BRAC Bank Limited

Condensed Interim Financial Report as at and for the 3rd Quarter ended 30 September 2018

AMARSTOCK

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

Particulars	30 Sep 2018 Taka	31 December 2017 Taka
PROPERTY AND ASSETS		
Cash	**17,328,102,056**	**18,301,854,032**
Cash in hand	5,804,200,835	6,109,792,050
(Including foreign currency)		
Balance with Bangladesh Bank and its agent bank(s)	11,523,901,221	12,192,061,982
(Including foreign currency)		
Balance with other banks and financial institutions	**46,125,674,772**	**43,355,772,365**
Inside Bangladesh	43,220,202,659	39,974,980,085
Outside Bangladesh	2,905,472,113	3,380,792,280
Money at call and short notice	-	-
Investments	**30,005,175,079**	**26,889,161,707**
Government	21,908,623,003	19,193,023,616
Others	8,096,552,076	7,696,138,091
Loans and advances	**221,691,962,902**	**203,431,019,401**
Loans, cash credit, overdrafts etc.	126,403,547,950	116,620,559,298
Small and medium enterprises	78,531,799,108	81,064,166,152
Bills purchased and discounted	16,756,615,844	5,746,293,951
Fixed assets including premises, furniture and fixture	**5,814,273,831**	**5,610,423,547**
Other assets	**9,900,559,232**	**9,314,360,180**
Non-banking assets	66,471,775	63,430,075
Goodwill	**1,249,331,600**	**1,350,628,757**
Total property and assets	**332,181,551,247**	**308,316,650,064**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**22,417,850,521**	**23,210,933,175**
Borrowings from Bangladesh Bank	**6,756,142,106**	**5,595,585,766**
Convertible subordinated bond	-	**2,850,148,000**
Money at call and short notice	**1,463,125,000**	**2,700,000,000**
Deposits and other accounts	**235,943,070,870**	**216,929,919,763**
Current accounts and other accounts	74,208,631,954	83,474,319,154
Bills payable	1,347,721,535	1,013,749,416
Savings deposits	36,227,182,753	35,100,923,580
Fixed deposits	122,322,048,035	95,556,881,123
Other deposits	1,837,486,593	1,784,046,490
Other liabilities	28,410,010,083	28,600,220,469
Total liabilities	**294,990,198,580**	**279,886,807,173**
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	65,610,346	23,306,557
Assets revaluation reserve	516,373,535	516,373,535
Translation reserve	(8,856,306)	(5,825,691)
Surplus in profit and loss account/Retained earnings	12,121,728,514	8,606,876,878
Total shareholders' equity	**32,442,451,294**	**26,600,143,614**
Non controlling interest	**4,748,901,373**	**1,829,699,277**
Total equity	**37,191,352,667**	**28,429,842,891**
Total liabilities and shareholders' equity	**332,181,551,247**	**308,316,650,064**

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BRAC BANK LIMITED

Condensed Consolidated Balance Sheet (Unaudited)

As at 30 September 2018

Particulars	30 Sep 2018 Taka	31 December 2017 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	27,402,973,561	21,855,158,644
Irrevocable letter of credits	27,757,459,317	22,568,919,488
Letter of guarantees	10,617,049,265	8,109,659,718
Bills for collection	5,284,550,794	4,015,469,603
Other contingent liabilities	6,902,785,513	11,701,210,934
Total contingent liabilities	**77,964,818,451**	**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	**77,964,818,451**	**68,250,418,387**
Net Assets Value (NAV) Per Share, Note: 3.1	**30.26**	**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: 30 October 2018

BRAC BANK LIMITED

Condensed Consolidated Profit and Loss Account (Unaudited)

For the third quarter ended 30 September 2018

Particulars	3rd Quarter ended July to Sep 2018 Taka	3rd Quarter ended July to Sep 2017 Taka	Cumulative Jan to Sep 2018 Taka	Cumulative Jan to Sep 2017 Taka
Interest income	7,017,868,924	4,959,779,574	19,963,706,532	15,201,625,334
Interest paid on deposits and borrowing etc.	3,013,272,582	2,061,981,268	8,458,107,218	5,945,224,223
Net interest income	**4,004,596,342**	**2,897,798,306**	**11,505,599,314**	**9,256,401,111**
Investment income	873,654,003	1,307,970,020	2,253,101,918	2,615,220,136
Commission, exchange and brokerage	1,729,802,272	1,666,979,020	5,328,721,129	5,064,196,770
Other operating income	27,521,704	70,713,835	121,522,525	292,778,516
Total operating income	**6,635,574,321**	**5,943,461,181**	**19,208,944,886**	**17,228,596,533**
Salaries and allowances	1,705,195,410	1,529,857,042	4,922,533,644	4,359,619,521
Rent, taxes, insurance, electricity etc.	386,693,922	371,663,790	1,137,874,537	1,059,794,190
Legal expenses	15,914,068	17,694,837	51,968,918	41,472,058
Postage, stamps, telecommunication etc.	82,095,013	77,191,022	234,748,621	225,918,853
Stationery, printing, advertisement etc.	725,207,018	315,210,204	1,739,551,717	1,042,849,588
Chief Executive's salary and fees	4,335,000	4,335,000	10,909,000	10,909,000
Directors' fees and expenses	758,973	728,706	2,415,980	2,245,031
Auditors' fee	2,558,326	2,837,201	4,885,474	7,745,680
Impairment of goodwill	33,765,719	-	101,297,157	-
Depreciation and repairs to bank's assets	550,727,375	358,269,157	1,470,138,186	1,049,244,332
Other expenses	985,439,405	966,918,571	2,931,276,614	2,700,135,439
Total operating expenses	**4,492,690,229**	**3,644,705,530**	**12,607,599,848**	**10,499,933,692**
Operating profit	**2,142,884,092**	**2,298,755,651**	**6,601,345,038**	**6,728,662,841**
Share of profit/(loss) of associates	(3,933,288)	32,475	(22,995,770)	197,928
Profit/(loss) before provisions	**2,138,950,804**	**2,298,788,126**	**6,578,349,268**	**6,728,860,769**
Provision for:				
Loans and advances	211,921,632	74,499,595	593,418,997	531,158,201
Diminution in value of investments	-	-	-	-
Off balance sheet items	93,000,000	118,500,829	58,000,000	131,315,329
Others	292,000	-	618,500	-
Total provision	**305,213,632**	**193,000,424**	**652,037,497**	**662,473,530**
Profit/(loss) before taxes	**1,833,737,172**	**2,105,787,702**	**5,926,311,771**	**6,066,387,239**
Provision for Tax:				
Current tax expense	667,696,526	998,889,271	1,909,279,575	2,724,368,050
Deferred tax expense/(income)	(44,279,516)	(445,071,541)	78,656,498	(631,209,485)
Total provision for Tax	**623,417,010**	**553,817,730**	**1,987,936,073**	**2,093,158,565**
Total profit/(loss) after taxes	**1,210,320,162**	**1,551,969,972**	**3,938,375,698**	**3,973,228,674**
Attributable to:				
Equity holders of BRAC Bank Ltd.	1,274,049,570	1,505,142,724	3,808,108,201	3,776,043,550
Non controlling interest	(63,729,408)	46,827,248	130,267,497	197,185,124
	1,210,320,162	**1,551,969,972**	**3,938,375,698**	**3,973,228,674**
Retained earnings brought forward from previous period/year	10,869,293,714	5,676,864,075	8,606,876,878	5,543,987,484
Net profit attributable to the equity holders of the Bank	1,274,049,570	1,505,142,724	3,808,108,201	3,776,043,550
Net effect of all items directly recognized in Retained Earnings (Note: 2.6)	(21,614,770)	-	1,851,744,005	-
Profit available for appropriation	12,121,728,514	7,182,006,799	14,266,729,084	9,320,031,034
Appropriations:				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividend	-	-	2,145,000,570	2,138,024,235
Dividend equalization fund	-	-	-	-
	-	-	2,145,000,570	2,138,024,235
Retained surplus	**12,121,728,514**	**7,182,006,799**	**12,121,728,514**	**7,182,006,799**
Earnings Per Share (EPS), Note: 4.1 & 4.1a	**1.19**	**1.41**	**3.55**	**3.53**

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: 30 October 2018

BRAC BANK LIMITED
Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the third quarter ended 30 September 2018

Amount in Taka

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Assets revaluation reserve	Translation 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**	**(5,825,691)**	**8,606,876,878**	**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**	**(5,825,691)**	**8,606,876,878**	**1,829,699,277**	**28,429,842,891**
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-		-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	42,303,789	-		-	-	42,303,789
Effect of change of shareholding in subsidiaries								1,851,744,005	2,790,337,135	4,642,081,140
Changes in translation reserve							(3,030,615)		(1,402,536)	(4,433,151)
Net gains and losses not recognized in the income statemen	**8,552,096,940**	**3,738,490,072**	**4,813,606,868**	**355,218,455**	**65,610,346**	**516,373,535**	**(8,856,306)**	**10,458,620,883**	**4,618,633,876**	**33,109,794,669**
Net profit for the period	-	-	-	-	-	-		3,808,108,201	130,267,497	3,938,375,698
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			-					-		-
Balance as at 30 September 2018	**10,725,002,850**	**3,853,767,032**	**4,813,606,868**	**355,218,455**	**65,610,346**	**516,373,535**	**(8,856,306)**	**12,121,728,514**	**4,748,901,373**	**37,191,352,667**
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**	**(5,825,691)**	**8,606,876,878**	**1,829,699,277**	**28,429,842,891**
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**

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BRAC BANK LIMITED
Condensed Consolidated Cash Flow Statement (Unaudited)
For the third quarter ended 30 September 2018

Particulars	30 Sep 2018 Taka	30 Sep 2017 Taka
A. Cash flows from operating activities		
Interest receipts	19,892,350,344	16,223,161,411
Interest payment	(6,766,165,019)	(5,004,797,131)
Dividend receipts	100,926,016	76,841,540
Fees and commission receipts	5,345,870,080	5,136,886,070
Recoveries on loans previously written off	528,264,784	692,047,693
Cash payments to employees	(5,068,317,709)	(4,410,366,315)
Cash payments to suppliers	(3,147,317,025)	(1,948,357,685)
Income tax paid	(2,857,682,554)	(1,509,076,892)
Receipts from other operating activities	1,076,923,876	1,188,163,993
Payment for other operating activities	(2,580,857,954)	(2,612,197,756)
Operating cash flow before changes in operating assets and liabilities (i)	**6,523,994,838**	**7,832,304,928**
Increase/decrease in operating assets & liabilities		
Loans and advances	(18,238,332,643)	(11,821,152,247)
Other assets	(887,173,833)	(894,217,856)
Deposits from other banks/borrowings	(598,672,038)	3,701,911,984
Deposits from customers	18,778,744,506	13,909,145,266
Other liabilities	(1,451,036,647)	(981,311,195)
Cash utilized in operating assets and liabilities (ii)	(2,396,470,654)	3,914,375,953
Net cash (used)/flows from operating activities (i+ii) (a)	**4,127,524,184**	**11,746,680,881**
B. Cash flows from investing activities		
Treasury bills	(4,408,544,082)	(4,528,762,743)
Bangladesh Bank Bills	2,497,936,800	-
Treasury bonds	(805,167,906)	2,019,210,433
Sale/ (Investment) in shares	(917,490,879)	(1,454,594,336)
Investment in bonds	360,000,000	(210,000,000)
Redemption of BBL Bond	(2,706,965,700)	-
Acquisition of fixed assets	(1,040,443,292)	(1,635,356,149)
Disposal of fixed assets	3,407,898	351,219,576
Net cash used in investing activities (b)	**(7,017,267,161)**	**(5,458,283,219)**
C. Cash flows from financing activities		
Proceeds from issue of convertible preference shares	4,693,088,333	-
Dividend paid	(347,296)	(710,974,186)
Net cash flows from financing activities (c)	**4,692,741,037**	**(710,974,186)**
Net increase/decrease in cash (a+b+c)	**1,802,998,060**	**5,577,423,476**
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	(7,023,429)	25,450,481
Cash and cash equivalents at end of the year	**63,455,546,228**	**52,580,582,866**
Cash and cash equivalents at end of the year:		
Cash in hand (including foreign currency)	5,804,200,835	4,829,246,978
Balance with Bangladesh Bank and its agents bank(s)	11,523,901,221	10,585,087,205
Balance with other banks and financial institutions	46,125,674,772	37,163,718,683
Money at call and short notice	-	-
Prize bond	1,769,400	2,530,000
	63,455,546,228	**52,580,582,866**
Net Operating Cash Flow Per Share (NOCFPS), Note: 5.1	**3.85**	**10.98**

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

Particulars	30 Sep 2018 Taka	31 December 2017 Taka
PROPERTY AND ASSETS		
Cash	**17,287,954,949**	**18,284,483,347**
Cash in hand (Including foreign currency)	5,764,053,728	6,092,421,365
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	11,523,901,221	12,192,061,982
Balance with other banks and financial institutions	**15,015,296,958**	**19,396,241,229**
Inside Bangladesh	12,344,273,374	16,238,997,504
Outside Bangladesh	2,671,023,584	3,157,243,725
Money at call and short notice	-	-
Investments	**28,137,011,086**	**24,966,255,428**
Government	21,908,623,003	19,193,023,616
Others	6,228,388,083	5,773,231,812
Loans and advances	**221,094,239,725**	**202,559,380,746**
Loans, cash credit, overdrafts etc.	125,805,824,773	115,748,920,643
Small and medium enterprises	78,531,799,108	81,064,166,152
Bills purchased and discounted	16,756,615,844	5,746,293,951
Fixed assets including premises, furniture and fixture	4,391,131,704	4,275,180,860
Other assets	11,074,574,932	9,642,147,913
Non-banking assets	66,471,775	63,430,075
Total property and assets	**297,066,681,129**	**279,187,119,598**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**22,417,850,521**	**23,210,933,175**
Borrowings from Bangladesh Bank	**6,756,142,106**	**5,595,585,766**
Convertible subordinated bond	-	**2,850,148,000**
Money at call and short notice	**1,463,125,000**	**2,700,000,000**
Deposits and other accounts	**212,366,368,818**	**196,224,439,257**
Current accounts and other accounts	50,420,391,228	62,304,458,807
Bills payable	1,347,721,535	1,013,749,416
Savings deposits	36,227,182,753	35,100,923,580
Fixed deposits	122,533,586,709	96,018,419,796
Other deposits	1,837,486,593	1,786,887,658
Other liabilities	23,968,946,554	22,615,207,425
Total liabilities	**266,972,432,999**	**253,196,313,623**
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	65,610,346	23,306,557
Assets revaluation reserve	516,373,535	516,373,535
Translation reserve	1,176,993	-
Surplus in profit and loss account/Retained earnings	9,763,492,051	7,991,713,548
Total shareholders' equity	**30,094,248,130**	**25,990,805,975**
Total liabilities and shareholders' equity	**297,066,681,129**	**279,187,119,598**

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

Particulars	30 Sep 2018 Taka	31 December 2017 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	27,402,973,561	21,855,158,644
Irrevocable letter of credits	27,757,459,317	22,568,919,488
Letter of guarantees	10,617,049,265	8,109,659,718
Bills for collection	5,284,550,794	4,015,469,603
Other contingent liabilities	6,902,785,513	11,701,210,934
Total Contingent liabilities	**77,964,818,451**	**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	**77,964,818,451**	**68,250,418,387**
Net Assets Value (NAV) Per Share, Note: 3.2	**28.07**	**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: 30 October 2018

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BRAC BANK LIMITED

Condensed Profit and Loss Account (Unaudited)
For the third quarter ended 30 September 2018

Particulars	3rd Quarter ended July to Sep 2018 Taka	3rd Quarter ended July to Sep 2017 Taka	Cumulative Jan to Sep 2018 Taka	Cumulative Jan to Sep 2017 Taka
Interest income	6,330,482,825	5,224,350,009	18,234,739,510	15,029,578,391
Interest paid on deposits and borrowing etc.	2,978,527,929	2,054,536,013	8,386,990,718	6,087,329,219
Net interest income	**3,351,954,896**	**3,169,813,996**	**9,847,748,792**	**8,942,249,172**
Investment income	880,032,286	1,223,925,295	2,351,544,327	2,414,519,650
Commission, exchange and brokerage	633,964,688	713,481,213	1,821,250,433	2,121,517,568
Other operating income	17,405,124	25,207,945	56,919,683	89,781,524
Total operating income	**4,883,356,994**	**5,132,428,449**	**14,077,463,235**	**13,568,067,914**
Salaries and allowances	1,210,154,247	1,112,290,669	3,588,310,575	3,232,074,374
Rent, taxes, insurance, electricity etc.	351,423,190	343,600,297	1,041,789,429	974,031,810
Legal expenses	13,394,387	16,726,146	47,504,838	39,073,034
Postage, stamps, telecommunication etc.	72,455,761	64,203,143	197,982,777	190,997,096
Stationery, printing, advertisement etc.	64,717,172	78,916,445	221,653,019	241,032,872
Chief Executive's salary and fees	4,335,000	4,335,000	10,909,000	10,909,000
Directors' fees and expenses	304,800	252,080	1,036,800	757,480
Auditors' fee	411,125	367,426	1,233,375	1,102,277
Depreciation and repairs to bank's assets	303,083,052	259,060,659	841,338,079	587,068,263
Other expenses	540,712,751	605,919,514	1,783,014,446	1,888,416,030
Total operating expenses	**2,560,991,485**	**2,485,671,379**	**7,734,772,338**	**7,165,462,236**
Profit/(loss) before provisions	**2,322,365,509**	**2,646,757,070**	**6,342,690,897**	**6,402,605,678**
Provision for:				
Loans and advances	211,921,632	428,499,595	593,418,997	531,158,201
Diminution in value of investments	-	-	-	-
Off balance sheet items	93,000,000	118,500,829	58,000,000	131,315,329
Others	292,000	-	618,500	-
Total provision	**305,213,632**	**547,000,424**	**652,037,497**	**662,473,530**
Profit/(loss) before taxes	**2,017,151,877**	**2,099,756,646**	**5,690,653,400**	**5,740,132,148**
Provision for Tax:				
Current tax expense	688,145,763	903,144,336	1,682,639,523	2,405,948,455
Deferred tax expense/(income)	(36,491,105)	(235,606,607)	91,234,804	(421,421,092)
Total provision for Tax	**651,654,658**	**667,537,729**	**1,773,874,327**	**1,984,527,363**
Total profit/(loss) after taxes	**1,365,497,219**	**1,432,218,917**	**3,916,779,073**	**3,755,604,785**
Retained earnings brought forward from previous period/year	8,397,994,832	6,408,235,906	7,991,713,548	6,222,874,273
Profit available for appropriation	**9,763,492,051**	**7,840,454,823**	**11,908,492,621**	**9,978,479,058**
Appropriations:				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividend	-	-	2,145,000,570	2,138,024,235
Dividend equalization fund	-	-	-	-
	-	-	2,145,000,570	2,138,024,235
Retained surplus	**9,763,492,051**	**7,840,454,823**	**9,763,492,051**	**7,840,454,823**
Earnings Per Share (EPS), Note: 4.2 & 4.2a	**1.27**	**1.34**	**3.65**	**3.51**

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: 30 October 2018

BRAC BANK LIMITED
Condensed Statement of Changes in Equity (Unaudited)
For the third quarter ended 30 September 2018

Amount in Taka

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Assets revaluation reserve	Translation 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	-	-	-	-	42,303,789	-		-	42,303,789
Changes in translation reserve							1,176,993		1,176,993
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**	**65,610,346**	**516,373,535**	**1,176,993**	**7,991,713,548**	**26,034,286,757**
Net profit for the period	-	-	-	-	-	-	-	3,916,779,073	**3,916,779,073**
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 September 2018	**10,725,002,850**	**3,853,767,032**	**4,813,606,868**	**355,218,455**	**65,610,346**	**516,373,535**	**1,176,993**	**9,763,492,051**	**30,094,248,130**
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 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**

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BRAC BANK LIMITED
Condensed Cash Flow Statement (Unaudited)
For the third quarter ended 30 September 2018

Particulars	30 Sep 2018 Taka	30 Sep 2017 Taka
A. Cash flows from operating activities		
Interest receipts	19,251,355,599	16,395,303,918
Interest payment	(6,647,829,169)	(5,145,905,307)
Dividend receipts	92,584,799	73,306,875
Fees and commission receipts	1,821,250,433	2,121,517,569
Recoveries on loans previously written off	528,264,784	692,047,693
Cash payments to employees	(3,773,867,982)	(3,235,333,442)
Cash payments to suppliers	(503,276,374)	(433,005,437)
Income tax paid	(2,623,108,174)	(1,376,561,076)
Receipts from other operating activities	1,010,565,129	870,863,752
Payment for other operating activities	(2,130,246,259)	(2,986,529,137)
Operating Cash flow before changes in operating assets and liabilities (i)	**7,025,692,785**	**6,975,705,407**
Increase/decrease in operating assets & liabilities		
Loans and advances to customers	(18,534,858,979)	(13,105,667,526)
Other assets	(1,134,272,097)	(855,175,693)
Deposits from other banks/borrowings	(869,401,313)	4,270,571,972
Deposits from customers	16,141,929,560	11,664,545,160
Other liabilities	(1,452,527,374)	(950,671,867)
Cash utilized in operating assets and liabilities (ii)	(5,849,130,203)	1,023,602,046
Net cash (used)/flows from operating activities (i+ii) (a)	**1,176,562,582**	**7,999,307,453**
B. Cash flows from investing activities		
Treasury bills	(4,408,544,082)	(4,528,762,743)
Bangladesh Bank Bills	2,497,936,800	-
Treasury bonds	(805,167,906)	2,019,210,433
Sale/ (Investment) in shares	(815,156,270)	(117,143,936)
Investment in bonds	360,000,000	(210,000,000)
Redemption of BBL Bond	(2,706,965,700)	-
Acquisition of fixed assets	(676,532,295)	(1,143,032,510)
Disposal of fixed assets	565,698	350,329,576
Net cash used in investing activities (b)	**(6,553,863,755)**	**(3,629,399,180)**
C. Cash flows from financing activities		
Cash dividend paid	(347,296)	(710,974,186)
Net cash flows from financing activities (c)	**(347,296)**	**(710,974,186)**
Net increase/decrease in cash (a+b+c)	**(5,377,648,469)**	**3,658,934,087**
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	**32,305,021,307**	**34,848,518,601**
Cash in hand (including foreign currency)	5,764,053,728	4,816,190,883
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	11,523,901,221	10,585,087,205
Balance with other banks and financial institutions	15,015,296,958	19,444,710,513
Money at call and short notice	-	-
Prize bond	1,769,400	2,530,000
	32,305,021,307	**34,848,518,601**
Net Operating Cash Flow Per Share (NOCFPS) (Note: 5.2)	**1.10**	**7.48**

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BRAC BANK LIMITED

SELECTIVE NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

As at and for the third quarter ended 30 September 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 third quarter ended 30 September 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". Advance income tax has been netted-off against provision for tax as per accounting standard. However deferred tax asset has not been netted-off against deferred tax liability as per Bangladesh Bank instructions.

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 separate and consolidated financial statements of the Bank are made up to 30 September 2018 and prepared under the historical cost convention and in accordance with the "First Schedule (sec-38)" 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 30 October 2018.

	30 Sep 2018 Taka	31 Dec 2017 Taka	30 Sep 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	32,442,451,294	26,600,143,614	25,348,321,078
Weighted average number of outstanding ordinary shares during the period/year	1,072,293,862	1,069,556,475	1,069,556,475
	30.26	**24.87**	**23.70**
3.2 Separate/Standalone Net Assets Value (NAV) per share			
Net Assets Value at the end of the reporting period/year	30,094,248,130	25,990,805,975	24,495,512,627
Weighted average number of outstanding ordinary shares during the period/year	1,072,293,862	1,069,556,475	1,069,556,475
	28.07	**24.30**	**22.90**

3.3 Explanation regarding significant change in quarterly financial statements during the year/period regarding NAV:

There were no significant changes in quarterly NAV as per standalone basis. However there were a significant change in quarterly NAV as per consolidated basis between Q1 (BDT 26.1) and Q2 (BDT29.03) due to sale of shares by bKash to Alipay at higher premium.

	Jan-Sep 2018 Taka	Jan-Sep 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	3,808,108,201	3,776,043,550
Weighted average number of outstanding ordinary shares during the period/year	1,072,293,862	1,069,556,475
	3.55	**3.53**
4.2 Separate/Standalone Earnings Per Share		
Net profit/(loss) after taxes	3,916,779,073	3,755,604,785
Weighted average number of outstanding ordinary shares during the period/year	1,072,293,862	1,069,556,475
	3.65	**3.51**

	July-Sep 2018 Taka	July-Sep 2017 Taka
4.1a Consolidated Earning Per Share		
Net profit/(loss) after taxes attributable to equity holders of the Bank	1,274,049,570	1,505,142,724
Weighted average number of outstanding ordinary shares during the period/year	1,072,500,285	1,069,709,751
	1.19	**1.41**

	July-Sep 2018 Taka	July-Sep 2017 Taka
4.2a *Separate/Standalone Earnings Per Share*		
Net profit/(loss) after taxes	1,365,497,219	1,432,218,917
Weighted average number of outstanding ordinary shares during the period/year	1,072,500,285	1,069,709,751
	1.27	**1.34**

4.3 Explanation regarding significant change in quarterly financial statements regarding EPS during the year/period:

There were no significant change in quarterly financial statements during the period of 2018. The consolidated EPS stands at BDT 1.18, BDT 1.18 and BDT 1.19 for the Q1, Q2 and Q3 respectively and seperate EPS stands at BDT 1.16, BDT, 1.22 and BDT 1.27 for the Q1, Q2 and Q3 respectively.

	Jan-Sep 2018 Taka	Jan-Sep 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	4,127,524,184	11,746,680,881
Weighted average number of outstanding ordinary shares during the period/year	1,072,293,862	1,069,556,475
	3.85	**10.98**
5.2 Separate/Standalone Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	1,176,562,582	7,999,307,453
Number of ordinary shares at the end of the period/year	1,072,293,862	1,069,556,475
	1.10	**7.48**

5.3 Explanation regarding significant change on quarterly basis financial statements regarding NOCFPS:

NOCFPS has decreased mainly due to decrease in borrowing from other banks as they were paid back at their maturiry during Q1 and lower growth in deposit compared to loans and advances in Q2 and Q3.

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

6.1 Key Financial Indicators (Standalone basis) :

Sl no.	Particulars	30 Sep 2018	31 December 2017
1	Deposits	212,366,368,818	196,224,439,257
2	Loans and advances	221,094,239,725	202,559,380,746
3	Capital Fund:	30,343,192,953	26,636,496,368
4	Core Capital	27,378,603,870	23,534,117,550
5	Supplementary Capital	2,964,589,083	3,102,378,818
6	CRAR	13.56%	12.72%
7	No. of Branches	186	186
8	No. of Full Time Employees	7,058	6,835
9	Statutory Reserves	4,813,606,868	4,813,606,868
10	Shareholders' Equity	30,094,248,130	25,990,805,975

6.2 Key Financial indicators (Consolidated basis) :

Sl no.	Particulars	30 Sep 2018	31 December 2017
1	Deposits	235,943,070,870	216,929,919,763
2	Loans and advances	221,691,962,902	203,431,019,401
3	Capital Fund:	35,310,680,606	26,978,112,402
4	Core Capital	32,346,091,522	23,875,733,584
5	Supplementary Capital	2,964,589,083	3,102,378,818
6	CRAR	14.78%	11.97%
7	Shareholders' Equity	32,442,451,294	26,600,143,614

6.3 Key Financial Ratios (Solo basis):

Sl no.	Particulars	30 Sep 2018	31 December 2017
1	AD Ratio	82.8%	83.39%
2	ROE*	18.62%	22.14%
3	ROA*	1.81%	2.02%

* Figures are annualized.

6.4 Key Financial Ratios (Consolidated basis):

Sl no.	Particulars	30 Sep 2018	31 December 2017
1	ROE*	17.20%	21.30%
2	ROA*	1.59%	1.83%

* Figures are annualized.

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