Un-audited Financial Statements

BRAC Bank Limited
Anik Tower, 220/B Tejgaon Gulshan, Link Road, Tejgaon, Dhaka-1208

As at and for the period ended 31 March 2017

BRAC BANK

Un-audited Consolidated Balance Sheet
As at 31 March 2017

Particulars	March 2017 Taka	December 2016 Taka
PROPERTY AND ASSETS		
Cash	**15,978,367,329**	**15,827,759,714**
Cash in hand	4,850,748,517	5,411,271,407
(Including foreign currency)		
Balance with Bangladesh Bank and its agent Bank(s)	11,127,618,812	10,416,488,307
(Including foreign currency)		
Balance with other Banks and Financial Institutions	**34,277,492,599**	**31,148,142,995**
Inside Bangladesh	33,014,319,555	29,024,134,806
Outside Bangladesh	1,263,173,044	2,124,008,189
Money at call and short notice	-	-
Investments	**24,879,304,700**	**22,937,709,817**
Government	18,245,749,179	17,045,441,443
Others	6,633,555,521	5,892,268,374
Loans and advances	**180,111,476,142**	**175,841,420,944**
Loans, cash credit, overdrafts etc.	107,857,048,396	112,728,439,450
Small and medium enterprises	70,465,434,289	61,185,461,566
Bills purchased & discounted	1,788,993,457	1,927,519,928
Fixed assets including premises, furniture and fixture	**4,350,624,548**	**4,233,151,608**
Other assets	**16,850,783,020**	**16,891,450,983**
Non-banking assets	62,230,075	62,230,075
Goodwill	**1,382,151,929**	**1,382,151,929**
Total Property and Assets	**277,892,430,342**	**268,324,018,065**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions & agents	**19,571,927,203**	**19,131,258,722**
Borrowings from Central Bank	**7,032,102,284**	**6,752,978,397**
Convertible Subordinate Bonds	**2,850,148,000**	**2,951,079,000**
Money at Call and Short notice	**5,149,330,000**	**1,303,750,000**
Deposits and other accounts	**184,447,374,644**	**181,478,777,560**
Current accounts & other accounts	66,282,805,280	66,657,447,378
Bills payable	1,059,520,307	1,309,401,487
Savings deposits	31,791,266,820	31,368,696,186
Fixed deposits	83,520,434,075	80,737,078,388
Other deposits	1,793,348,162	1,406,154,121
Other liabilities	33,815,245,725	32,966,273,573
Total Liabilities	**252,866,127,856**	**244,584,117,252**
Capital and Shareholders' Equity		
Paid up share capital	7,126,747,450	7,104,369,100
Share premium	5,260,323,007	5,181,774,966
Statutory reserve	3,470,350,332	3,470,350,332
Dividend Equalization Fund	355,218,455	355,218,455
Revaluation Reserve on Govt. Securities	31,076,921	111,643,709
Assets Revaluation reserve	516,373,535	516,373,535
Surplus in profit and loss account/Retained Earnings	6,680,887,490	5,524,376,341
Total shareholders' equity	**23,440,977,190**	**22,264,106,438**
Minority Interest	**1,585,325,296**	**1,475,794,375**
Total equity	**25,026,302,486**	**23,739,900,813**
Total Liabilities and Shareholders' Equity	**277,892,430,342**	**268,324,018,065**
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	22,458,415,972	20,015,403,528
Irrevocable letter of credits	18,246,066,736	20,609,044,537
Letter of guarantees	6,609,509,454	6,357,188,894
Bills for collection	1,480,376,181	1,815,432,730
Tax liability	43,700,000	43,700,000
Other contingent liabilities	16,001,375,670	8,369,848,874
Total Contingent liabilities	**64,839,444,013**	**57,210,618,563**
Other commitments		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total other commitments	-	-
Total Off-Balance Sheet items including contingent liabilities	**64,839,444,013**	**57,210,618,563**

These Financial Statements should be read in conjunction with the annexed notes.

Chief Financial Officer | Company Secretary | Managing Director & CEO

Director | Director | Chairman

Un-audited Balance Sheet
As at 31 March 2017

Particulars	March 2017 Taka	December 2016 Taka
PROPERTY AND ASSETS		
Cash	**15,934,967,949**	**15,820,785,235**
Cash in hand	4,807,349,137	5,404,296,928
(Including foreign currency)		
Balance with Bangladesh Bank and its agent Bank(s)	11,127,618,812	10,416,488,307
(Including foreign currency)		
Balance with other Banks and Financial Institutions	**17,830,580,275**	**15,366,993,079**
Inside Bangladesh	16,627,804,347	13,337,028,475
Outside Bangladesh	1,202,775,928	2,029,964,604
Money at call and short notice	-	-
Investments	**23,715,163,613**	**22,487,996,910**
Government	18,245,749,179	17,045,441,443
Others	5,469,414,434	5,442,555,467
Loans and advances	**177,891,122,753**	**173,612,041,512**
Loans, cash credit, overdrafts etc.	105,636,695,007	110,499,060,018
Small and medium enterprises	70,465,434,289	61,185,461,566
Bills purchased & discounted	1,788,993,457	1,927,519,928
Fixed assets including premises, furniture and fixture	2,981,524,411	2,885,811,676
Other assets	18,019,871,941	18,369,599,010
Non-banking assets	62,230,075	62,230,075
Total Property and Assets	**256,435,461,017**	**248,605,457,497**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions & agents	**19,421,959,693**	**18,838,239,195**
Borrowings from Central Bank	**7,032,102,284**	**6,752,978,397**
Convertible Subordinate Bonds	**2,850,148,000**	**2,951,079,000**
Money at Call and Short notice	**5,149,330,000**	**1,303,750,000**
Deposits and other accounts	**170,660,648,836**	**168,859,571,738**
Current accounts & other accounts	48,332,602,446	50,271,016,607
Bills payable	1,059,520,307	1,309,401,487
Savings deposits	31,791,266,820	31,368,696,186
Fixed deposits	87,683,911,101	84,504,303,337
Other deposits	1,793,348,162	1,406,154,121
Other liabilities	28,741,969,063	28,459,067,732
Total Liabilities	**233,856,157,876**	**227,164,686,062**
Capital and Shareholders' Equity		
Paid up share capital	7,126,747,450	7,104,369,100
Share premium	3,738,490,072	3,659,942,031
Statutory reserve	3,470,350,332	3,470,350,332
Dividend Equalization Fund	355,218,455	355,218,455
Revaluation Reserve on Govt. Securities	31,076,921	111,643,709
Assets Revaluation reserve	516,373,535	516,373,535
Surplus in profit and loss account/Retained Earnings	7,341,046,376	6,222,874,273
Total shareholders' equity	**22,579,303,141**	**21,440,771,435**
Total Liabilities and Shareholders' Equity	**256,435,461,017**	**248,605,457,497**
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	22,458,415,972	20,015,403,528
Irrevocable letter of credits	18,246,066,736	20,609,044,537
Letter of guarantees	6,609,509,454	6,357,188,894
Bills for collection	1,480,376,181	1,815,432,730
Tax liability	43,700,000	43,700,000
Other contingent liabilities	16,001,375,670	8,369,848,874
Total Contingent liabilities	**64,839,444,013**	**57,210,618,563**
Other Commitments		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total Other Commitments	-	-
Total Off-Balance Sheet items including contingent liabilities	**64,839,444,013**	**57,210,618,563**

These Financial Statements should be read in conjunction with the annexed notes.

Chief Financial Officer | Company Secretary | Managing Director & CEO

Director | Director | Chairman

Un-audited Consolidated Statement of Changes in Equity For the period ended 31 March 2017

Amount in Taka

Particulars	Paid up share capital	Share Premium	Statutory Reserve	Dividend Equalization Fund	Revaluation Reserve on Govt. Securities	Assets Revaluation reserve	Retained Earnings	Minority Interest	Total
Balance as at 01 January 2017	7,104,369,100	5,181,774,966	3,470,350,332	355,218,455	111,643,709	516,373,535	5,524,376,341	1,475,794,375	**23,739,900,813**
Net profit for the period	-	-	-	-	-	-	1,157,585,226	109,888,947	**1,267,474,173**
Statutory reserve	-	-	-	-	-	-	-	-	-
Dividend Equalization Fund	-	-	-	-	-	-	-	-	-
Ordinary Share issue	22,378,350	-	-	-	-	-	-	-	**22,378,350**
Preference share capital of bKash Ltd.	-	-	-	-	-	-	-	-	-
Share Premium	-	78,548,041	-	-	-	-	-	-	**78,548,041**
Revaluation reserve	-	-	-	-	(80,566,788)	-	-	-	**(80,566,788)**
Add: Adjustment for shareholdings change							-	-	-
Foreign currency translation gain/ Loss	-	-	-	-	-	-	(1,074,077)	(358,026)	**(1,432,103)**
Cash Dividends for the year 2016	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**7,126,747,450**	**5,260,323,007**	**3,470,350,332**	**355,218,455**	**31,076,921**	**516,373,535**	**6,680,887,490**	**1,585,325,296**	**25,026,302,486**
Balance as at 31 December 2016	**7,104,369,100**	**5,181,774,966**	**3,470,350,332**	**355,218,455**	**111,643,709**	**516,373,535**	**5,524,376,341**	**1,475,794,375**	**23,739,900,813**

Un-audited Statement of Changes in Equity For the period ended 31 March 2017

Amount in Taka

Particulars	Paid up share capital	Share Premium	Statutory Reserve	Dividend Equalization Fund	Revaluation Reserve on Govt. Securities	Assets Revaluation reserve	Retained Earnings	Total
Balance as at 01 January 2017	7,104,369,100	3,659,942,031	3,470,350,332	355,218,455	111,643,709	516,373,535	6,222,874,273	**21,440,771,435**
Net profit for the period	-	-	-	-	-	-	1,118,172,103	**1,118,172,103**
Dividend Equalization Fund	-	-	-	-	-	-	-	-
Ordinary Share issue	22,378,350	-	-	-	-	-	-	**22,378,350**
Share Premium	-	78,548,041	-	-	-	-	-	**78,548,041**
Statutory reserve	-	-	-	-	-	-	-	-
Revaluation reserve	-	-	-	-	(80,566,788)	-	-	**(80,566,788)**
Cash Dividends for the year 2016	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**7,126,747,450**	**3,738,490,072**	**3,470,350,332**	**355,218,455**	**31,076,921**	**516,373,535**	**7,341,046,376**	**22,579,303,141**
Balance as at 31 December 2016	**7,104,369,100**	**3,659,942,031**	**3,470,350,332**	**355,218,455**	**111,643,709**	**516,373,535**	**6,222,874,273**	**21,440,771,435**

Un-audited Consolidated Cash Flow Statement
For the period ended 31 March 2017

Particulars	Jan to Mar 2017 Taka	Jan to Mar 2016 Taka
A. Cash flows from operating activities		
Interest receipts	6,140,194,738	4,248,935,563
Interest payment	(1,343,645,433)	(457,827,408)
Dividend receipts	11,140,564	37,817,536
Fees & commission receipts	1,722,416,097	1,578,919,896
Recoveries on loans previously written off	199,154,689	273,016,892
Cash payments to employees	(1,201,017,693)	(1,012,805,395)
Cash payments to suppliers	(1,043,667,508)	(932,335,896)
Income tax paid	(671,695,226)	(584,898,830)
Receipts from other operating activities	80,864,699	122,281,198
Payment for other operating activities	(965,035,726)	(852,324,098)
Operating Cash flow before changes in operating assets and liabilities (i)	**2,928,709,200**	**2,420,779,458**
Increase/decrease in operating assets & liabilities		
Loans and advances	(4,288,387,774)	(2,388,146,562)
Other assets	751,285,289	16,481,967
Deposits from other banks/borrowings	4,631,620,857	3,998,796,023
Deposits from customers	2,986,495,205	(6,470,141,767)
Other liabilities	(1,324,398,899)	(720,286,688)
Cash utilized in operating assets & liabilities (ii)	2,756,614,678	(5,563,297,027)
Net cash (used)/flows from operating activities (i+ii) (a)	**5,685,323,878**	**(3,142,517,569)**
B. Cash flows from investing activities		
Treasury bills	349,773,900	-
Bangladesh Bank Bills	(5,847,317,900)	2,176,290,860
Treasury bonds	4,216,837,575	(580,487,279)
Encumbered Securities	-	-
Sale/ (Investment) in shares	(348,235,460)	(333,101,695)
Investment in Bonds	(430,000,000)	27,508,167
Redemption of BBL Bond	(100,931,000)	(48,921,000)
Acquisition of fixed assets	(351,757,039)	(176,926,258)
Disposal of Fixed Assets	1,318,014	2,566,032
Net cash used in investing activities (b)	**(2,510,311,910)**	**1,066,928,827**
C. Cash flows from financing activities		
Proceeds from issue of ordinary shares	22,378,350	11,495,890
Share Premium	78,548,041	37,419,151
Dividend paid	(253,991)	(128,796)
Net cash flows from financing activities (c)	**100,672,400**	**48,786,245**
Net increase/decrease in cash (a+b+c)	**3,275,684,368**	**(2,026,802,497)**
Cash and cash equivalents at beginning of the year	46,977,708,909	41,019,700,403
Effect of Exchange rate changes on cash and cash equivalent	4,440,951	-
Cash and cash equivalents at end of the year	**50,257,834,228**	**38,992,897,906**
Cash and cash equivalents at end of the year:		
Cash in hand (including foreign currency)	4,850,748,517	5,800,483,737
Balance with Bangladesh Bank and its agents bank(s)	11,127,618,812	9,356,508,752
Balance with other banks and financial institutions	34,277,492,599	23,833,857,617
Money at call and short notice	-	-
Prize Bond	1,974,300	2,047,800
	50,257,834,228	**38,992,897,906**

Un-audited Cash Flow Statement
For the period ended 31 March 2017

Particulars	Jan to Mar 2017 Taka	Jan to Mar 2016 Taka
A. Cash flows from operating activities		
Interest receipts	5,542,567,066	4,948,373,381
Interest payment	(1,397,904,747)	(1,316,590,327)
Dividend receipts	10,902,544	37,352,787
Fees & commission receipts	714,678,659	643,132,441
Recoveries on loans previously written off	226,760,813	273,016,892
Cash payments to employees	(913,327,286)	(728,658,522)
Cash payments to suppliers	(154,855,991)	(148,206,968)
Income tax paid	(650,810,681)	(552,138,734)
Receipts from other operating activities	38,776,823	44,753,949
Payment for other operating activities	(884,524,229)	(793,334,145)
Operating Cash flow before changes in operating assets and liabilities (i)	**2,532,262,972**	**2,407,700,754**
Increase/decrease in operating assets & liabilities		
Loans and advances to customers	(4,279,081,241)	(2,429,585,757)
Other assets	898,327,227	55,534,230
Deposits from other banks/borrowings	4,708,424,385	3,954,902,932
Deposits from customers	1,801,077,097	(8,561,533,596)
Other liabilities	(1,539,776,798)	(622,719,189)
Cash utilized in operating assets & liabilities (ii)	1,588,970,670	(7,603,401,380)
Net cash (used)/flows from operating activities (i+ii) (a)	**4,121,233,642**	**(5,195,700,626)**
B. Cash flows from investing activities		
Treasury bills	349,773,900	-
Bangladesh Bank Bills	(5,847,317,900)	2,176,290,860
Treasury bonds	4,216,837,575	(580,487,278)
Encumbered Securities	-	-
Sale/ (Investment) in shares	403,141,033	(343,287,149)
Investment in Bonds	(430,000,000)	20,000,000
Redemption of BBL Bond	(100,931,000)	(48,921,000)
Acquisition of fixed assets	(235,899,654)	(122,547,219)
Disposal of Fixed Assets	428,014	2,476,042
Net cash used in investing activities (b)	**(1,643,968,032)**	**1,103,524,256**
C. Cash flows from financing activities		
Proceeds from issue of Ordinary shares	22,378,350	11,495,890
Share Premium	78,548,041	37,419,151
Dividend paid	(253,991)	(128,796)
Net cash flows from financing activities (c)	**100,672,400**	**48,786,245**
Net increase/decrease in cash (a+b+c)	**2,577,938,010**	**(4,043,390,125)**
Cash and cash equivalents at beginning of year	31,189,584,514	38,528,058,781
Cash and cash equivalents at end of the year	**33,767,522,524**	**34,484,668,656**
Cash in hand (including foreign currency)	4,807,349,137	5,787,243,177
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	11,127,618,812	9,356,508,752
Balance with other banks and financial institutions	17,830,580,275	19,338,868,927
Money at call and short notice	-	-
Prize Bond	1,974,300	2,047,800
	33,767,522,524	**34,484,668,656**

Un-audited Consolidated Profit and Loss Account
For the period ended 31 March 2017

Particulars	Jan to Mar 2017 Taka	Jan to Mar 2016 Taka
Interest income	5,039,079,803	4,389,438,344
Interest paid on deposits and borrowing etc.	2,021,246,402	1,582,179,235
Net interest income	**3,017,833,401**	**2,807,259,109**
Investment income	713,322,165	650,703,982
Commission, exchange and brokerage	1,709,946,334	1,273,250,269
Other operating income	110,571,436	79,549,638
Total operating income	**5,551,673,336**	**4,810,762,998**
Salaries and allowances	1,352,419,291	1,093,838,395
Rent, taxes, insurance, electricity etc.	332,620,191	314,245,486
Legal expenses	13,473,030	24,225,443
Postage, stamps, telecommunication etc.	75,197,882	75,523,184
Stationery, printing, advertisement etc.	293,627,686	295,641,357
Chief Executive's salary & fees	2,400,000	2,550,000
Directors' fees & expenses	753,050	804,887
Auditors' fee	1,283,643	1,020,635
Depreciation and repairs to bank's assets	407,331,358	341,907,666
Other expenses	747,764,778	578,570,086
Total operating expenses	**3,226,870,909**	**2,728,327,139**
Profit/(loss) before provisions	**2,324,802,427**	**2,082,435,859**
Provision for:		
Loans and advances	495,927,189	963,080,573
Less: Recovery of written off bad debts	(226,760,813)	(273,016,892)
Diminution in value of investments	-	-
Off balance sheet items	-	-
Others	-	-
Total provision	**269,166,376**	**690,063,681**
Profit/(loss) before taxes	**2,055,636,051**	**1,392,372,178**
Provision for Tax:		
Current tax expense	802,779,245	776,680,905
Deferred tax expense / (income)	(14,617,367)	(6,623,435)
Total provision for Tax	**788,161,878**	**770,057,470**
Total profit/(loss) after taxes	**1,267,474,173**	**622,314,708**
Appropriations:		
Statutory reserve	-	-
General reserve	-	-
Dividend etc.	-	-
	-	-
Retained earnings	**1,267,474,173**	**622,314,708**
Attributable to:		
Equity holders of BRAC Bank Ltd.	1,157,585,226	692,256,111
Minority interest	109,888,947	(69,941,403)
	1,267,474,173	**622,314,708**
Earnings Per Share (EPS)	**1.62**	**0.98**

These Financial Statements should be read in conjunction with the annexed notes.

Chief Financial Officer | Company Secretary | Managing Director & CEO

Director | Director | Chairman

Un-audited Profit and Loss Account
For the period ended 31 March 2017

Particulars	Jan to Mar 2017 Taka	Jan to Mar 2016 Taka
Interest income	4,811,800,448	4,349,663,887
Interest paid on deposits and borrowing etc.	2,069,543,652	1,733,200,276
Net interest income	**2,742,256,796**	**2,616,463,611**
Investment income	648,552,762	653,171,630
Commission, exchange and brokerage	714,678,659	643,132,441
Other operating income	32,300,881	38,877,018
Total operating income	**4,137,789,098**	**3,951,644,700**
Salaries and allowances	1,040,376,187	830,575,385
Rent, taxes, insurance, electricity etc.	307,173,783	286,541,744
Legal expenses	13,002,774	23,998,716
Postage, stamps, telecommunication etc.	64,121,748	62,791,613
Stationery, printing, advertisement etc.	81,472,358	73,685,833
Chief Executive's salary & fees	2,400,000	2,550,000
Directors' fees & expenses	284,800	174,800
Auditors' fee	367,425	238,750
Depreciation and repairs to bank's assets	226,937,432	233,326,932
Other expenses	541,227,711	434,922,498
Total operating expenses	**2,277,364,218**	**1,948,806,271**
Profit/(loss) before provisions	**1,860,424,880**	**2,002,838,429**
Provision for:		
Loans and advances	318,927,189	579,287,941
Less: Recovery of written off bad debts	(226,760,813)	(273,016,892)
Diminution in value of investments	-	-
Off balance sheet items	-	-
Others	-	-
Total provision	**92,166,376**	**306,271,049**
Profit/(loss) before taxes	**1,768,258,504**	**1,696,567,380**
Provision for Tax:		
Current tax expense	650,086,401	705,984,837
Deferred tax expense / (income)	-	-
Total provision for Tax	**650,086,401**	**705,984,837**
Total profit/(loss) after taxes	**1,118,172,103**	**990,582,543**
Appropriations:		
Statutory reserve	-	-
General reserve	-	-
Dividend etc.	-	-
	-	-
Retained earnings	**1,118,172,103**	**990,582,543**
Earnings Per Share (EPS)	**1.57**	**1.40**

These Financial Statements should be read in conjunction with the annexed notes.

Chief Financial Officer | Company Secretary | Managing Director & CEO

Director | Director | Chairman

Selective Notes to the Quarterly Un-audited Financial Statements
For the quarter ended 31 March 2017

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. The primary objective of the Bank is to carry on all kinds of banking businesses. The Bank could not start its operations till 3 June, 2001 since the activity of the Bank was suspended by the honourable High Court of Bangladesh. Subsequently, the judgment of the High Court was set aside and dismissed by the Appellate Division of the Supreme Court on 4 June, 2001 and accordingly, the Bank started its operations from 04 July, 2001. At present the Bank has 113 (One hundred thirteen) branches, 69 SME service centers, 448 unit offices of SME.

2. Accounting Policies:

2.1 Accounting policies in the first quarterly financial statements are same as that were applied in its last annual financial statements of 31 December 2016. Consolidated financial statements include the position of BRAC Bank Limited and its all subsidiaries (BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited, bKash Limited, BRAC SAAJAN Exchange Limited, BRAC IT Services Limited).

2.2 Adequate provision has been made against loans and advances, off balance sheet items, investments and other assets as per Bangladesh Bank's circulars in force.

2.3 Provision for Income tax has been made on the accounting profit made by the Bank after considering some taxable income add back and disallowances of expenditures in accordance with the provision of Finance Act-2016 and the Income Tax Ordinance 1984.

2.4 Business of Off-shore Banking Unit (OBU) have been reported with solo Financial Statements.

2.5 The comparative information is rearranged whereever necessary to conform with the current presentation.

2.6 The consolidated financial statements of the Bank are made up to 31 March 2017 and prepared under the historical cost convention and in accordance with the "Section-38 and First Schedule" of the Bank Company Act 1991 and amendment in 2007, BRPD Circular # 14 dated 25 June, 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Companies Act 1994, the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 1987 and other prevailing laws and rules applicable in Bangladesh.