

Brac Bank posts BDT 141cr quarterly profit

A Monitor Report

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Dhaka : Brac Bank posted BDT 141 crore profit after excluding tax in the first quarter of the current year showing 31 per cent year on year growth.

Brac Bank disclosed the quarterly (January-March 2021) results at a virtual earnings disclosure event held on May 24, said a press release.

After experiencing the full brunt of the Covid-19 pandemic in the first half of 2020 and subsequent health and economic recovery during the latter half of 2020, the year 2021 saw a vibrant first three months in terms of economic activity picking up, read the press statement.

The bank registered a Net Profit After-Tax (NPAT) of BDT 141 crore with a year on year (YoY) growth of 31 per cent on standalone basis and an NPAT of BDT 109 crore with YoY growth of 44 per cent on consolidated basis, ie with all its subsidiaries.

Meanwhile, customer deposits grew by 4 per cent YoY while the CASA mix improved from 43 per cent to 55 per cent reflecting a successful deposit mobilisation and interest rate management strategy.

BBL was very cautious in growing its customer loan portfolio in pandemic years with a 0.4 per cent YoY net growth. While SME lending grew well at 18 per cent YoY, retail lending picking up in Q1'21 and the bank was very selective in growing

loans in the corporate, commercial business.

Compression in interest margin continued throughout the entire banking industry after the introduction of the lending rate cap at 9 per cent in April 2020. Despite this, Brac Bank ended the first quarter with a spread of 4.8 per cent with better Cost of Deposit Management.

The virtual earning disclosure programme brought together many local and foreign investment analysts, portfolio managers and capital market experts and was also broadcast live on social media for overseas stakeholders.

Brac Bank's Managing Director and CEO, Selim R F Hussain; DMD and Chief Financial Officer, M Masud Rana, FCA; DMD and Chief Operating Officer, Sabbir Hossain; DMD and Head of Corporate Banking, Tareq Refat Ullah Khan; and other Senior Business Heads presented the financial results, outlined the Bank's strategy and conducted a Q&A session.