Delta Brac Housing Finance Corporation Ltd.

HIGHEST CREDIT RATING AAA

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Financial Statements
For the third quarter ended 30 September 2018

In compliance with the Regulation 17(3) of the Dhaka and Chittagong Stock Exchanges (Listing) Regulations, 2015 we are pleased to present third quarter un-audited Financial Statements of Delta Brac Housing Finance Corporation Ltd. as at and for the third quarter ended 30 September 2018 approved by the Board of Directors of the Company in its 102nd Meeting held on Wednesday, October 31, 2018 at 2:35 PM. The following Financial Statements without the detailed notes/ disclosures have been termed as "condensed" in line with the IAS/ BAS 34.

Condensed Balance Sheet (Unaudited)
As at 30 September 2018

Particulars	As at 30 September 2018 Taka	As at 31 December 2017 Taka
PROPERTY AND ASSETS		
Cash	808,957,812	634,064,843
In hand	74,630	89,700
Balance with Bangladesh Bank and its agent bank	808,883,182	633,975,143
Balance with other banks and financial institutions	12,998,837,292	10,697,156,711
In Bangladesh	12,998,837,292	10,697,156,711
Outside Bangladesh	-	-
Money at call on short notice	-	-
Investments	603,342,918	643,028,086
Government	1,132,281	1,145,176
Others	602,210,637	641,882,910
Loans and advances	42,711,762,427	42,243,352,611
Fixed assets including land, building, furniture & equipments	168,401,719	178,470,140
Other assets	360,592,810	184,780,123
Total assets	**57,651,894,978**	**54,580,852,514**
LIABILITIES AND CAPITAL		
LIABILITIES		
Borrowings from other banks, financial institutions and agents	5,465,766,635	6,515,419,275
Deposits and other accounts: Fixed deposits	44,673,195,809	41,187,889,744
Other liabilities	2,710,367,427	2,519,907,282
Total liabilities	**52,849,329,871**	**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	776,576,613	413,994,374
Total shareholders' equity	**4,802,565,107**	**4,357,636,213**
Total liabilities and shareholders' equity	**57,651,894,978**	**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	394,550,000	605,634,964
Total other commitments	394,550,000	605,634,964
Total off balance sheet items including contingent liabilities	**618,535,758**	**829,620,722**

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

Particulars	Jan to Sep '18 Taka	Jan to Sep '17 Taka	July to Sep '18 Taka	July to Sep '17 Taka
Interest income	4,278,916,840	3,386,358,027	1,587,991,154	1,183,714,555
Interest paid on deposits and borrowings, etc.	3,025,036,166	2,154,938,243	1,067,600,802	785,683,259
Net interest income	**1,253,880,674**	**1,231,419,784**	**520,390,352**	**398,031,296**
Income from investment	39,826,040	37,633,054	24,256,096	19,571,260
Commission, exchange & brokerage	97,684,634	112,921,011	38,399,468	38,227,279
Other operating income	9,348,696	14,543,174	2,254,805	4,275,809
Total operating income	**1,400,740,044**	**1,396,517,023**	**585,300,721**	**460,105,644**
Salary and allowances	246,169,294	229,985,057	84,306,335	78,216,158
Rent, taxes, insurance, electricity, etc.	39,643,418	36,520,774	14,875,032	12,571,508
Legal & professional expenses	2,898,630	2,583,764	1,735,654	695,277
Postage, stamp, telecomunication, etc.	5,512,065	6,033,714	1,852,394	2,052,145
Stationery, printing, advertisements, etc.	10,729,516	10,138,545	2,018,783	2,726,411
Managing director's salary and fees	10,950,000	9,430,000	3,900,000	3,900,000
Directors' fees and expenses	491,326	556,435	222,888	155,830
Auditors' fees	345,000	301,875	115,000	100,625
Depreciation, repair & maintenance	27,943,800	27,429,904	9,007,846	8,082,904
Other expenses	26,440,648	24,970,412	8,394,136	6,406,450
Total operating expenses	**371,123,697**	**347,950,480**	**126,428,068**	**114,907,307**
Profit before provisions	**1,029,616,347**	**1,048,566,543**	**458,872,653**	**345,198,336**
Provision for				
Loans and advances	(202,755,834)	(159,454,783)	50,073,861	(21,262,895)
Diminution in value of investment	40,520,957	(17,617,389)	18,319,289	572,866
Total provisions	(162,234,877)	(177,072,172)	68,393,150	(20,690,029)
Profit before tax	**1,191,851,224**	**1,225,638,715**	**390,479,503**	**365,888,365**
Provision for tax				
Current	380,812,302	416,912,849	168,422,701	140,296,027
Deferred	554,499	6,303,081	117,427	3,209,838
	381,366,801	423,215,930	168,540,128	143,505,865
Profit after tax	**810,484,423**	**802,422,785**	**221,939,375**	**222,382,500**
Appropriation				
Statutory reserve	82,346,655	160,484,557	-	44,476,500
Dividend on preference shares	-	-	-	-
Total appropriations	82,346,655	160,484,557	-	44,476,500
Retained surplus	**728,137,768**	**641,938,228**	**221,939,375**	**177,906,000**
Earnings Per Share	**6.65**	**6.59**	**1.82**	**1.83**

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

Particulars	Jan to Sep '18 Taka	Jan to Sep '17 Taka
Cash flows from operating activities		
Interest received	4,230,212,172	3,320,044,566
Interest paid	(2,681,777,946)	(2,141,974,826)
Dividend received	38,485,443	28,662,558
Fees and commission received	97,684,634	112,921,011
Paid to employees	(279,526,948)	(288,521,994)
Paid to suppliers and various operating expense	(85,727,302)	(89,748,008)
Income tax paid	(362,147,588)	(273,687,202)
Received from other operating activities	14,658,465	26,821,146
Cash generated/(utilized) from operating activities before changes in operating assets and liabilities	971,860,930	694,517,251
Increase/(decrease) in operating assets and liabilities		
Loans and advances to customers	(465,210,429)	(4,807,269,442)
Purchase/sale of trading securities	(327,728)	(68,030,763)
Other assets	(126,820,965)	13,026,856
Loans and deposits from banks and other customers	2,416,358,984	7,690,107,590
Other liabilities	(3,684,102)	3,945,770
Cash generated/(utilized) from operating assets and liabilities	1,820,315,760	2,831,780,011
Net cash from operating activities	2,792,176,690	3,526,297,262
Cash flows from investing activities		
Other investments	40,000,000	(30,000,000)
Net proceeds/(payments) for sale/purchase of Treasury bills	12,895	28,453
Purchase of fixed assets including land, building, furniture and equipments	(9,462,029)	(26,880,572)
Proceeds from disposal of fixed assets including land, building, furniture and equipments	107,085	2,658,196
Net cash used in investing activities	30,657,951	(54,193,923)
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	2,457,279,112	3,289,325,574
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	**13,273,200,965**	**12,439,665,645**

Comparative Statement of Information for the Shareholders

SL	Particulars	As at and for the quarter ended 30 September 2018	As at and for the quarter ended 30 September 2017
1	Net Assets Value (NAV) per share	39.41	34.56
2	Earnings Per Share (EPS)	6.65	6.59
3	Net operating cash flow per share (NOCFPS)	22.91	28.94

Selected explanatory notes to the Financial Statements for the third quarter ended 30 September 2018

Reporting: The third quarter 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 September 2018 and profit for the period from January to September 2018. The number of shares outstanding as of 30 September 2018 was 121,851,843. Earnings per share for the preceding period (January to September 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.

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

Amount In Taka

Particulars	Paid up capital	Share premium	Statutory reserve	General & other reserves	Retained earnings	Total
Balance as on 01 Jan 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	-	-	-	-	810,484,423	810,484,423
Transferred to reserve funds	-	-	82,346,655	-	(82,346,655)	-
Dividend paid	-	-	-	-	(365,555,529)	(365,555,529)
Balance as on 30 Sep 2018	**1,218,518,430**	**55,000,000**	**1,307,430,064**	**1,445,040,000**	**776,576,613**	**4,802,565,107**
Balance as on 30 Sep 2017	**1,218,518,430**	**55,000,000**	**1,195,767,706**	**1,058,040,000**	**683,731,561**	**4,211,057,697**

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

The published financial statements for the third quarter ended 30 september 2018 are available in the web-site of the company, www.deltabrac.com