BRAC Bank Limited

Financial Statements as at and for the 1st Quarter ended 31 March 2018

AMAR STOCK

BRAC BANK LIMITED
Condensed Consolidated Balance Sheet (Unaudited)
As at 31 March 2018

Particulars	March 2018 Taka	December 2017 Taka
PROPERTY AND ASSETS		
Cash	**18,852,368,173**	**18,301,854,032**
Cash in hand	5,516,330,600	6,109,792,050
(Including foreign currency)		
Balance with Bangladesh Bank and its agent bank(s)	13,336,037,573	12,192,061,982
(Including foreign currency)		
Balance with other banks and financial institutions	**44,336,430,658**	**43,355,772,365**
Inside Bangladesh	43,680,520,999	39,974,980,085
Outside Bangladesh	655,909,659	3,380,792,280
Money at call and short notice	-	-
Investments	**28,097,352,397**	**26,889,161,707**
Government	20,630,242,894	19,193,023,616
Others	7,467,109,503	7,696,138,091
Loans and advances	**204,280,917,165**	**203,431,019,401**
Loans, cash credit, overdrafts etc.	113,645,271,080	116,620,559,298
Small and medium enterprises	80,570,088,584	81,064,166,152
Bills purchased and discounted	10,065,557,501	5,746,293,951
Fixed assets including premises, furniture and fixture	**5,822,610,607**	**5,610,423,547**
Other assets	**20,348,614,352**	**20,547,926,418**
Non-banking assets	63,430,075	63,430,075
Goodwill	**1,316,863,038**	**1,350,628,757**
Total property and assets	**323,118,586,465**	**319,550,216,302**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**19,260,629,513**	**23,210,933,175**
Borrowings from Bangladesh Bank	**5,599,920,797**	**5,595,585,766**
Convertible subordinated bond	-	**2,850,148,000**
Money at call and short notice	**4,990,000,000**	**2,700,000,000**
Deposits and other accounts	**222,361,038,995**	**216,929,919,763**
Current accounts and other accounts	75,407,365,651	83,474,319,154
Bills payable	1,276,229,530	1,013,749,416
Savings deposits	33,516,119,925	35,100,923,580
Fixed deposits	110,486,138,176	95,556,881,123
Other deposits	1,675,185,713	1,784,046,490
Other liabilities	40,958,757,249	39,833,786,707
Total liabilities	**293,170,346,554**	**291,120,373,411**
Capital and shareholders' equity		
Paid up share capital	8,580,002,280	8,552,096,940
Share premium	3,853,767,032	3,738,490,072
Statutory reserve	4,813,606,868	4,813,606,868
Dividend equalization fund	355,218,455	355,218,455
Revaluation reserve on govt. securities	6,116,742	23,306,557
Assets revaluation reserve	516,373,535	516,373,535
Surplus in profit and loss account/Retained earnings	9,873,646,159	8,601,051,187
Total shareholders' equity	**27,998,731,071**	**26,600,143,614**
Non controlling interest	**1,949,508,840**	**1,829,699,277**
Total equity	**29,948,239,911**	**28,429,842,891**
Total liabilities and shareholders' equity	**323,118,586,465**	**319,550,216,302**

AMAR STOCK

BRAC BANK LIMITED

Condensed Consolidated Balance Sheet (Unaudited)

As at 31 March 2018

Particulars	March 2018 Taka	December 2017 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	22,456,712,094	21,855,158,644
Irrevocable letter of credits	27,779,849,259	22,568,919,488
Letter of guarantees	9,544,796,058	8,109,659,718
Bills for collection	4,373,377,283	4,015,469,603
Other contingent liabilities	13,520,478,216	11,701,210,934
Total contingent liabilities	**77,675,212,910**	**68,250,418,387**
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	**77,675,212,910**	**68,250,418,387**
Net Assets Value (NAV) Per Share, Note: 3	**32.64**	**31.11**
Net Assets Value (NAV) Per Share considering 25% stock dividend for 2017	**26.11**	**24.87**

These interim financial report should be read in conjunction with the annexed notes.

Chief Financial Officer | Company Secretary | Managing Director and CEO

Director | Director | Chairman

Date: 26 April 2018

AMARSTOCK

BRAC BANK LIMITED

Condensed Consolidated Profit and Loss Account (Unaudited)

For the 1st quarter ended 31 March 2018

Particulars	Jan to Mar 2018 Taka	Jan to Mar 2017 Taka
Interest income	6,077,929,433	5,039,079,803
Interest paid on deposits and borrowing etc.	2,528,112,947	2,021,246,402
Net interest income	**3,549,816,486**	**3,017,833,401**
Investment income	723,294,734	713,283,066
Commission, exchange and brokerage	1,774,041,487	1,709,946,334
Other operating income	46,353,739	110,571,436
Total operating income	**6,093,506,446**	**5,551,634,237**
Salaries and allowances	1,663,187,074	1,352,419,291
Rent, taxes, insurance, electricity etc.	372,025,793	332,620,191
Legal expenses	19,521,875	13,473,030
Postage, stamps, telecommunication etc.	75,776,561	75,197,882
Stationery, printing, advertisement etc.	333,342,930	293,627,686
Chief Executive's salary and fees	2,400,000	2,400,000
Directors' fees and expenses	703,524	753,050
Auditors' fee	1,180,739	1,283,643
Impairment of goodwill	33,765,719	-
Depreciation and repairs to bank's assets	428,144,786	407,331,358
Other expenses	950,622,571	747,764,778
Total operating expenses	**3,880,671,572**	**3,226,870,909**
Operating profit	**2,212,834,874**	**2,324,763,328**
Share of profit/(loss) of associates	(11,175,314)	39,099
Profit/(loss) before provisions	**2,201,659,560**	**2,324,802,427**
Provision for:		
Loans and advances	(47,881,202)	269,166,376
Diminution in value of investments	-	-
Off balance sheet items	25,000,000	-
Others	326,500	-
Total provision	**(22,554,702)**	**269,166,376**
Profit/(loss) before taxes	**2,224,214,262**	**2,055,596,952**
Provision for Tax:		
Current tax expense	970,245,921	802,779,245
Deferred tax expense/(income)	(129,188,515)	(14,617,367)
Total provision for Tax	**841,057,406**	**788,161,878**
Total profit/(loss) after taxes	**1,383,156,856**	**1,267,435,074**
Attributable to:		
Equity holders of BRAC Bank Ltd.	1,265,659,213	1,148,283,049
Non controlling interest	117,497,643	119,152,025
	1,383,156,856	**1,267,435,074**
Retained earnings brought forward from previous period/year	8,601,051,187	6,934,903,963
Net profit attributable to the equity holders of the Bank	1,265,659,213	1,148,283,049
Net effect of all items directly recognized in Equity	6,935,759	(17,981,390)
Profit available for appropriation	9,873,646,159	8,065,205,622
Appropriations:		
Statutory reserve	-	-
General reserve	-	-
Dividend	-	-
Dividend equalization fund	-	-
	-	-
Retained surplus	**9,873,646,159**	**8,065,205,622**
Earnings Per Share (EPS), Note: 4.1	**1.48**	**1.34**
Earnings Per Share (EPS) considering 25% stock dividend for 2017, Note: 4.2a	**1.18**	**1.07**

These interim financial report should be read in conjunction with the annexed notes.

Chief Financial Officer | **Company Secretary** | **Managing Director and CEO**

Director | **Director** | **Chairman**

Date: 26 April 2018

BRAC BANK LIMITED
Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the 1st quarter ended 31 March 2018

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	Non-controlling interest	Total
Balance as at 01 January 2018	**8,552,096,940**	**3,738,490,072**	**4,813,606,868**	**355,218,455**	**23,306,557**	**516,373,535**	**8,601,051,187**	**1,829,699,277**	**28,429,842,891**
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	**8,552,096,940**	**3,738,490,072**	**4,813,606,868**	**355,218,455**	**23,306,557**	**516,373,535**	**8,601,051,187**	**1,829,699,277**	**28,429,842,891**
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(17,189,815)	-	-	-	(17,189,815)
Changes in translation reserve	-	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	**8,552,096,940**	**3,738,490,072**	**4,813,606,868**	**355,218,455**	**6,116,742**	**516,373,535**	**8,601,051,187**	**1,829,699,277**	**28,412,653,076**
Net profit for the year	-	-	-	-	-	-	1,265,659,213	117,497,643	1,383,156,856
Dividend for the year 2017:									-
Stock dividend	-	-	-	-	-	-	-	-	-
Cash dividend							-		-
Ordinary share issue against bond conversion	27,905,340	115,276,960							143,182,300
Share premium		-							-
Dividend equalization fund				-					-
Statutory reserve			-				-		-
Deduction for subsidiaries holdings change							-	-	-
Dividend of BRAC EPL Stock Brokerage Ltd.							-		-
Reserve for stock dividend from BRAC EPL Stock Brokerage Ltd.	-		-	-	-	-	-	-	-
Add: Translation adjustment							6,935,759	2,311,920	9,247,679
Cash dividend distributed by BRAC Saajan Ltd.							-		-
Balance as at 31 March 2018	**8,580,002,280**	**3,853,767,032**	**4,813,606,868**	**355,218,455**	**6,116,742**	**516,373,535**	**9,873,646,159**	**1,949,508,840**	**29,948,239,911**
Balance as at 31 December 2017	**8,552,096,940**	**3,738,490,072**	**4,813,606,868**	**355,218,455**	**23,306,557**	**516,373,535**	**8,601,051,187**	**1,829,699,277**	**28,429,842,891**

AMARSTOCK

BRAC BANK LIMITED
Condensed Consolidated Cash Flow Statement (Unaudited)
For the 1st quarter ended 31 March 2018

Particulars	Jan to Mar 2018 Taka	Jan to Mar 2017 Taka
A. Cash flows from operating activities		
Interest receipts	6,423,849,596	6,140,194,738
Interest payment	(2,018,253,984)	(1,343,645,433)
Dividend receipts	30,125,742	11,140,564
Fees and commission receipts	1,787,498,349	1,722,416,097
Recoveries on loans previously written off	176,906,592	199,154,689
Cash payments to employees	(1,301,772,443)	(1,201,017,693)
Cash payments to suppliers	(1,621,231,555)	(1,043,667,508)
Income tax paid	(491,940,026)	(671,695,226)
Receipts from other operating activities	78,057,598	80,864,699
Payment for other operating activities	(1,282,835,943)	(965,035,726)
Operating cash flow before changes in operating assets and liabilities (i)	**1,780,403,926**	**2,928,709,200**
Increase/decrease in operating assets & liabilities		
Loans and advances	(499,401,592)	(4,288,387,774)
Other assets	(1,326,974,205)	751,285,289
Deposits from other banks/borrowings	(1,373,929,201)	4,631,620,857
Deposits from customers	6,225,203,553	2,986,495,205
Other liabilities	1,274,789,312	(1,324,403,509)
Cash utilized in operating assets and liabilities (ii)	4,299,687,867	2,756,610,069
Net cash (used)/flows from operating activities (i+ii) (a)	**6,080,091,793**	**5,685,319,269**
B. Cash flows from investing activities		
Treasury bills	1,487,397,269	349,773,900
Bangladesh Bank Bills	2,497,936,800	(5,847,317,900)
Treasury bonds	(5,439,997,363)	4,216,837,575
Sale/ (Investment) in shares	28,953,177	(348,235,460)
Investment in bonds	130,000,000	(430,000,000)
Redemption of BBL bond	(2,706,965,700)	-
Acquisition of fixed assets	(263,555,179)	(351,757,039)
Disposal of fixed assets	(297,981,504)	1,318,014
Net cash used in investing activities (b)	**(4,564,212,500)**	**(2,409,380,910)**
C. Cash flows from financing activities		
Dividend paid	(46,317)	(253,991)
Net cash flows from financing activities (c)	**(46,317)**	**(253,991)**
Net increase/decrease in cash (a+b+c)	**1,515,832,976**	**3,275,684,368**
Cash and cash equivalents at beginning of the year	61,659,571,597	46,977,708,909
Effect of exchange rate changes on cash and cash equivalent	15,085,258	4,440,951
Cash and cash equivalents at end of the year	**63,190,489,831**	**50,257,834,228**
Cash and cash equivalents at end of the year:		
Cash in hand (including foreign currency)	5,516,330,600	4,850,748,517
Balance with Bangladesh Bank and its agents bank(s)	13,336,037,573	11,127,618,812
Balance with other banks and financial institutions	44,336,430,658	34,277,492,599
Money at call and short notice	-	-
Prize bond	1,691,000	1,974,300
	63,190,489,831	**50,257,834,228**
Net Operating Cash Flow Per Share (NOCFPS), Note: 5	**7.09**	**6.65**
Net Operating Cash Flow Per Share considering 25% stock dividend for 2017	**5.67**	**5.32**

AMARSTOCK

BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 31 March 2018

Particulars	March 2018 Taka	December 2017 Taka
PROPERTY AND ASSETS		
Cash	**18,841,532,297**	**18,284,483,347**
Cash in hand (Including foreign currency)	5,505,494,724	6,092,421,365
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	13,336,037,573	12,192,061,982
Balance with other banks and financial institutions	**18,935,110,364**	**19,396,241,229**
Inside Bangladesh	18,478,630,243	16,238,997,504
Outside Bangladesh	456,480,121	3,157,243,725
Money at call and short notice	-	-
Investments	**26,240,583,993**	**24,966,255,428**
Government	20,630,242,894	19,193,023,616
Others	5,610,341,099	5,773,231,812
Loans and advances	**203,208,572,768**	**202,559,380,746**
Loans, cash credit, overdrafts etc.	112,572,926,683	115,748,920,643
Small and medium enterprises	80,570,088,584	81,064,166,152
Bills purchased and discounted	10,065,557,501	5,746,293,951
Fixed assets including premises, furniture and fixture	4,430,190,229	4,275,180,860
Other assets	21,169,522,936	19,956,445,242
Non-banking assets	63,430,075	63,430,075
Total property and assets	**292,888,942,662**	**289,501,416,927**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**19,260,629,513**	**23,210,933,175**
Borrowings from Bangladesh Bank	**5,599,920,797**	**5,595,585,766**
Convertible subordinated bond	-	**2,850,148,000**
Money at call and short notice	**4,990,000,000**	**2,700,000,000**
Deposits and other accounts	**200,762,802,457**	**196,224,439,257**
Current accounts and other accounts	53,597,590,439	62,304,458,807
Bills payable	1,276,229,530	1,013,749,416
Savings deposits	33,516,119,925	35,100,923,580
Fixed deposits	110,697,676,850	96,018,419,796
Other deposits	1,675,185,713	1,786,887,658
Other liabilities	34,911,740,956	32,929,504,754
Total liabilities	**265,525,093,723**	**263,510,610,952**
Capital and shareholders' equity		
Paid up share capital	8,580,002,280	8,552,096,940
Share premium	3,853,767,032	3,738,490,072
Statutory reserve	4,813,606,868	4,813,606,868
Dividend equalization fund	355,218,455	355,218,455
Revaluation reserve on govt. securities	6,116,742	23,306,557
Assets revaluation reserve	516,373,535	516,373,535
Surplus in profit and loss account/Retained earnings	9,238,764,027	7,991,713,548
Total shareholders' equity	**27,363,848,939**	**25,990,805,975**
Total liabilities and shareholders' equity	**292,888,942,662**	**289,501,416,927**

AMARSTOCK

BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 31 March 2018

Particulars	March 2018 Taka	December 2017 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	22,456,712,094	21,855,158,644
Irrevocable letter of credits	27,779,849,259	22,568,919,488
Letter of guarantees	9,544,796,058	8,109,659,718
Bills for collection	4,373,377,283	4,015,469,603
Other contingent liabilities	13,520,478,216	11,701,210,934
Total Contingent liabilities	**77,675,212,910**	**68,250,418,387**
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	**77,675,212,910**	**68,250,418,387**
Net Assets Value (NAV) Per Share, Note: 3	**31.90**	**30.40**
Net Assets Value (NAV) Per Share considering 25% stock dividend for 2017	**25.51**	**24.23**

These interim financial report should be read in conjunction with the annexed notes.

Chief Financial Officer | Company Secretary | Managing Director and CEO

Director | Director | Chairman

Date: 26 April 2018

BRAC BANK LIMITED

Condensed Profit and Loss Account (Unaudited)
For the 1st quarter ended 31 March 2018

Particulars	Jan to Mar 2018 Taka	Jan to Mar 2017 Taka
Interest income	5,608,715,901	4,811,800,448
Interest paid on deposits and borrowing etc.	2,505,673,907	2,069,543,652
Net interest income	**3,103,041,994**	**2,742,256,796**
Investment income	773,120,768	648,552,762
Commission, exchange and brokerage	594,526,138	714,678,659
Other operating income	21,554,738	32,300,881
Total operating income	**4,492,243,638**	**4,137,789,098**
Salaries and allowances	1,201,118,278	1,040,376,187
Rent, taxes, insurance, electricity etc.	345,505,209	307,173,783
Legal expenses	18,521,356	13,002,774
Postage, stamps, telecommunication etc.	63,030,352	64,121,748
Stationery, printing, advertisement etc.	63,251,119	81,472,358
Chief Executive's salary and fees	2,400,000	2,400,000
Directors' fees and expenses	322,000	284,800
Auditors' fee	411,125	367,425
Depreciation and repairs to bank's assets	268,243,643	226,937,432
Other expenses	608,632,078	541,227,711
Total operating expenses	**2,571,435,160**	**2,277,364,218**
Profit/(loss) before provisions	**1,920,808,478**	**1,860,424,880**
Provision for:		
Loans and advances	(47,881,202)	92,166,376
Diminution in value of investments	-	-
Off balance sheet items	25,000,000	-
Others	326,500	-
Total provision	**(22,554,702)**	**92,166,376**
Profit/(loss) before taxes	**1,943,363,180**	**1,768,258,504**
Provision for Tax:		
Current tax expense	802,914,074	650,086,401
Deferred tax expense/(income)	(106,601,373)	-
Total provision for Tax	**696,312,701**	**650,086,401**
Total profit/(loss) after taxes	**1,247,050,479**	**1,118,172,103**
Retained earnings brought forward from previous period/year	7,991,713,548	6,222,874,273
Profit available for appropriation	**9,238,764,027**	**7,341,046,376**
Appropriations:		
Statutory reserve	-	-
General reserve	-	-
Dividend	-	-
Dividend equalization fund	-	-
	-	-
Retained surplus	**9,238,764,027**	**7,341,046,376**
Earnings Per Share (EPS), Note: 4.2	**1.45**	**1.31**
Earnings Per Share (EPS) considering 25% stock dividend for 2017, Note: 4.2a	**1.16**	**1.05**

These interim financial report should be read in conjunction with the annexed notes.

Chief Financial Officer | **Company Secretary** | **Managing Director and CEO**

Director | **Director** | **Chairman**

Date: 26 April 2018

AMARSTOCK

BRAC BANK LIMITED
Condensed Statement of Changes in Equity (Unaudited)
For the 1st quarter ended 31 March 2018

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 2018	**8,552,096,940**	**3,738,490,072**	**4,813,606,868**	**355,218,455**	**23,306,557**	**516,373,535**	**7,991,713,548**	**25,990,805,975**
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	**8,552,096,940**	**3,738,490,072**	**4,813,606,868**	**355,218,455**	**23,306,557**	**516,373,535**	**7,991,713,548**	**25,990,805,975**
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(17,189,815)	-	-	(17,189,815)
Currency translation difference	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	**8,552,096,940**	**3,738,490,072**	**4,813,606,868**	**355,218,455**	**6,116,742**	**516,373,535**	**7,991,713,548**	**25,973,616,160**
Net profit for the period	-	-	-	-	-	-	1,247,050,479	**1,247,050,479**
Dividends for the year 2017:			-	-	-	-		
Stock dividend	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-
Ordinary share issue against bond conversion	27,905,340	115,276,960	-	-	-	-		143,182,300
Share premium against bond conversion		-	-	-	-	-		-
Dividend equalization fund			-	-	-	-		-
Statutory reserve	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	**8,580,002,280**	**3,853,767,032**	**4,813,606,868**	**355,218,455**	**6,116,742**	**516,373,535**	**9,238,764,027**	**27,363,848,939**
Balance as at 31 December 2017	**8,552,096,940**	**3,738,490,072**	**4,813,606,868**	**355,218,455**	**23,306,557**	**516,373,535**	**7,991,713,548**	**25,990,805,975**

AMARSTOCK

BRAC BANK LIMITED
Condensed Cash Flow Statement (Unaudited)
For the 1st quarter ended 31 March 2018

Particulars	Jan to Mar 2018 Taka	Jan to Mar 2017 Taka
A. Cash flows from operating activities		
Interest receipts	6,194,592,884	5,542,567,066
Interest payment	(2,031,507,258)	(1,397,904,747)
Dividend receipts	28,079,427	10,902,544
Fees and commission receipts	594,526,138	714,678,659
Recoveries on loans previously written off	176,906,592	226,760,813
Cash payments to employees	(986,741,669)	(913,327,286)
Cash payments to suppliers	(109,659,735)	(154,855,991)
Income tax paid	(419,345,021)	(650,810,681)
Receipts from other operating activities	27,540,346	38,776,823
Payment for other operating activities	(1,110,881,284)	(884,524,229)
Operating Cash flow before changes in operating assets and liabilities (i)	**2,363,510,420**	**2,532,262,972**
Increase/decrease in operating assets & liabilities		
Loans and advances to customers	(649,192,022)	(4,279,081,241)
Other assets	(1,320,213,929)	898,327,227
Deposits from other banks/borrowings	(1,655,968,631)	4,708,424,385
Deposits from customers	4,538,363,199	1,801,077,097
Other liabilities	1,273,782,518	(1,539,781,407)
Cash utilized in operating assets and liabilities (ii)	2,186,771,135	1,588,966,061
Net cash (used)/flows from operating activities (i+ii) (a)	**4,550,281,555**	**4,121,229,033**
B. Cash flows from investing activities		
Treasury bills	1,487,397,269	349,773,900
Bangladesh Bank Bills	2,497,936,800	(5,847,317,900)
Treasury bonds	(5,439,997,363)	4,216,837,575
Sale/ (Investment) in shares	32,890,714	403,141,033
Investment in bonds	130,000,000	(430,000,000)
Redemption of BBL bond	(2,706,965,700)	-
Acquisition of fixed assets	(155,009,369)	(235,899,654)
Disposal of fixed assets	(300,823,704)	428,014
Net cash used in investing activities (b)	**(4,454,571,353)**	**(1,543,037,032)**
C. Cash flows from financing activities		
Dividend paid	(46,317)	(253,991)
Net cash flows from financing activities (c)	**(46,317)**	**(253,991)**
Net increase/decrease in cash (a+b+c)	**95,663,885**	**2,577,938,010**
Cash and cash equivalents at beginning of year	37,682,669,776	31,189,584,514
Cash and cash equivalents at end of the year	**37,778,333,661**	**33,767,522,524**
Cash in hand (including foreign currency)	5,505,494,724	4,807,349,137
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	13,336,037,573	11,127,618,812
Balance with other banks and financial institutions	18,935,110,364	17,830,580,275
Money at call and short notice	-	-
Prize bond	1,691,000	1,974,300
	37,778,333,661	**33,767,522,524**
Net Operating Cash Flow Per Share (NOCFPS) (Note: 5)	**5.30**	**4.82**
Net Operating Cash Flow Per Share considering 25% stock dividend for 2017	**4.24**	**3.85**

AMARSTOCK

BRAC BANK LIMITED

SELECTIVE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the 1st quarter ended 31 March 2018

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 1st quarter ended 31 March 2018 are same as that were applied in its last annual financial statements of 31 December 2017. 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).

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. Deferred tax has been reviewed and recognised in quarterly financial statements with due compliance with Income Tax Laws and Bangladesh Accounting Standard - 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 31 March 2018 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. Shares issued due to conversion of convertible Sub-ordinated 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 These interim condensed financial reports were approved by the board of directors on April 26 , 2018.

	Mar 2018 Taka	Dec 2017 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	27,998,731,071	26,600,143,614
Weighted average number of outstanding ordinary shares during the period/year	857,793,805	855,056,418
	32.64	**31.11**
3.2 Separate/Solo Net Assets Value (NAV) per share		
Net Assets Value at the end of the reporting period/year	27,363,848,939	25,990,805,975
Weighted average number of outstanding ordinary shares during the period/year	857,793,805	855,056,418
	31.90	**30.40**

3.3 Explanation regarding significant change in quarterly financial statements:

The consolidated and standalone Bank's net asset value increased as result of growth in the profit of bank during the quarter ended on 31 March, 2018 from its regular operation.

	Jan-Mar 2018 Taka	Jan-Mar 2017 Taka
4 Earnings Per Share (EPS)		
4.1 Consolidated Earning Per Share		
Net profit/(loss) after taxes attributable to equity holders of the Bank	1,265,659,213	1,148,283,049
Weighted average number of outstanding ordinary shares during the period/year	857,793,805	855,056,418
	1.48	**1.34**

Prior period's EPS have been restated due to issuance of stock dividend for 2016 as per IAS/BAS 33.

4.2 Separate/Solo Earnings Per Share		
Net profit/(loss) after taxes	1,247,050,479	1,118,172,103
Weighted average number of outstanding ordinary shares during the period/year	857,793,805	855,056,418
	1.45	**1.31**

Previous period's EPS have been restated due to issuance of stock dividend for 2016 as per IAS/BAS 33.

4.2a Considering 25% stock dividend proposed for the year ended 31 December 2017 and the same has been approved in 19th AGM of the Bank held on 26 April 2018, the restated Consolidated EPS for the quarter ended 31 March, 2018 will stand at BDT 1.18 (31 March 2017 EPS: BDT 1.07) and standalone EPS of BRAC Bank at BDT 1.16 (31 March, 2017 EPS: BDT 1.05) respectively. The weighted average no. of outstanding shares for first quarter, 2018 and 2017 were 1,072,293,862 and 1,069,556,475 respectively used for the computation of EPS.

4.3 Explanation regarding significant change in quarterly financial statements:

The consolidated and standalone Bank's EPS increased mainly due to growth in net interest income of 18% in consolidated and 13% in standalone BRAC Bank respectively the First quarter 2018 over same quarter in 2017.

	Jan-Mar 2018 Taka	Jan-Mar 2017 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	6,080,091,793	5,685,319,269
Weighted average number of outstanding ordinary shares during the period/year	857,793,805	855,056,418
	7.09	**6.65**
5.2 Separate/Solo Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	4,550,281,555	4,121,229,033
Number of ordinary shares at the end of the period/year	857,793,805	855,056,418
	5.30	**4.82**

5.3 Explanation regarding significant change quarterly basis financial statements:

Net operating cash flow per share on standalone BRAC Bank basis increased primarily due to higher mobilizaiton of deposit from customers in first quarter 2018 over same quarter of 2017.

6 Performance Highlights of BRAC Bank Limited as of March 31, 2018 are given below:

6.1 **Key Financial indicators (Solo basis) :**

Sl no.	Particulars	March 2018	December 2017
1	Deposits	200,762,802,457	196,224,439,257
2	Loans and advances	203,208,572,768	202,559,380,746
3	Capital Fund:	27,543,315,911	26,636,496,368
4	Core Capital	24,750,710,886	23,534,117,550
5	Supplementary Capital	2,792,605,025	3,102,378,818
6	CRAR	12.93%	12.72%
7	No. of Branches	186	186
8	No. of Full Time Employees	6,749	6,835
9	Statutory Reserves	4,813,606,868	4,813,606,868
10	Shareholders' Equity	27,363,848,939	25,990,805,975

6.2 **Key Financial indicators (Consolidated basis) :**

Sl no.	Particulars	March 2018	December 2017
1	Deposits	222,361,038,995	216,929,919,763
2	Loans and advances	204,280,917,165	203,431,019,401
3	Capital Fund:	27,745,501,738	26,978,112,402
4	Core Capital	24,952,896,713	23,875,733,584
5	Supplementary Capital	2,792,605,025	3,102,378,818
6	CRAR	12.20%	11.97%
7	Shareholders' Equity	27,998,731,071	26,600,143,614

6.3 **Key Financial Ratios (Solo basis):**

Sl no.	Particulars	March 2018	December 2017
1	AD Ratio	82.7%	83.39%
2	ROE*	18.70%	22.14%
3	ROA*	1.71%	1.95%

* Figures are annualized.

6.4 **Key Financial Ratios (Consolidated basis):**

Sl no.	Particulars	March 2018	December 2017
1	ROE*	19.04%	21.30%
2	ROA*	1.62%	1.77%

* Figures are annualized.

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