BRAC Bank Limited

Condensed Interim Financial Report
as at and for the half year ended 30 June 2018

AMAR STOCK

BRAC BANK LIMITED
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 June 2018

Particulars	30 June 2018 Taka	31 December 2017 Taka
PROPERTY AND ASSETS		
Cash	**19,103,653,764**	**18,301,854,032**
Cash in hand	7,057,451,291	6,109,792,050
(Including foreign currency)		
Balance with Bangladesh Bank and its agent bank(s)	12,046,202,473	12,192,061,982
(Including foreign currency)		
Balance with other banks and financial institutions	**47,552,602,501**	**43,355,772,365**
Inside Bangladesh	44,098,272,348	39,974,980,085
Outside Bangladesh	3,454,330,153	3,380,792,280
Money at call and short notice	-	-
Investments	**27,936,651,105**	**26,889,161,707**
Government	20,474,440,189	19,193,023,616
Others	7,462,210,916	7,696,138,091
Loans and advances	**217,807,825,042**	**203,431,019,401**
Loans, cash credit, overdrafts etc.	123,996,039,927	116,620,559,298
Small and medium enterprises	78,368,463,607	81,064,166,152
Bills purchased and discounted	15,443,321,508	5,746,293,951
Fixed assets including premises, furniture and fixture	**5,897,187,026**	**5,610,423,547**
Other assets	**22,722,031,204**	**20,547,926,418**
Non-banking assets	63,430,075	63,430,075
Goodwill	**1,283,097,319**	**1,350,628,757**
Total property and assets	**342,366,478,036**	**319,550,216,302**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**22,775,004,638**	**23,210,933,175**
Borrowings from Bangladesh Bank	**7,857,493,817**	**5,595,585,766**
Convertible subordinated bond	-	**2,850,148,000**
Money at call and short notice	**3,170,000,000**	**2,700,000,000**
Deposits and other accounts	**231,919,212,293**	**216,929,919,763**
Current accounts and other accounts	74,950,075,584	83,474,319,154
Bills payable	3,215,610,932	1,013,749,416
Savings deposits	33,877,766,906	35,100,923,580
Fixed deposits	117,540,699,039	95,556,881,123
Other deposits	2,335,059,832	1,784,046,490
Other liabilities	40,673,098,616	39,833,786,707
Total liabilities	**306,394,809,364**	**291,120,373,411**
Capital and shareholders' equity		
Paid up share capital	10,725,002,850	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	5,208,888	23,306,557
Assets revaluation reserve	516,373,535	516,373,535
Surplus in profit and loss account/Retained earnings	10,860,165,984	8,601,051,187
Total shareholders' equity	**31,129,343,612**	**26,600,143,614**
Non controlling interest	**4,842,325,060**	**1,829,699,277**
Total equity	**35,971,668,672**	**28,429,842,891**
Total liabilities and shareholders' equity	**342,366,478,036**	**319,550,216,302**

AMARSTOCK

BRAC BANK LIMITED
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 June 2018

Particulars	30 June 2018 Taka	31 December 2017 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	26,451,252,606	21,855,158,644
Irrevocable letter of credits	20,489,645,195	22,568,919,488
Letter of guarantees	9,849,812,807	8,109,659,718
Bills for collection	4,901,719,729	4,015,469,603
Other contingent liabilities	6,058,720,606	11,701,210,934
Total contingent liabilities	**67,751,150,943**	**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	**67,751,150,943**	**68,250,418,387**
Net Assets Value (NAV) Per Share, Note: 3.1	**29.03**	**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: 25 July 2018

BRAC BANK LIMITED
Condensed Consolidated Profit and Loss Account (Unaudited)
For the half year ended 30 June 2018

Particulars	Quarter ended April to June 2018 Taka	Quarter ended April to June 2017 Taka	Cumulative Jan to June 2018 Taka	Cumulative Jan to June 2017 Taka
Interest income	6,867,908,175	5,202,765,957	12,945,837,608	10,241,845,760
Interest paid on deposits and borrowing etc.	2,916,721,689	1,861,996,553	5,444,834,636	3,883,242,955
Net interest income	**3,951,186,486**	**3,340,769,404**	**7,501,002,972**	**6,358,602,805**
Investment income	656,153,181	593,967,050	1,379,447,915	1,307,250,116
Commission, exchange and brokerage	1,824,877,370	1,687,271,416	3,598,918,857	3,397,217,750
Other operating income	47,647,082	111,493,245	94,000,821	222,064,681
Total operating income	**6,479,864,119**	**5,733,501,115**	**12,573,370,565**	**11,285,135,352**
Salaries and allowances	1,554,151,160	1,477,343,188	3,217,338,234	2,829,762,479
Rent, taxes, insurance, electricity etc.	379,154,822	355,510,209	751,180,615	688,130,400
Legal expenses	16,532,975	10,304,191	36,054,850	23,777,221
Postage, stamps, telecommunication etc.	76,877,047	73,529,949	152,653,608	148,727,831
Stationery, printing, advertisement etc.	681,001,769	434,011,698	1,014,344,699	727,639,384
Chief Executive's salary and fees	4,174,000	4,174,000	6,574,000	6,574,000
Directors' fees and expenses	953,483	763,275	1,657,007	1,516,325
Auditors' fee	1,146,409	3,624,836	2,327,148	4,908,479
Impairment of goodwill	33,765,719	-	67,531,438	-
Depreciation and repairs to bank's assets	491,266,025	283,643,817	919,410,811	690,975,175
Other expenses	995,214,638	985,452,090	1,945,837,209	1,733,216,868
Total operating expenses	**4,234,238,047**	**3,628,357,253**	**8,114,909,619**	**6,855,228,162**
Operating profit	**2,245,626,072**	**2,105,143,862**	**4,458,460,946**	**4,429,907,190**
Share of profit/(loss) of associates	(7,887,168)	126,354	(19,062,482)	165,453
Profit/(loss) before provisions	**2,237,738,904**	**2,105,270,216**	**4,439,398,464**	**4,430,072,643**
Provision for:				
Loans and advances	429,378,567	187,492,230	381,497,365	456,658,606
Diminution in value of investments	-	-	-	-
Off balance sheet items	(60,000,000)	12,814,500	(35,000,000)	12,814,500
Others	-	-	326,500	-
Total provision	**369,378,567**	**200,306,730**	**346,823,865**	**469,473,106**
Profit/(loss) before taxes	**1,868,360,337**	**1,904,963,486**	**4,092,574,599**	**3,960,599,537**
Provision for Tax:				
Current tax expense	271,337,128	922,699,534	1,241,583,049	1,725,478,779
Deferred tax expense/(income)	252,124,529	(171,520,577)	122,936,014	(186,137,944)
Total provision for Tax	**523,461,657**	**751,178,957**	**1,364,519,063**	**1,539,340,835**
Total profit/(loss) after taxes	**1,344,898,680**	**1,153,784,529**	**2,728,055,536**	**2,421,258,702**
Attributable to:				
Equity holders of BRAC Bank Ltd.	1,268,399,418	1,091,551,269	2,534,058,631	2,239,873,418
Non controlling interest	76,499,262	62,233,260	193,996,905	181,385,284
	1,344,898,680	**1,153,784,529**	**2,728,055,536**	**2,421,258,702**
Retained earnings brought forward from previous period/year	9,873,646,159	8,065,891,763	8,601,051,187	6,934,903,963
Net profit attributable to the equity holders of the Bank	1,268,399,418	1,091,551,269	2,534,058,631	2,239,873,418
Net effect of all items directly recognized in Equity (Note: 2.6)	1,863,120,977	23,773,048	1,870,056,736	6,438,699
Profit available for appropriation	13,005,166,554	9,181,216,080	13,005,166,554	9,181,216,080
Appropriations:				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividend	2,145,000,570	2,138,024,235	2,145,000,570	2,138,024,235
Dividend equalization fund	-	-	-	-
	2,145,000,570	2,138,024,235	2,145,000,570	2,138,024,235
Retained surplus	**10,860,165,984**	**7,043,191,845**	**10,860,165,984**	**7,043,191,845**
Earnings Per Share (EPS), Note: 4.1	**1.18**	**1.02**	**2.36**	**2.09**

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: 25 July 2018

BRAC BANK LIMITED
Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the half year ended 30 June 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	-	-	-	-	(18,097,669)	-	-	-	(18,097,669)
Effect of change of shareholding in subsidiaries							1,873,358,775	2,819,729,558	4,693,088,333
Changes in translation reserve	-	-	-	-	-	-	(3,302,039)	(1,100,680)	(4,402,719)
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	5,208,888	516,373,535	10,471,107,923	4,648,328,155	33,100,430,836
Net profit for the period	-	-	-	-	-	-	2,534,058,631	193,996,905	2,728,055,536
Dividend for the year 2017:									-
Stock dividend	2,145,000,570	-	-	-	-	-	(2,145,000,570)	-	-
Cash dividend							-		-
Ordinary share issue against bond conversion	27,905,340	115,276,960							143,182,300
Share premium		-							-
Dividend equalization fund				-					-
Statutory reserve			-				-		-
Cash dividend distributed by BRAC Saajan Ltd.							-		-
Balance as at 30 June 2018	10,725,002,850	3,853,767,032	4,813,606,868	355,218,455	5,208,888	516,373,535	10,860,165,984	4,842,325,060	35,971,668,672
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
Balance as at 30 June 2017	8,552,096,940	3,738,490,072	3,470,350,332	355,218,455	11,306,073	516,373,535	7,043,191,845	1,768,918,830	25,455,946,082

ALNAFSTOCK

BRAC BANK LIMITED
Condensed Consolidated Cash Flow Statement (Unaudited)
For the half year ended 30 June 2018

Particulars	30 June 2018 Taka	30 June 2017 Taka
A. Cash flows from operating activities		
Interest receipts	13,230,263,196	11,570,105,837
Interest payment	(4,605,066,139)	(3,484,594,207)
Dividend receipts	66,151,985	42,643,637
Fees and commission receipts	3,610,036,934	3,496,490,279
Recoveries on loans previously written off	356,979,725	489,599,974
Cash payments to employees	(3,302,416,794)	(2,920,411,406)
Cash payments to suppliers	(2,028,060,213)	(1,305,862,705)
Income tax paid	(1,838,098,544)	(1,047,643,565)
Receipts from other operating activities	198,290,720	254,500,603
Payment for other operating activities	(2,308,000,940)	(2,275,635,190)
Operating cash flow before changes in operating assets and liabilities (i)	**3,380,079,930**	**4,819,193,257**
Increase/decrease in operating assets & liabilities		
Loans and advances	(14,516,504,970)	(5,063,949,095)
Other assets	(3,056,151,122)	17,903,749
Deposits from other banks/borrowings	5,845,077,626	4,068,444,970
Deposits from customers	11,444,539,328	8,857,812,802
Other liabilities	1,547,517,899	(1,198,042,097)
Cash utilized in operating assets and liabilities (ii)	1,264,478,761	6,682,170,329
Net cash (used)/flows from operating activities (i+ii) (a)	**4,644,558,691**	**11,501,363,586**
B. Cash flows from investing activities		
Treasury bills	(2,948,090,081)	(4,206,331,585)
Bangladesh Bank Bills	2,497,936,800	-
Treasury bonds	(831,911,193)	4,156,735,808
Sale/ (Investment) in shares	(32,082,747)	(1,029,054,160)
Investment in bonds	130,000,000	(230,000,000)
Redemption of BBL Bond	(2,706,965,700)	-
Acquisition of fixed assets	(445,618,185)	(913,798,762)
Disposal of fixed assets	2,857,658	21,755,303
Net cash used in investing activities (b)	**(4,333,873,448)**	**(2,200,693,396)**
C. Cash flows from financing activities		
Proceeds from issue of convertible preference shares	4,693,088,333	-
Dividend paid	(347,296)	(708,163,668)
Net cash flows from financing activities (c)	**4,692,741,037**	**(708,163,668)**
Net increase/decrease in cash (a+b+c)	**5,003,426,280**	**8,592,506,522**
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	(5,444,312)	14,526,016
Cash and cash equivalents at end of the year	**66,657,553,565**	**55,584,741,447**
Cash and cash equivalents at end of the year:		
Cash in hand (including foreign currency)	7,057,451,291	5,765,796,829
Balance with Bangladesh Bank and its agents bank(s)	12,046,202,473	10,679,740,548
Balance with other banks and financial institutions	47,552,602,501	39,137,773,670
Money at call and short notice	-	-
Prize bond	1,297,300	1,430,400
	66,657,553,565	**55,584,741,447**
Net Operating Cash Flow Per Share (NOCFPS), Note: 5.1	**4.33**	**10.75**

SMAR STOCK

BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 30 June 2018

Particulars	30 June 2018 Taka	31 December 2017 Taka
PROPERTY AND ASSETS		
Cash	**19,093,661,619**	**18,284,483,347**
Cash in hand (Including foreign currency)	7,047,459,146	6,092,421,365
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	12,046,202,473	12,192,061,982
Balance with other banks and financial institutions	**15,254,959,872**	**19,396,241,229**
Inside Bangladesh	11,912,466,687	16,238,997,504
Outside Bangladesh	3,342,493,185	3,157,243,725
Money at call and short notice	-	-
Investments	**26,108,972,469**	**24,966,255,428**
Government	20,474,440,189	19,193,023,616
Others	5,634,532,280	5,773,231,812
Loans and advances	**217,197,727,552**	**202,559,380,746**
Loans, cash credit, overdrafts etc.	123,385,942,437	115,748,920,643
Small and medium enterprises	78,368,463,607	81,064,166,152
Bills purchased and discounted	15,443,321,508	5,746,293,951
Fixed assets including premises, furniture and fixture	4,479,322,693	4,275,180,860
Other assets	22,999,925,817	19,956,445,242
Non-banking assets	63,430,075	63,430,075
Total property and assets	**305,198,000,097**	**289,501,416,927**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**22,775,004,638**	**23,210,933,175**
Borrowings from Bangladesh Bank	**7,857,493,817**	**5,595,585,766**
Convertible subordinated bond	-	**2,850,148,000**
Money at call and short notice	**3,170,000,000**	**2,700,000,000**
Deposits and other accounts	**207,367,287,336**	**196,224,439,257**
Current accounts and other accounts	50,186,611,954	62,304,458,807
Bills payable	3,215,610,932	1,013,749,416
Savings deposits	33,877,766,906	35,100,923,580
Fixed deposits	117,752,237,712	96,018,419,796
Other deposits	2,335,059,832	1,786,887,658
Other liabilities	35,361,041,846	32,929,504,754
Total liabilities	**276,530,827,637**	**263,510,610,952**
Capital and shareholders' equity		
Paid up share capital	10,725,002,850	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	5,208,888	23,306,557
Assets revaluation reserve	516,373,535	516,373,535
Surplus in profit and loss account/Retained earnings	8,397,994,832	7,991,713,548
Total shareholders' equity	**28,667,172,460**	**25,990,805,975**
Total liabilities and shareholders' equity	**305,198,000,097**	**289,501,416,927**

AMARSTOCK

BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 30 June 2018

Particulars	30 June 2018 Taka	31 December 2017 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	26,451,252,606	21,855,158,644
Irrevocable letter of credits	20,489,645,195	22,568,919,488
Letter of guarantees	9,849,812,807	8,109,659,718
Bills for collection	4,901,719,729	4,015,469,603
Other contingent liabilities	6,058,720,606	11,701,210,934
Total Contingent liabilities	**67,751,150,943**	**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	**67,751,150,943**	**68,250,418,387**
Net Assets Value (NAV) Per Share, Note: 3.2	**26.73**	**24.30**

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: 25 July 2018

AMARSTOCK

BRAC BANK LIMITED

Condensed Profit and Loss Account (Unaudited)
For the half year ended 30 June 2018

Particulars	Quarter ended April to June 2018 Taka	Quarter ended April to June 2017 Taka	Cumulative Jan to June 2018 Taka	Cumulative Jan to June 2017 Taka
Interest income	6,295,540,784	4,993,427,934	11,904,256,685	9,805,228,382
Interest paid on deposits and borrowing etc.	2,902,788,882	1,963,249,554	5,408,462,789	4,032,793,206
Net interest income	**3,392,751,902**	**3,030,178,380**	**6,495,793,896**	**5,772,435,176**
Investment income	698,391,273	542,041,593	1,471,512,041	1,190,594,355
Commission, exchange and brokerage	592,759,607	693,357,696	1,187,285,745	1,408,036,355
Other operating income	17,959,821	32,272,698	39,514,559	64,573,579
Total operating income	**4,701,862,603**	**4,297,850,367**	**9,194,106,241**	**8,435,639,465**
Salaries and allowances	1,177,038,050	1,079,407,518	2,378,156,328	2,119,783,705
Rent, taxes, insurance, electricity etc.	344,861,030	323,257,730	690,366,239	630,431,513
Legal expenses	15,589,095	9,344,114	34,110,451	22,346,888
Postage, stamps, telecommunication etc.	62,496,664	62,672,205	125,527,016	126,793,953
Stationery, printing, advertisement etc.	93,684,728	80,644,069	156,935,847	162,116,427
Chief Executive's salary and fees	4,174,000	4,174,000	6,574,000	6,574,000
Directors' fees and expenses	410,000	220,600	732,000	505,400
Auditors' fee	411,125	367,426	822,250	734,851
Depreciation and repairs to bank's assets	270,011,384	101,070,172	538,255,027	328,007,604
Other expenses	633,669,617	741,268,805	1,242,301,695	1,282,496,516
Total operating expenses	**2,602,345,693**	**2,402,426,639**	**5,173,780,853**	**4,679,790,857**
Profit/(loss) before provisions	**2,099,516,910**	**1,895,423,728**	**4,020,325,388**	**3,755,848,608**
Provision for:				
Loans and advances	429,378,567	10,492,230	381,497,365	102,658,606
Diminution in value of investments	-	-	-	-
Off balance sheet items	(60,000,000)	12,814,500	(35,000,000)	12,814,500
Others	-	-	326,500	-
Total provision	**369,378,567**	**23,306,730**	**346,823,865**	**115,473,106**
Profit/(loss) before taxes	**1,730,138,343**	**1,872,116,998**	**3,673,501,523**	**3,640,375,502**
Provision for Tax:				
Current tax expense	191,579,686	852,717,718	994,493,760	1,502,804,119
Deferred tax expense/(income)	234,327,282	(185,814,485)	127,725,909	(185,814,485)
Total provision for Tax	**425,906,968**	**666,903,233**	**1,122,219,669**	**1,316,989,634**
Total profit/(loss) after taxes	**1,304,231,375**	**1,205,213,765**	**2,551,281,854**	**2,323,385,868**
Retained earnings brought forward from previous period/year	9,238,764,027	7,341,046,376	7,991,713,548	6,222,874,273
Profit available for appropriation	**10,542,995,402**	**8,546,260,141**	**10,542,995,402**	**8,546,260,141**
Appropriations:				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividend	2,145,000,570	2,138,024,235	2,145,000,570	2,138,024,235
Dividend equalization fund	-	-	-	-
	2,145,000,570	2,138,024,235	2,145,000,570	2,138,024,235
Retained surplus	**8,397,994,832**	**6,408,235,906**	**8,397,994,832**	**6,408,235,906**
Earnings Per Share (EPS), Note: 4.2	**1.22**	**1.13**	**2.38**	**2.17**

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: 25 July 2018

BRAC BANK LIMITED
Condensed Statement of Changes in Equity (Unaudited)
For the half year ended 30 June 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	-	-	-	-	(18,097,669)	-	-	(18,097,669)
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**	**5,208,888**	**516,373,535**	**7,991,713,548**	**25,972,708,306**
Net profit for the period	-	-	-	-	-	-	2,551,281,854	2,551,281,854
Dividends for the year 2017:			-	-	-	-		
Stock dividend	2,145,000,570	-	-	-	-	-	(2,145,000,570)	-
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 30 June 2018	**10,725,002,850**	**3,853,767,032**	**4,813,606,868**	**355,218,455**	**5,208,888**	**516,373,535**	**8,397,994,832**	**28,667,172,460**
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**
Balance as at 30 June 2017	**8,552,096,940**	**3,738,490,072**	**3,470,350,332**	**355,218,455**	**11,306,073**	**516,373,535**	**6,408,235,906**	**23,052,071,313**

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BRAC BANK LIMITED
Condensed Cash Flow Statement (Unaudited)
For the half year ended 30 June 2018

Particulars	30 June 2018 Taka	30 June 2017 Taka
A. Cash flows from operating activities		
Interest receipts	12,724,022,727	11,018,273,598
Interest payment	(4,646,036,722)	(3,686,455,874)
Dividend receipts	61,724,337	41,778,047
Fees and commission receipts	1,187,285,745	1,408,036,355
Recoveries on loans previously written off	356,979,725	489,599,974
Cash payments to employees	(2,437,252,165)	(2,202,681,418)
Cash payments to suppliers	(261,552,549)	(291,357,232)
Income tax paid	(1,691,313,430)	(964,712,596)
Receipts from other operating activities	125,220,145	72,416,311
Payment for other operating activities	(2,000,252,933)	(2,071,542,475)
Operating Cash flow before changes in operating assets and liabilities (i)	**3,418,824,880**	**3,813,354,690**
Increase/decrease in operating assets & liabilities		
Loans and advances to customers	(14,638,346,806)	(5,913,456,736)
Other assets	(3,043,480,573)	(10,816,977)
Deposits from other banks/borrowings	2,295,979,514	3,646,038,165
Deposits from customers	11,142,848,078	5,205,523,890
Other liabilities	1,546,228,233	(1,178,886,579)
Cash utilized in operating assets and liabilities (ii)	(2,696,771,554)	1,748,401,763
Net cash (used)/flows from operating activities (i+ii) (a)	**722,053,326**	**5,561,756,453**
B. Cash flows from investing activities		
Treasury bills	(2,948,090,081)	(4,206,331,585)
Bangladesh Bank Bills	2,497,936,800	-
Treasury bonds	(831,911,193)	4,156,735,808
Sale/ (Investment) in shares	8,699,533	(26,662,751)
Investment in bonds	130,000,000	(230,000,000)
Redemption of BBL Bond	(2,706,965,700)	-
Acquisition of fixed assets	(204,141,832)	(667,705,588)
Disposal of fixed assets	15,458	20,865,304
Net cash used in investing activities (b)	**(4,054,457,015)**	**(953,098,812)**
C. Cash flows from financing activities		
Cash dividend paid	(347,296)	(708,163,668)
Net cash flows from financing activities (c)	**(347,296)**	**(708,163,668)**
Net increase/decrease in cash (a+b+c)	**(3,332,750,985)**	**3,900,493,973**
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	**34,349,918,791**	**35,090,078,487**
Cash in hand (including foreign currency)	7,047,459,146	5,744,876,956
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	12,046,202,473	10,679,740,548
Balance with other banks and financial institutions	15,254,959,872	18,664,030,583
Money at call and short notice	-	-
Prize bond	1,297,300	1,430,400
	34,349,918,791	**35,090,078,487**
Net Operating Cash Flow Per Share (NOCFPS) (Note: 5.2)	**0.67**	**5.20**

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 half year ended 30 June 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 the Income Tax Ordinance 1984. Deferred tax has been reviewed and recognised in quarterly financial statements with due compliance with Income Tax Laws and International 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 30 June 2018 and prepared under the historical cost convention and in accordance with the "First Schedule (sec-36)" of the Bank Companies Act 1991 as amended, BRPD Circular # 14 dated 25 June, 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) 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 BRAC Bank's interest in bKash has been adjusted to reflect the recent change in the shareholding structure of bKash.

2.7 Earning Per Share (EPS) of previous year/period has been restated due to issue of stock dividend of 2017 during the period as per IAS 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.

2.8 These interim condensed financial reports were approved by the board of directors on July 25 , 2018.

	30 June 2018 Taka	31 Dec 2017 Taka	30 June 2017 Taka
3 Net Assets Value			
Previous period's/year's NAV have been restated due to issuance of stock dividend for 2017.			
3.1 Consolidated Net Assets Value (NAV) per share			
Net Assets Value at the end of the reporting period/year	31,129,343,612	26,600,143,614	23,823,256,784
Weighted average number of outstanding ordinary shares during the period/year	1,072,293,862	1,069,556,475	1,069,556,475
	29.03	**24.87**	**22.27**
3.2 Separate/Standalone Net Assets Value (NAV) per share			
Net Assets Value at the end of the reporting period/year	28,667,172,460	25,990,805,975	23,052,071,313
Weighted average number of outstanding ordinary shares during the period/year	1,072,293,862	1,069,556,475	1,069,556,475
	26.73	**24.30**	**21.55**

3.3 Explanation regarding significant change in quarterly financial statements:

The consolidated and standalone Bank's net asset value increased as a result of growth in the profit of bank during the half year ended on 30 June 2018 from its regular operation.

	Jan-June 2018 Taka	Jan-June 2017 Taka
4 Earnings Per Share (EPS)		
Previous period's EPS have been restated due to issuance of stock dividend for 2017 as per IAS 33.		
4.1 Consolidated Earning Per Share		
Net profit/(loss) after taxes attributable to equity holders of the Bank	2,534,058,631	2,239,873,418
Weighted average number of outstanding ordinary shares during the period/year	1,072,293,862	1,069,556,475
	2.36	**2.09**
4.2 Separate/Standalone Earnings Per Share		
Net profit/(loss) after taxes	2,551,281,854	2,323,385,868
Weighted average number of outstanding ordinary shares during the period/year	1,072,293,862	1,069,556,475
	2.38	**2.17**

	April-June 2018 Taka	April-June 2017 Taka
4.1a Consolidated Earning Per Share		
Net profit/(loss) after taxes attributable to equity holders of the Bank	1,268,399,418	1,091,551,269
Weighted average number of outstanding ordinary shares during the period/year	1,072,500,285	1,069,709,751
	1.18	**1.02**

	April-June 2018 Taka	April-June 2017 Taka
4.2a *Separate/Standalone Earnings Per Share*		
Net profit/(loss) after taxes	1,304,231,375	1,205,213,765
Weighted average number of outstanding ordinary shares during the period/year	1,072,500,285	1,069,709,751
	1.22	**1.13**

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 16% in consolidated basis and 8% in standalone basis respectively in the first half year of 2018 over same period of 2017.

	Jan-June 2018 Taka	Jan-June 2017 Taka
5 Net Operating Cash Flow per Share (NOCFPS)		
Previous period's/year's NOCFPS have been restated due to issuance of stock dividend for 2017.		
5.1 Consolidated Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	4,644,558,691	11,501,363,586
Weighted average number of outstanding ordinary shares during the period/year	1,072,293,862	1,069,556,475
	4.33	**10.75**
5.2 Separate/Standalone Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	722,053,326	5,561,756,453
Number of ordinary shares at the end of the period/year	1,072,293,862	1,069,556,475
	0.67	**5.20**

5.3 Explanation regarding significant change quarterly basis financial statements:

Net operating cash flow per share on standalone BRAC Bank basis decreased primarily due to higher disbursement of loans and advances over mobilizaiton of deposit from customers in first half of 2018 over same period of 2017.

6 Performance Highlights of BRAC Bank Limited as of June 30, 2018 are given below:

6.1 Key Financial indicators (Standalone basis) :

Sl no.	Particulars	30 June 2018	31 December 2017
1	Deposits	207,367,287,336	196,224,439,257
2	Loans and advances	217,197,727,552	202,559,380,746
3	Capital Fund:	28,900,670,420	26,636,496,368
4	Core Capital	26,007,646,704	23,534,117,550
5	Supplementary Capital	2,893,023,716	3,102,378,818
6	CRAR	13.19%	12.72%
7	No. of Branches	186	186
8	No. of Full Time Employees	6,939	6,835
9	Statutory Reserves	4,813,606,868	4,813,606,868
10	Shareholders' Equity	28,667,172,460	25,990,805,975

6.2 Key Financial indicators (Consolidated basis) :

Sl no.	Particulars	30 June 2018	31 December 2017
1	Deposits	231,919,212,293	216,929,919,763
2	Loans and advances	217,807,825,042	203,431,019,401
3	Capital Fund:	34,039,047,835	26,978,112,402
4	Core Capital	31,146,024,119	23,875,733,584
5	Supplementary Capital	2,893,023,716	3,102,378,818
6	CRAR	14.53%	11.97%
7	Shareholders' Equity	31,129,343,612	26,600,143,614

6.3 Key Financial Ratios (Solo basis):

Sl no.	Particulars	30 June 2018	31 December 2017
1	AD Ratio	82.4%	83.39%
2	ROE*	18.67%	22.14%
3	ROA*	1.72%	1.95%

* Figures are annualized.

6.4 Key Financial Ratios (Consolidated basis):

Sl no.	Particulars	30 June 2018	31 December 2017
1	ROE*	17.56%	21.30%
2	ROA*	1.53%	1.77%

* Figures are annualized.

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