

BRAC EPL Investments Limited

Independent auditor's report and financial statements
as at and for the year ended 31 December 2024



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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 2024, and the statement of profit or loss and other comprehensive income, changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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.



Independent auditor's report (continued)

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 these 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 accounts and returns.



Ashraf-Uz-Zaman Ali, Partner, Enrolment Number: 1518
Rahman Rahman Huq, Chartered Accountants
Firm Enlistment Number: CAF-001-080



Dhaka, 22 APR 2025

DVC: 2504221518AS873990

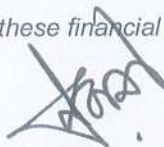
BRAC EPL Investments Limited
Statement of financial position

<i>In BDT</i>	<i>Note</i>	31 December 2024	31 December 2023
Assets			
Property, plant and equipment	6	27,116,317	8,332,165
Intangible assets	7	2,581,127	1,549,350
Right-of-use assets	8	31,219,273	42,534,547
Deferred tax assets	9	319,846,323	644,433,959
Non-current assets		380,763,040	696,850,021
Accounts receivables	10	30,155,725	43,877,215
Investment in securities	11	725,679,988	1,077,008,877
Intercompany receivable		57,500	-
Current tax assets	21	-	5,947,634
Loans and advances to customers	12	382,867,977	551,718,028
Advances, deposits and prepayments	13	1,250,316	11,314,690
Cash and cash equivalents	14	154,505,662	136,072,975
Current assets		1,294,517,168	1,825,939,419
Total assets		1,675,280,208	2,522,789,440
Equity			
Share capital	15	2,585,000,000	2,585,000,000
Share premium		436,825,951	436,825,951
Retained earnings		(2,305,737,750)	(1,728,411,852)
Total equity		716,088,201	1,293,414,099
Liabilities			
Lease liabilities	16	31,074,912	38,190,759
Non-current liabilities		31,074,912	38,190,759
Lease liabilities	16	3,566,460	2,532,689
Customer deposits	17	133,588,343	125,371,257
Bank overdrafts	18	748,946,087	1,043,539,232
Accounts payables	20	2,678,071	4,438,375
Current tax liabilities	21	4,328,689	-
Other liabilities	22	32,482,646	13,329,395
Intercompany payable	23	2,526,799	1,973,634
Current liabilities		928,117,095	1,191,184,582
Total liabilities		959,192,007	1,229,375,341
Total equity and liabilities		1,675,280,208	2,522,789,440


The notes on pages 7 to 31 are an integral part of these financial statements.



Syed Rashed Hussain
Chief Executive Officer



Mohammad Masud Rana
Director



Fahima Choudhury
Chairperson

As per our report of same date.



Auditor

Ashraf-Uz-Zaman Ali, Partner
Enrolment Number: 1518
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Enlistment Number: CAF-001-080

Dhaka, 22 APR 2025



DVC: 2504221518AS873990

BRAC EPL Investments Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December

<i>In BDT</i>	<i>Note</i>	<i>2024</i>	<i>2023</i>
Revenue	24	115,612,682	129,873,921
Direct expenses	25	(112,112,851)	(127,168,134)
Gross profit		3,499,831	2,705,787
Income/(loss) from investment in securities	26	(146,850,209)	26,534,354
Operating expenses	27	(87,081,431)	(69,132,714)
Other income	28	38,988	747,641
Operating loss		(230,392,821)	(39,144,932)
Net finance income	29	1,538,878	2,570,335
Loss before tax		(228,853,943)	(36,574,597)
Income tax expense	30	(348,471,955)	27,637,761
Loss for the year		(577,325,898)	(8,936,836)

The notes on pages 7 to 31 are an integral part of these financial statements.



Syed Rashed Hussain
Chief Executive Officer



Mohammad Masud Rana
Director



Fahima Choudhury
Chairperson

As per our report of same date.



Auditor

Ashraf-Uz-Zaman Ali, Partner
Enrolment Number: 1518
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Enlistment Number: CAF-001-080

Dhaka, 22 APR 2025

DVC: 2504221518AS873990



BRAC EPL Investments Limited
Statement of changes in equity
For the year ended 31 December 2024

<i>In BDT</i>	Attributable to owners of the company			Total
	Share capital	Share premium	Retained earnings	
Balance at 1 January 2023	2,585,000,000	436,825,951	(1,719,475,016)	1,302,350,935
Total comprehensive income for the period				
Loss for the period	-	-	(8,936,836)	(8,936,836)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(8,936,836)	(8,936,836)
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 2023	2,585,000,000	436,825,951	(1,728,411,852)	1,293,414,099
Balance at 1 January 2024	2,585,000,000	436,825,951	(1,728,411,852)	1,293,414,099
Total comprehensive income for the period				
Loss for the period	-	-	(577,325,898)	(577,325,898)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(577,325,898)	(577,325,898)
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 2024	2,585,000,000	436,825,951	(2,305,737,750)	716,088,201

The notes on pages 7 to 31 are an integral part of these financial statements.



BRAC EPL Investments Limited**Statement of cash flows**

For the year ended 31 December

<i>In BDT</i>	<i>Note</i>	2024	2023
Cash flows from operating activities			
Loss before tax		(228,853,943)	(36,574,597)
Adjustments for:			
– Depreciation of property, plant and equipment	6	5,956,772	2,592,900
– Amortisation of intangible assets	7	1,015,723	845,108
– Gain on sale of property, plant and equipment	28	(18,863)	(582,041)
– Loss/(gain) on disposal of right-of-use assets	27	2,103,628	-
– Depreciation of right-of-use assets	8	5,197,099	5,170,768
– Interest expense of lease liabilities	16.1	4,113,509	1,135,148
– Income from dividend own investment	26	(42,836,767)	(25,399,517)
– Change in fair value of investment in securities	26	118,598,027	(71,854,402)
		94,129,128	(88,092,036)
Changes in:			
– Loans and advances to customers	12	168,850,051	241,662,822
– Accounts receivable	10	10,511,204	(25,662,765)
– Advances, deposits and prepayments	13	10,064,374	(8,669,830)
– Intercompany receivable		(57,500)	-
– Customer deposits	17	8,217,086	(20,260,208)
– Accounts payable	20	(1,760,304)	(40,180,165)
– Intercompany payable	23	553,165	1,973,634
– Other liabilities	22	19,153,248	(9,597,916)
Cash generated from operating activities		215,531,324	139,265,572
Income tax paid	21	(13,607,994)	(10,597,999)
Net cash from/(used in) operating activities		67,198,515	4,000,940
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	(24,772,062)	(1,546,810)
Acquisition of intangible assets	7	(2,047,500)	-
Proceeds from sale of property, plant and equipment		50,000	68,500
Received from dividend investments	10	46,047,053	29,991,390
Sale/(purchase) of investment securities	11	232,730,862	35,315,344
Net cash used in investing activities		252,008,353	63,828,424
Cash flows from financing activities			
Payment of lease liabilities	16	(6,181,036)	(5,797,263)
Repayment of bank overdrafts	18	(294,593,145)	(81,039,731)
Repayment of short term loans	19	-	(2,772,000)
Net cash from/(used) in financing activities		(300,774,181)	(89,608,994)
Net increase in cash and cash equivalents		18,432,687	(21,779,630)
Cash and cash equivalents at 1 January 2024		136,072,975	157,852,605
Cash and cash equivalents at 31 December 2024	14	154,505,662	136,072,975

The notes on pages 7 to 31 are an integral part of these financial statements.



Notes to the financial statements

1 Reporting entity

1.1 Company profile

BRAC EPL Investments Limited (hereinafter referred to as "the Company") was incorporated in Bangladesh on 18 April 2000 as a private limited company under the Companies Act 1994 initially in the name of Equity Partners Limited, the name of which was changed to BRAC EPL Investments Limited on 4 October 2009. BRAC Bank PLC. acquired 51% of its equity in August 2009 and a further 25% in May 2011.

On 30 June 2016, BRAC Bank PLC. subscribed 200 million shares further to increase the Company's paid up capital. BRAC Bank PLC. currently holds 99.95% of shares of the Company's total subscribed shares. On 11 February 2010, a new Merchant Banker Registration Certificate was issued in favour of the Company which allows the organisation to perform various activities including issue management, underwriting and portfolio management. The Company was converted to a public limited company on 4 November 2012. The registered office of the Company is located at Medona Tower, Level-13, 28 Mohakhali, Dhaka-1213.

1.2 Nature of business

The principal activities of the Company are to deliver a whole range of investment banking services, traditional merchant banking activities such as issue management, underwriting and portfolio management and value-added services such as wealth management, corporate advisory and corporate finance.

2 Basis of accounting

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and as per the requirements of the Companies Act, 1994.

The titles and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirements of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS titles and format gives a better presentation to its intended users.

The financial statements have been authorised for issue by the Board of Directors of the Company on 22 APR 2025

Details of the Company's accounting policies are included in Note 35.

3 Functional and presentation currency

Financial statements of the Company are presented in Bangladesh Taka (BDT/Taka/Tk.), which is both functional and presentational currency of the Company. All amounts have been rounded to the nearest Taka, unless otherwise indicated.

4 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of the Company's 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 and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively.



Notes to the financial statements (Continued)

A. Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 8 and 35C	Right-of-use assets
Note 16 and 35C	Lease liabilities

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 6 and 35A	Property, plant and equipment
Note 7 and 35B	Intangible assets
Note 9 and 35F	Deferred tax assets
Note 21 and 35F	Current tax assets/(liabilities)

i. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets, and financial and non-financial liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Head of Finance.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5 Changes in material accounting policies

The Company also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 35 Material accounting policies (2023: Material accounting policies) in certain instances in line with the amendments.



Notes to the financial statements (continued)

6 Property, plant and equipment

See the accounting policy in Note 35 (A)

<i>In BDT</i>	Office floor space	Leasehold improvement	Office equipment	IT equipment	Motor vehicles	Furniture & fittings	Total
Cost							
Balance at 1 January 2023	6,348,797	4,721,880	9,407,529	16,296,036	12,104,340	4,304,282	53,182,864
Additions	-	-	1,056,747	442,226	-	47,837	1,546,810
Disposals	-	(554,554)	(550,000)	(1,309,260)	-	-	(2,413,814)
Balance at 31 December 2023	6,348,797	4,167,326	9,914,276	15,429,002	12,104,340	4,352,119	52,315,860
Balance at 1 January 2024	6,348,797	4,167,326	9,914,276	15,429,002	12,104,340	4,352,119	52,315,860
Additions	-	5,416,167	603,292	17,750,673	-	1,001,930	24,772,062
Disposals	-	-	(291,885)	-	-	(79,580)	(371,465)
Balance at 31 December 2024	6,348,797	9,583,493	10,225,683	33,179,675	12,104,340	5,274,469	76,716,457
Accumulated depreciation							
Balance at 1 January 2023	3,951,966	1,865,833	8,428,073	13,800,697	12,104,340	3,578,241	43,729,150
Depreciation	307,383	634,332	226,137	1,278,266	-	146,782	2,592,900
Disposals	-	(479,095)	(550,000)	(1,309,260)	-	-	(2,338,355)
Balance at 31 December 2023	4,259,349	2,021,070	8,104,210	13,769,703	12,104,340	3,725,023	43,983,695
Balance at 1 January 2024	4,259,349	2,021,070	8,104,210	13,769,703	12,104,340	3,725,023	43,983,695
Depreciation	307,383	1,391,900	454,838	3,632,639	-	170,012	5,956,772
Disposals	-	-	(263,013)	-	-	(77,314)	(340,327)
Balance at 31 December 2024	4,566,732	3,412,970	8,296,035	17,402,342	12,104,340	3,817,721	49,600,140
Carrying amounts							
At 1 January 2023	2,396,831	2,856,047	979,456	2,495,339	-	726,041	9,453,714
At 31 December 2023	2,089,448	2,146,256	1,810,066	1,659,299	-	627,096	8,332,165
At 31 December 2024	1,782,065	6,170,523	1,929,648	15,777,333	-	1,456,748	27,116,317



Notes to the financial statements (continued)

7 Intangible assets

See the accounting policy in Note 35 (B)

<i>In BDT</i>	Software	Total
Cost		
Balance at 1 January 2023	3,483,920	3,483,920
Acquisitions	-	-
Disposals	-	-
Balance at 31 December 2023	3,483,920	3,483,920
Balance at 1 January 2024	3,483,920	3,483,920
Acquisitions	2,047,500	2,047,500
Disposals	-	-
Balance at 31 December 2024	5,531,420	5,531,420
Accumulated amortisation		
Balance at 1 January 2023	1,089,462	1,089,462
Amortisation	845,108	845,108
Disposals	-	-
Balance at 31 December 2023	1,934,570	1,934,570
Balance at 1 January 2024	1,934,570	1,934,570
Amortisation	1,015,723	1,015,723
Disposals	-	-
Balance at 31 December 2024	2,950,293	2,950,293
Carrying amounts		
At 1 January 2023	2,394,458	2,394,458
At 31 December 2023	1,549,350	1,549,350
At 31 December 2024	2,581,127	2,581,127

8 Right-of-use assets

See the accounting policy in Note 35 (C)

<i>In BDT</i>	Office space	Total
Cost		
Balance at 1 January 2023	17,967,935	17,967,935
Additions	41,772,728	41,772,728
Disposals	(13,862,148)	(13,862,148)
Balance at 31 December 2023	45,878,515	45,878,515
Balance at 1 January 2024	45,878,515	45,878,515
Additions	31,336,415	31,336,415
Disposals	(38,681,665)	(38,681,665)
Balance at 31 December 2024	38,533,265	38,533,265
Accumulated depreciation		
Balance at 1 January 2023	11,486,871	11,486,871
Depreciation	5,170,768	5,170,768
Disposals	(13,313,671)	(13,313,671)
Balance at 31 December 2023	3,343,968	3,343,968
Balance at 1 January 2024	3,343,968	3,343,968
Depreciation	5,197,099	5,197,099
Disposals	(1,227,075)	(1,227,075)
Balance at 31 December 2024	7,313,992	7,313,992
Carrying amounts		
At 1 January 2023	6,481,064	6,481,064
At 31 December 2023	42,534,547	42,534,547
At 31 December 2024	31,219,273	31,219,273



Notes to the financial statements (Continued)

9 Deferred tax assets

See the accounting policy in Note 35 (F)

<i>In BDT</i>	2024	2023
Balance at 1 January	644,433,959	602,758,082
Deferred tax income for the period	(324,587,637)	41,675,877
Balance at 31 December	319,846,323	644,433,959

<i>In BDT</i>	Note	Carrying amount on reporting date	Tax base	Taxable/(deductible) temporary difference
At 31 December 2024				
Property, plant and equipment	6	27,116,315	41,299,992	(14,183,676)
Intangible assets	7	2,581,127	3,698,614	(1,117,487)
Right-of-use assets	8	31,219,273	-	31,219,273
Lease liabilities	16	(34,641,372)	-	(34,641,372)
Business loss carried forward	9.1	-	172,159,755	(172,159,755)
Unabsorbed depreciation	9.1	-	43,250,925	(43,250,925)
Provision for loans & advances	12	(605,917,885)	-	(605,917,885)
Provision for doubtful debt	10	(12,871,697)	-	(12,871,697)
Taxable/(deductible) temporary differences		(579,642,542)	260,409,285	(852,923,524)
Applicable tax rate				37.5%
Deferred tax assets/(liabilities)				319,846,323

<i>In BDT</i>	Note	Carrying amount on reporting date	Tax base	Taxable/(deductible) temporary difference
At 31 December 2023				
Property, plant and equipment	6	8,332,165	24,317,288	(15,985,123)
Intangible assets	7	1,549,350	2,062,070	(512,720)
Right of use assets	8	42,534,547	-	42,534,547
Lease liabilities	16	(40,723,448)	-	(40,723,448)
Business loss carried forward	9.1	-	444,014,248	(444,014,248)
Unabsorbed depreciation	9.1	-	35,082,096	(35,082,096)
Provision for loans & advances	12	(1,211,835,770)	-	(1,211,835,770)
Provision for doubtful debt	10	(12,871,697)	-	(12,871,697)
Taxable/(deductible) temporary differences		(1,213,014,853)	505,475,702	(1,718,490,555)
Applicable tax rate				37.5%
Deferred tax assets/(liabilities)				644,433,959

9.1 Business loss and unabsorbed depreciation

<i>In BDT</i>	Taxable business loss	Unabsorbed depreciation	Total
Assessment year 2025-2026	(74,901,695)	(8,164,365)	(83,066,060)
Assessment year 2024-2025	(66,918,862)	(3,242,442)	(70,161,304)
Assessment year 2023-2024	(30,339,198)	(3,502,577)	(33,841,775)
Assessment year 2022-2023	-	-	-
Assessment year 2021-2022	-	(3,775,936)	(3,775,936)
Assessment year 2020-2021	-	(3,880,227)	(3,880,227)
Assessment year 2019-2020	-	(4,594,709)	(4,594,709)
Assessment year 2018-2019	-	(4,550,037)	(4,550,037)
Assessment year 2017-2018	-	(5,451,423)	(5,451,423)
Assessment year 2016-2017	-	(6,089,209)	(6,089,209)
	(172,159,755)	(43,250,925)	(215,410,680)



Notes to the financial statements (continued)

10 Accounts receivables

<i>In BDT</i>	<i>Note</i>	2024	2023
Portfolio Management Department (PMD)	10.1	22,181,262	32,103,466
Investment Banking Department (IBD)	10.2	12,871,697	12,871,697
Dividend receivables		7,974,463	11,184,749
Other receivables		-	589,000
		43,027,422	56,748,912
Less: Provision for bad debt	10.3	(12,871,697)	(12,871,697)
		30,155,725	43,877,215

10.1 Portfolio Management Department (PMD)

<i>In BDT</i>	2024	2023
Receivables from brokerage for client trading	4,020,178	4,247,975
Receivables from brokerage for own investment	18,161,084	27,855,491
	22,181,262	32,103,466

10.2 Investment Banking Department (IBD)

<i>In BDT</i>	2024	2023
Debt arrangement fees	10,568,072	10,568,072
Corporate advisory fees	2,303,625	2,303,625
	12,871,697	12,871,697

10.3 Provision for bad debt

<i>In BDT</i>	2024	2023
Debt arrangement fees		
Omera Petroleum Limited	8,493,072	8,493,072
CACO Chemicals	1,500,000	1,500,000
Silver Composite	575,000	575,000
	10,568,072	10,568,072
Corporate advisory fees		
KDDI	578,625	578,625
PEB Steel	1,725,000	1,725,000
	2,303,625	2,303,625
	12,871,697	12,871,697

11 Investment in securities

See the accounting policy in Note 35 (D)

<i>In BDT</i>	2024	2023
Investment in quoted securities	725,679,988	1,061,453,877
Investment in Pre-IPO	-	15,555,000
	725,679,988	1,077,008,877

The Company invests in quoted securities, traded on the secondary capital markets in Bangladesh. At the reporting date, these securities are recognised at market value on aggregate basis. As per IFRS 9: *Financial Instruments*, securities have been measured as fair value through profit or loss, where gains or losses arising from a change in the fair value of such financial assets are recognised in the statement of profit or loss.



Notes to the financial statements (continued)

12 Loans and advances to customers

<i>In BDT</i>	Note	2024	2023
Balance at 1 January		1,763,553,798	1,953,757,571
Disbursement during the year		101,304,546	90,161,303
Recovered during the year		(270,154,597)	(280,365,075)
		1,594,703,747	1,763,553,798
Less: Provisions for loans and advances	12.1	(1,211,835,770)	(1,211,835,770)
		382,867,977	551,718,028

12.1 Provisions for loans and advances

<i>In BDT</i>	2024	2023
Balance at 1 January	1,211,835,770	1,211,835,770
Provisions made during the year	-	-
Provisions released during the year	-	-
	1,211,835,770	1,211,835,770

13 Advances, deposits and prepayments

<i>In BDT</i>	2024	2023
Advances	652,930	10,711,515
Deposits	330,000	330,000
Prepayments	267,386	273,175
	1,250,316	11,314,690

14 Cash and cash equivalents

See the accounting policy in Note 35 (I)

<i>In BDT</i>	2024	2023
Cash in hand	16,997	52,774
	16,997	52,774
Cash at bank		
BRAC Bank PLC.	146,183,481	123,801,363
Standard Chartered Bank	3,874,791	6,814,784
One Bank PLC.	-	4,984,365
Midland Bank PLC.	-	92,540
Eastern Bank PLC.	7,197	308,753
The City Bank PLC.	4,419,308	18,396
Mutual Trust Bank PLC.	3,888	-
	154,488,665	136,020,201
	154,505,662	136,072,975



Notes to the financial statements (continued)

15 Share capital

<i>In BDT</i>	No. of shares		Amount in BDT	
	2024	2023	2024	2023
Authorised				
Ordinary shares (par value of Tk. 10 each)	300,000,000	300,000,000	3,000,000,000	3,000,000,000
Paid up				
Ordinary shares (par value of Tk. 10 each)	258,500,000	258,500,000	2,585,000,000	2,585,000,000
Percentage of shareholdings				
	No. of shares	%	2024	2023
BRAC Bank PLC.	258,358,734	99.95%	2,583,587,340	2,583,587,340
Other individual shareholders	141,266	0.05%	1,412,660	1,412,660
	258,500,000	100%	2,585,000,000	2,585,000,000

As per Form-117, BRAC Bank PLC. (hereinafter called "The transferee") acquired shares from the minority shareholders on 19th November 2017. BRAC Bank PLC. currently holds 99.95% of shares of the Company's total subscribed shares.

16 Lease liabilities

<i>In BDT</i>	Note	2024	2023
Current		3,566,460	2,532,689
Non-current		31,074,912	38,190,759
	16.1	34,641,372	40,723,448

16.1 Movement of lease liabilities

<i>In BDT</i>	2024	2023
Balance at 1 January	40,723,445	6,933,308
Addition during the period	31,336,415	39,000,729
Interest expense on leases	4,113,509	1,081,049
Termination during the period	(35,350,961)	(494,378)
Payment of lease instalments	(6,181,036)	(5,797,263)
	34,641,372	40,723,445

17 Customer deposits

<i>In BDT</i>	2024	2023
Balance at 1 January	125,371,257	145,631,465
Addition during the period	36,097,283	145,138,297
Disbursement during the period	(27,880,197)	(165,398,505)
	133,588,343	125,371,257

18 Bank overdrafts

<i>In BDT</i>	2024	2023
BRAC Bank PLC.	746,339,705	852,422,016
Eastern Bank PLC.	1,359,992	191,117,216
Mutual Trust Bank PLC.	1,246,390	-
	748,946,087	1,043,539,232



Notes to the financial statements (continued)

The terms and conditions of the bank overdrafts are as follows:

BRAC Bank PLC.

Type of facility	:	Overdraft 1- renewal
Facility limit	:	BDT 1,200,000,000 (BDT Twelve hundred million) only.
Repayment procedures	:	From operational cash flow/or own sources of borrower.
Maximum tenor	:	On demand
Purpose	:	To meet day to day operational activities and to finance margin loan
Interest	:	12% per annum (variable)
Expiry	:	30 November 2025

Eastern Bank PLC.

Type of facility	:	Overdraft 2- renewal
Facility limit	:	BDT 200,000,000 (BDT Two hundred million) only.
Repayment procedures	:	Through deposit of fund from proceeds of share trading and/or from client's own sources on demand
Maximum tenor	:	On demand
Purpose	:	Toward margin financing to its clients under margin rules 1999 of BSEC and subsequent derivatives
Interest	:	13.75% per annum (floating)
Expiry	:	30 June 2025

Mutual Trust Bank PLC.

Type of facility	:	Overdraft 3
Facility limit	:	BDT 300,000,000 (BDT Three hundred million) only.
Repayment procedures	:	From revenue and/or from your own sources
Maximum tenor	:	On demand
Purpose	:	Toward margin financing to its clients under margin rules latest margin rules set by BSEC
Interest	:	13% per annum (fixed)
Expiry	:	01 Year from the date of disbursement

19 Short term loan

<i>In BDT</i>	2024	2023
Balance at 1 January	-	-
Received during the period	-	100,000,000
Repaid during the period	-	(100,000,000)
	-	-

20 Accounts payables

<i>In BDT</i>	2024	2023
Broker for client trading	1,254,244	2,270,814
VAT on fee income	7,500	-
Payables for other PMD activities	1,750	3,114
Other payables	473,684	644,315
Gratuity fund payable	615,400	1,250,610
Entertainment expenses payable	14,300	531
CDBL expenses payable	59,132	41,429
Withholding VAT	182,521	161,117
Withholding tax	69,540	66,445
	2,678,071	4,438,375



Notes to the financial statements (continued)

21 Current tax assets/(liabilities)

<i>In BDT</i>	<i>Note</i>	2024	2023
Advance income tax	21.1	166,924,698	167,086,011
Provisions for tax	21.2	(171,253,387)	(161,138,377)
		(4,328,689)	5,947,634

21.1 Advance income tax

<i>In BDT</i>	2024	2023
Balance at 1 January	167,086,011	200,149,652
Deposits including deductions at source	12,360,660	6,876,803
Tax paid for previous years	1,247,334	-
Adjustments made for previous years	(13,769,307)	(39,940,444)
	166,924,698	167,086,011

21.2 Provisions for tax

<i>In BDT</i>	2024	2023
Balance at 1 January	161,138,377	190,761,900
Provisions made during the period	13,735,158	13,595,413
Adjustments made for previous years	(3,620,148)	(43,218,936)
	171,253,387	161,138,377

22 Other liabilities

<i>In BDT</i>	<i>Note</i>	2024	2023
Sales receivables in transit		18,935,241	5,183,636
Provision for legal and professional fees		810,750	606,500
Provision for audit fees		743,000	724,503
Provision for office maintenance		237,042	323,190
Provision for telephone and mobile expenses		35,254	36,190
Printing & Stationery		73,552	-
Suspended income	22.1	11,647,807	6,455,376
		32,482,646	13,329,395

22.1 Suspended income

<i>In BDT</i>	2024	2023
Balance at 1 January	6,455,376	-
Income suspended during the year	13,467,878	6,455,376
Recovered during the year	(8,275,447)	-
	11,647,807	6,455,376

23 Intercompany payable

<i>In BDT</i>	2024	2023
BRAC EPL Stock Brokerage Limited	2,526,799	1,973,634
	2,526,799	1,973,634



Notes to the financial statements (continued)

24 Revenue

See the accounting policy in Note 35 (H)

<i>In BDT</i>	<i>Note</i>	2024	2023
Interest income from margin loan		68,469,937	89,863,437
Fee and commission income	24.1	47,142,745	40,010,484
		115,612,682	129,873,921

24.1 Fee and commission income

<i>In BDT</i>	<i>Note</i>	2024	2023
Portfolio Management Department (PMD)	24.1.1	27,494,161	38,390,484
Investment Banking Department (IBD)	24.1.2	19,648,584	1,620,000
		47,142,745	40,010,484

24.1.1 Portfolio Management Department (PMD)

<i>In BDT</i>	2024	2023
Settlement fees	21,203,259	31,368,403
Management fees	6,020,007	6,767,386
BO maintenance fees	218,350	218,900
Documentation fees	50,400	34,900
Commission income from IPO	2,145	895
	27,494,161	38,390,484

24.1.2 Investment Banking Department (IBD)

<i>In BDT</i>	2024	2023
Debt arrangement fees	15,339,507	-
Trustee and security agent	850,000	-
Participation fees (G-Sec)	459,077	-
Corporate advisory fees	3,000,000	1,620,000
	19,648,584	1,620,000

25 Direct expenses

<i>In BDT</i>	<i>Note</i>	2024	2023
Interest expenses for margin loan	25.7	(101,082,494)	(109,751,694)
Participation expenses (G-Sec)		(28,265)	-
Brokerage commission cost		(11,002,092)	(17,416,440)
		(112,112,851)	(127,168,134)

25.1 Interest expenses

<i>In BDT</i>	2024	2023
BRAC Bank PLC.	98,017,422	90,456,478
United Finance	-	175,000
Eastern Bank PLC.	2,823,682	19,120,216
Mutual Trust Bank PLC.	241,390	-
	101,082,494	109,751,694



Notes to the financial statements (continued)

26 Income/(loss) from investment in securities

<i>In BDT</i>	<i>Note</i>	2024	2023
Realised gain/(loss) during the year		(71,085,949)	(70,708,565)
Fair value adjustment at reporting date	26.1	(118,598,027)	71,854,402
Dividend income		42,836,767	25,399,517
IPO bidding fee		(3,000)	(11,000)
		(146,850,209)	26,534,354

26.1 Fair value adjustment at reporting date

<i>In BDT</i>	2024	2023
Unrealised gain/(loss) at opening	17,019,178	(54,835,224)
Unrealised gain/(loss) as at closing	(101,578,849)	17,019,178
	(118,598,027)	71,854,402

27 Operating expenses

<i>In BDT</i>	2024	2023
Salaries and allowances	44,284,586	41,671,665
Rental expenses	1,257,635	1,143,756
Utilities, maintenance and running expenses	10,040,142	2,701,446
CDBL expenses	1,072,407	1,479,112
Legal and professional fees	2,211,006	1,612,026
Telephone and mobile expenses	658,344	650,290
Printing and stationery	426,557	365,877
Travelling and conveyance	306,322	218,580
Vehicle related expenses	1,736,351	1,469,704
Entertainment expenses	517,428	591,593
Meeting expenses	311,667	313,333
License and renewal fees	794,341	807,997
Audit fees	775,400	825,700
Advertisement	82,097	862,538
Business development & promotional expenses	602,456	30,500
Insurance	1,208,503	1,119,021
Training expenses	223,540	284,741
Provident fund expense	2,357,860	2,090,755
Gratuity fund expense	2,155,665	5,499,053
Depreciation	5,956,772	2,592,900
Amortisation	1,015,723	845,108
Depreciation for right-of-use assets	5,197,099	5,170,768
Loss on lease adjustments	2,103,628	-
Bad debt expenses	-	39,531
IT expenses	1,321,569	1,147,206
Employee engagement activities	464,333	-
Provision for accounts receivable	-	(4,400,486)
	87,081,431	69,132,714



Notes to the financial statements (continued)

28 Other income

<i>In BDT</i>	2024	2023
Gain on disposal of property, plant and equipment	18,863	582,041
Sub-rent Income	20,125	165,600
	38,988	747,641

29 Net finance income

<i>In BDT</i>	2024	2023
Finance income	6,077,280	4,166,348
Finance expenses		
Bank charges and commission	424,893	460,865
Interest expense of lease liabilities	4,113,509	1,135,148
	4,538,402	1,596,013
	1,538,878	2,570,335

30 Income tax expense

See the accounting policy in Note 35 (F)

<i>In BDT</i>	Note	2024	2023
Current tax expense		13,735,159	8,109,671
Tax expense related to previous years		-	5,485,742
Adjustment for completion of assessment		10,149,159	442,703
		23,884,318	14,038,116
Deferred tax income	30.1	324,587,637	(41,675,877)
		348,471,955	(27,637,761)

30.1 Deferred tax expense

<i>In BDT</i>	Note	2024	2023
Deferred tax assets at the beginning of the year		644,433,959	602,758,082
Less: Deferred tax assets at the end of the year	9	(319,846,323)	(644,433,959)
		324,587,637	(41,675,877)



Notes to the financial statements (Continued)

31 Financial instruments - fair values and risk management

See the accounting policy in Note 35 (f)

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2024	In BDT	Note	Carrying amount				Fair value								
			Fair value-hedging instruments	FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total		
Financial assets measured at fair value															
		11	-	725,679,988	-	-	-	-	-	-	725,679,988	-	-	-	725,679,988
Financial assets not measured at fair value															
		10	-	-	-	-	-	43,877,215	-	-	43,877,215	-	-	-	-
		12	-	-	-	-	-	57,500	-	-	57,500	-	-	-	-
		14	-	-	-	-	-	551,718,028	-	-	551,718,028	-	-	-	-
			-	-	-	-	-	136,072,975	-	-	136,072,975	-	-	-	-
			-	725,679,988	-	-	-	731,725,718	-	-	1,457,405,706	-	-	-	-
Financial liabilities measured at fair value															
		17	-	-	-	-	-	-	-	-	-	-	-	-	-
		18	-	-	-	-	-	-	-	-	133,588,343	-	-	-	-
		20	-	-	-	-	-	-	-	-	748,946,087	-	-	-	-
		22	-	-	-	-	-	-	-	-	2,678,071	-	-	-	-
		23	-	-	-	-	-	-	-	-	32,482,646	-	-	-	-
		16	-	-	-	-	-	-	-	-	2,526,799	-	-	-	-
			-	-	-	-	-	-	-	-	34,641,372	-	-	-	-
			-	-	-	-	-	-	-	-	954,863,318	-	-	-	954,863,318
31 December 2023															
		In BDT	Carrying amount				Fair value								
		Note	Fair value-hedging instruments	FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total		
Financial assets measured at fair value															
		11	-	1,077,008,877	-	-	-	-	-	1,077,008,877	-	-	-	1,077,008,877	
Financial assets not measured at fair value															
		10	-	-	-	-	-	43,877,215	-	-	43,877,215	-	-	-	
		12	-	-	-	-	-	551,718,028	-	-	551,718,028	-	-	-	
		14	-	-	-	-	-	136,072,975	-	-	136,072,975	-	-	-	
			-	1,077,008,877	-	-	-	731,668,218	-	-	1,808,677,095	-	-	-	
Financial liabilities measured at fair value															
		17	-	-	-	-	-	-	-	-	-	-	-	-	
		18	-	-	-	-	-	-	-	-	125,371,257	-	-	-	
		20	-	-	-	-	-	-	-	-	1,043,539,232	-	-	-	
		22	-	-	-	-	-	-	-	-	4,438,375	-	-	-	
		23	-	-	-	-	-	-	-	-	13,329,394	-	-	-	
		16	-	-	-	-	-	-	-	-	1,973,634	-	-	-	
			-	-	-	-	-	-	-	-	40,723,448	-	-	-	
			-	-	-	-	-	-	-	-	1,229,375,340	-	-	-	



Notes to the financial statements (Continued)

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see Note 31 (B) (ii));
- Liquidity risk (see Note 31 (B) (iii)); and
- Market risk (see Note 31 (B) (iv)).

(i) Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

<i>In BDT</i>	<i>Note</i>	2024	2023
Accounts receivables	10	30,155,725	43,877,215
Investment in securities	11	725,679,988	1,077,008,877
Loans and advances to customers	12	382,867,977	551,718,028
Cash and cash equivalents	14	154,505,662	136,072,975
Intercompany receivable		57,500	-
		1,293,209,352	1,808,677,095

(b) Ageing of operational and other receivables

At 31 December, the ageing of operational and other receivables that were not impaired was as follows:

<i>In Taka</i>	2024	2023
Neither past due nor impaired	-	43,877,215
Past due 1 - 30 days	22,181,262	-
Past due 31 - 90 days	7,974,463	-
Past due 91 - 120 days	-	-
Past due 121 - 360 days	-	-
Past due 361 + days	-	-
	30,155,725	43,877,215



Notes to the financial statements (Continued)

(iii) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other investments at amounts in excess of expected cash outflows on financial liabilities. The Company also monitors the level of expected cash inflows on operational and other receivables together with expected cash outflows on operational and other payables.

Exposure to liquidity risk

The followings are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

		31 December 2024							
		Carrying amount	Total	2 months or less	Contractual cash flows				
<i>In BDT</i>	Note				2-12 months	1-2 years	2-5 years	More than 5 years	
Non-derivative financial liabilities									
	17	133,588,343	133,588,343	133,588,343	-	-	-	-	
Customer deposits									
Bank overdrafts	18	748,946,087	748,946,087	-	748,946,087	-	-	-	
Accounts payables	20	2,678,071	2,678,071	2,204,387	473,684	-	-	-	
Other liabilities	22	32,482,646	32,482,646	19,678,241	12,804,405	-	-	-	
Lease liabilities	16	34,641,372	34,641,372	563,984	3,002,476	4,061,861	11,449,509	15,563,540	
Intercompany payable	23	2,526,799	2,526,799	-	2,526,799	-	-	-	
		954,863,318	954,863,318	156,034,955	767,753,451	4,061,861	11,449,509	15,563,540	
Derivative financial liabilities									
		-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	
31 December 2023									
<i>In BDT</i>	Note	Carrying amount	Total	2 months or less	Contractual cash flows	1-2 years	2-5 years	More than 5 years	
Non-derivative financial liabilities									
	17	125,371,257	125,371,257	125,371,257	-	-	-	-	
Customer deposits									
Bank overdrafts	18	1,043,539,232	1,043,539,232	-	1,043,539,232	-	-	-	
Accounts payables	20	4,438,375	4,438,375	4,438,375	-	-	-	-	
Other liabilities	22	13,329,394	13,329,394	5,584,977	2,581,610	5,162,807	-	-	
Lease liabilities	16	40,723,448	40,723,448	511,525	2,207,581	4,145,181	12,820,763	21,038,398	
Intercompany payable	23	1,973,634	1,973,634	-	1,973,634	-	-	-	
		1,229,375,340	1,229,375,340	135,906,134	1,050,302,057	9,307,988	12,820,763	21,038,398	
Derivative financial liabilities									
		-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	



Notes to the financial statements (Continued)

(iv) Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

This risk arises due to changes in interest rates on different interest-bearing instruments.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as at statement of financial position date is as follows:

<i>In BDT</i>	<i>Note</i>	Nominal Amount	
		2024	2023
Fixed rate instruments			
Financial liabilities			
Bank overdrafts	18	1,246,390	-
		1,246,390	-
Variable rate instruments			
Financial assets			
Cash at bank	14	154,488,665	136,020,201
Financial liabilities			
Bank overdrafts	18	747,699,697	1,043,539,232
Lease liabilities	16	(34,641,372)	(40,723,448)
		867,546,990	1,138,835,985

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.



32 Contingencies and commitments**Contingencies**

See accounting policy in Note 35 (G)

There is no contingent liability as at 31 December 2024 (2023: Nil).

Commitments

The Company has no outstanding commitment as at 31 December 2024. (2023: Nil)

33 Related parties**a) Parent and ultimate controlling party**

BRAC Bank PLC. is the parent and ultimate controlling party of the Company by virtue of holding 99.95% voting shares along with majority representation on the Board of Directors.

b) Transactions with key management personnel**(i) Loans to directors**

During the year, no loan was given to the directors of the Company.

(ii) Key management personnel compensation

Key management personnel compensation comprised the following:

<i>In BDT</i>	2024	2023
Board meeting attendance fees	311,667	313,333
	311,667	313,333

Company's key management personnel includes the Company's directors. No compensation other than board meeting attendance fees is given to them.

(c) Other related party transactions

<i>In BDT</i>	Transaction values during the year		Balance outstanding as at	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
BRAC EPL Stock Brokerage Limited				
- Rental & other operating expenses	19,341,954	3,495,316	(2,526,799)	(1,973,634)
- Disposal of assets	57,500	-	57,500	-
- Share trading and other expenses	6,083,784,372	18,262,896	21,071,687	29,817,755

34 Other disclosures**34.1 Number of employees**

As at 31 December 2024, number of regular employees receiving remuneration of Taka 36,000 or above per annum was 36 (31 December 2023: 30).

34.2 Comparatives

Previous year's figures have been rearranged, wherever considered necessary to conform with the current year's presentation.



34.3 Leases**a) Leases as lessee (IFRS 16)**

The Company leases a number of offices and a store. The leases typically run for a period of 3-6 years, with an option to renew the lease after that date. Lease payments are adjusted at predetermined intervals.

Information about leases for which the Company is a lessee is presented below.

i) Amounts recognised in statement of profit or loss

<i>In BDT</i>	Note	2024	2023
Interest on lease liabilities	16.1	4,113,509	1,081,049
Depreciation on right-of-use assets	8	5,197,099	5,170,768
		9,310,608	6,251,817

ii) Amounts recognised in statement of cash flows

<i>In BDT</i>	2024	2023
Total cash outflow for leases	(6,181,036)	(5,797,263)
	(6,181,036)	(5,797,263)

b) As a lessor

There is no such lease for which the Company is a lessor.

34.4 Subsequent events

No material events had occurred after the reporting date to the date of issue of these financial statements, which could affect the values stated in the financial statements.

34.5 Basis of measurement

The financial statements have been prepared on going concern basis under the historical cost convention.

34.6 Reporting period

The financial statements of the Company covers the year from 1 January to 31 December and it is followed consistently. These financial statements cover period from 1 January to 31 December 2024.

34.7 Going concern

The Company's management has assessed its going concern due to significant and recurring operation losses and cumulative negative retained earnings as at reporting period.

As a part of strategic move, the Company will focus exclusively on merchant banking, corporate finance, green financing projects (i.e., sustainable bond) and its related core operations with the ongoing support (existing financial and corporate guarantees) from the parent company. Management believes these initiatives shall ensure the Company's sustainability, expressing confidence in its ability to continue operating and meet financial commitments for the foreseeable future. Additionally, the Parent Company, BRAC Bank PLC, has given undertakings to provide financial and operational assistance to the Company, where needed, to enable the Company to meet obligations as they fall due and in supporting its business plans for a period of at least twelve months from the date of approval of these financial statements (including meeting the existing shortfall in net worth ratio at year end).

Therefore, the financial statements are prepared on a going concern basis with no material uncertainty.



35 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Certain comparative amounts in the statement of financial position and statement of profit or loss and other comprehensive income have been reclassified/represented during the current year for better presentation.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow:

- A. Property, plant and equipment (PPE)
- B. Intangible assets
- C. Leases
- D. Investments
- E. Provision
- F. Taxation
- G. Contingencies
- H. Revenue
- I. Financial instruments
- J. Statement of Cash Flows
- K. Events after the reporting period
- L. Materiality and aggregation

A. Property, plant and equipment (PPE)

The cost of an item of property, plant and equipment is recognised as an assets if and only if 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.

Property, plant and equipment have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of an existing assets are recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The company uses straight line method for charging depreciation. Full month depreciation is charged on additions irrespective of date of its acquisition whereas no depreciation is charged in the month of disposal. The rates of depreciation on various classes of property, plant and equipment are as under:

Category of the assets	2024 Rates (%)	2023 Rates (%)
Office floor space	5%	5%
Leasehold Improvement	15.00%	15.00%
Furniture and Fittings	10-20%	10-20%
Office Equipment	10-20%	10-20%
IT Equipment	25-33%	25-33%
Motor Vehicles	20%	20%

B. Intangible assets

These represent cost of software and have been stated at cost as reduced by accumulated depreciation. Computer software acquired by the company which have finite useful life are measured at cost less accumulated amortisation. Amortisation is provided on software at the rate of 33.33% using the straight line method.



C. Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

— the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

— the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

— the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

i. As a lessee

The Company recognises a right-of-use asset and a lease liability for its office rent agreements at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

When measuring lease liabilities, The company discounted lease payments using its variable incremental borrowing rate during the year.



Short-term leases and leases of low-value assets

Currently the Company has no such short-term lease or lease of low value asset. The Company will not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company will recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term as applicable.

ii. As a lessor

There is no such lease for which the Company is a lessor.

D. Investments

The Company holds investment securities which are both actively traded in a quoted market and those which are unquoted.

(a) Fair value through profit or loss

Investments in shares which are actively traded on a quoted market are designated at fair value through statement of comprehensive income. Gains or losses arising from a change in the fair value of such financial assets are recognised in the statement of comprehensive income.

(b) Fair value through other comprehensive income

Investments in shares which are not actively traded on a quoted market are designated as fair value through OCI. Since their fair values cannot be reliably measured, these are held at cost.

E Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

F. Taxation

The Company current tax has been calculated on the basis of the Finance Act 2024.

Current Tax

Income tax expense is recognised in Statement of Profit or Loss and Other Comprehensive Income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company qualifies as a "Merchant Bank"; hence the applicable corporate tax rate is 37.50% as per the Finance Act 2024.

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.



G. Contingencies

Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company discloses contingent liability in the financial statements. A provision is recognised in the period in which the recognition criteria of provision is met.

Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognise contingent assets. Only when the realisation of the related economic benefits are visually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

H. Revenue

Revenue is only recognised when the company satisfies a performance obligation in the contract with a customer and when it meets five steps model framework as per IFRS 15. Details of revenue recognition policies are given as under:

Interest income

In general, interest income from loan is recognised on accrual basis. Interest is accrued on a daily basis and applied to customer's account every quarter. Interest income on negative equity accounts is not recognised.

Fee and commission income

Fees and commission income arising from services provided by the company are recognised as income on earned basis as per IFRS 15 "Revenue from Contracts with Customers". Fees and Commission charged to customers on share transaction. Management fee income is recognised as accrual basis and is accrued on a daily basis and applied to customer's account every quarter.

The debt arrangement fee and corporate advisory fee income are recognised after completion of work.

Dividend income

Dividend income is recognised when the right to receive dividend is established. Usually this is the ex-dividend date for equity securities.

Finance income

Finance income comprises of interest income on fixed deposits and savings accounts. Income is recognised on accrual basis.

I. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In accordance with International Financial Reporting Accounting Standard (IFRS) 9, financial assets may be recognised at fair value, with gain and losses taken to the income statement in net investment income. A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.



Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Accounts receivable

Accounts receivables consist mainly of net receivables from Exchanges and clients broker for daily sale and buy transactions of clients. These are cleared every 3 working days.

Investment in quoted and unquoted securities

The company invests in quoted securities, traded on the secondary capital market in Bangladesh. At the reporting date these are recognised at market value on and/or NAV (in case of unquoted and open end mutual fund) on aggregate basis. As per IFRS 9: Financial Instruments, these have been classified as fair value through profit or loss where gains or losses arising from a change in the fair value of such financial assets are recognised in the statement of comprehensive income.

Other receivables

Other receivable consists of FDR interest receivable and receivable from employees regarding of advance payment of provident fund amount.

Margin loan to clients

Margin loans are given as per margin loan policy of the Company. Normally clients are required to deposit Taka 15 lac for entitlement of margin loan.

Financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities include finance lease obligations, loans and borrowings, accounts payable and other payables.

Customer deposits

Customer deposits consist of funds provided by customers which have not yet been used to invest in securities. These are initially measured at fair value and subsequently measured at amortised cost.

J. Statement of Cash Flows

The Statement of Cash Flows shows changes in cash and bank balances during the financial year. It has reported cash flows during the year classified by operational activities, investing activities and financing activities. It is prepared under indirect method in accordance with IAS :7 Statement of Cash Flows.

K. Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

L. Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.



36 New accounting standards or amendments for 2024 and forthcoming requirements

(i) New currently effective requirements: A number of new accounting standards and amendments to accounting standards are required to be applied by an entity with an annual reporting period beginning on 1 January 2024, which are as follows:

- Non-current Liabilities with Covenants - Amendments to IAS 1
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

(ii) Forthcoming requirements: The list below includes the recent changes to the IFRS accounting standards that are required to be applied for an annual period beginning after 1 January 2024 and that are available for early adoption in annual periods beginning on 1 January 2024. The entity has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed interim financial statements.

- Lack of Exchangeability - Amendments to IAS 21
- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7.
- IFRS 18 Presentation and Disclosure in Financial Statements.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

