



H1 2023

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

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 Economic Outlook and Market Update

 Business Highlights

SME

Retail

Corporate

Treasury & FI

Risk Management Division

 Financial Performance H1'23

 bKash Update

 Q&A

Economic Outlook and Market Update



Economy

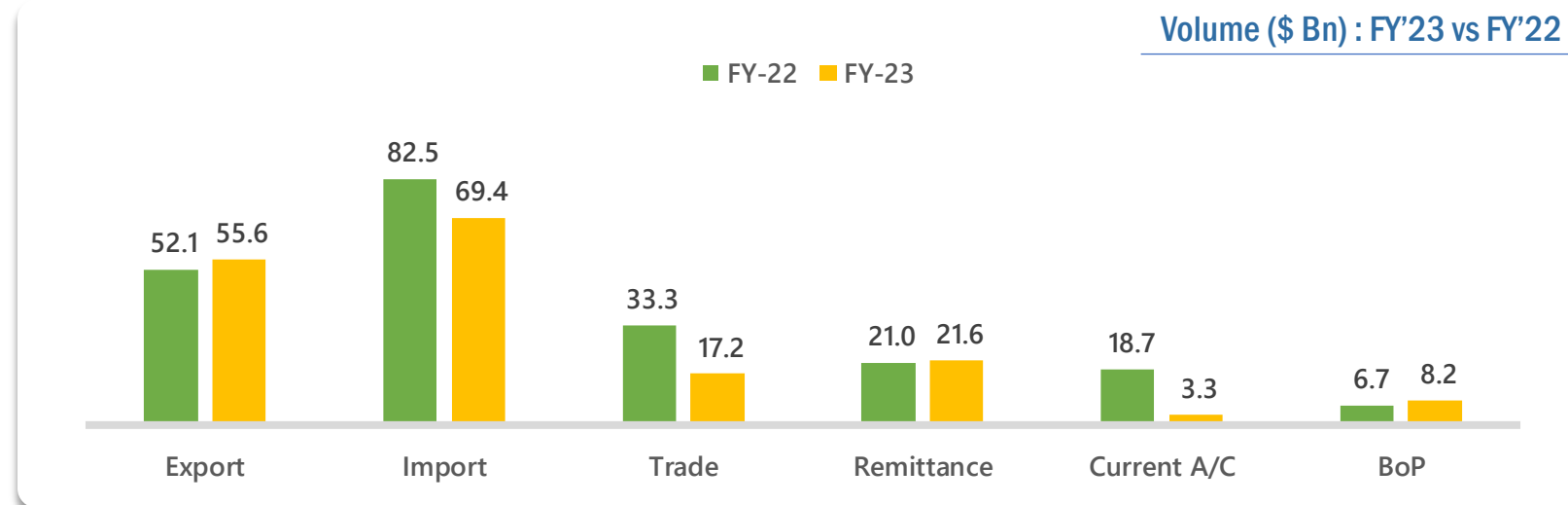
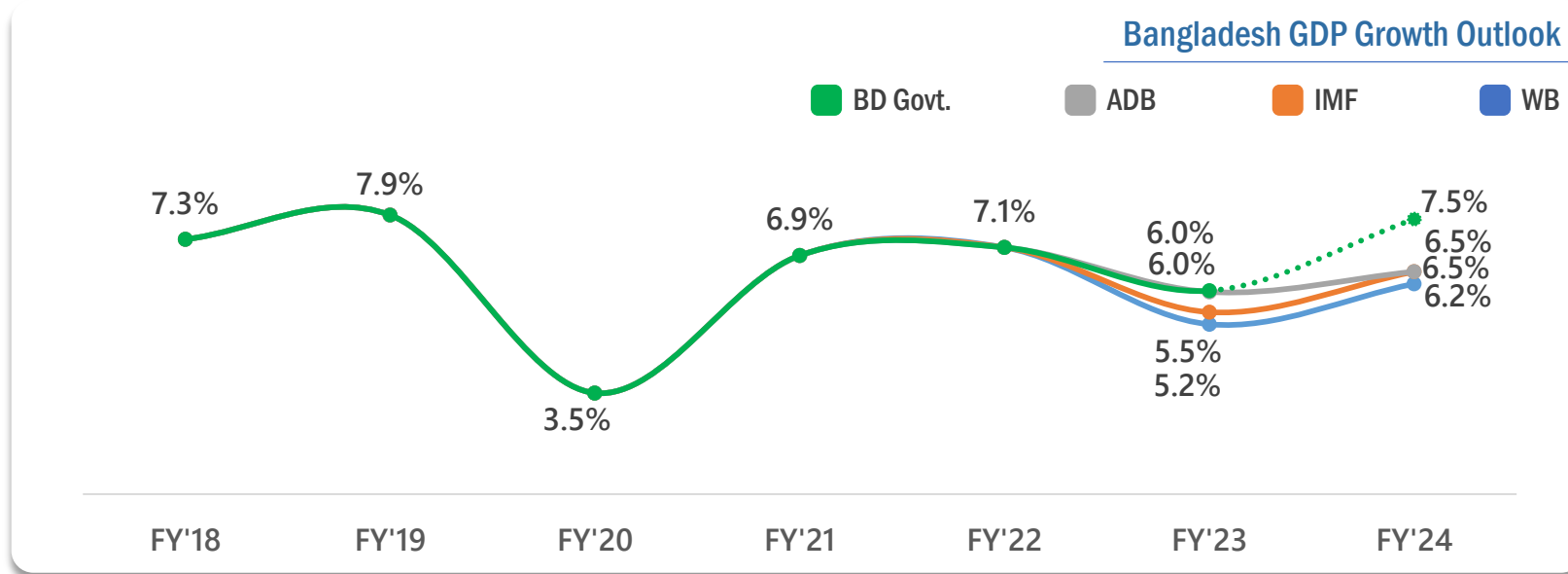
- Moderate economic growth amid various challenges
- Elevated inflation
- Depleting reserve and external debt showing some stabilization



Market

- Interest rates moving upward, liberalization started
- BDT continues to depreciate
- Negative rating action

Despite some short-term volatility, economy is expected to grow at a moderate rate



- **Strong Balance Sheet growth*:**
 - **Customer Lending grew @ 29% (industry : @ 9%)**
 - **Customer Deposit grew @ 28% (industry : @ 14%)**
- **Deposits grew across all segments**
- **Customer number grew by 10% from Dec'22 (143k new customers)**
- **Portfolio quality steadily improving: 30 DPD PAR 4.7% (Dec'22: 4.9%)**
- **Maintained strong liquidity position in both LCY & FCY**
- **Market share increased:**
 - **Loans by 29bps to 3.20%**
 - **Deposits by 18bps to 2.77%**



SME Banking Division

	<u>YoY (Jun'23 vs Jun'22)</u>	<u>Jun'23 vs Dec'22</u>
Customer Number	▲ 20% (487k vs. 404k)	▲ 10% (487k vs. 442k)
Deposits		
Portfolio	▲ 23%	▲ 14% (28%)*
CASA Mix	▼ 66% from 73%	▼ 66% from 67%
CoD	▲ 2.20% from 1.59%	▲ 2.20% from 1.72%
Assets		
Portfolio	▲ 30%	▲ 15% (30%)*
Yield	▼ 8.23% from 8.29%	▼ 8.23% from 8.26%
30-Days PAR	▼ 3.28% from 4.80%	▼ 3.28% from 3.92%
NPL	▼ 2.73% from 2.83%	▼ 2.73% from 3.12%
Trade Volume	▲ 8% (\$62 Mn vs \$57 Mn)	

Strong growth in both asset & deposit

*Annualized



Retail Banking Division

	<u>YoY (Jun'23 vs Jun'22)</u>	<u>Jun'23 vs Dec'22</u>
Customer Number	▲ 20% (1,071k vs. 893k)	▲ 10% (1,071k vs. 974k)
Deposits		
Portfolio	▲ 20%	▲ 11% (23%)*
CASA Mix	▼ 44% from 48%	▼ 44% from 45%
CoD	▲ 3.92% from 3.34%	▲ 3.92% from 3.48%
Assets		
Portfolio	▲ 8%	▲ 7% (13%)*
Yield	▲ 8.57% from 7.88%	▲ 8.57% from 7.94%
30-Days PAR	▲ 4.74% from 4.54%	▲ 4.74% from 4.41%
NPL	▼ 2.75% from 2.76%	▲ 2.75% from 2.59%
Credit Card Portfolio	▲ 27%	▲ 11% (22%)*
Merchant acquiring volume	▲ 43% (BDT 33 Bn vs BDT 24 Bn)	
Remittance Volume (USD M)	▲ 92% (\$403 Mn from \$210 Mn)	

Growth momentum continues in customer acquisition & cards | Disbursement picked up in Q2'23

*Annualized

Corporate Banking Division

	<u>YoY (Jun'23 vs Jun'22)</u>	<u>Jun'23 vs Dec'22</u>
Deposits		
Portfolio	▲ 38%	▲ 18% (35%)*
CASA Mix	▲ 55% from 47%	▲ 55% from 51%
CoD	▲ 4.16% from 3.82%	▲ 4.16% from 3.95%
Assets		
Portfolio	▲ 34%	▲ 19% (37%)*
Yield	▲ 6.79% from 5.21%	▲ 6.79% from 5.54%
New Limit	▲ 3,630	
30-Days PAR	▼ 6.80% from 7.97%	▲ 6.80% from 6.70%
NPL	▼ 5.18% from 6.19%	▼ 5.18% from 5.38%
Trade Volume	▲ 6% (\$2.1 Bn vs \$1.9 Bn)	

Asset growth aligned to risk appetite | Higher revenue with better spread and strong growth in NFI

*Annualized



Treasury & FI Division

Liquidity

- Maintained healthy liquidity in LCY & FCY
- Leveraged FCY strength to book new clients
- OBU portfolio grew 24% in H1'23 (annualized)

Trading Position

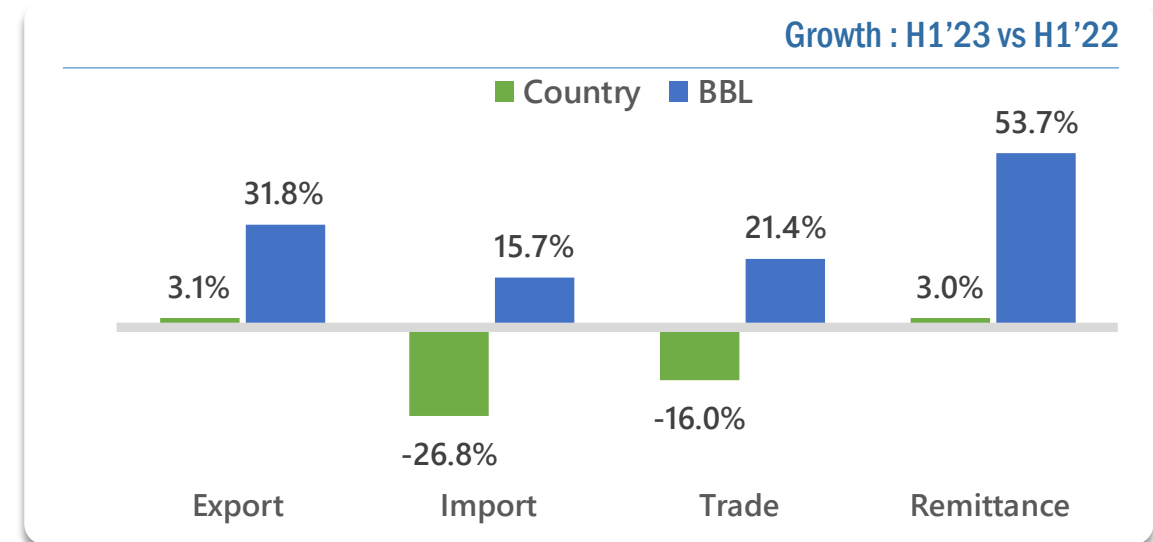
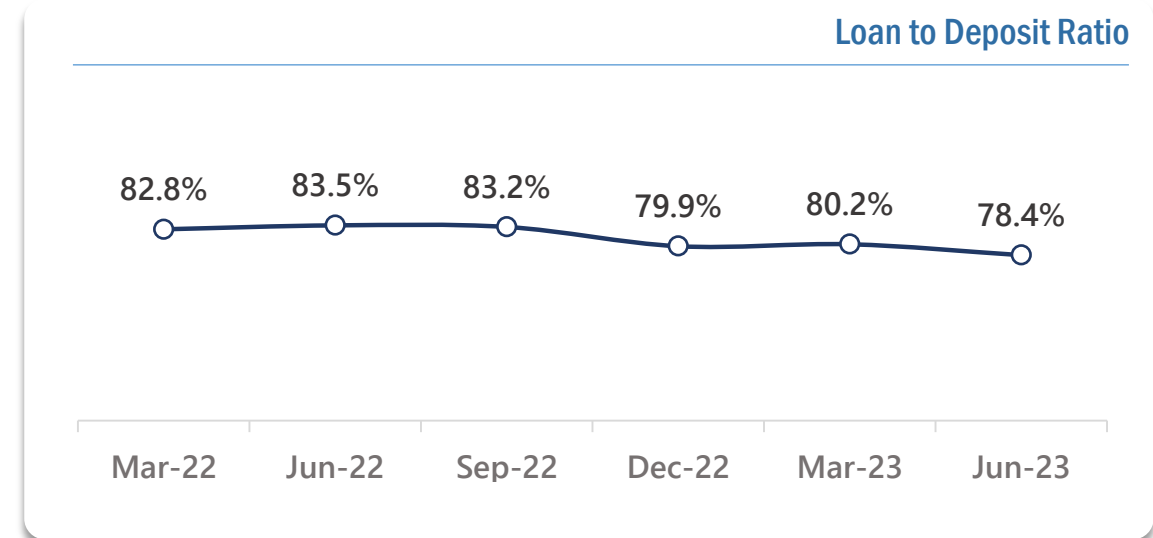
- Leading trader in Govt. Securities
- Leading FX liquidity provider and market maker

Risk Management

- Reduced portfolio risk, lower concentration risk

New Deals

- USD 100 Million Green Finance Facility from JICA and Citi N.A.
- USD 50 Million trade finance facility from IFC



Strong Treasury continues to help differentiate BRAC Bank in all customer segments

CRAB
AAA

ECRL
AAA

S&P
B+

MOODY'S
B1

LOCAL

GLOBAL



BRAC Bank tops the list of banks in the latest Sustainable Rating for 2022 based on four indicators :

- Sustainable finance
- Green refinance
- Corporate social responsibility
- Core banking sustainability.

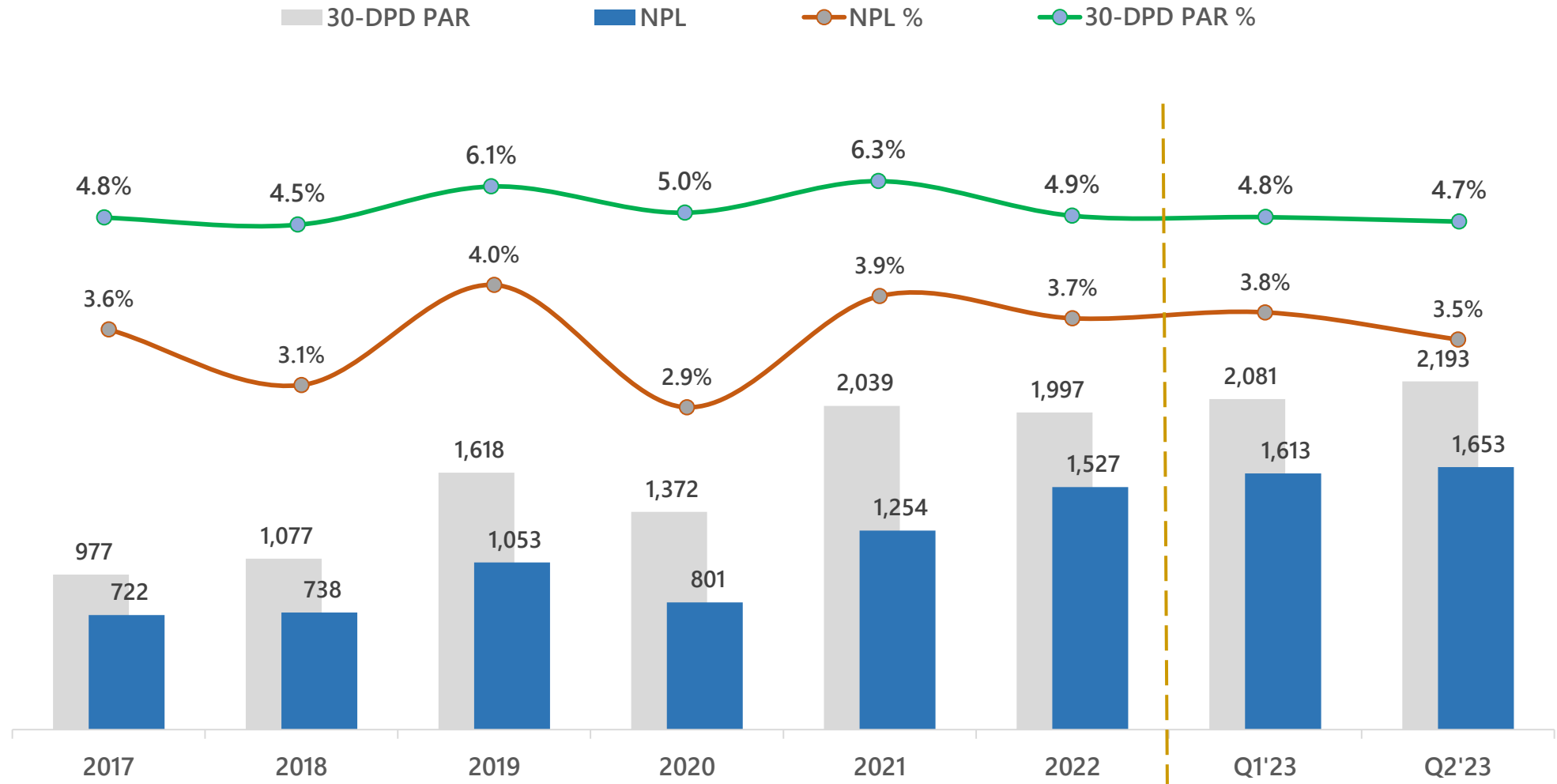
“ We believe the bank will navigate challenging operating conditions in Bangladesh and maintain its financial profile over the next 12-18 months. ”

- S&P

Risk Management Division

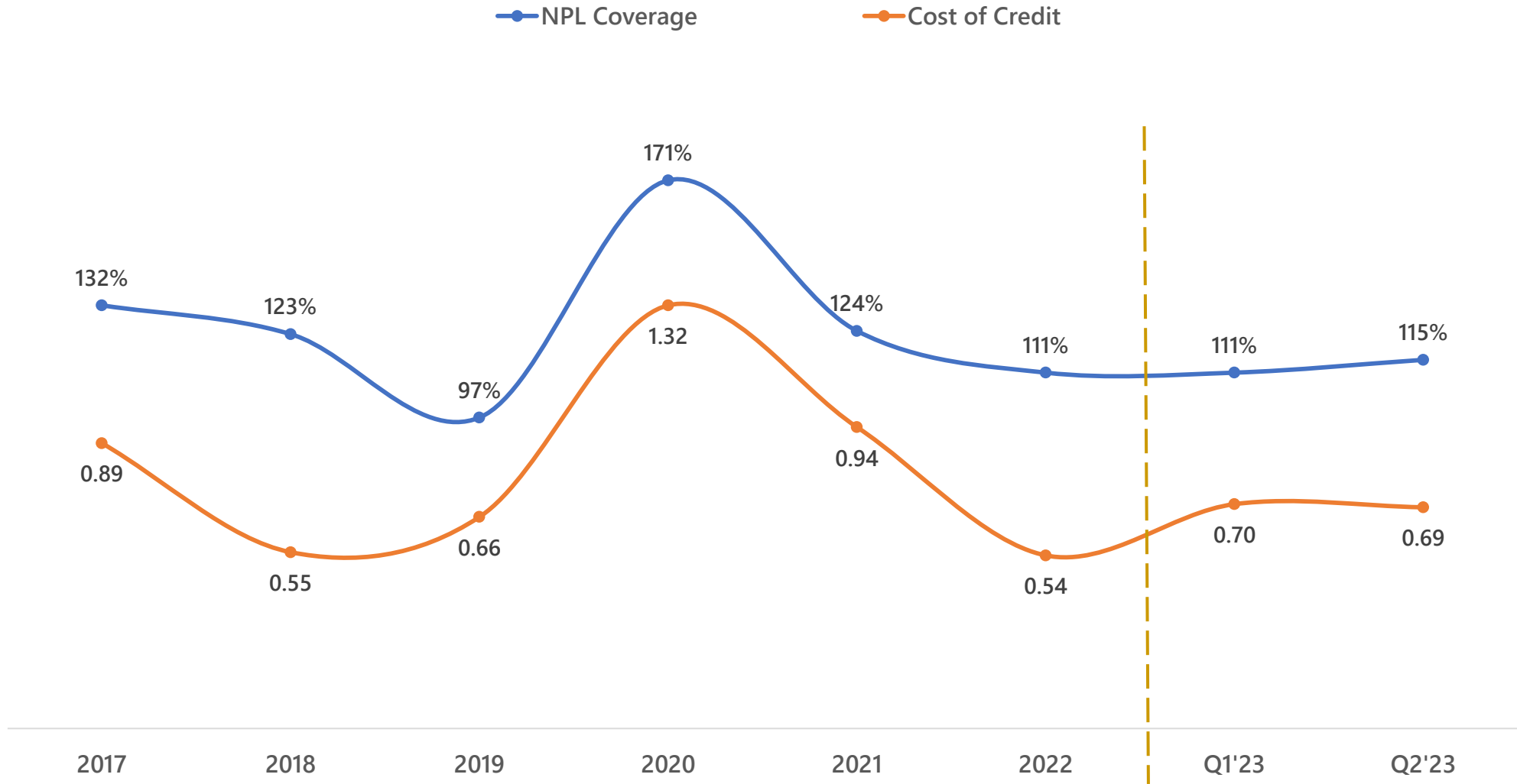
Risk Management: NPL & PAR movement

BDT' Cr (10 Mn)



Continuous improvement in portfolio quality

Risk Management: NPL Coverage & Credit Cost



Maintaining strong credit coverage

1. Portfolio under payment deferral (< 2.5%)

Portfolio	Mix %
Under regular repayment	97.6%
Under Rescheduling	0.8%
Extended Covid-19 Restructuring:	1.6%
Stay Order	-
Total	100%

2. Enhanced Risk Management

- Well defined RAS (2023) aligned with targeted business growth
- Reviewing RM Framework for future resilience and growth in post-pandemic world
- Industry/Sector analysis considering macroeconomic volatility and realignment of strategy
- Upgrading/developing Risk Models for relevant customer segments
- Data Governance Process established
- KPI & Efficiency Monitoring; Web Based Interactive Dashboard for Portfolio Risk assessment

3. Collection & recovery

- Strengthen Collection & Recovery teams with KPIs & Incentive Scheme

Continuous efforts to improve asset portfolio

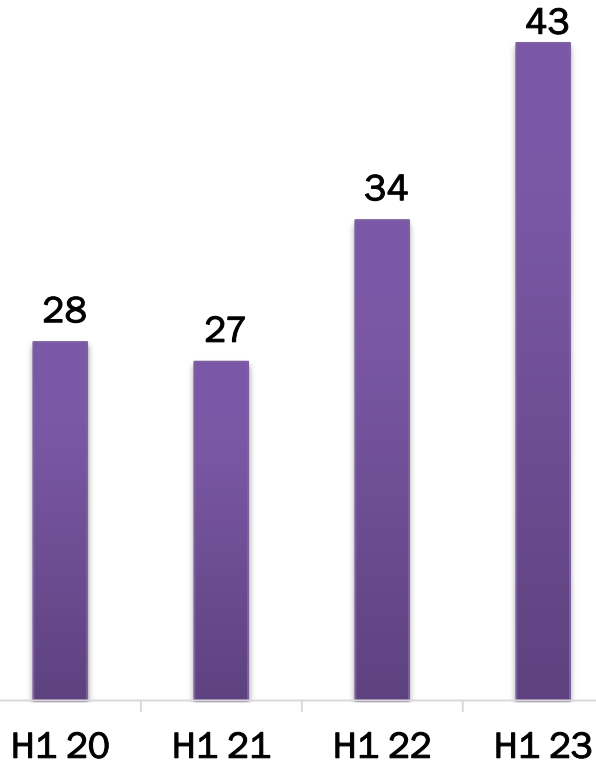
FINANCIALS

BDT '000 Cr (10 Bn)

BBL

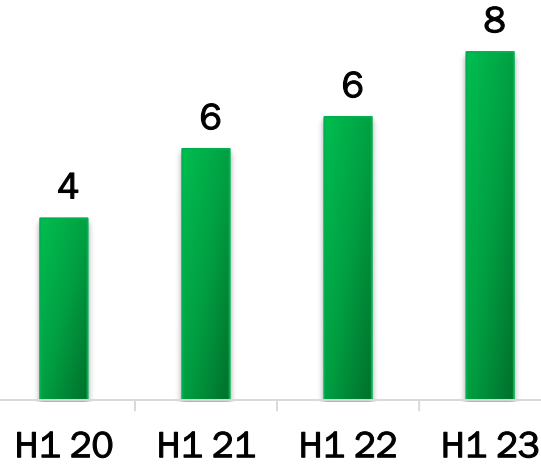
YoY Growth

26%



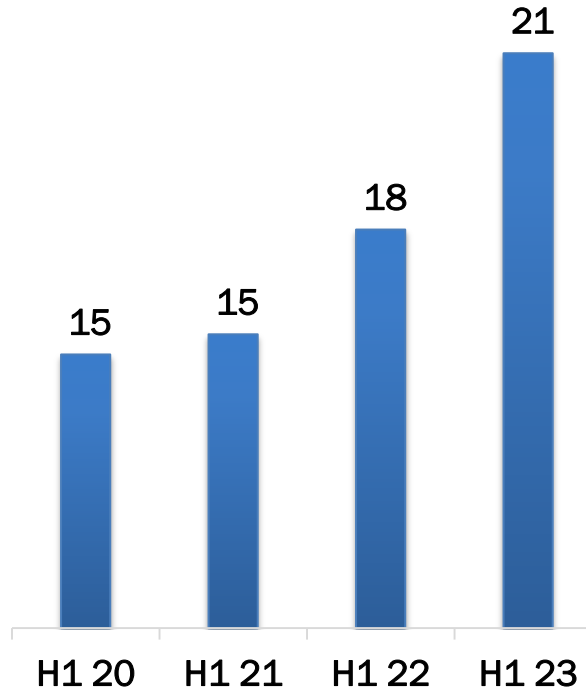
SME

23%



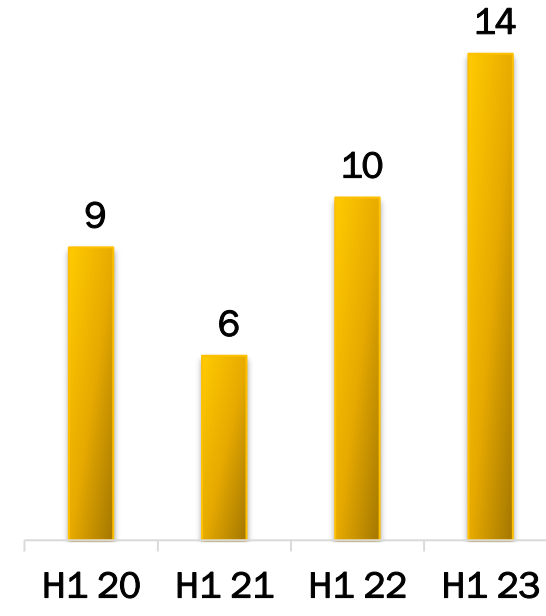
Retail

20%



Corporate

38%

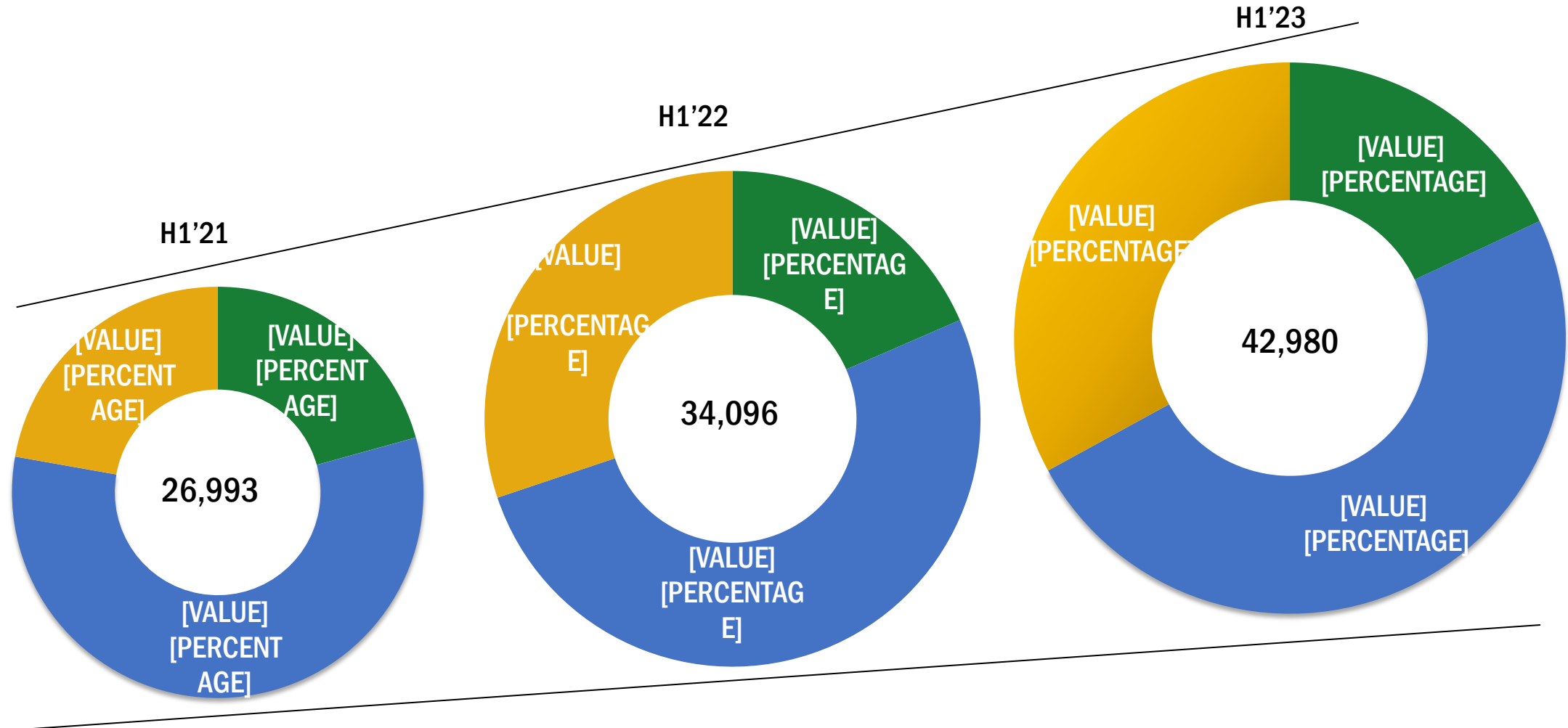


Growth driven by all segments - aligned to strategy

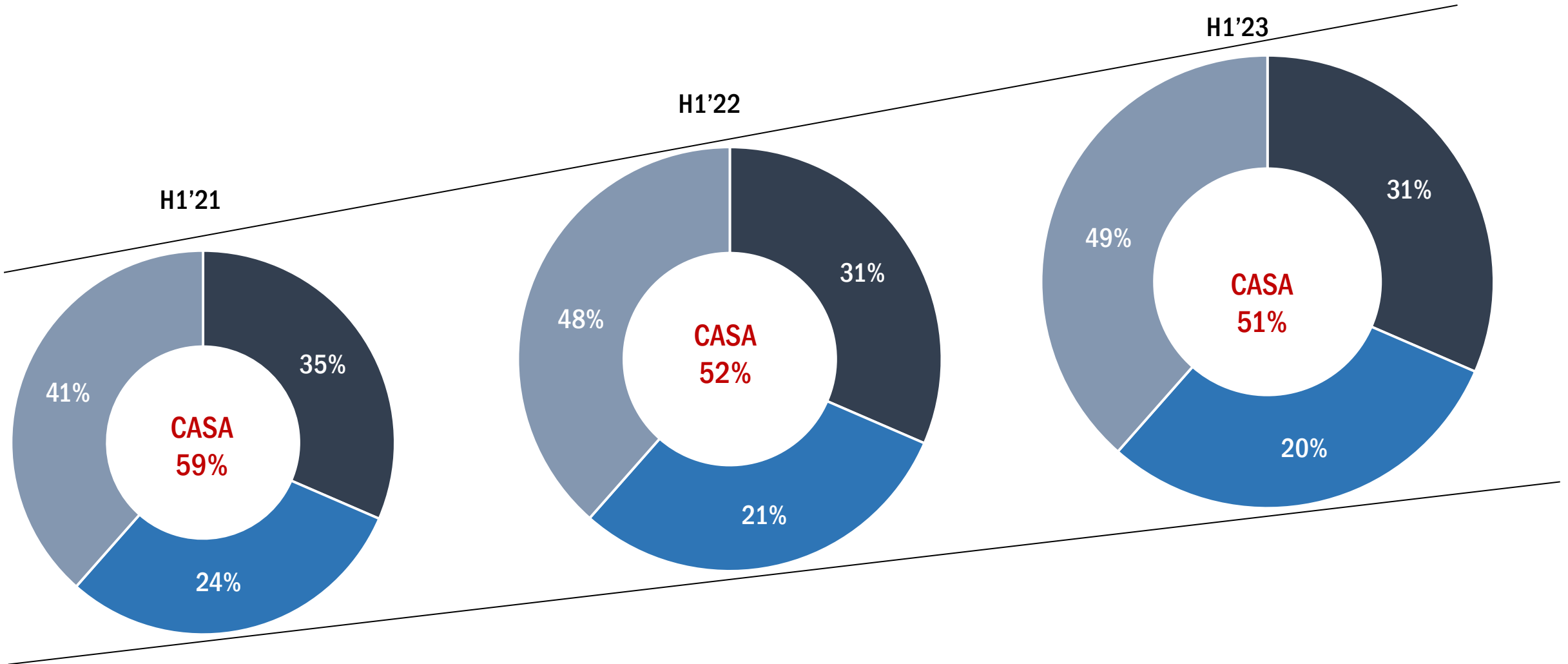
Segmental Customer Deposits Mix (EOP)

BDT Cr (10 Mn)

■ SME ■ Retail ■ Corporate

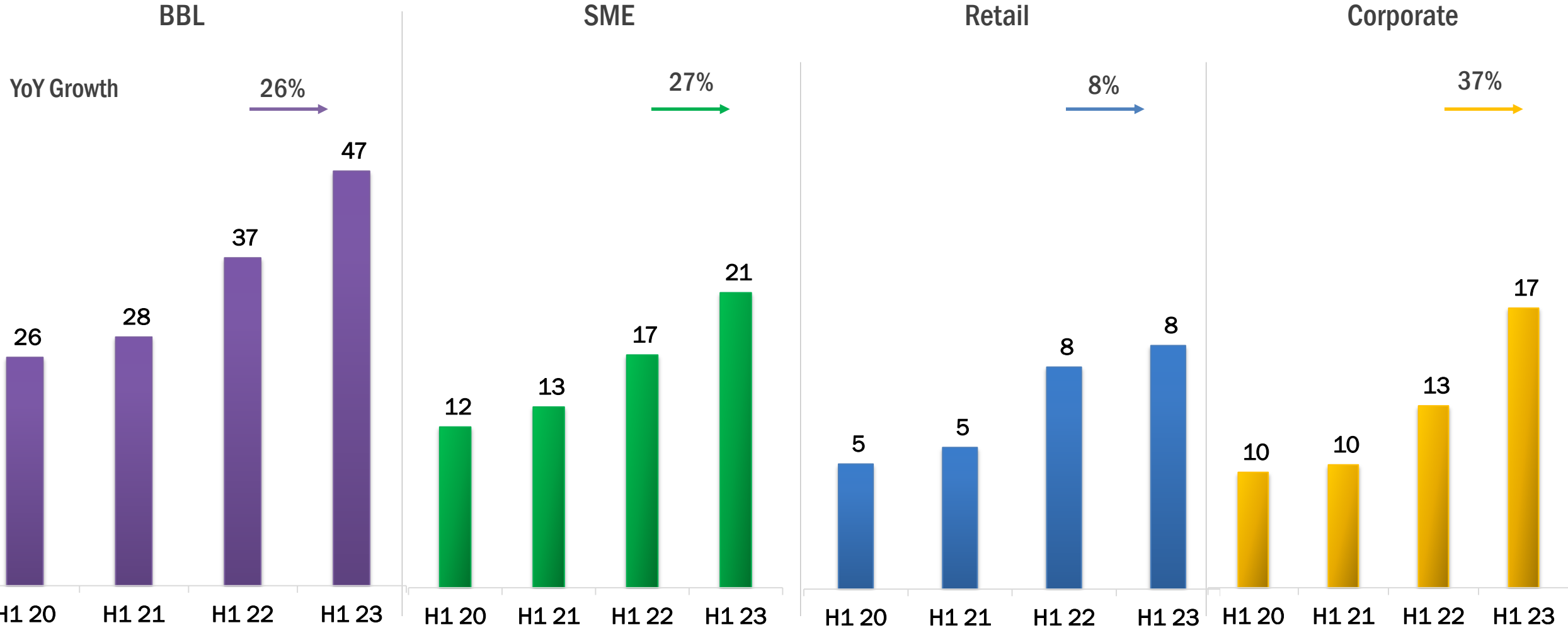


■ Current ■ Savings ■ Term



As per BB

BDT '000 Cr (10 Bn)

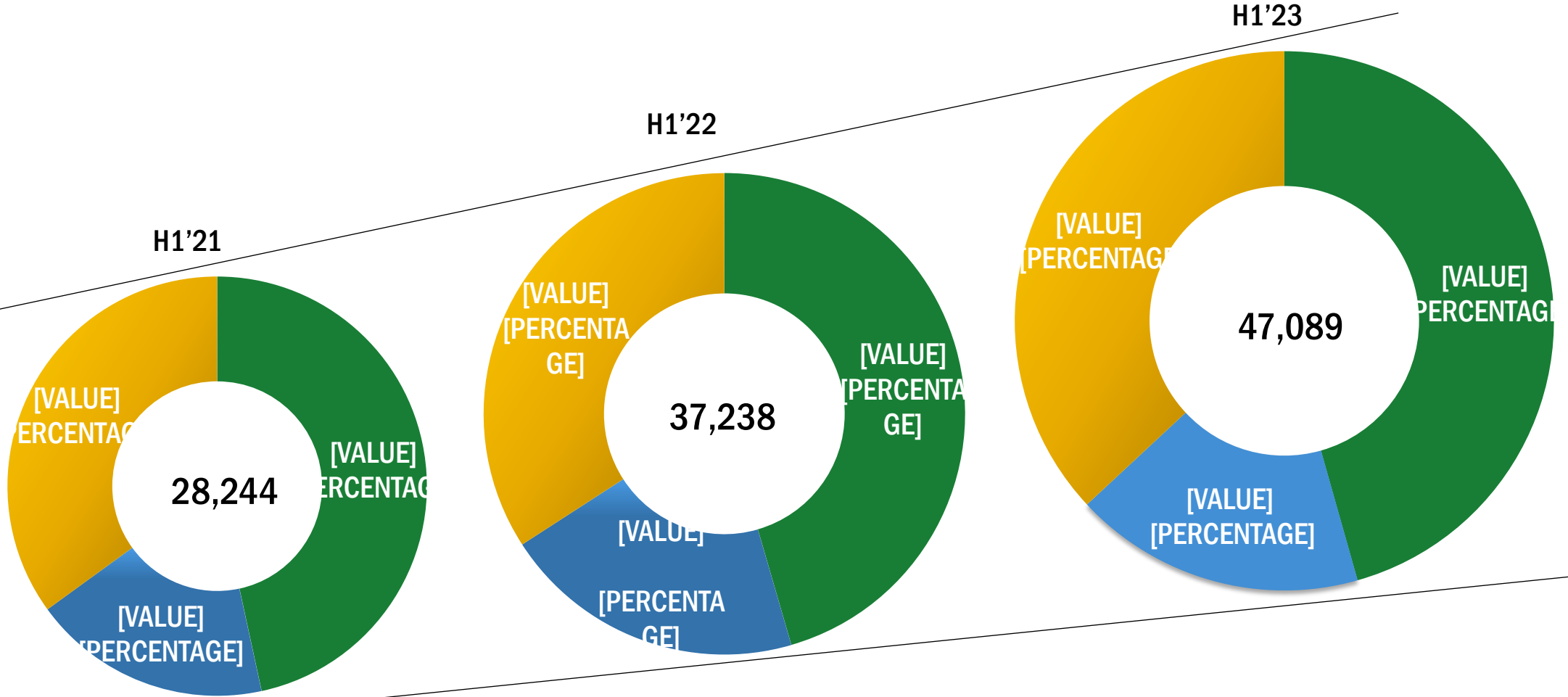


Growth driven by all segments – aligned to strategy

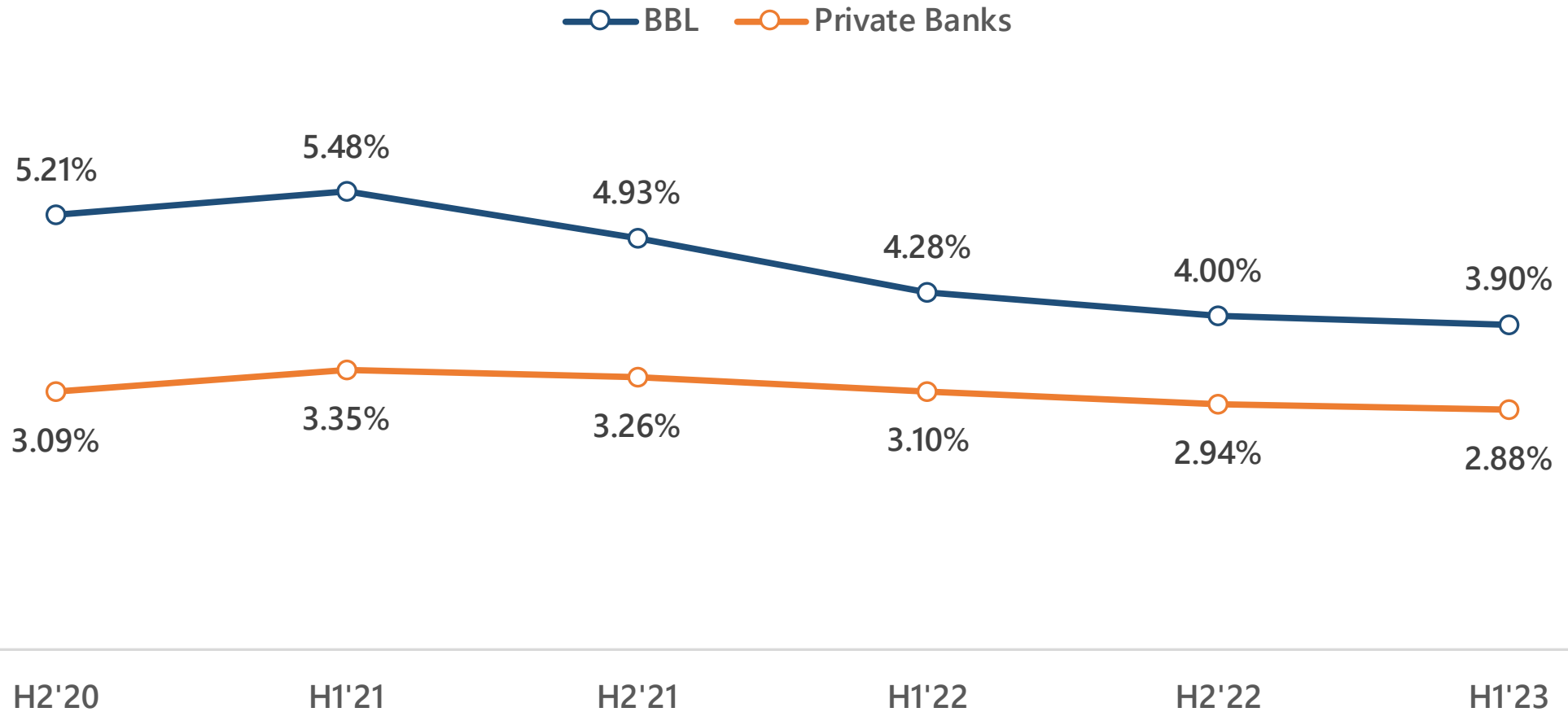
BDT Cr (10 Mn)

As per BB

■ SME
 ■ Retail
 ■ Corporate



Asset distribution - aligned to strategy



*Spread is excluding credit card

**Source: Bangladesh Bank (https://www.bb.org.bd/en/index.php/econdata/w_avg_interest)

BDT Cr (10 Mn)

BDT 42,980 Cr ▲28%*
Cust. Deposit (EOP)
 Dec'22 : BDT 37,761 Cr

BDT 47,089 Cr ▲29%*
Loan (EOP)
 Dec'22 : BDT 41,068 Cr

BDT 1,510 Cr ▲21%
Total Revenue
 H1'22 : BDT 1,251 Cr

BDT 303 Cr ▲19%
PAT
 H1'22 : BDT 254 Cr

BDT 63,887 Cr ▲27%*
Total Asset
 Dec'22 : BDT 56,324 Cr

BDT 5,116 Cr ▲4%
Reg. Capital
 Dec'22 : BDT 4,912 Cr

H1'23 : 10.25 %
ROE ▲
 2022 : 10.22 %

H1'23 : 1.01 %
ROA ▼
 2022 : 1.14 %

H1'23 : 1.88
EPS (BDT) ▲19%
 H1'22 : 1.58

Jun'23 : 115 %
NPL Coverage ▲
 Dec'22 : 111 %

H1'23 : 57.8 %
CIR ▼
 H1'22 : 58.3 %

Jun'23 : 13.22 %
CRAR ▼
 Dec'22 : 14.04 %

Jun'23 : 37.21
NAV (BDT) ▲
 Dec'22 : 36.29

H1'23 : 4.10 %
SPREAD ▼
 2022 : 4.11 %

*Annualized

BDT Cr (10 Mn)

BDT 52,725 Cr ▲36%*

Deposit (EOP)

Dec'22 : BDT 44,706 Cr

BDT 47,207 Cr ▲30%*

Loan (EOP)

Dec'22 : BDT 41,208 Cr

H1'23 : 10.01 %

ROE ▼

2022 : 10.16 %

H1'23 : 0.88 %

ROA ▼

2022 : 1.02 %

BDT 2,204 Cr ▲26%

Total Revenue

H1'22 : BDT 1,751 Cr

BDT 334 Cr ▲75%

PAT

H1'22: BDT 191 Cr

H1'23 : 1.93

EPS (BDT) ▲41%

H1'22 : 1.37

Jun'23 : 38.92

NAV (BDT) ▲

Dec'22 : 38.01

BDT 75,638 Cr ▲30%*

Total Asset

Dec'22 : BDT 65,594 Cr

BDT 7,612 Cr ▲3%

Reg. Capital

Dec'22 : BDT 7,368 Cr

H1'23 : 69 %

CIR ▼

H1'22 : 73%

Jun'23 : 18.01%

CRAR ▼

Dec'22 : 19.37 %

*Annualized

BDT Cr (10 Mn)

Particulars	Jun'23	Dec'22	Δ Amt	% over 2022	Jun'22	Δ Amt	% over Jun'22
Cash and bank balances	4,876	4,803	73	2%	3,344	1,532	46%
Money at call and short notice	873	683	191	28%	527	347	66%
Investments	7,171	6,429	742	12%	5,720	1,451	25%
Loans and advances	47,089	41,068	6,021	15%	37,238	9,851	26%
Fixed assets	757	778	(21)	-3%	763	(6)	-1%
Other assets	3,120	2,563	557	22%	2,315	804	35%
Non-banking assets	1	1	(0.1)	-11%	0.5	1	123%
Total Assets	63,887	56,324	7,563	13%	49,908	13,979	28%
Borrowing from banks	9,594	8,087	1,507	19%	6,029	3,565	59%
Affordable housing bond	475	475	-	0%	-	475	100%
Money at Call and Short notice	-	-	-	-	47	(47)	-100%
Deposits and other accounts	44,096	38,447	5,650	15%	35,047	9,050	26%
Other liabilities	3,735	3,476	259	7%	3,284	451	14%
Total Liabilities	57,901	50,485	7,416	15%	44,406	13,494	30%
Total shareholders' equity	5,986	5,839	147	3%	5,502	485	9%
Total Liabilities and Shareholders' Equity	63,887	56,324	7,563	13%	49,908	13,979	28%

BDT Cr (10 Mn)

Particulars	Jun'23	Dec'22	Δ Amt	% over 2022	Jun'22	Δ Amt	% over Jun'22
Cash and bank balances	9,902	8,482	1,420	17%	7,823	2,079	27%
Money at call and short notice	873	683	191	28%	527	347	66%
Investments	13,322	11,655	1,667	14%	10,025	3,297	33%
Loans and Advances	47,207	41,208	5,998	15%	37,353	9,854	26%
Fixed Asset	1,296	1,346	(51)	-4%	1,313	(17)	-1%
Other assets	2,900	2,080	819	39%	2,059	841	41%
Non-banking assets	1	1	(0.1)	-11%	0.5	0.56	123%
Goodwill	137	137	-	0%	137	-	0%
Total Assets	75,638	65,594	10,044	15%	59,236	16,401	28%
Borrowing	9,616	8,109	1,506	19%	6,040	3,575	59%
Affordable housing bond	475	475	-	0%	-	475	100%
Money at call and on short notice	-	-	-	-	47	(47)	-100%
Deposit and other accounts	52,725	44,706	8,019	18%	41,504	11,221	27%
Other liabilities	4,548	4,200	348	8%	3,934	614	16%
Total Shareholders' Equity	6,262	6,115	147	2%	5,765	497	9%
Non Controlling interest	2,012	1,988	24	1%	1,947	65	3%
Total Liabilities and Equity	75,638	65,594	10,044	15%	59,236	16,401	28%

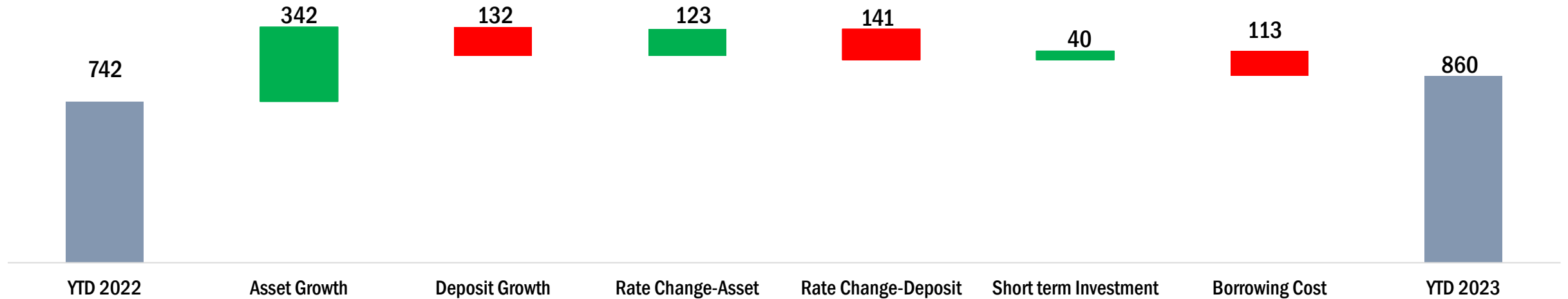
BDT Cr (10 Mn)

Particulars	H1'23	H1'22	Δ Amt	% over H1'22	H2'22	Δ Amt	% over H2'22
Net interest income	860	742	119	16%	782	79	10%
Investment income	356	244	112	46%	274	82	30%
Commission, exchange and brokerage	288	256	31	12%	332	(44)	-13%
Other operating income	6	9	(3)	-36%	18	(12)	-68%
Total operating income	1,510	1,251	259	21%	1,406	104	7%
Staff Cost	451	395	56	14%	422	29	7%
Other Operating Cost	421	334	87	26%	393	29	7%
Total operating expenses	873	729	143	20%	815	58	7%
Profit/(loss) before provisions	637	522	115	22%	591	47	8%
General Provision inc. off-balance sheet	51	67	(16)	-24%	11	41	380%
Specific Provision	156	102	55	54%	116	40	34%
Write off recovery	(34)	(39)	4	-11%	(42)	8	-18%
Other Provision	(0.3)	3	(3)	-110%	1	(1.3)	-132%
Total provision	173	133	40	30%	86	87	102%
Profit/(loss) before taxes	464	389	75	19%	505	(41)	-8%
Provision for Tax	161	135	26	19%	182	(21)	-12%
Profit/(loss) after taxes	303	254	49	19%	323	(20)	-6%
Earnings Per Share (EPS)	1.88	1.58	0.31	19%	2.16	(0.27)	-13%
Effective Tax Rate (ETR)	35%	35%			36%		

Total Revenue – Breakdown (YoY)

BDT' Cr (10 Mn)

Particulars	H1'23	H1'22	Δ Amt	Δ %
Interest income	1,795	1,290	504	39%
Interest paid on deposits and borrowing etc.	934	549	386	70%
Net interest income	860	742	119	16%
Investment income	356	244	112	46%
Commission and brokerage	213	163	50	31%
FX Gain /(Loss)	74	93	-19	-20%
Other operating income	6	9	-3	-36%
Total Revenue	1,510	1,251	259	21%



BDT Cr (10 Mn)

Particulars	H1'23	H1'22	Δ Amt	% over H1'22	H2'22	Δ Amt	% over H2'22
Net interest income	1,020	919	101	11%	923	97	11%
Investment income	588	310	278	90%	449	139	31%
Commission, exchange and brokerage	590	513	78	15%	639	(49)	-8%
Other operating income	6	10	(4)	-39%	21	(15)	-70%
Total operating income	2,204	1,751	453	26%	2,032	173	8%
Staff Cost	683	596	87	15%	610	73	12%
Other Operating Cost	830	677	152	23%	755	75	10%
Total operating expenses	1,513	1,274	239	19%	1,365	148	11%
Operating profit	692	478	214	45%	667	25	4%
Share of profit/(loss) of associates	(0.7)	(0.6)	(0.1)	13%	1.1	(1.8)	-164%
Gain/(loss) on disposal of associates	-	-	-	0%	0.2	(0.2)	-100%
Profit/(loss) before provisions	691	477	214	45%	668	23	3%
General Provision inc. off-balance sheet	51	67	(16)	-24%	11	41	380%
Specific Provision	157	102	55	55%	116	42	36%
Write off recovery	(34)	(39)	4	-11%	(42)	8	-18%
Other Provision	(0.3)	3	(4)	-109%	1	(1)	-132%
Total provision	174	134	40	30%	85	89	104%
Profit/(loss) before taxes	517	343	174	51%	583	(66)	-11%
Provision for Tax	183	153	31	20%	161	22	13%
Profit/(loss) after taxes	334	191	144	75%	422	(87)	-21%
Earnings Per Share (EPS)	1.93	1.37	0.56	41%	2.55	(0.62)	-24%

CONSO Financials with each company's contribution

BDT Cr (10 Mn)

Subsidiary	H1'23		H1'22		Δ Amt	
	PAT	BBL's Share in PAT	PAT	BBL's Share in PAT	PAT	BBL's Share in PAT
BRAC EPL Investments Limited	(2)	(2)	(9)	(9)	7	7
BRAC EPL Stock Brokerage Limited	1	1	2	2	(1)	(1)
BRAC SAAJAN Exchange Limited	(6)	(5)	(7)	(5)	2	0
bKash Limited	38	14	(43)	(15)	81	29
Sub-Total	32	8	(57)	(28)	89	35
BRAC Bank Ltd	303	303	254	254	49	49
Goodwill Impairment of BRAC Saajan	-	-	(5)	(5)	5	5
Share of profit/(loss) of associates	(0.7)	(0.7)	(0.6)	(0.6)	(0.1)	(0.1)
CONSO PAT	334	310	191	220	144	90
Contribution from Subsidiary in CONSO PAT	10%	2%	-30%	-13%		

Update - bKash

69.9 Mn
Customers
(EOP)

40.3 Mn
Active customers
(EOP)

62.1%
Market share in
Tnx. Vol

295.8K
Merchants
(EOP)

709 Bn
Avg. Monthly Tnx Vol
(BDT)

317.6k
Agents
(EOP)

BDT Cr (10 Mn)

Particulars	H1'23	H1'22	Δ Amt	Δ %
Gross revenue	2,315	1,879	436	23%
VAT	(283)	(235)	(49)	21%
Revenue	2,032	1,645	387	24%
Cost of services	(1,452)	(1,231)	(221)	18%
Gross profit	580	414	166	40%
Operating and administrative expenses	(441)	(363)	(78)	21%
Commercial expenses	(162)	(139)	(23)	16%
Operating profit	(23)	(88)	66	(74%)
Net finance income	83	59	24	40%
Profit before contribution to WPPF	60	(29)	89	(307%)
Contribution to WPPF	(3)	-	(3)	100%
Profit before tax	57	(29)	86	(297%)
Income tax (expense)/income	(19)	(13)	(5)	40%
Profit after Tax	38	(42)	81	(190%)

- **Liquidity - LCY & FCY**
- **Uncertain global geo-political & economic outlook**
- **Inflationary pressure on disposable income**
- **General elections in Jan'24**

THANK YOU



For any queries, please write to us on
earningsdisclosure@bracbank.com

Q&A