,143,081**
Customer deposits	18	145,631,465	154,173,011
Bank overdrafts	19	1,124,578,963	590,713,887
Short term loans	20	-	-
Account payables	21	43,325,971	6,698,571
Other liabilities	22	24,219,880	31,401,658
Lease liabilities	17	1,912,675	743,400
Current liabilities		**1,339,668,954**	**783,730,527**
Total liabilities		**1,344,689,587**	**786,873,608**
Total equity and liabilities		**2,647,040,522**	**1,823,761,154**

The notes on pages 7 to 30 are an integral part of these financial statements.

Syed Rashed Hussain
Chief Executive Officer

Mohammod Masud Rana
Director

Fahima Choudhury
Chairperson

As per our report of same date.

Auditor

Dhaka, 29 MAR 2023

Ali Ashfaq, Partner, Enrolment Number: 509
Rahman Rahman Huq, Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC : 2304040509AS888498

BRAC EPL Investments Limited

Statement of profit or loss and other comprehensive income

For the year ended 31 December

In Taka	Note	2022	2021
Revenue	23	164,685,180	518,893,779
Direct expenses	24	(117,228,791)	(92,860,345)
Gross Profit		**47,456,389**	**426,033,434**
Income/(loss) from investment in securities	25	(83,857,802)	122,582,052
Operating expenses	26	(66,710,284)	(217,800,965)
Other Income	27	234,600	215,448
Operating Profit		**(102,877,097)**	**331,029,969**
Finance income		711,285	446,013
Finance expense		(1,281,155)	(955,040)
Net finance costs	**28**	**(569,870)**	**(509,027)**
Profit before tax		(103,446,967)	330,520,942
Income tax expense	29	368,910,356	(83,570,062)
Profit for the year		**265,463,389**	**246,950,880**

The notes on pages 7 to 30 are an integral part of these financial statements.

Syed Rashed Hussain
Chief Executive Officer

Mohammod Masud Rana
Director

Fahima Choudhury
Chairperson

As per our report of same date.

Auditor

Dhaka, 29 MAR 2023

Ali Ashfaq, Partner, Enrolment Number: 509
Rahman Rahman Huq, Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC : 2304040509AS888498

BRAC EPL Investments Limited

Statement of changes in equity

For the year ended 31 December 2022

In Taka	Share capital	Share premium	Retained earnings	Total
Balance at 1 January 2021	**2,585,000,000**	**436,825,951**	**(2,231,889,285)**	**789,936,666**
Total comprehensive income				
Profit for the year	-	-	246,950,880	246,950,880
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**246,950,880**	**246,950,880**
Transactions with owners of the Company				
Contributions and distributions				
Issue of ordinary shares	-	-	-	-
Dividends	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
Balance at 31 December 2021	**2,585,000,000**	**436,825,951**	**(1,984,938,405)**	**1,036,887,546**
Balance at 1 January 2022	**2,585,000,000**	**436,825,951**	**(1,984,938,405)**	**1,036,887,546**
Total comprehensive income				
Profit for the year	-	-	265,463,389	265,463,389
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**265,463,389**	**265,463,389**
Transactions with owners of the Company				
Contributions and distributions				
Issue of ordinary shares	-	-	-	-
Dividends	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
Balance at 31 December 2022	**2,585,000,000**	**436,825,951**	**(1,719,475,016)**	**1,302,350,935**

The notes on pages 7 to 30 are an integral part of these financial statements.

BRAC EPL Investments Limited

Statement of cash flows

For the year ended 31 December

In Taka	Note	2022	2021
Cash flows from operating activities			
Profit before tax		(103,446,967)	330,520,942
Adjustments for:			
Depreciation	5	2,915,777	2,474,776
Loss on lease adjustments	26	52,801	-
Amortisation of intangible assets	6	140,851	200,029
Disposal (gain)/loss of fixed assets	27	(69,000)	(46,248)
Depreciation of right-of-use assets	26	3,700,678	3,426,644
Interest expense	17.1	751,728	587,184
Fair value adjustments for fall in values of investment in securities	25.1	40,670,769	(209,675,163)
		48,163,604	(203,032,779)
Loans and advances to customers	12	(452,612,427)	349,226,159
Accrued interests and management fees receivables	13	(29,394,369)	284,590,534
Account receivables	9	6,546,996	(1,104,133)
Advances, deposits and prepayments	14	(884,098)	153,284
Intercompany receivables		-	267,439
Customer deposits	18	(8,541,546)	74,636,568
Account payables	21	36,627,400	(12,111,231)
Intercompany payables		-	(503,523)
Other liabilities	22	(7,181,778)	2,376,904
Cash generated from operating activities		(455,439,822)	697,532,001
Income taxes paid	11.1	(8,822,243)	(8,037,094)
Net cash from/(used in) operating activities		**(519,545,428)**	**816,983,071**
Cash flows from investing activities			
Acquisition of property, plant and equipment	5	(2,841,596)	(2,880,091)
Acquisition of intangible assets	6	(2,535,309)	-
Proceeds from sale of property, plant and equipment		69,000	46,248
Sale/(purchase) of investment securities		(62,297,607)	239,176,229
Net cash used in investing activities		**(67,605,512)**	**236,342,386**
Cash flows from financing activities			
Payment for lease liabilities	17.1	(4,845,277)	(3,835,701)
Receipt/(repayment) of bank overdraft	19	533,865,073	(207,946,824)
Receipt/(repayment) of short term loans	20	-	(640,000,000)
Net cash from/(used) in financing activities		**529,019,796**	**(851,782,525)**
Net increase in cash and cash equivalents		**(58,131,144)**	**201,542,932**
Cash and cash equivalents at 1 January		215,983,749	14,440,817
Cash and cash equivalents at 31 December	**15**	**157,852,605**	**215,983,749**

The notes on pages 7 to 30 are an integral part of these financial statements.

BRAC EPL Stock Brokerage Limited

About Us

BRAC EPL Stock Brokerage Limited (BESL) is the 4th largest stock brokerage house among 277 brokers in the country with a 3.22% market share of DSE in 2022. BESL has a dominant market share of more than 53% in the foreign portfolio investment execution segment. The company also offers brokerage services to its 20,000 clients, including local institutions, retail clients, non-resident Bangladeshis (NRBs), and 60 foreign institutional clients through 11 branches and 128 employees.

Product & Services

BESL offers stock brokerage services to all Bangladeshi and International Capital Market Investors.

Public Market Execution

BESL has maintained the Fourth position among 277 brokers. On average, BESL had 3.22% market share of DSE turnover.

Investment Research & Advisory Services

BESL pioneered the investment research industry in Bangladesh. Currently the Research Department, with seven analysts including a CFA Charter holder and multiple CFA charter pending and CFA pursuing candidates, has broader investment research and investment advisory mandates. The team has research partnership with Bloomberg, Thomson Reuters, S&P Capital IQ, and Fact Set. Following are some of the key achievements of the team in recent times:

- The Team launched subscription-based information & analytics services for domestic and international clients in 2022, alongside existing sell side research services.
- The Team expanded its presence in macroeconomic research as well as analytics space, and broadened digital media presence, strengthening footprint in Bloomberg and other reputed media.
- The Team arranged a Virtual Investor Conference for international clients in May 2021, connecting investible listed companies with institutional investors from Europe, North America & Asia Pacific.
- The Team continues to generate direct foreign income from sell side research services.
- The team was awarded as the Best Research House in Bangladesh in 2019 by International Finance Publications.

Financial Highlights (BDT in million unless otherwise specified)

Particulars	2022	2021	2020	2019	2018
Total Revenue	409.43	590.45	423.46	322.32	481.93
Profit Before Tax	159.48	379.41	223.98	(20.64)	101.71
Net Profit After Tax (PAT)	77.31	257.93	161.31	(84.99)	23.96
EBITDA	175.03	400.59	261.68	25.48	118.89
Total Assets	2,183.72	2,425.63	2,019.97	1,986.63	2,017.12
Contribution to Exchequer	99.47	112.41	63.35	67.52	84.87
Gross Profit Margin Ratio	76.74%	76.91%	78.95%	72.40%	71.20%
Earnings per share (EPS), BDT	7.66	30.67	23.01	(12.13)	3.42

Capital Market Outlook

Following two good years (2020 and 2021), Bangladesh equity market closed weak in 2022, as the benchmark index, DSEX, finished at 6,206.8 points on Dec 29, 2022, losing 550 points (-8.1% YoY) in 2022. Prolonged economic worries amid high inflation and weakening BDT affected overall investor sentiment, and thus have resulted into an evaporation of much of the rally seen in 2021 across non-blue chip small & mid-caps. Meanwhile, large caps including most blue chips posted another weak return year in a weaker liquidity landscape. Amid volatility, BSEC was actively monitoring the market to avert mass panic or similar onsets. As a protective measure, it re-imposed the floor price regulation from July 28, 2022, and later allowed block trade to take place at 10% below the floor price (Nov 15, 2022) and lifted the floor price for 169 stocks (Dec 21, 2022).

The primary market (IPO) issuance was slightly lower in the year, with 7 IPO scrips raising BDT 6.51 Bn through issuing new equity shares, while 2 perpetual bonds raised BDT 900.0 Mn from the market. A total of 7 scrips debuted in the DSE SME board during 2022, while 3 new perpetual bonds and 1 Sukuk bond have debuted in 2022. Both Bangladesh Bank and BSEC took initiatives to make Treasury bond trading more accessible, and as a result, the trading of treasury bonds started from Oct 10, 2022, in both DSE and CSE.

The daily average turnover in 2022 reached BDT 9.60 billion (-34.9% YoY), which was BDT 14.75 billion of 2021. The equity market of Bangladesh traded at 14.4x PE ratio, 1.5x PBV ratio and 10.4% ROE on a trailing basis at the end of Dec'22.

We aim to increase our market share and secure leading position in both local and foreign market. To attain the target, the focus of BESL in 2023 will be to grow the retail segment. We plan to introduce state of the art trading software and automate the customer service for the clients. Additionally, leveraging the roadshows arranged by Bangladesh Securities & Exchange Commission (BSEC), we are planning to attract the NRBs. BESL is planning its focus on the corporate business wing to ramp up their capital market investments. we intend to grab further market share in the foreign segment as well. Our corporate access desk is one of the most active in the country having managed more than 50 client roadshows since inception a couple of years ago and we aim to leverage our position to better serve our clients. We want to prioritize further on client service though superior trade flow management, better execution, and further customer engagement through sales call in collaboration with our research team.

Directors' Report to the Shareholders of BRAC EPL Stock Brokerage Limited

Dear Shareholders,

The Board of Directors of BRAC EPL Stock Brokerage Limited (BESL) is pleased to present before you the Directors' Report on the operational and financial activities of your Company together with the Audited Financial Statements for the year ended 31 December 2022. The Directors' Report has been prepared in compliance with Section 184 of the Companies Act, 1994 and the requirements mandated by the regulatory bodies.

Bangladesh Economy Review 2022

The year 2022 has been very different for Bangladesh, with multiple challenges surfacing from previously unforeseen developments. We experienced record level inflation, currency volatility, energy disruptions, external sector worries and other economic issues, at a time when the economy was just gearing up to come out of pandemic. Notably, much of the issues originated as spillover of global developments like Russia-Ukraine War, US Fed's record hike on interest rate etc. In addition, the challenges also highlighted the need to address weaknesses in our policies and practices, notably in the financial system.

Despite headwinds, Bangladesh recorded 7.10% GDP growth for FY22, as major sectors made some recovery in the post-pandemic reopening. However, economic shocks, primarily soaring inflation and depreciating BDT hit businesses hard, stalling the recovery attempt. Inflation reached a 10-year high of 9.52% in Aug'22, and still remains high at 8.71% as of December 2022. The surge, in particular for oil and commodities prices, translated into large shocks to businesses and consumers alike, raising cost of doing business and cost of living. As the government raised the fuel prices ranging 42.5%-51.6% on Aug 05, 2022, and bulk electricity prices by 20% (retail 5%) on Nov 21, 2022, all businesses faced heightened cost of production, while consumers were already finding it hard to cope up with escalating prices. Disruption in energy and LC opening has added to additional headaches for businesses.

Capital Market Review 2022

Amid global challenges, Bangladesh equity market performed lukewarm in 2022, as exogenous shocks factored into weakening in both corporate earnings outlooks as well as direct trading activities. Despite a promising start, global shocks from the Russa-Ukraine war, oil and commodity shock and volatility in interest rates hammered sentiment and participations alike across 2022. On top, the USD demand driven liquidity pressure on BDT, economic worries from fall of neighboring Sri Lanka, record breaking inflation at home, domestic fuel and utilities price hikes by GoB, and worries over banking scams acted as further waves of shocks to investors, keeping prices mostly depressive and turnover bearish.

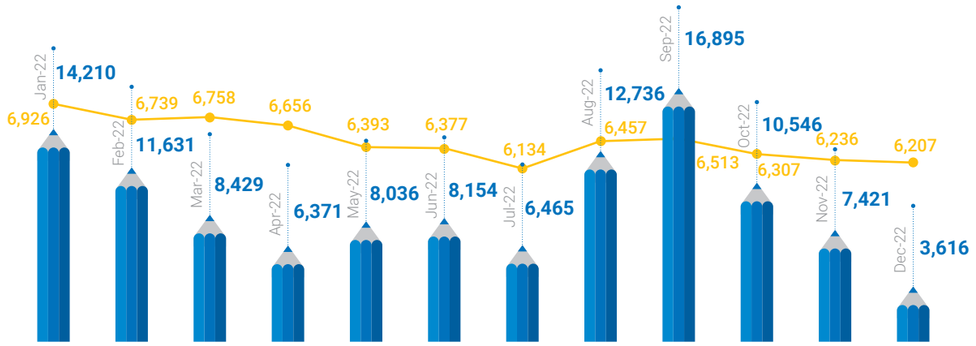
The prolonged worries have evaporated much of the rally seen in 2021 across non-blue chip small & mid-caps. Meanwhile, large caps including most blue chips posted another weak return year in a weaker liquidity landscape. As BSEC stepped in to avert a mass panic, the floor price regulation was re-imposed from July 28, 2022, which helped stop the immediate volatility, but acted as a stronger depressant on turnover. To provide some breather, BSEC allowed block trade to take place at 10% below the floor price (Nov 15, 2022) and lifted the floor price for 169 stocks (Dec 21, 2022).

As 2022 closes, the Dhaka Stock Exchange Broad Index (DSEX Index), the benchmark free-float weighted market index, saw correction of 8.1%, following 25.1% return in 2021 and 21.3% return in 2020. During the year, DSEX lost 550 points to reach 6,206.8 points on Dec 29, 2022, while shedding BDT 349 bn in equity market cap. Average Daily Turnover Value (ADTV) declined 34.9% YoY (BDT 9.60 Bn in 2022, against BDT 14.75 Bn in 2021), and was particularly drier during Q2'22 and Q4'22 period. The equity market of Bangladesh is trading at 14.4x PE ratio, 1.5x PBV ratio and 10.4% ROE on a trailing basis at the end of 2022.

A total of 7 scrips debuted in the DSE SME board during 2022, while 3 new perpetual bonds and 1 Sukuk bond have debuted in 2022. The IPO issuance was slightly lower in the year, with 7 IPO scrips raising BDT 6.51 Bn through issuing new equity shares, while 2 perpetual bonds raised BDT 900.0 Mn from the market. Both Bangladesh Bank and BSEC took initiatives to make Treasury bond trading more accessible for general shareholders. The trading of treasury bonds started from Oct 10, 2022, in both DSE and CSE during this year.

INDEX AND TURNOVER MOVEMENT IN 2022

INDEX AND TURNOVER MOVEMENT IN 2022



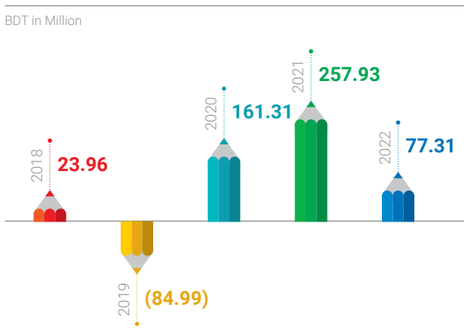
Financial Performance

BRAC EPL Stock Brokerage Limited (BESL) was in fourth place amongst the 277 brokers with a 3.22% market share in 2022. BESL hold 53% market share in DSE's foreign trade.

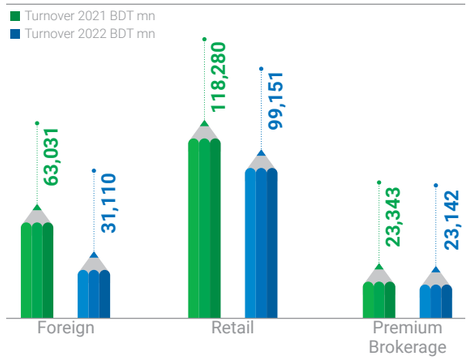
The bottom line of BESL registered a net profit of BDT 77.31 million in 2022 against BDT 257.93 million in 2021.

Net Profit After Tax (PAT)

BDT in Million

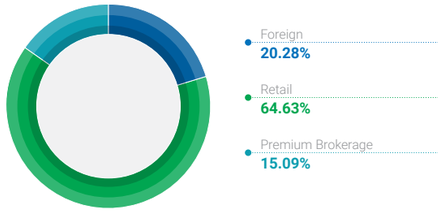


YOY Turnover



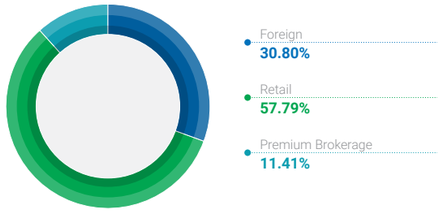
Turnover Composition in 2022

BDT in Million



Turnover Composition in 2021

BDT in Million



Among the major three verticals, the contribution from foreign business was 20.28% of total turnover in 2022 compared to 30.80% in 2021. Thus, there was a 51% YoY decreases in turnover growth in foreign business.

The Retail business is strengthening through more contributions. The segment contributed 64.63% of the total turnover in 2022. Thus, there was a 16% YoY decreases in turnover growth in the Retail business.

Our corporate business contributed 15.09% of revenue to the company in 2022 Thus, there was a 1% YoY decreases in turnover growth. However, with the new team and the strategies in place, we expect this segment to be a sizeable portion of the company in the coming years.

Future Outlook of Industry

Despite major challenges ahead, we are optimistic about Bangladesh economy making a good turnaround. While key concerns are still visible in external front, latest progress in a number of fronts, including securing budget support from IMF and other DFIs, improvement in trade deficit management and remittance growth, and weakening volatility in global currency and commodity markets raises the country's chances of safer progress. Notably, all DFIs have predicted positive GDP growth for Bangladesh (i.e. 5.5% - IMF, 5.2% - World Bank).

For the midterm (till 2026) we continue to stay optimistic on Bangladesh capital market as current valuation metrics (year-end market P/E of 15.48x) is still lucrative compared globally and offers good growth space. Moreover, as fixed income market is getting traction on treasury and corporate bonds segments, we expect to see more participation up ahead. IPO flows are expected to weaken amid a weaker business environment and ahead of an election. With an expectation of cool off in many of the 2022 volatility drivers globally, we might be looking for start of an external sector supported economic reversal within 2023. Given the context, capital market may head out for a reversal following a tepid 2022.

We are projecting base case DSE market return for 2023 to hover around 8-10%. In an improving liquidity scenario, market return can accommodate 15-17%. However, stocks with strong fundamentals are more likely to stand out as market gains traction, and we expect to see better valuations for such stocks from margin reversal, strong financials, and investors' shift to quality. While we may see some ease up in overall liquidity from external sector improvements, considering a potential continuation in credit demand, pressure on liquidity may continue. Hence, we are expecting turnover to stay largely in line with 2022.

Strategic Outlook of the Company

In this era of globalization, the business world is continuously changing and to keep pace with the changes every organization needs to ensure continuous development to achieve better competitive advantage and superior service quality over the competitors. In 2023 the key concentration areas of our management will be:

- Retain market leadership
- Grow trade business in both foreign and local segment
- Focus, develop and structure the corporate business wing
- Strengthen retail business
- Adopt latest technology for trading
- Fully automate client services
- Capitalize the brand value
- Invest in our staff through training and development

We believe that our teamwork shall play a vital role in reaching our target and achieve the corporate mission to be the market leader by increasing market share.

Appreciation

I would like to thank my colleagues on the board for their continued support and on their behalf, I would like to express my heartiest thanks to the entire BRAC EPL Stock Brokerage team. It would be unfair if we do not acknowledge the exceptional efforts of our employees who worked in partnership to meet many challenges of a difficult year. They were called upon to embrace some major challenges while at the same time maintaining the highest standards of service to our clients. They met the challenges, and we thank each of them for their extraordinary performance.

Finally, on behalf of the Board, I would like to thank our loyal clients and honorable shareholders for their continued support to the Company. Taking this opportunity, the members of the Board would also like to thank the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange, Chittagong Stock Exchange, and Central Depository Bangladesh Limited who were the partners in the growth of your company.

For and on behalf of the Board of Directors,

Chairperson

Independent Auditor's Report

To the shareholders of BRAC EPL Stock Brokerage Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

d) the expenditure incurred was for the purposes of the Company's business.

e) the computation of the year end capital adequacy in the financial statements are accurate.

Dhaka, 30 MAR 2023

DVC: 2304040509AS638288

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

BRAC EPL Stock Brokerage Limited

Statement of financial position

For the year ended 31 December

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

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

Ahsanur Rahman
Chief Executive Officer

Mohammod Masud Rana
Director

Fahima Choudhury
Chairperson

As per our report of same date.

Auditor

Dhaka, 30 MAR 2023

Ali Ashfaq, Partner, Enrolment Number: 509
Rahman Rahman Huq, Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC : 2304040509AS638288

BRAC EPL Stock Brokerage Limited

Statement of profit or loss and other comprehensive income

For the year ended 31 December

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

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

Ahsanur Rahman
Chief Executive Officer

Mohammod Masud Rana
Director

Fahima Choudhury
Chairperson

As per our report of same date.

Auditor

Dhaka, 30 MAR 2023

Ali Ashfaq, Partner, Enrolment Number: 509
Rahman Rahman Huq, Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC : 2304040509AS638288

BRAC EPL Stock Brokerage Limited

Statement of changes in equity

For the year ended 31 December 2022

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

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

BRAC EPL Stock Brokerage Limited

Statement of cash flows

For the year ended 31 December

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

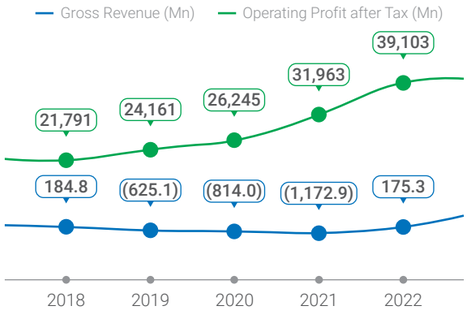
The notes and schedules on pages 7 to 46 are an integral part of these financial statements.

bKash Limited

Year 2022 was all about turning around the tide of business in terms of product development, market penetration, and technological advancement to provide customer convenience, safety, and security. This year was a year of recovery for bKash after the coronavirus pandemic and bKash has shown resilience and rebounded the business to the next level. bKash has added several new services and features to its APP, which has been valued by millions of its customer.

Introduction

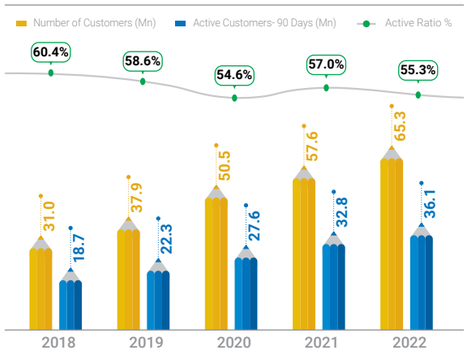
The year 2022 marked significant milestones for bKash's growth through new services and technological advancements which, widened access in all sectors of the business. The company has shown a strong growth in gross revenue of 22.3% year on year maintaining its robust performance growth. The company has made profit after three years of consecutive losses. In 2022, bKash has profited BDT 175.3 million.



Customers

The number of active customers (defined as those who made at least one transaction in the past 90 days) has increased by 10.0% in 2022 compared to 2021. The total active subscribers as at Dec 2022 was 36.1 million.

Customers



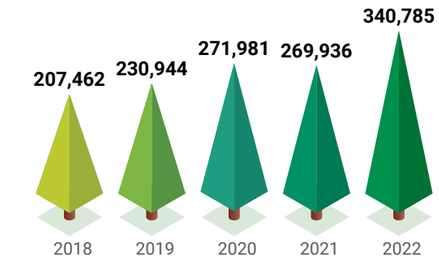
Key Achievements in 2022

bKash has shown resilience and pivoted business growth and after a gap of three years returned to profitability in 2022. The company has focused on new services like Savings and added new billers to its bill pay product and above all, added 10.8 million new customers to its customer base. 'Loyalty program', which has been introduced in 2021 to retain customers and increase customer stickiness, witnessed a remarkable customer feedback. Till Dec 2022, 2.8 million unique customers have used the loyalty points to avail cashback. For the year 2022, 695.1 thousand unique users actively used the savings and nano loan services of bKash, and more than 1 billion takas were disbursed through Nano Loan throughout the year. The Company has designed the QR solution in ways that any bank's App can read bKash's QR, and the bKash app can read their QRs as well. In 2022, National Board of Revenue of Bangladesh awarded bKash for generating the highest Value Added Tax for the financial year of 2020-21 in the category of service sector, which directly contributes to our country's development activities. bKash also received the Daily Star Corporate Social Responsibility Award 2022 as a recognition of its corporate social responsibility over the years. bKash, as per directions of the regulator, is a participant in IDTP (Interoperable digital transaction platform) branded as "Binimoy" (the platform for interoperable money transfer) in its APP. These new product offerings will shape-up the future MFS industry of Bangladesh.

Agents

During 2022, we had added more than 70 thousand agents to further expand our reach throughout the country, leaving 340.8 thousand agents. All agents were subject to rigorous compliance checks through-out the year. On an average, in 2022, 88% of the agents were active every month.

No. of agents

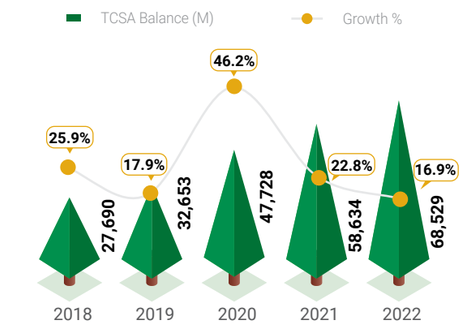


Transactions

Average daily transaction count has increased in 2022 by 10.4%. In 2022, average daily counts of transaction were 10.5 million compared to 9.5 million in 2021. More than BDT 7 trillion transactions volume were recorded over the platform. An increase of 13.4% in customers coupled with an increase of 10.0% in active customers resulted in a 19.5% increase in total transaction amount.

Trust Cum Settlement Account (TCSA)

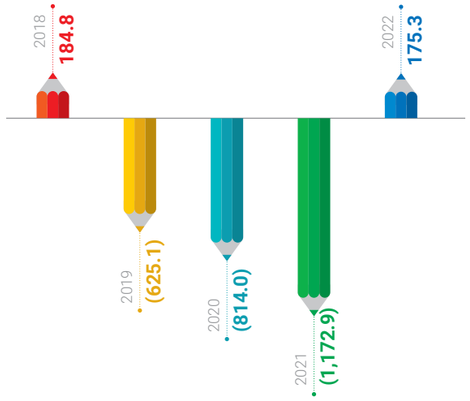
The TCSA balance has consistently increased over the years to reach BDT 68,529 million as at 31 December 2022 resulting in a 16.9% YoY growth. As bKash's customer base and transactions are continuously growing the balance of TCSA is also steadily increasing. Average balance per active customer has increased by 6.8% YoY reaching BDT 1,453 from BDT 1,360.



Financial Performance

The net profit after tax in 2022 was BDT 175.3 million compared to loss of BDT 1,172.9 million in 2021. This rise in profit is due to consistent increase in transaction volume and active customer base. Year on Year ARPU and Ticket Size has increased by 12.4% & 14.1% respectively.

Net Profit after Tax



Economic outlook

In 2022, while the economy was recovering from the shocks of Pandemic, the Russia-Ukraine war broke out in February, disrupting the global supply chain and exerted a strong external shock on many countries including Bangladesh. The country has seen sharp rise in inflation up to 9.5% in 2022. Furthermore, there was a shock to macroeconomic stability due to US Dollar crisis and for that reason a major adjustment in exchange rate of Dollar was experienced. Despite all these adversities, the country's digitization of financial system grew irrepressibly, and we have seen an overall growth in MFS industry.

The increased number of customers, transactions & volume reflects overall organic growth and is an indication of rapid digitization of financial system of the country. In particular, the goal of "Digital Bangladesh" from the government to leverage Mobile Financial Services and implementing projects like IDTP (Interoperable digital transaction platform) branded as "Binimoy", which facilitates the transfer of money across banks, MFSs, NBFIs & PSPs are paving the way for a promising future for this industry. The number of app downloads also looks promising and reflects the increasing technology adoption in the local economy. bKash with its new products and services is expected to retain its position as the market leader in the coming years as well.

Financial Highlights

Particulars	Year 2022	Year 2021	Year 2020	Year 2019	Year 2018
Gross Revenues (Mn)	39,103.0	31,962.8	26,245.0	24,160.8	21,791.3
Profit before tax (PBT) (Mn)	425.2	(1,524.7)	(636.8)	(633.7)	558.5
Profit after tax (PAT) (Mn)	175.3	(1,172.9)	(814.0)	(625.1)	184.8
Contribution to Exchequer (Mn)	9,283.9	7,638.4	6,400.0	5,256.0	4,733.4
Total Assets (Mn)	105,584.4	94,516.8	61,355.7	48,389.6	42,896.1
TCSA Balance (Mn)	68,529.0	58,633.5	47,728.5	32,653.0	27,689.6
EBITDA (Mn)	2,241.8	(187.6)	322.0	116.5	910.1
Diluted Earnings per share	321.6	(2,151.8)	(1,732)	(1,330)	393
Earnings per share	459.0	(3,070.7)	(2,131)	(1,637)	484
Gross Profit Ratio	27.3%	23.8%	27.3%	21.9%	27.1%
Return on Equity	0.6%	(12.7%)	(8.1%)	(5.8%)	6.0%

Operational Highlights

Particulars	Year 2022	Year 2021	Year 2020	Year 2019	Year 2018
Customer	65,343,520	57,586,610	50,485,829	38,136,999	30,949,622
Active Customer (90 Day)	36,105,324	32,817,527	27,554,130	22,261,567	18,694,365
Active Ratio (90 day)	55.3%	57.0%	54.6%	58.6%	60.4%
Agent	340,785	269,936	271,981	230,944	207,462
Merchant Count	287,238	275,298	198,578	163,306	80,156
Average Daily Transactions Count	10,525,436	9,529,947	7,786,236	6,141,542	5,309,919
Volume of Transactions (Billion BDT)	7,008.1	5,862.1	4,310.6	3,332.8	2,703.1

Directors' Report to the Shareholders of bKash Limited

Dear Shareholders

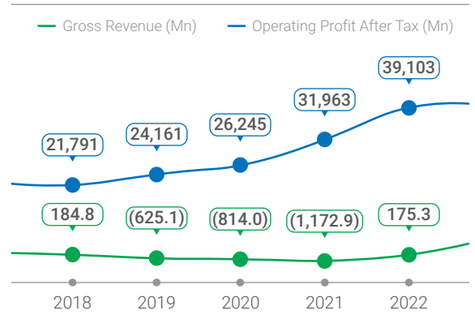
The Board of Directors of bKash Limited (bKash) is pleased to present before you the Directors' Report on the operational and financial activities of bKash together with the Auditors' Report and the Audited Financial Statements as of and for the year ended 31 December 2022 for your kind consideration, approval, and adoption. This Directors' Report has been prepared in compliance with Section 184 of the Companies Act, 1994 and the requirements mandated by the regulatory bodies.

bKash Limited, the leading Mobile Financial Services (MFS) Provider in Bangladesh has continued to maintain its growth momentum with focus on financial inclusion and digitization of financial services for all in Bangladesh. The company started its journey in July 2011, as a joint venture between BRAC Bank Limited, Bangladesh and Money in Motion LLC, USA. Later, The International Finance Corporation (IFC) of The World Bank Group and the Bill & Melinda Gates Foundation joined bKash's investments in April 2013 and April 2014 respectively. bKash onboarded Ant Financial Services Group and Softbank as equity partners in April 2018 and December 2021 respectively.

The year 2022 was a year of recovery for bKash after the coronavirus pandemic and the company has rebounded and turned the tide of business growth. After three years of consecutive losses, the company made a profit in this year. This is testament to the positive results of the investment the Company had been making in previous years. Going forward, bKash will continue to invest in innovation, technology and enhancing skills sets of its own human resources, and thereby, enriching the lives of millions of Bangladeshi's. The number of customers of the company increased by 13.4% to reach an impressive 65.3 million customer base in the face of growing competition. 55.3% of the above customers were active (with at least 1 transaction in the last 90 days) and had transacted more than BDT 7 trillion through electronic money. Gross revenue of the company had a growth of 22.3% year on year. The company created employment opportunity for 1,508 directly hired employees in addition to employment opportunities created through 268 active distribution houses, 340.8 thousand agents and numerous other agencies spread throughout the country. Contribution to Government Exchequer by the company in the form of direct and indirect taxes and levies also had a growth of 21.5% to reach a level of BDT 9,284 million in 2022. With the growth of the business, bKash continued to focus on social agenda like the Government's stipend program for students, disbursement of salary of RMG workers and allowances under social security net by the government at a significantly subsidized rate. In 2022, more than 8 million secondary students have received stipends in their respective bKash accounts without paying any fee/service charge to cash out the stipend amount.

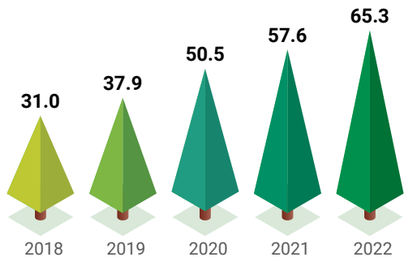
To maintain the growth momentum, the company has continued to invest significantly to create an ecosystem for diversified use of electronic money by introducing new services such as NGO Payment, adding new schemes to Savings product (Islamic Savings), adding new features in Pay Bill like auto payment of recurring bills and reminder for bills payment for saved accounts which has taken customer convenience to new height. Furthermore, a new section has been added for personalized offers for customers named "MY bKash". bKash is continuously incorporating new features to the APP with enhanced capability and maximizing security. The ongoing journey of popularizing bKash's services through various promotional activities and incentives were predominant in the year 2022. To increase in e-money inflow, bKash has launched several Add Money Campaigns for segmented and overall customer base in 2022. Several new billers and merchants were added in 2022. At the end of 2022, 11.8 million customers and more than 315 thousand agents were actively using apps for their day-to-day transactions. Net Profit after tax for the year 2022 was BDT 175.3 million, compared to net loss after tax of negative BDT 1,172.9 million in 2021.

Gross Revenue & Profit After Tax



Number of Customers

Million



The financial statements have been prepared based on going concern concept and accrual basis of accounting in compliance with International Financial Reporting Standards, as adopted by the Institute of Chartered Accountants of Bangladesh, Companies Act 1994 and other applicable laws of the land.

The Company's statutory auditor M/s. Rahman Rahman Huq, Chartered Accountants have completed their audit and are eligible to be reappointed as statutory auditors of the Company for the year 2023. The Board is pleased to recommend to shareholders to appoint M/s. Rahman Rahman Huq, Chartered Accountant as statutory auditor of the Company for the year 2023.

The Board would like to express appreciation to the entire bKash management. It would be remiss if we do not acknowledge the exceptional efforts of our staff, who worked in partnership to meet, embrace and accomplish various challenges in order to achieve the goals of the company while simultaneously maintaining the highest standards of service to our clients.

The Board would like to thank the shareholders for their continued support to bKash. Taking this opportunity, the Board would also like to thank all regulators and government agencies for their continuous support.

Finally, we express our thanks and appreciation to all our loyal clients, whose confidence in bKash has made us the most preferred MFS provider and the top brand in the country.

For and on behalf of the Board of Directors,

Chairperson

Independent Auditor's Report

To the Shareholders of bKash Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the followings:

a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 22 MAR 2023

DVC: 2303220509AS918935

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

bKash Limited

Statement of financial position

In Taka	Note	31 December 2022	31 December 2021
Assets			
Property, plant and equipment	5	2,829,835,577	2,578,896,713
Intangible assets	6	2,610,670,039	2,560,631,513
Deferred tax assets	7	1,026,955,363	877,822,622
Investment in government securities	8	4,671,614,861	-
Non-current assets		**11,139,075,840**	**6,017,350,848**
Operational and other receivables	9	2,033,648,941	2,101,987,475
Advances, deposits and prepayments	10	879,871,944	728,365,983
Contract assets	11	1,095,523,848	1,130,981,177
Current tax assets	12	1,118,418,206	651,478,571
Airtime in circulation	13	1,823,331,600	862,765,288
Trust cum settlement account and investments	14	68,528,984,067	58,633,542,114
Investment in fixed deposits	15	13,094,575,827	18,213,467,327
Cash and cash equivalents	16	5,870,995,279	6,176,857,884
Current assets		**94,445,349,712**	**88,499,445,819**
Total assets		**105,584,425,552**	**94,516,796,667**
Equity			
Ordinary shares	17	38,194,900	38,194,900
Share premium - ordinary shares		1,286,205,568	1,286,205,568
Ordinary share capital and premium		**1,324,400,468**	**1,324,400,468**
Preference shares	18	16,310,400	16,310,400
Share premium - preference shares		30,610,126,295	30,610,126,295
Preference share capital and premium		**30,626,436,695**	**30,626,436,695**
Capital Reserve		36,011,137	18,479,529
Retained earnings/(loss)		(1,384,502,156)	(1,542,286,625)
Total equity		**30,602,346,144**	**30,427,030,067**
Liabilities			
Operational and other payables	22	736,882,143	808,957,534
Lease liabilities	19	413,273,174	352,785,706
Non-current liabilities		**1,150,155,317**	**1,161,743,240**
Defined benefit plan - gratuity	20	135,847,865	72,241,033
e-money in circulation	21	68,304,799,919	58,533,439,086
Operational and other payables	22	1,940,656,574	1,389,842,139
Lease liabilities	19	183,398,957	125,257,891
Accrued expenses	23	3,267,220,776	2,807,243,211
Current liabilities		**73,831,924,091**	**62,928,023,360**
Total liabilities		**74,982,079,408**	**64,089,766,600**
Total equity and liabilities		**105,584,425,552**	**94,516,796,667**

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive Officer | Director | Director | Company Secretary

As per our report of same date.

Auditor

Dhaka, 22 MAR 2023

Ali Ashfaq, Partner, Enrolment Number: 509
Rahman Rahman Huq, Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC: 2303220509AS918935

bKash Limited

Statement of profit or loss and other comprehensive income

In Taka	Note	For the year ended 31 December 2022	For the year ended 31 December 2021
Revenue	**24**	**34,308,082,701**	**27,945,227,942**
Cost of services	25	(24,931,454,951)	(21,307,070,386)
Gross profit		**9,376,627,750**	**6,638,157,556**
Operating and administrative expenses	26	(7,337,870,337)	(5,859,421,589)
Commercial expenses	27	(2,805,315,588)	(2,372,957,814)
Operating profit/(loss)		**(766,558,175)**	**(1,594,221,847)**
Net finance income	28	1,214,155,477	69,533,521
Profit/(loss) before contribution to WPPF		**447,597,302**	**(1,524,688,326)**
Contribution to WPPF		(22,379,865)	-
Profit/(loss) before tax		**425,217,437**	**(1,524,688,326)**
Income tax (expense)/income	29	(253,105,698)	290,487,583
Profit/(loss)		**172,111,739**	**(1,234,200,743)**
Other comprehensive income/(expense)			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan		4,419,777	87,632,337
Related tax		(1,215,439)	(26,289,701)
		3,204,338	61,342,636
Total comprehensive income		**175,316,077**	**(1,172,858,107)**

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive Officer | Director | Director | Company Secretary

As per our report of same date.

Auditor

Dhaka, 22 MAR 2023

Ali Ashfaq, Partner, Enrolment Number: 509
Rahman Rahman Huq, Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC: 2303220509AS918935

bKash Limited

Statement of changes in equity

In Taka	Ordinary shares	Share premium - ordinary shares	Preference shares	Share money deposit	Retained earnings/(loss)	Capital reserve	Total equity
For the year ended 31 December 2021							
Balance at 1 January 2021	38,194,900	1,286,205,568	8,796,300	505,162	(369,428,518)	18,479,529	9,269,668,723
Transaction with shareholders							
Issue of preference shares - net of issue cost	-	-	7,514,100	-	-	-	22,330,724,613
Adjustment during the year	-	-	-	(505,162)	-	-	(505,162)
Total comprehensive income							
Loss for the year	-	-	-	-	(1,234,200,743)	-	(1,234,200,743)
Other comprehensive income/(expense)	-	-	-	-	61,342,636	-	61,342,636
Total	-	-	7,514,100	(505,162)	(1,172,858,107)	22,323,210,513	21,157,361,344
Balance at 31 December 2021	**38,194,900**	**1,286,205,568**	**16,310,400**	**-**	**(1,542,286,625)**	**18,479,529**	**30,427,030,067**

In Taka	Ordinary shares	Share premium - ordinary shares	Preference shares	Share money deposit	Retained earnings/(loss)	Capital reserve	Total equity
For the year ended 31 December 2022							
Balance at 1 January 2022	38,194,900	1,286,205,568	16,310,400	-	(1,542,286,625)	18,479,529	30,427,030,067
Total comprehensive income							
Profit for the year	-	-	-	-	172,111,739	-	172,111,739
Other comprehensive income/(expense)	-	-	-	-	3,204,338	-	3,204,338
Transfer to capital reserve	-	-	-	-	(17,531,608)	17,531,608	-
Total	-	-	-	-	157,784,469	17,531,608	175,316,077
Balance at 31 December 2022	**38,194,900**	**1,286,205,568**	**16,310,400**	**-**	**(1,384,502,156)**	**36,011,137**	**30,602,346,144**

The annexed notes 1 to 37 from an integral part of these financial statements.

bKash Limited

Statement of cash flows

In Taka	Note	For the year ended 31 December	
		31 December 2022	31 December 2021
Cash flows from operating activities			
Cash receipt from customers and others		52,729,385,024	46,012,827,731
Cash paid to suppliers, employees and others		(37,478,518,033)	(32,217,939,338)
Cash generated from operating activities		**15,250,866,991**	**13,794,888,393**
Taxes paid to government exchequer		(5,599,727,684)	(4,431,179,487)
Net cash flows from operating activities		**9,651,139,307**	**9,363,708,906**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(668,156,604)	(1,018,486,315)
Acquisition of intangible assets		(735,228,807)	(723,989,315)
Interest received from deposits		1,109,117,365	209,226,220
Encashment of/(investment in) government securities		(4,671,614,861)	-
Encashment of/(investment in) fixed deposits		5,118,891,500	(15,412,958,927)
Net cash (used in)/ generated from investing activities		**153,008,593**	**(16,946,208,337)**
Cash flows from financing activities			
Lease liabilities		(214,568,552)	(231,462,481)
Net proceed from issuance of preference shares		-	22,330,724,613
Net cash (used in)/ generated from financing activities		**(214,568,552)**	**22,099,262,132**
Net increase in cash and cash equivalents		9,589,579,348	14,516,762,701
Cash and cash equivalents including trust cum settlement account and investments as at 1 January		64,810,399,998	50,293,637,297
Cash and cash equivalents including trust cum settlement account and investments as at 31 December		**74,399,979,346**	**64,810,399,998**
Less: Trust cum settlement account and investments as at 31 December		**68,528,984,067**	**58,633,542,114**
Cash and cash equivalents as at 31 December		**5,870,995,279**	**6,176,857,884**

The annexed notes 1 to 37 from an integral part of these financial statements.

BRAC Saajan Exchange Limited

Overview

BRAC Saajan Exchange Limited (BSEL) has always driven to be one of the key remittance providers for NRBs particularly South Asian migrants living in UK and Europe in UK and Europe. BSEL offers a wide range of payment services principally to Bangladesh and Pakistan but also to India, Sri Lanka and Nepal. Revenue is earned through a combination of transaction fees and foreign exchange margin.

Total remittance, 2021	Total headcount	Expense reduction, 2022
£56K	**25**	**£2.13m**

Key strategic priorities

Sustain reputation as one of the market-leading money transfer services for NRB communities in the UK	Ensure reliable and compliant money services along with competitive exchange rates and best in class customer service	Focus on continuous expansion of network for enhancing customer convenience

Operational Overview

After obtaining the NOC and all necessary clearance, BSEL resumed operations at a reduced capacity on 22 December 2022, through its RemitNGo app. The agency network resumed on 28 December 2022, now with 53 agencies across the UK, reduced by the prolonged closure, from its 246 FCA-registered agents and aggregator business prior to license cancellation.

With a reduced number of agencies and the limited capacity due to the impact of prolonged business closure on human resources and operations, the company plans to gradually reclaim its position in the coming months. The projected remittance volume for 2023 is £189 million, which, assuming no major changes in circumstances, is expected to bring BSEL to a break-even position by the end of 2023.

BSEL management is also dedicating all necessary resources to reach the 2023 remittance volume target.

A crucial component to achieving this goal is a steady ongoing cash flow - to support this, BSEL's parent company, BRAC Bank Limited, has also approved an overdraft (OD) facility of up to £2.5 million for the company.

The company has always placed the utmost importance on complying with all regulations and obligations, with a clear priority on compliance over profitability. The company will continue its investment in compliance and governance, in line with regulatory requirements and the company's own growth plans and initiatives.

Human Resources

With a view to align the overall business environment and adapt to the circumstances faced with the BSEL's license cancellation, headcount and associated expenses were curtailed across discretionary areas of expenditure. Headcount in the UK reduced from 11 to

8, with global headcount was 25 at the end of 2022. As the company was not in business from 28 May 2021 until 22 December 2022, only key staff were retained during this period to support the ongoing court case and enhancement of systems and controls. In addition, few new staffs was recruited during October and November 2022 to resume the business.

Compliance Framework

During the license cancellation period, the company continued with its focus on enhancing its compliance framework, in order to support its longer-term aspirations. Furthermore, BSEL also implemented many enhancements during the course of 2022 to ensure better performance and transaction monitoring was in place within its RemitERP system, by implementing HMRC recommendations and other operational features.

Financial overview

Due to the cancellation of license BSEL was in operation only for 9 days in 2022. Hence, the financial performance of BSEL may not be comparable with previous year. During 2022, excluding cash handling costs, overall operating expenses in 2022 were reduced by £2.13m (65% less than 2021). In addition, the company received a reimbursement of expenses of £248k in 2022 from HMRC after winning case in Tribunal Court.

Forward Outlook

We anticipate year-on-year growth in remittance within the UK retail sector as the country recovers from pandemic-imposed restrictions, enabling us to concentrate on recapturing lost market share, especially in the UK to Bangladesh market. The company is confident in its aim, thanks to its strong, two-decade-long relationship built within the Bangladeshi Community.

The company has also set a strategic objective to once again expand its services to multiple countries and is currently exploring partnership opportunities to increase its reach into new remittance corridors. Despite the ongoing Brexit-related transitional arrangements in the EU, the company remains focused on the EU market as a significant opportunity in the long term. BSEL is currently strategising its re-entry into the European market and intends to acquire a new license to expand operations within the EU.

Directors' Report
BRAC Saajan Exchange Limited

The Board of Directors of BRAC Saajan Exchange Limited (BSEL) is pleased to present the Directors' Report on the operational and financial activities of BESL together with the Audited Financial Statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of money remittance.

Branches

The company operates through branches within the UK.

Results and dividends

The results for the year are set out on statements of comprehensive income. The directors do not recommend payment of dividends. This is to assist with maintaining Cash Flow and reinvestment into the growing business of BRAC Saajan.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

- Mr Kazi Mahmood Sattar
- Mr Selim Reza Farhad Hussain
- Mr Abdus Salam

Future developments

We anticipate year-on-year growth in remittance within the UK retail sector as the country recovers from pandemic-imposed restrictions, enabling us to concentrate on recapturing lost market share, especially in the UK to Bangladesh market. The company is confident in its aim, thanks to its strong, two-decade-long relationship built within the Bangladeshi Community.

The company has also set a strategic objective to once again expand its services to multiple countries and is currently exploring partnership opportunities to increase its reach into new remittance corridors.

The company is also actively addressing the growing demand from its customer base for non-cash remittance services, which is a crucial initiative to reduce both risk and operating expenses.

The company will continue its investment in compliance and governance, in line with regulatory requirements and the company's own growth plans and initiatives.

Auditor

The auditor, Reddy Siddiqui LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy within the UK in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going Concern

The impact the cancellation of BSEL's licence by HMRC has been considered by the Directors:

- Management has considered updated financial forecasts. Based upon the information available, the directors consider that the Company has sufficient liquidity to continue in business for at least the next 12 months as a going concern.
- The directors have reviewed the assets of the business and do not believe there to be any impairments arising as a result of the pandemic and cancellation of licence.
- BRAC Bank Limited, the majority shareholder of BSEL, further invested £1m equity into BSEL in aid of resuming the business and supporting its minimum capital requirement
- A crucial component to achieving this goal is a steady ongoing cash flow - to support this, BSEL's parent company, BRAC Bank Limited, has also approved an overdraft (OD) facility of up to £2.5 million for the company

In addition, the directors do not believe there will be any material impact on the Company's ability to remain a going concern arising from the UK's exit from the European Union and cancellation of licence.

On behalf of the board

Sd/-
Mr Abdus Salam
Director

BRAC Saajan Exchange Limited

Balance Sheet

As at 31 December 2022

Particulars	2022		2021	
	GBP	Taka	GBP	Taka
PROPERTY AND ASSETS				
Cash	**445**	**55,370**	**1,266**	**146,460**
Cash in hand	445	55,370	1,266	146,460
(Including foreign currency)				
Balance with Bangladesh Bank and its agent bank(s)	-	-	-	-
(Including foreign currency)				
Balance with other banks and financial institutions	**604,499**	**75,218,755**	**1,742,068**	**201,559,521**
Inside Bangladesh	391,111	48,666,592	1,048,367	121,297,347
Outside Bangladesh	213,388	26,552,163	693,702	80,262,173
Money at call on short notice	-	-	-	-
Investments	-	-	-	-
Government	-	-	-	-
Others	-	-	-	-
Loans and advances	-	-	-	-
Loans, cash credit, overdrafts etc.	-	-	-	-
Small and medium enterprises	-	-	-	-
Bills purchased and discounted	-	-	-	-
Fixed assets including premises, furniture and fixtures	405,199	50,419,576	550,019	63,637,897
Other assets	262,723	32,691,029	526,977	60,971,865
Total Property and Assets	**1,272,866**	**158,384,730**	**2,820,330**	**326,315,744**
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	**804,856**	**100,149,541**	**2,541,667**	**294,074,110**
Money at call and short notice	-	-	-	-
Deposits and other accounts	-	-	-	-
Current accounts and other accounts	-	-	-	-
Bills payable	-	-	-	-
Savings deposits	-	-	-	-
Fixed deposits	-	-	-	-
Other deposits	-	-	-	-
Other liabilities	**286,908**	**35,700,372**	**177,825**	**17,158,937**
Total Liabilities	**1,091,764**	**135,849,913**	**2,719,491**	**311,233,047**
Capital and Shareholders' Equity				
Paid up share capital	1,333,333	155,029,757	333,333	42,889,757
Share premium	249,999	31,427,247	249,999	31,427,247
Foreign currency translation reserve	-	5,189,702	-	1,203,640
Surplus in profit and loss account/Retained earnings	(1,402,230)	(169,111,889)	(482,494)	(60,437,947)
Total shareholders' equity	**181,102**	**22,534,817**	**100,838**	**15,082,697**
Total Liabilities and Shareholders' Equity	**1,272,866**	**158,384,730**	**2,820,330**	**326,315,744**

BRAC Saajan Exchange Limited

Profit and Loss Account

For the year ended 31 December 2022

Particulars	2022		2021	
	GBP	Taka	GBP	Taka
Interest income	3,598	413,581	4,006	469,284
Interest paid on deposits and borrowing etc.	73,779	8,479,630	180,839	21,182,125
Net interest income	**(70,181)**	**(8,066,049)**	**(176,832)**	**(20,712,841)**
Investment income	-	-	-	-
Commission, exchange and brokerage	1,157	132,977	1,691,446	198,123,610
Other operating income	300,440	34,530,344	110,568	12,951,159
Total operating income	**231,416**	**26,597,272**	**1,625,182**	**190,361,928**
Salaries and allowances	330,337	37,966,476	810,720	94,961,820
Rent, taxes, insurance, electricity etc.	132,619	15,242,263	215,355	25,225,136
Legal expenses	242,805	27,906,222	224,617	26,310,009
Postage, stamps, telecommunication etc.	31,490	3,619,281	57,281	6,709,446
Stationery, printing, advertisement etc.	-	-	3,217	376,852
Auditors' fee	36,699	4,217,889	26,792	3,138,166
Depreciation and repairs to bank's assets	95,220	10,943,932	126,518	14,819,413
Other expenses	270,399	31,077,654	1,753,500	205,392,180
Total operating expenses	**1,139,570**	**130,973,716**	**3,218,001**	**376,933,023**
Profit before provisions	**(908,154)**	**(104,376,444)**	**(1,592,819)**	**(186,571,095)**
Provision for:				
Loans and advances	-	-	-	-
Off balance sheet items	-	-	-	-
Others	37,391	4,297,497	36,084	4,226,651
Total provision	**37,391**	**4,297,497**	**36,084**	**4,226,651**
Profit/(loss) before taxes	**(945,545)**	**(108,673,941)**	**(1,628,903)**	**(190,797,746)**
Provision for tax:				
Current tax expense	-	-	-	-
Deferred tax expense/ (income)	-	-	-	-
Total provision for tax	**-**	**-**	**-**	**-**
Total profit/(loss) after taxes	**(945,545)**	**(108,673,941)**	**(1,628,903)**	**(190,797,746)**

BRAC Saajan Exchange Limited

Statement of Changes in Equity

For the year ended 31 December 2022

Amount in GBP

Particulars	Paid up capital	Share premium	Foreign currency translation reserve	Retained earnings	Total
Balance as at 01 January 2022	**333,333**	**249,999**	**-**	**(482,494)**	**100,838**
Issue of share capital	1,000,000	-	-	-	**1,000,000**
Net profit for the year	-	-	-	(919,736)	**(919,736)**
Dividends for the year 2021	-	-	-	-	**-**
Balance as at 31 December 2022	**1,333,333**	**249,999**	**-**	**(1,402,230)**	**181,102**

Amount in Taka

Particulars	Paid up capital	Share premium	Foreign currency translation reserve	Retained earnings	Total
Balance as at 01 January 2022	**42,889,757**	**31,427,247**	**1,203,640**	**(60,437,947)**	**15,082,697**
Issue of share capital	112,140,000	-	-	-	**112,140,000**
Net profit for the year	-	-	-	(108,673,941)	**(108,673,941)**
Translation reserve	-	-	3,986,062	-	**3,986,062**
Dividends for the year 2021	-	-	-	-	**-**
Balance as at 31 December 2022	**155,029,757**	**31,427,247**	**5,189,702**	**(169,111,889)**	**22,534,817**

Statement of Changes in Equity

For the year ended 31 December 2021

Amount in GBP

Particulars	Paid up capital	Share premium	Foreign currency translation reserve	Retained earnings	Total
Balance as at 01 January 2021	**333,333**	**249,999**	**-**	**1,146,409**	**1,729,741**
Issue of share capital	-	-	-	-	**-**
Net profit for the year	-	-	-	(1,628,903)	**(1,628,903)**
Dividends for the year 2020	-	-	-	-	**-**
Balance as at 31 December 2021	**333,333**	**249,999**	**-**	**(482,494)**	**100,838**

Amount in Taka

Particulars	Paid up capital	Share premium	Foreign currency translation reserve	Retained earnings	Total
Balance as at 01 January 2021	**42,889,757**	**31,427,247**	**(1,880,938)**	**130,359,799**	**202,795,865**
Issue of share capital	-	-	-	-	**-**
Net profit for the year	-	-	-	(190,797,746)	**(190,797,746)**
Translation reserve	-	-	3,084,578	-	**3,084,578**
Dividends for the year 2020	-	-	-	-	**-**
Balance as at 31 December 2021	**42,889,757**	**31,427,247**	**1,203,640**	**(60,437,947)**	**15,082,697**

BRAC Saajan Exchange Limited

Cash Flow Statement

For the year ended 31 December 2022

Particulars	2022 GBP	2022 Taka	2021 GBP	2021 Taka
A. Cash flows from operating activities				
Interest receipts in cash	3,598	447,763	4,006	463,549
Interest payment	-	-	-	-
Fees and commissions receipts	1,157	143,967	1,691,446	195,702,505
Cash payments to employees	(330,337)	(41,104,360)	(810,720)	(93,801,371)
Cash payments to suppliers	(435)	(54,128)	(723,541)	(83,714,635)
Receipts from other operating activities	300,440	37,384,236	110,568	12,792,894
Payment for other operating activities :	(919,969)	(114,473,193)	(1,900,663)	(219,909,108)
Operating cash flow before changes in operating assets and liabilities (i)	**(945,545)**	**(117,655,714)**	**(1,628,903)**	**(188,466,165)**
Increase/decrease in operating assets and liabilities				
Loans and advances to customers	-	-	-	-
Other assets	242,274	30,146,594	2,352,460	272,182,582
Deposits from other banks/borrowings	(1,736,811)	(216,114,134)	(3,687,737)	(426,675,896)
Deposits from customers	-	-	-	-
Other liabilities	216,999	27,001,560	(3,612,975)	(418,025,887)
Cash utilised in operating assets and liabilities (ii)	(1,277,537)	(158,965,980)	(4,948,253)	(572,519,201)
Net cash (used)/flows from operating activities (i+ii)	**(2,223,082)**	**(276,621,695)**	**(6,577,156)**	**(760,985,366)**
B. Cash flows from investing activities				
Acquisition of fixed assets	90,069	11,207,401	109,156	12,629,500
Net cash used in investing activities	**90,069**	**11,207,401**	**109,156**	**12,629,500**
C. Cash flows from financing activities				
Proceeds from issue of ordinary shares	1,000,000	112,140,000	-	-
Net cash used in financing activities	**1,000,000**	**112,140,000**	**-**	**-**
D. Net increase/(decrease) in cash (A+B+C)	**(1,133,014)**	**(153,274,294)**	**(6,468,000)**	**(748,355,866)**
E. Cash and cash equivalents at beginning of year	1,743,334	201,705,981	8,211,334	946,486,965
Exchange difference	(5,377)	26,842,438	-	3,574,882
Cash and cash equivalents at the end of year (D+E)	**604,944**	**75,274,125**	**1,743,334**	**201,705,981**
Cash and cash equivalents at the end of the year:				
Cash in hand (including foreign currency)	445	55,370	1,266	146,460
Balance with Bangladesh Bank and its agents bank(s)(including foreign currency)	-	-	-	-
Balance with other banks and financial institutions	604,499	75,218,755	1,742,068	201,559,521
	604,944	**75,274,125**	**1,743,334**	**201,705,981**

ADDITIONAL INFORMATION

Glimpse of the 23rd Annual General Meeting

BRAC Bank held its 23rd Annual General Meeting (AGM) on a virtual platform on April 28, 2022.



Presided over by Chairman Dr. Ahsan H. Mansur, the AGM was also attended by Directors - Asif Saleh, Fahima Choudhury, Farzana Ahmed, Dr. Zahid Hussain, Meheriar M Hasan, Shameran Abed, Dr. Mustafa K. Mujeri, Faruq Mayeenuddin Ahmed and Salek Ahmed Abul Masrur.

The bank's Managing Director and CEO Selim R. F. Hussain responded to the shareholders' queries and thanked them for their unwavering trust in the bank. Acting Company Secretary M Mahbubur Rahman, FCS moderated the AGM.





List of Branch and Sub-branches

AGRABAD BRANCH
C&F Tower (1st Floor), 1712, Sk. Mujib Road, Agrabad, Chittaging.

ARAIHAZAR SME/KRISHI BRANCH
Shahjalal Market (1st Floor), College Road, Araihazar Bazar, Araihazar, Narayangonj.

ASHKONA BRANCH
Ashkona Community Center & Decorator, 567/1, Ashkona, Dakhin Khan, Dhaka-1230.

ASHULIA BRANCH
Abbas Shopping Complex (1st Floor), Jamgara, Ashulia, Savar, Dhaka-1341

ATI BAZAR BRANCH
Hazi Nuruddin Plaza, House#13, ATI Bazar, Keranigonj, Dhaka-1312.

BADDA SMESC
The Pearl Tradee Center (PTC), Holding No: Cha-90/3, Progoti Shoroni Road, Ward No-21, Thana-Badda, Dhaka.

BAGERHAT SME/KRISHI BRANCH
Shaikh Mansion, Holding# 226, Main road, Ward# 05, Rahater Mor, 1st floor, Pourashava & Thana# Bagerhat, Dist. Bagerhat

BAHADDERHAT SMESC
Mamtaz Tower, 4540 Arakan Road, Bahaddarhat, Chittagong.

BANANI - 11 BRANCH
South Breeze Center, Plot # 5, Building-G (1st & 2nd Floor), Road-11, Banani, Dhaka-1213.

BANANI BRANCH
Borak Mehnoor, Holding # 51/B, Kamal Ataturk Avenue, Banani C/A, Ward: 19, Dhaka-1213, Bangladesh

BANDARTILA SMESC
Osman Plaza, 1st Floor, 800/new, MA Aziz Road, Airport road, Bondortila, Chittagong.

BANIACHONG BRANCH
Hazi Harun Mansion, Holding No # 5, BoroBazar, Baniachong, Habigonj.

BARISALBRANCH
S. Rahman Market, 1st Floor, 79 Sadar Road, Barisal-8200.

BARO BAZAR BRANCH
A Hossain Plaza 4, Sir Iqbal Road, Khulna-9100, Bangladesh

BARURA BRANCH
Angkur Bhuiyan Complex (Ground Floor), College Road, Barura, Comilla-3560.

BASHABO BRANCH
Doric Hakim Tower, Holding No 213, Road No19, Atish Dipankar Road, Ward No 4, Middle Bashabo, Sabujbag, Dhaka-1214.

BASHUNDHARA BRANCH
Holding#193, Block-B, Safwan Road, Bashundhara R/A, Dhaka-1229.

BEANIBAZAR BRANCH
Hazi Abdus Sattar Shopping Complex (1st Floor), Holding No # 641, Ward No # 06, Beani Bazar, Sylhet.

BEGUM ROKEYA SHARONI BEANCH
Holding-129, Word No-14, Senpara Parbata, Mirpur Dhaka-1216.

BELKUCHI BRANCH
1014, Bhuiyan Plaza, Mukunda Gati Bazar Road, Belkuchi, Sirajganj

BENAPOLE SME/KRISHI BRANCH
Anu Bhaban, Holding# 492, Benapole, Jessore.

BHADERGANJ BRANCH
Maa Plaza, Holding: 137/1, Asian Highway Road Teringer More, Ps: Bhedorgonj .Dist: Shariatpur.

BHAIRAB BRANCH
Jahanara Mansion (1st Floor), Bangabandhu Sarani, Bhairab Bazar, Bhairab, Kishoreganj

BHANGA SME/KRISHI BRANCH
Bhuiyan Market (1st floor), Holding No. - 414, Thana Road, Bhanga Bazar, Pourashava & P.S. - Bhanga, Dist. - Faridpur.

BHERAMARA BRANCH
Bheramara Marjina Complex, 1st Floor, High Road, Bheramara Kushtia

BHOLA BRANCH
Mahabuba Market, House No:1331-1338, Sadar Road, Bhola-8300

BHULTA SME/KRISHI BRANCH
Haji Shopping Complex, Ward#04, Rupgonj, Narayangonj.

BIJOYNAGAR SMESC
TEPA Complex, Holding-Hal-169, Shahid Swaed Nazrul Islam Sharani, Ward-36, Thana- Palton, Dist.- Dhaka.

BISWANATH BRANCH
Biswanath branch, Didar Shopping City (1st Floor), Rampasha Road, Biswanath, Sylhet

BOARD BAZAR BRANCH
Hazi Ahammad Ali Eco Complex, Dag No 753-754, Dhaka Mymensingh Highway Road, Ward # 35, Board Bazar, Gazipur-1704

BOGRA BRANCH
Sheikh Mansion, 368/405 Rangpur Road, Borogola, Bogra-5800

BONDOR SMESC
Noor Mansion, 1458 Main Road, Laldigirpar, Ward#14, Sylhet.

BONOSREE BRANCH
Plot# 12, Block# C, Ground Floor, Bonosree Main Road, Bonosree, Rampura, Dhaka-1219

BRAHMANBARIA SME/ KRISHI BRANCH
Foyaz Plaza, 1116, Masjid Road, Brahmanbaria Sadar, Brahmanbaria.

CDA AVENUE BRANCH
Hosna Kalam Complex, Plot-3439, CDA Avenue, East Nasirabad, Chittagong, Bangladesh.

CHANDINA BRANCH
Jainal Abedin Shopping Mall, Moddho Bazar Thana Road, Word No: 05, Chandina- 3510, Comilla.

CHANDPUR SME/KRISHI BRANCH
Shadana Plaza (1st floor), 514/459, Shahid Muktijoddha Sarak, Chandpur Sadar, Chandpur.

CHAPAINAWABGONJ SME/KRISHI BRANCH
Holding no#15, Ward no#2, Islampur, Boro Indira Mor, Chapainawabganj.

CHARMATHA BRANCH
Sharif Market, House -3244 Dhaka- Rangpur Road, Charmatha, Bogra Sadar-5800.

CHAWKBAZAR BRANCH
Al-madina Tower, (1st floor), College Road, Oli Kha Moszid More, Chittagong.

CHOKORIA SME/KRISHI BRANCH
Jahir Market, Holding# 1136, Arakan Road, Chokoria, Cox's Bazar.

CHOWMUHUNI BRANCH
Rupali Bhaban, Holding No # 807, Feni Road, Chowmuhani, Begumgonj, Noakhali, Bangladesh

CHUADANGA SME/KRISHI BRANCH
Holding No. - 4276 (1st floor), Court Road, Pourashava & P.S. - Chuadanga, Dist. - Chuadanga.

COMILLA BRANCH
Holding# 682/615, Jhawtola, Comilla-3500

COMILLA SME/KRISHI BRANCH
Desh Jannat Tower (1st & 2nd Floor), 66, Chawkbazar (Dhaka – Chattogram Trunk Road), Comilla-3500

COMPANYGONJ BRANCH
Mim Plaza, Zero Point, Holding No-006-00, Bashurhat, Companyganj, Noakhali.

COX'S BAZAR BRANCH
An-Nahar Complex (1st Floor), 1462 Burmise Market, Main Road, Sadar, Cox's Bazar.

DAKHIN KHAN BRANCH
Mozaffar Tower, Holding # 103, Ward # 03, Bir Mukti Joddha S.M. Mozzamel Haq Sarak, Dakhin Khan, Dhaka

DAULATPUR BRANCH
SS Center Shopping Mall, Holding: 1/1, Ward#6, Jessore-khulna highway Road, Daulatpur, Khulna.

DEMRA SME/KRISHI BRANCH
Megna Plaza, Holding# 11, Ward#02, Konapara Bazar, Jatrabari, Dhaka.

DHANMONDI 27 BRANCH
BTI Lake Palisade, House - 23, Road - 27, Dhanmondi, Dhaka-1209.

DHANMONDI BRANCH
Bay Park Height, Holding Number-2 (New), Ward No-15, Mirpur Road, Dhanmondi, Dhaka

DHOLAIKHAL SMESC
Nahar Complex, Holding# 10/1, Ananda Mohon Basak Lan, Nayabazar, Ward# 71, Thana- Kotwali, Dist.- Dhaka.

DINAJPUR SME/KRISHI BRANCH
Nur Tower, Holding No- 812/772, Munshipara Road, (Lilir Mor), Ward- 03, Dinajpur Pouroshova, Thana- Kotowali, District- Dinajpur

DOHAR BRANCH
67, Asraf Ali Chowdhury Plaza (1st Floor), Joypara, Dohar, Dhaka-1330.

DONIA BRANCH
Dhaka Shopping Tower, Holding # 852, Zia Sarani Road, Donia, Kadamtoli, Ward #03, Dhaka-1236

ELEPHANT ROAD BRANCH
Ferdousi Plaza Bhaban, Holding#334, Dr.Kudrot-e-Khuda Road, Dhaka

FARIDPUR SME/KRISHI BRANCH
Swarnamoyee Plaza (1st floor), Holding No - 115 & 115/1, Mujib Sarak, Pourashava - Faridpur, P.S - Kotwali, Dist. - Faridpur.

FENI SME/KRISHI BRANCH
Kazi Center (2nd Floor), 105/106, S. S. K Road, Feni - 3900.

GANAKBARI BRANCH
Neyath Solim Plaza, Bolivadra Bazar, Ganakbari, Ashulia, Savar, Dhaka-1349

GANDARIA BRANCH
City Group Building (Ground & 1st Floor), Holding#119/E, Ward# 45(New), 81(Old), Distrilari Road, Gandaria, Dhaka-1204.

GAZIPUR SME/KRISHI BRANCH
Manik Bhaban, 95, Block# G, Rajbari Road, Joydevpur, Ward# 04, Gazipur.

GHATAIL SME/KRISHI BRANCH
Kajim Uddin Super Market, Holding# 752, Ward# 07, Thana# Gatail, Tangail.

GHORASHAL BRANCH
Holding-300/1(G/F), Dakkshin Charpara, Station Road, Ghorashal, Palash, Narshingdi -1613.

GOALABAZAR BRANCH
Anwar Mansion, 93 North Goalabazar, Osmani Nagar, Sylhet - 3124

GOBINDAGONJ SME/KRISHI BRANCH
Holding: 330, Jalil Super Market, (1st Floor), Golapbag, Gobindaganj, Gaibandha

GOPALGANJ SME/KRISHI BRANCH
Holding: 01, Ward: 02, Jahanara Plaza (1st Floor), Madrasha Road, Pourashava: Gopalgonj, Dist. Gopalgonj

GOURIPUR SME/ KRISHI BRANCH
Madona Twin Tower, Gouripur Homna Road, Daudkandi, Ward# 01, Gouripur.

GRAPHICS BUILDING BRANCH
9/G, Motijheel C/A, Dhaka-1000.

GULISTAN SMESC
Holding# 180, Siddique Bazar, Ward- 69, 5 no. Shahid Syed Nazrul Islam Sharani (North South Road), Thana- Kotwali, Dhaka- 1000

GULSHAN BRANCH
House-50 (1st Floor), Road-03, Plot-02, Block-SW(H)-7, Gulshan Avenue, Gulshan-1, Dhaka-1212

HAJARIBAG SMESC
House-55, Nowabgonj Road (1st Floor), Hazaribag, Lalbag, Dhaka-1211

HAJIGONJ BRANCH
Mokimabad, West Bazar, Hajigonj, Chandpur.

HALISHAHAR BRANCH
House#1, Road#1, Lane#1, Block#L, Halishahar H/E, Halishahar, Chittagong

HATHAZARI SME/KRISHI BRANCH
SS Tower (2nd Floor), Holding # 1104 & 1105, Khachari Road, Ward # 05, Hathazari, Chattogram.

HEMAYATPUR BRANCH
Hazi Ashraf Shopping Complex, (Ground Floor), Holding # 251, Jadur Char, Hemayetpur Bus Stand, Hemayetpur, Savar, Dhaka-1340.

HOBIGONJ BRANCH
Puran Muncefi Road, Habigonj-3300.

IMAMGONJ Branch
1, Nandakumar Datta Road, Chawk Corner (1st Floor), Chawk Bazar, Dhaka 1100.

ISHARDI BRANCH
993, Boro Mosjid, Station Road, Ishwardi, Pabna.

ISLAMPUR BRANCH
Bishal Hafej Sharif Market, 10 Waizghat Road, (Beside Moon Complex), Islampur, Dhaka-

JAMALPUR BRANCH
Beauty Plaza (1st Floor), Medical Road, Jamalpur-2000

JATRABARI SMESC
39, Shahid Faruk Road (opposite of Leguna Stand), Jatrabari, Dhaka

JESSORE BRANCH
Rawnak Chamber, M. K. Road, Jessore-7400.

JHALKATHI SME/ KRISHI BRANCH
Holding# 67, 68, Monohori Potti Road, Jhalokathi Pourashava, Jhalokathi.

JHENAIDAH SME/KRISHI BRANCH
House No - 23 (1st floor), Agnibina Sarak, Jhenaidah.

JIBAN NAGAR BRANCH
Hasina Plaza (1st floor) House No. 578, Hospital Road, Jibon Nagar, Chuadanga

JOYDEBPUR BRANCH
Rahamat Tower, Holding # 1034, Tangail Road, Joydebpur Chowrasta, Gazipur, Bangladesh

JOYPURHAT SME/ KRISHI BRANCH
Shahjahan Mansion (1st floor), Holding No. - 0554-00, Sadar Road, Joypurhat.

JUBILEE ROAD BRANCH
Hazi M Rahman Mansion. 184/A Enayet Bazar, Jubilee Road, Chittagong. Bangladesh.

KADAMTOLI SMESC
Dewan Chand Mahal (1st & 2nd Floor), 1277, D.T Road, Dhanialapara, Kadamtoli, Chittagong

KAPASIA BRANCH
Prihan tower, safaissri, Kapasia, Gazipur-1730

KARWANBAZAR BRANCH
Borak Johir Tower, Holding: 01, Kazi Nazrul Islam Avenue, Ward-26, Thana: Tejgaon, Dhaka

KASBA Branch
Simanto complex-2, (1st Floor) House No # – 561, Word No-5, Kasba, Brahmanbaria

KAZIR DEWRI BRANCH
Kazir Dewri Branch, BLC, 18 S.S. Khaled Road, Kazir Dewri, Chittagong, Bangladesh

KERANIGANJ BRANCH
Century Shopping Complex (1st Floor), Ward: 04, East Aganagar, Keraniganj, Dhaka-1310

KHATUNGANJ SMESC
M. K. Heights, Holding No#418, Khatunganj, Ward No#35, Kotwali, Chittagong.

KHILGAON SMESC
Plot # 926/C, Khilgaon Rehabilitation Area, Ward# 1, (South) Thana- Khilgaon, Dist.# Dhaka-1219

KHULNA BRANCH
The Daily Probaho Bhaban, 3, KDA Avenue, Khulna

KISHOREGONJ SME/ KRISHI BRANCH
Azhar Bhaban, Holding# 613, Ward# 06, Borobazar, Thana & Dist.- Kishoregonj.

KONABARI SME/ KRISHI BRANCH
Surma Food and Industry, Plot -143, 144, Dhaka-Tangail High Way Road, Konabari, Gazipur.

KUSHTIA SME/KRISHI BRANCH
Tofazzel Heath Centre Bhabon (1st Floor), Holding 42/1, N.S. Road, Ward No-3, Kushtia Pouroshova, Thana-Kushtia, Dist.-Kushtia

LAKSHAM BRANCH
Laksham (Pilot) Model School Market, 1449, Laksham-Chauddagram Road, Laksham, Comilla-3570.

LAXMIPUR SME/KRISHI BRANCH
F. K. Mansion (1st floor), Holding No. - 1128, Mouja - Banchanagar, Godown Road, Pourashava - Lakshimipur, P.S. - Sadar, Dist. - Lakshimipur.

LOHAGARA SME/ KRISHI BRANCH
Best Chowdhury Plaza, Busstation (Amirabad), Lohagara, Chittagong.

MADAMBIBIRHAT BRANCH
T K Bhaban (1st floor), Madambibirhat, Bhatiary, Sitakunda, Chittagong

MADARIPUR SME/KRISHI BRANCH
Kazi Abdur Rashid & Kazi Abdul Majid Plaza, Kazir Moar, Purana Bazar, Main Road, Madaripur.

MADHABDI BRANCH
236, Girls School Road, (1st Floor) Madhabdi, Narsingdi

MAGURA SME/KRISHI BRANCH
Alam Complex, Holding# 164, M.R Road, Ward# 09, Magura.

MAIJDI SME/KRISHI BRANCH
Mofiz Plaza (1st floor), Holding No. - 630-631, Mouja - Fakirpur, Main Road, Sadar, Pourashava - Noakhali, P.S. - Sudharam, Dist. - Noakahali.

MANIKGONJ BRANCH
Jinnat Plaza, Holding No. 80/1, Ward No. 06, Shahid Rafique Sarak, PS: Manikganj Sadar, RS Office: Manikganj, Post Code: 1800

MAWNA BRANCH
Takbir Super Market, Mulaid, Mawna, Sreepur, Gazipur

MIRPUR BRANCH
House No - 13, Road - 03, Block - A, Section - 11, Mirpur, Dhaka 1216

MIRPUR SECTION -1 BRANCH
B.N.S.B Bhaban, Plot# 1, 2, 3, Block# A, Section# 1, Ward# 12, Thana# Mirpur, Dist: Dhaka.

MIRZAPUR BRANCH
Ashkobor Biponi Bitan, Holding No-01, Mirzapur Old Bus Stand, Ward No-3, Pouroshoba - Mirzapur, Thana-Mirzapur, District- Tangail

MITFORD BRANCH
Abdul Kadir Mansion, Holding # 139, Biren Bose Street Mitford road, Dhaka

MOGHBAZAR BRANCH
Nur Bhandari Domino Benvento, 217& 217/A, Outer Circular Road, (1st & 2nd floor) Boro Moghbazar, Dhaka 1217

MOHADEBPUR BRANCH
Dag no. - RS - 515, 516, Khatian no. - RS 574, Mouja - Mohadebpur, Union - Mohadebpur, Thana - Mohadebpur, Dist - Naogaon

MOHAKHALI SMESC
Yousuf Navana Infinity Building, Holding no-16, Bir Uttam A. K. Khondaker Road, Ward no-20, Thana - Gulshan, Dhaka North City Corporation

MOHAMMADPUR SMESC
H I Khan Trade Center, (2nd Floor), Holding # Z-23 & Z-24, Tajmahal Road, Mohammadpur, Dhaka -1207

MOMIN ROAD BRANCH
Momin Road Branch, 2 no. Momin Road, Jamal Khan, Chittagong

MONOHORDI BRANCH
30 Sadar Hospital Road, Monohordi Pourashava, Monohordi, Narsingdi

MOTIJHEEL BRANCH
Khan Mansion, 107 Motijheel C/A. Dhaka-1000.

MOULVIBAZAR BRANCH
Julia Shopping City (1st Floor), 111, Shantibag, Central Road, Moulvibazar.

MUKTAGACHA SME/ KRISHI BRANCH
Holding-62, Muktagacha - Mymensing Road, Ward no# 04, Muktagacha, Mymensingh.

MUNSHIGONJ BRANCH
545, Jamidar Para, Ayub Ali Super Market, 1st Floor, Munshiganj Sadar, Munshiganj.

MURADPUR BRANCH
Ramna Trade Center (1st Floor) 36/7, CDA Avenue, Muradpur, Chittagong.

MYMENSINGH BRANCH
4/B, Shymacharan Roy Road, Notun Bazar, Mymensingh-2200

NAOGAON SME/ KRISHI BRANCH
Ayen Molla Tower (2nd Floor) , H# 3352, Sador Road, Old Bus Stand, Naogaon

NARAYANGANJ BRANCH
147, B.B Road, Narayanganj.

NARSHINGDI BRANCH
LB Plaza, Holding No: 01/2, Moslah Uddin Bhuiyan Road Sadar, Narsingdi

NATORE BRANCH
Holding # 402, Mokbul Plaza, Kanaikhali, Dhaka Road, Natore-6400

NATUN BAZAR BRANCH
1020, Miah Bhai Plaza (1st floor), Natun Bazar, Vatara, Gulshan, Dhaka-1212

NAWABGANJ BRANCH
Isamati Plaza, Plot-415, Bagmara, Nawabgonj, Dhaka

NAWABPUR BRANCH
172, Nawabpur Road (1st Floor), Dhaka-1000.

NETROKONA SME/ KRISHI BRANCH
Hillol Market (1st Floor), Holding# 422, Teribazar, Ward# 06, Powroshova & Thana : Netrakona Sadar, District: Netrakona

NILPHAMARY BRANCH
Toyez Uddin Plaza, Ground Floor, Holding#535, Hazi Mohshin Road, Nilphamari Sador, Nilphamari-5300.

NITAIGONJ SME/KRISHI BRANCH
19 R.K Das Road (1st Floor), Netaigonj, Narayangonj-1400

NOAPARA BRANCH
165, Rahim Tower, Station Bazar, Jessore-Khulna Road, Noapara, Abhoynagar, Jessore.

NOBIGONJ BRANCH
Khalique Manjil, 1st Floor, Shantipara, Hospital Road, Nabigonj, Habigonj - 3370

NORTH GULSHAN BRANCH
Navana Pristine Pavilion, Plot#128 (2nd Floor), Block#CEN (H), Ward#19, Gulshan Avenue, Gulshan-2, Dhaka-1212

PABNA SME/KRISHI BRANCH
JB Complex, 1310, 1311 Thana Road, Pabna Sador, Pabna.

PAHARTALI SMESC
Nazir Saleh Complex, Plot#512/659, Dhaka Trunk Road, D.T Road, Ward#13, Chattagram City Corporation, Pahartali, Chattagram.

PANCHAGAR SME/ KRISHI BRANCH
1st Floor, Alochaya Super Market, H# 644, Natun Basti, Alochaya Cinema Road, Panchagarh.

PANTHAPATH SMESC
Akankha Tower, 57/E, East Rajabazar, Thana# Sher-E-Bangla Nagar, Panthapath, Ward# 27, Dhaka-1215

PATUAKHALI BRANCH
Talukder Bhaban 140, Sadar Road Natun Bazar, Patuakhali-8600

PIROJPUR SME/KRISHI BRANCH
Chandni Super Market, Holding# 279, Kapuria Patty Road, Ward no# 05, Pirojpur Sadar, Pirojpur.

PORADAH BRANCH
Khan Supper Market, Ground Floor, South Katdah, Poradah Bazar, Mirpur, Kushtia

POTIYA BRANCH
1358/Kha, Patiya Model High School Market, Patiya, Chittagong

PRAGOTI SARANI SMESC
Alamin Icon Center, Holding No-Ko- 57/4, Progati Sarani, Dhaka

RAIPUR BRANCH
384, Hazi Ali Akbar Shopping Complex, Main Road, Raipur Paurashava, Laxmipur.

RAJBARI SME/KRISHI BRANCH
Nazar Mawla Plaza (1st Floor), Holding No. - 0072-09, Main Road, Pourashava - Rajbari, PS. - Sadar, Dist - Rajbari.

RAJSHAHI BRANCH
177, Kumarpara, ghoramara, Boalia, Rajshahi.

RAMPURA BRANCH
Khan Tower, 359, D. I. T Road, East Rampura, Dhaka-1219

RANGPUR BRANCH
City Plaza, (Ist Floor), Plot# 4325 & 4328, Station Road, Rangpur.

SADARGHAT SMESC
Rahmatullah Mansion 8 storied Comercial Building, Holding No # 5/1/1, Simpson Road (2nd floor), Sadarghat, Dhaka – 1100

SATKHIRA BRANCH
Nahar Plaza, Holding No-656, Abul Kashem Road, Ward-8, Pouroshova- Satkhira, District- Satkhira

SATMASJID ROAD BRANCH
Gawsia Twin Peak (2nd floor), Holding # 42 & 43, Ward # 15, Satmasjid Road, Dhanmondi, Dhaka.

SAVAR BRANCH
Modern Plaza Ltd (1st Floor), D-136, Thana Bus Stand, Talbag, Savar, Dhaka-1340

SHAJADPUR SME/KRISHI BRANCH
Aziz Mansion (1st floor), Holding No.- 136,137,137/1, Monirampur Bazar, Shahjadpur, Sirajganj.

SHAKHIPUR BRANCH
Korban Ali Plaza, Holding no -N,109,110, Kochoua Road, Ward no - 3, Shakhipur Pourashava, Thana - Shakhipur, Dist - Tangail

SHANTINAGOR SMESC
Shaan Tower, 24/1 Chamilibagh, shantinagar, Dhaka - 1217

SHAYMOLI BRANCH
Shaymoli Cinema complex, 24/1 & 24/2, Bir Uttom A. N.M Nuruzzaman Road (2nd Floor), Shaymoli, Dhaka

SHAYMPUR SME/KRISHI BRANCH
35/1 Karimullah Bagh, Shyampur, Dhaka 1204

SHERPUR SME/KRISHI BRANCH
Bhuiyan Plaza (1st floor), 175, Munshi Bazar Road, Pourshava & P.S. - Sherpur, Dist. - Sherpur.

SHERPUR BRANCH
Mahmud Tower, Holding No: 1761-5,1761-6, Dhaka Bogura Highway, Ward -05, Pouroshova- Sherpur, Thana –Sherpur, Bogura.

SHIBCHAR BRANCH
Ilias Ahmed Chowdhury Poura Super Market, ShibChar Bazar Road, ward # 03, Shibchar, Madaripur Ilias Ahmed Chowdhury Poura Super Market, ShibChar Bazar Road, ward # 03, Shibchar, Madaripur

SIDDIRGANJ BRANCH
Alhera Tower 1st Floor, House No: 227 Road#8, Hirajheel Main Road, Siddirganj, Narayangonj.

SIRAJGONJ SME/ KRISHI BRANCH
M.H Khan Plaza (1st Floor), Holding No. 521-522, S.S Road, Sirajgonj.

SITAKUNDO BRANCH
Ali Market (1st floor), Holding # 511, D.T. Road, Sitakunda, Chittagong

SK MUJIB ROAD BRANCH
Johra Tower, Holdig#2525/2526/4230, 1st Floor, Sk Mujib Road, Double Mouring Agrabad, Chittagong

SONAGAZI BRANCH
Sheikh Abul Market (1st Floor), Main Road, Sonagazi, Feni.

SONARGAON BRANCH
Sonargaon Shopping Complex (1st Floor), Mograpara, Chowrasta, Sonargaon, Narayanganj

SOUTH SURMA SME/ KRISHI BRANCH
1st Floor, Jaigirdar Plaza, Proposed Holding # 2999, Varthakhola, Station Road, Sylhet.

SREENAGOR BRANCH
M. Rahman Complex (First Floor), Bhagyakul Road, Sreenagar Bazar, Sreenagar, Munshiganj.

SUNAMGONJ BRANCH
Ahasan Mansion, Holding no: 885, Alfat Square (Traffic Point) Road, Sunamganj -3000

SWARUPKHATHI SME/ KRISHI BRANCH
Haque Mansion (1st Floor), Nuton Road, Miarhat, Kowrikhara, Nesarabad, Swarupkathi, Pirojpur.

SYEDPUR BRANCH
81, Sher-E-Bangla Road, Sayedpur Plaza, Sayedpur, Nilphamari.

SYLHET BRANCH
Pallabi Trade Center (Gr & 1st Floor), Sunamganj Road, Subid Bazar, Sylhet-3100

SYLHET UPOSHAHAR BRANCH
3/3 Uposhahar Main Road, Block-D, Shahjalal Uposhahar, Sylhet (1st Floor)

TANGAIL BRANCH
Tangail Tower, Holding #541, 542 & 544, Main Road, Tangail

THAKURGAON SME/ KRISHI BRANCH
Nurjahan Plaza, Holding# 1322, Shahid Mohammad Ali Sharak, Thakurgaon.

TONGI BRANCH
Nasir Uddin Sarker Tower, 2 No Mymensingh Road, Tongi, Gazipur-1700

UTTARA BRANCH
Atlanta Trade Center (Floor), House: 1/A, Road:1, Sector: 04, Uttara, Dhaka-1230

UTTARA JASHIM UDDIN AVENUE BRANCH
Giant Business Tower, Plot-3 & 3/A, Sector-3, Uttara, Dhaka-1230

UTTARA SMESC
Doel Center, Holding #15, Sonargaon Janapath, Ward # 51, Sector # 13, Uttara, Dhaka.

ZINDABAZAR BRANCH
Symphony Heights, Baruthkhana Point, East Zindabazar Sylhet-3100.

ZINZIRA BRANCH
Mona Trade City(1st Floor), Dakpara, Zinzira High Way, Keraniganj, Dhaka-1310

Sub-branch Name

BARGUNA SUB-BRANCH
Jobaida Mansion, Holding No: 99, Sadar Road, Ward No: 7, Pouroshova - Barguna, Thana- Barguna Sadar, Zilla - Barguna

CHARPARA SUB-BRANCH
Minsa Tower, Holding No 5/A, Sehra Road, Ward No 17, Mymensingh City Corporation, Kotowali, Mymensingh

COMPANYGANJ SME (C) SUB-BRANCH
M.D. Bhaban, Village- Companyganj, Union- 14 No. West Nabipur, Thana- Muradnagar, Zilla- Comilla

DHAMRAI SUB-BRANCH
Haji Riaz Plaza, Holding No. # 13, Gopnogor, Dhamrai Bazar, Pouroshova + Thana: Dhamrai, Zilla: Dhaka.

JIKHORGACHA SUB-BRANCH
Korban Market, Holding No. # 654, Jessore-Benapole Road, Ward No. # 03, Pouroshova + Thana: Jhikorgacha, Zilla- Jessore

KALIAKOIR SUB-BRANCH
Nur Plaza, Tengla Bari, Dag No R.S. 12, Sreefolatoli, Kaliakoir, Gazipur

KHULSHI SUB-BRANCH
Triangle Tower, Holding No. # 168/A/429, Zakir Hossain Road, Ward No. # 13, Khulshi, Chattogram

LALMONIRHAT SUB-BRANCH
Kulsum Plaza, Holding No: 1084, Puran Bazar Road, Ward No: 5, Pouroshova + Thana + Zilla: Lalmonirhat

MADHABPUR SUB-BRANCH
S D Plaza, Holding No 115, Kaporpotti Road, Ward No 7, Madhabpur, Hobigonj

NEW MARKET SUB-BRANCH
New Market City Complex, Holding No 44/1, Rahim Square, Mirpur Road, Ward No 18, Dhaka South City Corporation, New Market, Dhaka

NIKUNJO SUB-BRANCH
Holding -03, Road No -13, Johar Shahara Road, Word No-17, Dhaka North City Corporation, Thana- Khilkhet, Zilla-Dhaka

PIRERBAG SUB-BRANCH
Saleh Tower, Holding No 242, Sheikh Kamal Shoroni Road, Ward No 13, Dhaka North City Corporation, Mirpur, Dhaka

SHARIATPUR SUB-BRANCH
Abul Hossen Plaza (1st Floor), Holding No # 841/1, Sador Road, Ward No. # 03, Sharaitpur.

SHAYESTAGANJ SUB-BRANCH
R K Plaza, Holding No 0307-00, Daudnagar Bazar Road, Ward No 2, Shayestaganj, Hobigonj

SHIBU MARKET SUB-BRANCH
Dewan Ali Palace (1st floor), Holding No. # 77, Village- Kutubail, Union # Fatulla, Thana- Fatulla, Zilla-Narayanganj.

TAKERHAT SUB-BRANCH
Rose Villa (1st floor), Takerhat Residential Area, Word No # 03, Pouroshova & Thana m# Rajor, Zilla-Madaripur

TEJGAON SUB-BRANCH
Sepal Platinam Tower, Holding No 247/248, Road - Bir Uttom Mir Shawkat Ali Sarok, Ward No -24, Dhaka North City Corporation, Thana- Tejgaon, Zilla Dhaka.

UTTARA SECTOR-10 SUB-BRANCH
Talukder Tower, Holding No 80, Rana Vola Main Road, Ward No 53, Dhaka North City Corporation, Turag, Dhaka

WARI SUB-BRANCH
D.Q.L. Mohsin Plaza, Holding No 1/5, Folder Street, Ward No 41, Dhaka South City Corporation, Sutrapur, Dhaka

ZIGATOLA SUB-BRANCH
Dream World Tower, Holding No 23/C, Zigatola Main Road, Ward No 14, Dhaka South City Corporation, Hazaribag, Dhaka

Abbreviations and Acronyms

AACOBB	Association of Anti Money Laundering Compliance Officers of Banks in Bangladesh
ACS	Automated Challan System
ADB	Asian Development Bank
ADC	Alternate Delivery Channels
AGM	Annual General Meeting
AIT	Advance Income Tax
ALCO	Asset Liability Management Committee
AML	Anti-Money Laundering
AYS	At your service
BAC	Board Audit Committee
BAMLCO	Branch Anti-Money Laundering Compliance Officer
BAS	Bangladesh Accounting Standards
BAU	Business As Usual
BB	Bangladesh Bank
BBL	BRAC Bank Limited
BCG	Boston Consulting Group
BCO	Branch Compliance Officer
BCP	Business Continuity Plan
BEIL	BRAC EPL Investments Limited
BERDO	Blind Education and Rehabilitation Development Organization
BESBL	BRAC EPL Stock Brokerage Limited
BFRS	Bangladesh Financial Reporting Standards
BIBM	Bangladesh Institute of Bank Management
BIDS	Bangladesh Institute of Development Studies
biTS	BRAC IT Services Limited
BLBC	BRAC Limb and Brace Centre
BMET	Bureau of Manpower Employment and Training
BO	Beneficial Owner
BRMC	Board Risk Management Committee
BSEC	Bangladesh Securities and Exchange Commission
BSS	Bangladesh Secretarial Standards
CAMLCO	Chief Anti-Money Laundering Compliance Officer
CASA	Current Account, Savings Account
CBS	Core Banking Software
CCC	Central Compliance Committee
CDBL	Central Depository Bangladesh Limited
CFC	Cyber Fusion Center
CFP	Contingency Funding Plan
CFT	Combating the Financing of Terrorism
CGC	Corporate Governance Code
CIDD	Center for Inclusive Development Dialogue
CIRDAP	Centre on Integrated Rural Development for Asia and the Pacific
CMSEs	Cottage, Micro and Small Enterprises
CMSMEs	Cottage, Micro, Small and Medium Enterprises
CRAB	Credit Rating Agency of Bangladesh
CRAR	Capital to Risk Weighted Assets Ratio
CRISL	Credit Rating Information and Services Limited
CRM	Credit Risk Management
CRMR	Comprehensive Risk Management Reporting
CRMs	Cash Recycler Machines
CRR	Cash Reserve Requirement
CSE	Chittagong Stock Exchange PLC
CSP	Customer Security Program
CSR	Corporate Social Responsibility
DCFCL	Departmental Control Function Checklist
DEI	Diversity, Equity and Inclusion
DMS	Document Management System
DPs	Depository Participant
DSE	Dhaka Stock Exchange Limited
DSHE	Directorate of Secondary and Higher Education
DTA	Deferred Tax Assets
EAR	Early Alert Review
EBCP	Enterprise Business Continuity Plan
ECRL	Emerging Credit Rating Limited
EMI	Equated Monthly Installments
EoP	End of Period
EPL	Equity Partners Limited
EPS	Earnings Per Share
ERAF	Enterprise Risk Associates Forum
ERGF	Enterprise Risk Governance Forum
ERM	Enterprise Risk Management
ERMC	Executive Risk Management Committee
ESCAP	Economic and Social Commission for Asia and the Pacific
ESG	Environmental, Social & Governance
ESRM	Environmental and Social Risk Management
e-TIN	Taxpayer's Identification Number
ETP	Effluent treatment plant
EVA	Economic Value Added
FCY	Foreign Currency
FDI	Foreign Direct Investment
FFD	Freedom Fixed Deposit
FI	Financial Institution
FRC	Financial Reporting Council
FSs	Financial Statements
FTE	Full Time Employee
FUM	Fund Under Management
FY	Financial Year
GABV	Global Alliance for Banking on Values
GBS	Golden Benefits Savings
GCC	Gulf Cooperation Council
GDP	Gross Domestic Products
GRI	Global Reporting Initiative
GSD	General Services Department
HMRC	His Majesty's Revenue and Customs
HNW	High Net Worth
IAR	Integrated Annual Report
IAS	International Accounting Standards
ICAAP	Internal Capital Adequacy Assessment Process
ICAB	Institute of Chartered Accountants of Bangladesh
ICCD	Internal Control and Compliance Division
ICMAB	Institute of Cost and Management Accountants of Bangladesh
ICSB	Institute of Chartered Secretaries of Bangladesh
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
IPFF	Investment Promotion and Financing Facilities
IPO	Initial Public Offering
IR	Investor Relations
IRF	Incident Response Forum
KPI	Key Performance Indicators
KRI	Key Risk Indicator
LCR	Liquidity Coverage Ratio
LDCL	Loan Documentation Checklist
LEED	Leadership in Energy and Environmental Design
LOS	Loan Originating System
LTU	Large Taxpayers Unit
MANCOM	Management Committee
MFS	Mobile Financial Services
MICR	Magnetic Ink Character Recognition
MIMAP	Micro Impact of Macroeconomics and Adjustments Policies
MPSA	Microsoft Product and Services greement
MVA	Market Value-added

NAV	Net Assets Value
NBFI	Non-banking Financial Institutions
NBR	National Board of Revenue
NCI	Non Controlling Interest
NFC	Near Field Communication
NFCD	Non-Resident Foreign Currency
NII	Net Interest Income
NIM	Net Interest Margin
NOPAT	Net Operating Profit After Tax
NPA	Non-performing Asset
NPL	Non-performing Loan
NRC	Nomination and Remuneration Committee
NSFR	Net Stable Funding Ratio
OBU	Off Shore Banking Unit
PAT	Profit After Tax
PBT	Profit Before Tax
PBV	Price-to-book Value
PCIDSS	Payment Card Industry Data Security Standard
PIF	Post Import Financing
PPG	Product Program Guideline
PSO	Payment Systems Operator
PSP	Payment Service Providers
QOR	Quarterly Operations Report
QR	Quick Response
RAS	Risk Appetite Statement
RCDM	Real-time Cash Deposit Machine
RFCD	Resident Foreign Currency Deposit
RJSC & F	Registrar of Joint Stock Companies & Firms
RMD	Risk Management Division
RoA	Return on Assets
ROC	Regional Operating Centre
RoE	Return on Equity
RoI	Return on Investment
RPO	Repeat Public Offering
RWA	Risk Weighted Assets
SAFA	South Asian Federation of Accountants
SAM	Special Asset Management
SCF	Supply Chain Finance Solution
SDG	Sustainable Development Goals
SDP	Skills Development Program
SEIP	Skills for Employment Investment Programme
SFD	Sustainable Finance Department
SFU	Sustainable Finance Unit
SLR	Statutory Liquidity Ratio
SME	Small & Medium Enterprises
SOC	Security Operation Centre
SREP	Supervisory Review Evaluation Process
SRF	Socially Responsible Finance
STP	Straight-Through-Processing
TAT	Turnaround Time
TBS	Triple Benefit Savings
TTC	Technical Training Centres
UNCDF	United Nations Capital Development Fund
UNSDGs	United Nations' Sustainable Development Goals
VAS	Value Added Service
VoC	Voice of Customers
WFH	Working From Home
WHT	Withholding Tax
YLP	Young Leaders' Programme
YoY	Year on Year

BRAC BANK
আস্থা অবিচল

Registered Office: Anik Tower, 220/B, Tejgaon-Gulshan Link Road, Tejgaon I/A, Dhaka-1208, Bangladesh.
Share Office: Anik Tower, (Ground floor) 220/B, Tejgaon-Gulshan Link Road, Tejgaon I/A, Dhaka-1208, Bangladesh.
Phone: 09677555124, 09677555125; Email: sharedept@bracbank.com.

PROXY FORM

I/We ..... of .....

..... being a member of BRAC Bank Limited and entitled to vote,

do hereby appoint Mr. /Ms..... of .....

.....

..... as my proxy to attend and vote for me on my/our behalf at the 24th Annual General Meeting of the Company to be held on May 31, 2023 at 11:00 a.m. (BST) via live webcast by using digital platform.

Signed this ..... day of ..... (Month) 2023

Signature of proxy .....

Signature of shareholder .....

Affix Revenue Stamp of TK. 20.00

BO ID of Member: | | | | | | | | | | | | | | | | |

No. of shares held on Record date (May 09, 2023): .....

Note: The scanned copy of the "Proxy Form", duly signed and affixed with BDT 20 Revenue Stamp must be sent through email to BRAC Bank Share Office at **sharedept@bracbank.com** no later than 72 hours before the commencement of the AGM. Signature of the shareholder/s should agree with the specimen signature registered with the Company/Depository Participant(s).

Gratitude

Thanks for being with us!

For any services, please contact with us:

E-mail: enquiry@bracbank.com

24 Hour Call Center: 16221, 08 0000 16221 (toll free)

For Overseas Callers: +880255668055-6, +8809611223344

Phone: +88 02 8801301-32; 09677551001-31

Fax: +88 02 222298910

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Annual Report 2022

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Tejgaon I/A, Dhaka 1208, Bangladesh

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