Delta Brac Housing Finance Corporation Ltd.

HIGHEST CREDIT RATING AAA

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Financial Statements
For the half year ended 30 June 2018

In compliance with the Regulation 17(3) of the Dhaka and Chittagong Stock Exchanges (Listing) Regulations, 2015, we are pleased to publish Half Yearly (2nd quarter) Un-audited Financial Statements of Delta Brac Housing Finance Corporation Ltd. as at and for the Half Year ended 30 June 2018 approved by the Board of Directors of the Company in its 100th Meeting held on Wednesday, July 18, 2018 at 4:30 PM. The following Financial Statements without the detailed notes/ disclosures have been termed as "condensed" in line with the IAS/ BAS 34.

Balance Sheet (Unaudited)
As at 30 June 2018

Particulars	30-Jun-18 Taka	31-Dec-17 Taka
PROPERTY AND ASSETS		
Cash	766,213,744	634,064,843
In hand	120,978	89,700
Balance with Bangladesh Bank and its agent bank	766,092,766	633,975,143
Balance with other banks and financial institutions	11,448,575,946	10,697,156,711
In Bangladesh	11,448,575,946	10,697,156,711
Outside Bangladesh	-	-
Money at call on short notice	-	-
Investments	620,067,469	643,028,086
Government	1,132,281	1,145,176
Others	618,935,188	641,882,910
Loans and advances	42,611,688,208	42,243,352,611
Fixed assets including land, building, furniture & equipments	171,906,635	178,470,140
Other assets	282,238,183	184,780,123
Total assets	**55,900,690,185**	**54,580,852,514**
LIABILITIES AND CAPITAL		
LIABILITIES		
Borrowings from other banks, financial institutions and agents	6,265,501,104	6,515,419,275
Deposits and other accounts: Fixed deposits	42,729,307,473	41,187,889,744
Other liabilities	2,325,255,874	2,519,907,282
Total liabilities	**51,320,064,451**	**50,223,216,301**
SHAREHOLDERS' EQUITY		
Paid-up capital	1,218,518,430	1,218,518,430
Share premium	55,000,000	55,000,000
Statutory reserve	1,307,430,064	1,225,083,409
Other reserves	1,445,040,000	1,445,040,000
Retained earnings	554,637,240	413,994,374
Total shareholders' equity	**4,580,625,734**	**4,357,636,213**
Total liabilities and shareholders' equity	**55,900,690,185**	**54,580,852,514**
OFF BALANCE SHEET ITEMS		
Contingent liabilities		
Acceptance and endorsements	-	-
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	223,985,758	223,985,758
Total contingent liabilities	223,985,758	223,985,758
Other commitments		
Documentary credits and short term trade related transaction	-	-
Forward assets purchased and forward deposit placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	321,450,000	605,634,964
Total other commitments	321,450,000	605,634,964
Total off balance sheet items including contingent liabilities	**545,435,758**	**829,620,722**

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

Particulars	Jan to Jun '18 Taka	Jan to Jun '17 Taka	Apr to Jun '18 Taka	Apr to Jun '17 Taka
Interest income	2,690,925,686	2,202,643,472	1,463,982,646	1,085,104,991
Interest paid on deposits and borrowings, etc.	1,957,435,364	1,369,254,984	1,084,808,632	681,991,757
Net interest income	**733,490,322**	**833,388,488**	**379,174,014**	**403,113,234**
Income from investment	15,569,945	18,061,794	10,438,702	4,813,537
Commission, exchange & brokerage	59,285,166	74,693,732	29,493,187	37,692,908
Other operating income	7,093,891	10,267,365	2,961,742	3,430,385
Total operating income	**815,439,324**	**936,411,379**	**422,067,645**	**449,050,064**
Salary and allowances	161,862,959	151,768,899	80,094,534	75,431,018
Rent, taxes, insurance, electricity, etc.	24,768,385	23,949,266	13,306,421	12,296,137
Legal & professional expenses	1,162,976	1,888,487	1,044,380	1,812,908
Postage, stamp, telecommunication, etc.	3,659,671	3,981,569	1,860,016	2,059,848
Stationery, printing, advertisements, etc.	8,710,733	7,412,134	5,553,839	3,779,370
Managing director's salary and fees	7,050,000	5,530,000	3,525,000	3,100,000
Directors' fees and expenses	268,438	400,605	133,038	251,029
Auditors' fees	230,000	201,250	129,375	100,625
Depreciation, repair & maintenance	18,935,954	19,347,000	10,139,648	10,152,984
Other expenses	18,046,512	18,563,962	8,931,185	8,775,972
Total operating expenses	**244,695,629**	**233,043,173**	**124,717,436**	**117,759,892**
Profit before provisions	**570,743,695**	**703,368,207**	**297,350,208**	**331,290,172**
Provision for				
Loans and advances	(252,829,695)	(138,191,888)	7,316,683	(7,052,893)
Diminution in value of investment	22,201,667	(18,190,255)	9,593,143	(3,705,065)
Total provisions	(230,628,028)	(156,382,143)	16,909,826	(10,757,958)
Profit before tax	**801,371,723**	**859,750,350**	**280,440,382**	**342,048,130**
Provision for tax				
Current	212,389,601	276,616,822	103,219,975	131,594,118
Deferred	437,072	3,093,243	408,630	(529,386)
	212,826,673	279,710,065	103,628,605	131,064,732
Profit after tax	**588,545,050**	**580,040,285**	**176,811,777**	**210,983,398**
Appropriation				
Statutory reserve	82,346,655	116,008,057	-	42,196,680
Dividend on preference shares	-	-	-	-
Total appropriations	82,346,655	116,008,057	-	42,196,680
Retained surplus	**506,198,395**	**464,032,228**	**176,811,777**	**168,786,718**
Earnings Per Share	**4.83**	**4.76**	**1.45**	**1.73**

Cash Flow Statement (Unaudited)
For the half year ended 30 June 2018

Particulars	Jan to Jun '18 Taka	Jan to Jun '17 Taka
Cash flows from operating activities		
Interest received	2,647,098,275	2,218,169,450
Interest paid	(1,726,176,435)	(1,399,397,149)
Dividend received	15,860,727	15,297,517
Fees and commission received	59,285,166	74,693,732
Paid to employees	(206,361,952)	(221,670,001)
Paid to suppliers and various operating expense	(58,825,636)	(65,733,998)
Income tax paid	(314,529,373)	(222,359,714)
Received from other operating activities	11,257,844	17,125,380
Cash generated/(utilized) from operating activities before changes in operating assets and liabilities	427,608,616	416,125,220
Increase/(decrease) in operating assets and liabilities		
Loans and advances to customers	(364,996,268)	(3,497,633,552)
Purchase/sale of trading securities	7,947,721	(52,251,258)
Other assets	(59,275,301)	2,751,468
Loans and deposits from banks and other customers	1,619,533,021	3,259,173,149
Other liabilities	(62,306,760)	(30,514,080)
Cash generated/(utilized) from operating assets and liabilities	1,140,902,413	(318,474,273)
Net cash from operating activities	**1,568,511,029**	**97,650,947**
Cash flows from investing activities		
Other investments	15,000,000	10,000,000
Net proceeds/(payments) for sale/purchase of treasury bills	12,895	28,453
Purchase of fixed assets including land, building, furniture and equipments	(6,473,879)	(17,733,402)
Proceeds from disposal of fixed assets including land, building, furniture and equipments	107,085	2,579,496
Net cash used in investing activities	**8,646,101**	**(5,125,453)**
Cash flows from financing activities		
Payment of preference share dividend	-	-
Cash dividend paid	(365,555,529)	(182,777,765)
Payment for finance lease	-	-
Net cash used in financing activities	**(365,555,529)**	**(182,777,765)**
Net increase/(decrease) in cash and cash equivalents	1,211,601,601	(90,252,271)
Cash and cash equivalents (net off overdraft) at the beginning of the period	10,815,921,853	9,150,340,071
Cash and cash equivalents (net off overdraft) at the end of the period	**12,027,523,454**	**9,060,087,800**

Comparative Statement for Information of the Shareholders

SL	Particulars	As at and for the quarter ended 30 June 2018	As at and for the quarter ended 30 June 2017
1	Net Assets Value (NAV) per share	37.59	32.73
2	Earnings Per Share	4.83	4.76
3	Net operating cash flow per share	12.87	0.80

Selected explanatory notes to the Financial Statements half year ended 30 June 2018

Reporting: The half yearly Financial Statements have been prepared based on Bangladesh Accounting Standards (BAS) 34 : "Interim Financial Reporting". These Financial Statements should be read in conjunction with the published Financial Statements for the year ended 31 December 2017 as they provide an update to previously reported information.

Accounting policies and method of computations: Accounting policies and methods of computations followed in preparing these Financial Statements are in consistent with those used in the annual Financial Statements, prepared and published for the year ended 31 December 2017.

Earnings Per Share (EPS): Earnings per share has been calculated based on the number of shares outstanding as of 30 June 2018 and profit for the period from January to June 2018. The number of shares outstanding as of 30 June 2018 was 121,851,843. Earnings per share for the preceding period (January to June 2017) has also been calculated based on the same number of shares.

Statutory Reserve: The company has not transferred any amount to Statutory reserve during this quarter as the minimum requirement as per Financial Institution Rules 1993 have already been kept.

Subsequent events: No material events occurred after the reporting date, non- disclosure of which could affect the ability of the users of these Financial Statements to make proper evaluation and decision.

Statement of changes in equity (Unaudited)
For the half year ended 30 June 2018

Amount In Taka

Particulars	Paid up capital	Share premium	Statutory reserve	General & other reserves	Retained earnings	Total
Balance as on 1 January 2018	1,218,518,430	55,000,000	1,225,083,409	1,445,040,000	413,994,374	4,357,636,213
Net profit (after tax) for the period	-	-	-	-	588,545,050	588,545,050
Transferred to reserve funds	-	-	82,346,655	-	(82,346,655)	-
Dividend	-	-	-	-	(365,555,529)	(365,555,529)
Balance as on 30 June 2018	**1,218,518,430**	**55,000,000**	**1,307,430,064**	**1,445,040,000**	**554,637,240**	**4,580,625,734**
Balance as on 30 June 2017	**1,218,518,430**	**55,000,000**	**1,151,291,206**	**1,058,040,000**	**505,825,561**	**3,988,675,197**

Sd/- **Chairman** | Sd/- **Director** | Sd/- **Managing Director & CEO** | Sd/- **Head of Finance** | Sd/- **Company Secretary**

The published half yearly (2nd quarter) financial statements are available in the web-site of the company, www.deltabrac.com