BRAC BANK LIMITED

Condensed Interim Financial Statements as at and for the 3rd quarter ended 30 September 2017

AMAR STOCK

BRAC BANK LIMITED
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 September 2017

Particulars	30 September 2017 Taka	31 December 2016 Taka
PROPERTY AND ASSETS		
Cash	**15,414,334,183**	**15,827,759,714**
Cash in hand	4,829,246,978	5,411,271,407
(Including foreign currency)		
Balance with Bangladesh Bank and its agent bank(s)	10,585,087,205	10,416,488,307
(Including foreign currency)		
Balance with other banks and financial institutions	**37,163,718,683**	**31,148,142,995**
Inside Bangladesh	34,532,596,782	29,024,134,806
Outside Bangladesh	2,631,121,901	2,124,008,189
Money at call and short notice	-	-
Investments	**27,039,163,858**	**22,937,709,817**
Government	19,466,602,314	17,045,441,443
Others	7,572,561,544	5,892,268,374
Loans and advances	**188,311,282,524**	**175,841,420,944**
Loans, cash credit, overdrafts etc.	113,211,430,813	112,728,439,450
Small and medium enterprises	73,014,995,874	61,185,461,566
Bills purchased & discounted	2,084,855,837	1,927,519,928
Fixed assets including premises, furniture and fixtures	**4,775,821,698**	**4,233,151,608**
Other assets	**20,716,598,804**	**16,891,450,983**
Non-banking assets	63,430,075	62,230,075
Goodwill	**1,382,151,929**	**1,382,151,929**
Total property and assets	**294,866,501,754**	**268,324,018,065**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**20,087,954,550**	**19,131,258,722**
Borrowings from Central Bank	**4,358,440,386**	**6,752,978,397**
Convertible subordinate bonds	**2,850,148,000**	**2,951,079,000**
Money at call and short notice	**6,827,850,000**	**1,303,750,000**
Deposits and other accounts	**195,183,466,422**	**181,478,777,560**
Current accounts and other accounts	75,324,598,833	66,657,447,378
Bills payable	1,149,858,487	1,309,401,487
Savings bank deposits	33,914,534,967	31,368,696,186
Fixed deposits	83,181,334,457	80,737,078,388
Other deposits	1,613,139,678	1,406,154,121
Other liabilities	**38,530,804,772**	**32,966,273,573**
Total liabilities	**267,838,664,130**	**244,584,117,252**
Capital and shareholders' equity		
Paid up share capital	8,552,096,940	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 government securities	22,528,470	111,643,709
Revaluation reserve on assets	516,373,535	516,373,535
Translation reserve	(10,576,460)	(26,148,190)
Surplus in profit and loss account/retained earnings	7,182,006,799	5,543,987,484
Total shareholders' equity	**25,348,321,078**	**22,257,569,391**
Non-controlling interest	**1,679,516,546**	**1,482,331,422**
Total equity	**27,027,837,624**	**23,739,900,813**
Total liabilities and shareholders' equity	**294,866,501,754**	**268,324,018,065**

BRAC BANK LIMITED

Condensed Consolidated Balance Sheet (Unaudited)
As at 30 September 2017

Particulars	30 September 2017 Taka	31 December 2016 Taka
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	23,447,459,729	20,015,403,528
Irrevocable letter of credits	26,820,740,350	20,609,044,537
Letter of guarantees	8,024,570,789	6,357,188,894
Bills for collection	3,442,367,506	1,815,432,730
Tax liability	-	43,700,000
Other contingent liabilities	14,496,150,581	8,369,848,874
Total contingent liabilities	**76,231,288,955**	**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	**76,231,288,955**	**57,210,618,563**
Net Assets Value (NAV) per share (Note: 3)	**29.64**	**31.33**

These condensed financial statements should be read in conjunction with the annexed notes.

Chief Financial Officer | Company Secretary | Managing Director & CEO

Director | Director | Chairman

Date: 25 October 2017

AMAR STOCK

BRAC BANK LIMITED

Condensed Consolidated Profit and Loss Account (Unaudited)
For the 3rd quarter ended 30 September 2017

Particulars	3rd Quarter ended July to Sep 2017 Taka	3rd Quarter ended July to Sep 2016 Taka	Cumulative Jan to Sep 2017 Taka	Cumulative Jan to Sep 2016 Taka
Interest income	4,959,779,574	5,061,604,220	15,201,625,334	14,103,550,882
Interest paid on deposits and borrowing etc.	2,061,981,268	2,014,105,645	5,945,224,223	5,300,138,117
Net interest income	**2,897,798,306**	**3,047,498,575**	**9,256,401,111**	**8,803,412,765**
Investment income	1,308,002,495	673,684,706	2,615,418,064	1,803,418,451
Commission, exchange and brokerage	1,666,979,020	1,316,857,627	5,064,196,770	4,021,856,971
Other operating income	70,713,835	56,994,752	292,778,516	222,309,057
Total operating income	**5,943,493,656**	**5,095,035,660**	**17,228,794,461**	**14,850,997,244**
Salaries and allowances	1,529,857,042	1,062,641,947	4,359,619,521	3,321,439,038
Rent, taxes, insurance, electricity etc.	371,663,790	317,935,621	1,059,794,190	928,858,030
Legal expenses	17,694,837	18,441,994	41,472,058	60,460,717
Postage, stamps, telecommunication etc.	77,191,022	68,891,448	225,918,853	215,988,176
Stationery, printing, advertisement etc.	315,210,204	229,334,387	1,042,849,588	864,301,439
Chief Executive's salary & fees	4,335,000	3,986,500	10,909,000	10,909,000
Directors' fees & expenses	728,706	650,288	2,245,031	2,274,343
Auditors' fee	2,837,201	2,150,418	7,745,680	4,331,728
Depreciation and repairs on bank's assets	358,269,157	395,297,875	1,049,244,332	1,112,568,231
Other expenses	966,918,571	836,851,063	2,700,135,439	1,980,107,753
Total operating expenses	**3,644,705,530**	**2,936,181,541**	**10,499,933,692**	**8,501,238,455**
Profit/(loss) before provisions	**2,298,788,126**	**2,158,854,119**	**6,728,860,769**	**6,349,758,789**
Provision for:				
Loans and advances	276,947,314	749,791,401	1,223,205,894	2,247,935,127
Less: Recovery of written off bad debts	(202,447,719)	(245,694,822)	(692,047,693)	(816,530,026)
Diminution in value of investments	-	-	-	-
Off balance sheet items	118,500,829	35,500,000	131,315,329	35,500,000
Others	-	-	-	-
Total provision	**193,000,424**	**539,596,579**	**662,473,530**	**1,466,905,101**
Profit/(loss) before taxes	**2,105,787,702**	**1,619,257,540**	**6,066,387,239**	**4,882,853,688**
Provision for tax:				
Current tax expense	998,889,271	719,165,390	2,724,368,050	2,262,209,601
Deferred tax expense/ (income)	(445,071,541)	(9,599,908)	(631,209,485)	(35,430,703)
Total provision for tax	**553,817,730**	**709,565,482**	**2,093,158,565**	**2,226,778,898**
Net profit/(loss) after taxes	**1,551,969,972**	**909,692,058**	**3,973,228,674**	**2,656,074,790**
Attributable to:				
Equity holders of BRAC Bank Ltd.	1,505,142,724	879,268,081	3,776,043,550	2,571,566,696
Non-controlling interest	46,827,248	30,423,977	197,185,124	84,508,094
	1,551,969,972	**909,692,058**	**3,973,228,674**	**2,656,074,790**
Retained earnings brought forward from previous period/year	5,676,864,075	3,649,712,307	5,543,987,484	4,088,724,422
Add: Net profit after tax (Attributable to equity holders of the Bank)	1,505,142,724	879,268,081	3,776,043,550	2,571,566,696
Profit available for appropriation	**7,182,006,799**	**4,528,980,388**	**9,320,031,034**	**6,660,291,118**
Appropriations:				
Statutory reserve	-	-	-	-
General reserve	-	-	2,138,024,235	1,776,092,275
Dividend				355,218,455
Dividend equalization fund	-	-	2,138,024,235	2,131,310,730
Retained surplus	**7,182,006,799**	**4,528,980,388**	**7,182,006,799**	**4,528,980,388**
Earning Per Share (EPS) [Previous year'/period's figure restated] (Note: 4)	1.76	1.03	4.42	3.02

These condensed financial statements should be read in conjunction with the annexed notes.

Chief Financial Officer | Company Secretary | Managing Director & CEO

Director | Director | Chairman

Date: 25 October 2017

BRAC BANK LIMITED
Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the 3rd quarter ended 30 September 2017

Amount in Taka

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Assets revaluation reserve	FCY Translation reserve	Retained earnings	Non-controlling 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	(26,148,190)	5,543,987,484	1,482,331,422	23,739,900,813
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-
Restated balance	7,104,369,100	5,181,774,966	3,470,350,332	355,218,455	111,643,709	516,373,535	(26,148,190)	5,543,987,484	1,482,331,422	23,739,900,813
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(89,115,239)	-	-	-	-	(89,115,239)
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-
Ordinary share issue against bond conversion	22,378,350	-	-	-	-	-	-	-	-	22,378,350
Share premium against bond conversion	-	78,548,041	-	-	-	-	-	-	-	78,548,041
Dividend of BRAC EPL Stock Brokerage Ltd.	-	-	-	-	-	-	-	(60,952,500)	-	(60,952,500)
Reserve for stock dividend from BRAC EPL Stock Brokerage Ltd.	-	-	-	-	-	-	-	60,952,500	-	60,952,500
Changes in FCY translation reserve	-	-	-	-	-	-	15,571,730	-	-	15,571,730
Net gains and losses not recognized in the income statement	7,126,747,450	5,260,323,007	3,470,350,332	355,218,455	22,528,470	516,373,535	(10,576,460)	5,543,987,484	1,482,331,422	23,767,283,695
Net profit for the year	-	-	-	-	-	-		3,776,043,550	197,185,124	3,973,228,674
Statutory reserve	-	-	-	-	-	-		-	-	-
Dividend for the year 2016:										
Stock dividend	1,425,349,490	-	-	-	-	-	-	(1,425,349,490)	-	-
Cash dividend	-	-	-	-	-	-	-	(712,674,745)	-	(712,674,745)
Balance as at 30 September 2017	8,552,096,940	5,260,323,007	3,470,350,332	355,218,455	22,528,470	516,373,535	(10,576,460)	7,182,006,799	1,679,516,546	27,027,837,624
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	(26,148,190)	5,543,987,484	1,482,331,422	23,739,900,813
Balance as at 30 September 2016	7,104,369,100	4,819,090,866	3,470,350,332	355,218,455	216,622,240	516,373,535	-	4,528,980,388	1,381,985,740	22,392,990,655

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BRAC BANK LIMITED
Condensed Consolidated Cash Flow Statement (Unaudited)
For the 3rd quarter ended 30 September 2017

	30 September 2017 Taka	30 September 2016 Taka
A. Cash flows from operating activities		
Interest receipts	16,951,322,695	14,210,439,063
Interest payment	(5,004,797,131)	(3,420,514,767)
Dividends receipts	76,841,540	66,063,652
Fees & commissions receipts	5,136,886,070	3,936,220,055
Recoveries on loans previously written off	692,047,693	816,530,026
Cash payments to employees	(4,410,366,315)	(3,432,323,907)
Cash payments to suppliers	(1,948,357,685)	(2,019,734,700)
Income tax paid	(1,509,076,892)	(1,745,426,576)
Receipts from other operating activities	460,002,709	288,410,115
Payment for other operating activities	(2,612,197,756)	(3,025,975,425)
Operating cash flow before changes in operating assets and liabilities (i)	**7,832,304,928**	**5,673,687,536**
Increase/decrease in operating assets & liabilities		
Loans and advances	(11,821,152,247)	(5,685,568,358)
Other assets	(894,217,856)	(1,952,106,554)
Deposits from other banks/borrowings	3,701,911,984	4,823,977,420
Deposits from customers	13,909,145,266	10,193,086,171
Other liabilities	(981,311,195)	(2,297,326,330)
Cash (used in)/flows from operating assets & liabilities (ii)	3,914,375,953	5,082,062,349
Net cash (used in)/flows from operating activities (i+ii)	**11,746,680,881**	**10,755,749,885**
B. Cash flows from investing activities		
Treasury bills	(4,528,762,743)	-
Bangladesh Bank bills	-	(8,031,329,270)
Treasury bonds	2,019,210,433	(1,022,239,574)
Sale/ (Investment) in shares	(1,454,594,336)	(948,214,816)
Investment in bonds	(210,000,000)	20,000,000
Acquisition of fixed assets	(1,635,356,149)	(586,592,845)
Disposal of fixed assets	351,219,576	68,212,853
Net cash (used in)/flows from investing activities	**(5,458,283,219)**	**(10,500,163,653)**
C. Cash flows from financing activities		
Share money deposit	-	2,000,000,000
Dividend paid	(710,974,186)	(1,773,658,271)
Net cash (used in)/flows from financing activities	**(710,974,186)**	**226,341,729**
D. Net increase/decrease in cash (A+B+C)	**5,577,423,476**	**481,927,961**
Effect of exchange rate changes on cash and cash equivalent	25,450,481	(31,767,345)
E. Cash and cash equivalents at beginning of the year	46,977,708,909	41,019,700,403
Cash and cash equivalents at end of the period (D+E)	**52,580,582,866**	**41,469,861,019**
Cash and cash equivalents at end of the period:		
Cash in hand (including foreign currency)	4,829,246,978	4,597,106,250
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	10,585,087,205	10,159,340,690
Balance with other banks and financial institutions	37,163,718,683	26,711,843,779
Money at call and short notice	-	-
Prize bond	2,530,000	1,570,300
	52,580,582,866	**41,469,861,019**
Net Operating Cash Flow per Share (NOCFPS) (Note: 5)	**13.74**	**15.14**

BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 30 September 2017

Particulars	30 September 2017 Taka	31 December 2016 Taka
PROPERTY AND ASSETS		
Cash	**15,401,278,089**	**15,820,785,235**
Cash in hand	4,816,190,884	5,404,296,928
(Including foreign currency)		
Balance with Bangladesh Bank and its agent bank(s)	10,585,087,205	10,416,488,307
(Including foreign currency)		
Balance with other banks and financial institutions	**19,444,710,513**	**15,366,993,079**
Inside Bangladesh	16,953,252,681	13,337,028,475
Outside Bangladesh	2,491,457,832	2,029,964,604
Money at call and short notice	-	-
Investments	**25,236,301,717**	**22,487,996,910**
Government	19,466,602,313	17,045,441,443
Others	5,769,699,404	5,442,555,467
Loans and advances	**186,717,709,038**	**173,612,041,512**
Loans, cash credit, overdrafts etc.	111,617,857,327	110,499,060,018
Small and medium enterprises	73,014,995,874	61,185,461,566
Bills purchased & discounted	2,084,855,837	1,927,519,928
Fixed assets including premises, furniture and fixtures	3,254,014,192	2,885,811,676
Other assets	21,186,594,474	18,369,599,010
Non-banking assets	63,430,075	62,230,075
Total property and assets	**271,304,038,098**	**248,605,457,497**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**19,979,249,178**	**18,838,239,195**
Borrowings from Central Bank	**4,358,440,386**	**6,752,978,397**
Convertible subordinate bonds	**2,850,148,000**	**2,951,079,000**
Money at call and short notice	**6,827,850,000**	**1,303,750,000**
Deposits and other accounts	**180,524,116,899**	**168,859,571,738**
Current accounts and other accounts	56,503,761,131	50,271,016,607
Bills payable	1,149,858,487	1,309,401,487
Savings bank deposits	33,914,534,967	31,368,696,186
Fixed deposits	87,342,822,636	84,504,303,337
Other deposits	1,613,139,678	1,406,154,121
Other liabilities	**32,268,721,008**	**28,459,067,732**
Total liabilities	**246,808,525,471**	**227,164,686,062**
Capital and shareholders' equity		
Paid up share capital	8,552,096,940	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 government securities	22,528,470	111,643,709
Revaluation reserve on assets	516,373,535	516,373,535
Surplus in profit and loss account/retained earnings	7,840,454,823	6,222,874,273
Total shareholders' equity	**24,495,512,627**	**21,440,771,435**
Total liabilities and shareholders' equity	**271,304,038,098**	**248,605,457,497**

AMARSTOCK

BRAC BANK LIMITED

Condensed Balance Sheet (Unaudited)
As at 30 September 2017

Particulars	30 September 2017 Taka	31 December 2016 Taka
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptances and endorsements	23,447,459,729	20,015,403,528
Irrevocable letter of credits	26,820,740,350	20,609,044,537
Letter of guarantees	8,024,570,789	6,357,188,894
Bills for collection	3,442,367,506	1,815,432,730
Tax liability	-	43,700,000
Other contingent liabilities	14,496,150,581	8,369,848,874
Total contingent liabilities	76,231,288,955	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	76,231,288,955	57,210,618,563
Net Assets Value (NAV) per share (Note: 3)	28.64	30.18

These condensed financial statements should be read in conjunction with the annexed notes.

Chief Financial Officer | Company Secretary | Managing Director & CEO

Director | Director | Chairman

Date: 25 October 2017

AMARSTOCK

BRAC BANK LIMITED

Condensed Profit and Loss Account (Unaudited)
For the 3rd quarter ended 30 September 2017

Particulars	3rd Quarter ended July to Sep 2017 Taka	3rd Quarter ended July to Sep 2016 Taka	Cumulative Jan to Sep 2017 Taka	Cumulative Jan to Sep 2016 Taka
Interest income	5,224,350,009	4,403,796,512	15,029,578,391	13,340,161,561
Interest paid on deposits and borrowing etc.	2,054,536,013	1,651,690,574	6,087,329,219	5,211,415,763
Net interest income	**3,169,813,996**	**2,752,105,938**	**8,942,249,172**	**8,128,745,798**
Investment income	1,223,925,295	669,055,850	2,414,519,650	1,784,525,266
Commission, exchange and brokerage	713,481,213	601,395,219	2,121,517,568	1,891,604,865
Other operating income	25,207,945	41,397,233	89,781,524	110,895,732
Total operating income	**5,132,428,449**	**4,063,954,240**	**13,568,067,914**	**11,915,771,661**
Salaries and allowances	1,112,290,669	726,210,442	3,232,074,374	2,407,516,949
Rent, taxes, insurance, electricity etc.	343,600,297	293,630,990	974,031,810	847,528,134
Legal expenses	16,726,146	16,606,075	39,073,034	57,581,690
Postage, stamps, telecommunication etc.	64,203,143	58,209,085	190,997,096	180,087,796
Stationery, printing, advertisement etc.	78,916,445	7,228,987	241,032,872	165,658,958
Chief Executive's salary & fees	4,335,000	3,986,500	10,909,000	10,909,000
Directors' fees & expenses	252,080	216,600	757,480	879,000
Auditors' fee	367,426	306,189	1,102,277	918,564
Depreciation and repairs on bank's assets	259,060,659	236,258,374	587,068,263	706,639,999
Other expenses	605,919,514	691,530,534	1,888,416,030	1,540,487,962
Total operating expenses	**2,485,671,379**	**2,034,183,776**	**7,165,462,236**	**5,918,208,052**
Profit/(loss) before provision	**2,646,757,070**	**2,029,770,464**	**6,402,605,678**	**5,997,563,609**
Provision for:				
Loans and advances	630,947,314	629,993,103	1,223,205,894	1,744,344,197
Less: Recovery of written off bad debts	(202,447,719)	(245,694,822)	(692,047,693)	(816,530,026)
Diminution in value of investments	-	-	-	-
Off balance sheet items	118,500,829	35,500,000	131,315,329	35,500,000
Others	-	-	-	-
Total provision	**547,000,424**	**419,798,281**	**662,473,530**	**963,314,171**
Profit/(loss) before taxes	**2,099,756,646**	**1,609,972,183**	**5,740,132,148**	**5,034,249,438**
Provision for tax:				
Current tax expense	903,144,336	659,884,933	2,405,948,455	2,029,927,830
Deferred tax expense/ (income)	(235,606,607)	-	(421,421,092)	(10,597,393)
Total provision for tax	**667,537,729**	**659,884,933**	**1,984,527,363**	**2,019,330,437**
Net profit/(loss) after taxes	**1,432,218,917**	**950,087,250**	**3,755,604,785**	**3,014,919,001**
Retained earnings brought forward from previous period/year	6,408,235,906	3,827,273,357	6,222,874,273	3,893,752,336
Profit available for appropriation	**7,840,454,823**	**4,777,360,607**	**9,978,479,058**	**6,908,671,337**
Appropriations:				
Statutory reserve	-	-	-	-
General reserve				
Dividend	-	-	2,138,024,235	1,776,092,275
Dividend equalization fund	-	-	-	355,218,455
	-	-	2,138,024,235	2,131,310,730
Retained Surplus	**7,840,454,823**	**4,777,360,607**	**7,840,454,823**	**4,777,360,607**
Earning Per Share (EPS) [Previous year'/period's figure restated] (Note: 4)	**1.67**	**1.11**	**4.39**	**3.53**

These condensed financial statements should be read in conjunction with the annexed notes.

Chief Financial Officer | Company Secretary | Managing Director & CEO

Director | Director | Chairman

Date: 25 October 2017

BRAC BANK LIMITED

Condensed Statement of Changes in Equity (Unaudited)

For the 3rd quarter ended 30 September 2017

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
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	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
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(89,115,239)	-	-	(89,115,239)
Dividend equalization fund	-	-	-	-	-	-	-	-
Ordinary share issue against bond conversion	22,378,350	-	-	-	-	-	-	22,378,350
Share premium against bond conversion	-	78,548,041	-	-	-	-	-	78,548,041
Currency translation difference	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	7,126,747,450	3,738,490,072	3,470,350,332	355,218,455	22,528,470	516,373,535	6,222,874,273	21,452,582,587
Net profit for the period	-	-	-	-	-	-	3,755,604,785	3,755,604,785
Dividends for the year 2016:								
Stock dividend	1,425,349,490	-	-	-	-	-	(1,425,349,490)	-
Cash dividend	-	-	-	-	-	-	(712,674,745)	(712,674,745)
Statutory reserve	-	-	-	-	-	-	-	-
Balance as at 30 September 2017	8,552,096,940	3,738,490,072	3,470,350,332	355,218,455	22,528,470	516,373,535	7,840,454,823	24,495,512,627
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
Balance as at 30 September 2016	7,104,369,100	3,659,942,031	3,470,350,332	355,218,455	216,622,240	516,373,535	4,777,360,607	20,100,236,300

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BRAC BANK LIMITED

Condensed Cash Flow Statement (Unaudited)

For the 3rd quarter ended 30 September 2017

	30 September 2017 Taka	30 September 2016 Taka
A. Cash flows from operating activities		
Interest receipts	17,123,465,202	14,852,090,719
Interest payment	(5,145,905,307)	(4,129,977,882)
Dividends receipts	73,306,875	64,854,697
Fees & commissions receipts	2,121,517,569	1,891,604,883
Recoveries on loans previously written off	692,047,693	816,530,026
Cash payments to employees	(3,235,333,442)	(2,495,456,264)
Cash payments to suppliers	(433,005,437)	(374,732,048)
Income tax paid	(1,376,561,076)	(1,637,766,709)
Receipts from other operating activities	142,702,468	124,999,873
Payment for other operating activities	(2,986,529,137)	(2,723,060,115)
Operating cash flow before changes in operating assets and liabilities (i)	**6,975,705,408**	**6,389,087,181**
Increase/decrease in operating assets & liabilities		
Loans and advances to customers	(13,105,667,526)	(5,783,483,747)
Other assets	(855,175,693)	(1,942,285,790)
Deposits from other banks/borrowings	1,270,571,972	6,607,659,031
Deposits from customers	11,664,545,160	2,527,268,684
Other liabilities	(950,671,867)	(2,290,357,589)
Cash (used in)/flows from operating assets & liabilities (ii)	1,023,602,046	(881,199,412)
Net cash (used in)/flows from operating activities (i+ii)	**7,999,307,454**	**5,507,887,769**
B. Cash flows from investing activities		
Treasury bills	(4,528,762,743)	-
Bangladesh Bank Bills	-	(8,031,329,270)
Treasury bonds	2,019,210,433	(1,022,239,574)
Encumbured Securities	-	-
Sale/ (Investment) in shares	(117,143,936)	(802,975,179)
Investment in bonds	(210,000,000)	20,000,000
Acquisition of fixed assets	(1,143,032,510)	(482,482,604)
Disposal of fixed assets	350,329,576	68,047,863
Net cash (used in)/flows from investing activities	**(3,629,399,180)**	**(10,250,978,763)**
C. Cash flows from financing activities		
Dividend paid	(710,974,186)	(1,773,658,271)
Net cash (used in)/flows from financing activities	**(710,974,186)**	**(1,773,658,271)**
D. Net increase/decrease in cash (A+B+C)	**3,658,934,088**	**(6,516,749,265)**
E. Cash and cash equivalents at beginning of the year	**31,189,584,514**	**38,528,058,781**
Cash and cash equivalents at end of the period (D+E)	**34,848,518,602**	**32,011,309,516**
Cash and cash equivalents at end of the period:		
Cash in hand (including foreign currency)	4,816,190,884	4,584,993,322
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	10,585,087,205	10,159,340,690
Balance with other banks and financial institutions	19,444,710,513	17,265,405,205
Money at call and short notice	-	
Prize Bond	2,530,000	1,570,300
	34,848,518,602	**32,011,309,516**
Net Operating Cash Flow per Share (NOCFPS) (Note: 5)	**9.35**	**7.75**

BRAC BANK LIMITED

SELECTIVE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the 3rd quarter ended 30 September 2017

1 Legal status and nature of the Bank

BRAC Bank Limited (the "Bank" or "BRAC Bank") is a scheduled commercial bank established under the Banking Companies Act, 1991 and incorporated as a public company limited by shares on 20 May, 1999 under the Companies Act, 1994 in Bangladesh. The registered address of the Bank is situated at Anik Tower, 220/B Tejgaon Gulshan Link Road, Tejgaon, Dhaka-1208. BRAC Bank Limited is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly traded company from 28 January 2007 and 24 January 2007 respectively. The primary objective of the Bank is to carry out all kinds of banking businesses. As a fully operational commercial bank, BRAC Bank Limited focuses on pursuing unexplored market niches in the Small and Medium Enterprises business, which hitherto has remained largely untapped within the country. Significant percentage of BRAC Banks clients had no prior experience of formal banking.

1.1 Nature of business activities

The principal activities of the Bank are to provide all types of commercial banking services, within the stipulations laid down by Bank Companies Act 1991 as amended and directives as received from Bangladesh Bank time to time, through its branches, SME centre and alternative delivery channels like ATM Booths, Mobile and Internet Banking etc.

2 Accounting Policies

2.1 Accounting policies in the interim financial reports as at and for the 3rd quarter ended 30 September 2017 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. Recovery from any previously written-off loans have been adjusted with Provision for loans as per Bangladesh Bank circular.

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-2017 and the Income Tax Ordinance 1984. We recognized or derecognized deferred tax assets or liabilities as per BAS - 12 Income Taxes.

2.4 Business of Off-shore Banking Unit (OBU) have been reported with solo Financial Statements. Comparative information is rearranged whereever necessary to conform with the current year's/period's presentation.

2.5 The consolidated financial statements of the Bank are made up to 30 September 2017 and prepared under the historical cost convention and in accordance with the "First Schedule (sec-38)" of the Bank Companies 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, Financial Reporting Act 2012 and other prevailing laws and rules applicable in Bangladesh.

2.6 Earning Per Share (EPS) of previous year/period has been restated due to issue of stock dividend in 2017 as per BAS 33. Newly issued shared due to conversion of Bond has been considered proportionately from the actual date of their issue at the time of calculation of weighted avergae number of shares during the year/period.

2.7 Recovery form previously written-off loans has been adjusted with provision required against loans and advances from 2017 whereas the same were reported as other operating income in earlier years/periods.The corresponding comparative figure have also been rearranged accordingly. However there is no effect either in EPS or other financial indicators due to such rearrangement.

2.8 Restatement of previous years/period's figure

The bank reviewed its accounting policy with regard to translation of foreign operation namely "BRAC Sajaan Exchange Limited" from its functional currency namely in GBP to the presentation currency of the parent namely in BDT and followed the guidelines of IAS/BAS 21 from 2017 by translating all Balance Sheet items except equity at closing rate and all Profit and Loss items at average rate. Any resulting difference has been reported as "Translation reserve". The same applied retrospectively in the year 2016 and necessary restatement have been done accordingly.

2.9 These interim condensed financial reports were approved by the board of directors on October 25 , 2017.

	Sep 2017 Taka	Dec 2016 Taka
3 Net Assets Value		
3.1 Consolidated Net Assets Value (NAV) per share		
Net Assets Value at the end of the reporting period/year	25,348,321,078	22,257,569,391
Number of ordinary shares at the end of the period/year	855,209,694	710,436,910
	29.64	31.33
3.2 Separate/Solo Net Assets Value (NAV) per share		
Net Assets Value at the end of the reporting period/year	24,495,512,627	21,440,771,435
Number of ordinary shares at the end of the period/year	855,209,694	710,436,910
	28.64	30.18

3.3 Explanation regarding significant change:

The consolidated and separate net asset value increased by the profit earned during past nine (9) months of 2017. However, net asset value per share has decreased as a result of issuance of bonus shares in 2017.

	Jan-Sep 2017 Taka	Jan-Sep 2016 Taka
4 Earnings Per Share (EPS)		
4.1 Consolidated Earning Per Share		
Net profit/(loss) after taxes attributable to equity holders of the Bank	3,776,043,550	2,571,566,696
Weighted average number of outstanding ordinary shares during the period/year	855,056,418	852,893,120
	4.42	3.02

Prior period's EPS have been restated due to issuance of stock dividend in 2017 as per IAS/BAS 33.

4.2 Separate/Solo Earnings Per Share		
Net profit/(loss) after taxes	3,755,604,785	3,014,919,001
Weighted average number of outstanding ordinary shares during the period/year	855,056,418	852,893,120
	4.39	3.53

Previous period's EPS have been restated due to issuance of stock dividend in 2017 as per IAS/BAS 33.

	July-Sep 2017 Taka	July-Sep 2016 Taka
4.3 Consolidated Earning Per Share (EPS)		
Net profit/(loss) after taxes attributable to equity holders of the Bank	1,505,142,724	879,268,081
Weighted average number of outstanding ordinary shares during the period/year	855,209,694	852,971,859
	1.76	1.03

Previous period's EPS have been restated due to issuance of stock dividend in 2017 as per IAS/BAS 33.

4.4 Separate/Solo Earnings Per Share		
Net profit/(loss) after taxes	1,432,218,917	950,087,250
Weighted average number of outstanding ordinary shares during the period/year	855,209,694	852,971,859
	1.67	1.11

Previous period's EPS have been restated due to issuance of stock dividend in 2017 as per IAS/BAS 33.

4.5 Explanation regarding significant change

The separate/solo EPS increased due to overall revenue growth of the bank in 2017 over 2016 and consolidated EPS increased due to improvement in the performance of the subsidiaries of the Bank.

	Jan-Sep 2017 Taka	Jan-Sep 2016 Taka
5 Net Operating Cash Flow per Share (NOCFPS)		
5.1 Consolidated Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	11,746,680,881	10,755,749,885
Number of ordinary shares at the end of the period/year	855,209,694	710,436,910
	13.74	15.14
5.2 Separate/Solo Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	7,999,307,454	5,507,887,769
Number of ordinary shares at the end of the period/year	855,209,694	710,436,910
	9.35	7.75

5.3 Explanation regarding significant change quarterly basis:

Consolidated net operating cash flow per share decreased primarily due to issuance of bonus shares in 2017. However net operating cash flow per share on separate/solo basis increased primarily due to higher mobilizaiton of deposit from customers in 2017 over the same period of 2016.

6 Performance Highlights of BRAC Bank Limited as of September 30, 2017 are given below:

6.1 Key Financial Indicators (Solo basis) :

Sl no.	Particulars	Sep 2017	December 2016
1	Deposits	180,524,116,899	168,859,571,738
2	Loans and advances	186,717,709,038	173,612,041,512
3	Capital Fund:	25,546,441,060	23,095,138,611
4	Core Capital	22,579,532,698	19,706,622,316
5	Supplementary Capital	2,966,908,361	3,388,516,295
6	CRAR	13.06%	12.26%
7	No. of Branches	186	181
8	No. of Full Time Employees	6,873	6,355
9	Statutory Reserves	3,470,350,332	3,470,350,332
10	Shareholders' Equity	24,495,512,627	21,440,771,435

6.2 Key Financial Indicators (Consolidated basis) :

Sl no.	Particulars	Sep 2017	December 2016
1	Deposits	195,183,466,422	181,478,777,560
2	Loans and advances	188,311,282,524	175,841,420,944
3	Capital Fund:	26,707,190,588	24,012,166,059
4	Core Capital	23,740,282,226	20,623,649,764
5	Supplementary Capital	2,966,908,361	3,388,516,295
6	CRAR	12.73%	12.06%
7	Shareholders' Equity	25,348,321,078	22,257,569,391

6.3 Key Financial Ratios (Solo basis):

Sl no.	Particulars	Sep 2017	December 2016
1	AD Ratio	82.2%	81.40%
2	ROI*	20.44%	20.94%
3	ROE*	21.80%	22.16%
4	ROA*	1.93%	1.89%

* Figures are annualized.

6.4 Key Financial Ratios (Consolidated basis):

Sl no.	Particulars	Sep 2017	December 2016
1	ROI*	19.73%	17.34%
2	ROE*	21.15%	18.32%
3	ROA*	1.88%	1.63%

* Figures are annualized.

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