

BRAC Bank Limited

**Interim Financial Report as at and for the
1st Quarter ended 31 March 2019**

BRAC BANK LIMITED
Condensed Consolidated Balance Sheet (Unaudited)
As at 31 March 2019

Particulars	March 2019 Taka	December 2018 Taka
PROPERTY AND ASSETS		
Cash	17,856,962,462	22,394,474,142
Cash in hand	6,161,298,205	6,674,699,654
(Including foreign currency)		
Balance with Bangladesh Bank and its agent bank(s)	11,695,664,257	15,719,774,488
(Including foreign currency)		
Balance with other banks and financial institutions	48,708,480,003	44,651,943,921
Inside Bangladesh	46,830,501,200	41,918,719,170
Outside Bangladesh	1,877,978,803	2,733,224,751
Money at call on short notice	2,700,000,000	-
Investments	38,602,825,016	35,133,273,327
Government	31,272,738,302	27,925,905,144
Others	7,330,086,714	7,207,368,183
Loans and advances	243,380,567,421	238,400,399,660
Loans, cash credit, overdrafts etc.	158,350,332,582	139,883,617,667
Small and medium enterprises	81,768,712,130	80,422,409,963
Bills purchased and discounted	3,261,522,709	18,094,372,030
Fixed assets including premises, furniture and fixture	6,430,255,362	6,265,160,203
Other assets	10,509,990,904	9,665,434,144
Non-banking assets	66,471,775	66,471,775
Goodwill	1,427,468,911	1,427,468,911
Total property and assets	369,683,021,854	358,004,626,083
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	23,273,921,111	22,958,478,616
Borrowings from Bangladesh Bank	11,197,836,127	8,344,796,525
Money at call on short notice	972,900,000	-
Deposits and other accounts	259,926,964,787	255,073,828,613
Current accounts and other accounts	83,228,891,675	80,225,826,007
Bills payable	1,104,961,388	1,528,433,733
Savings deposits	39,757,481,284	38,320,761,103
Fixed deposits	134,644,456,924	133,388,177,229
Other deposits	1,191,173,516	1,610,630,541
Other liabilities	31,287,513,374	29,927,337,027
Total liabilities	326,659,135,399	316,304,440,781
Capital and shareholders' equity		
Paid up capital	10,725,002,850	10,725,002,850
Share premium	3,853,767,032	3,853,767,032
Statutory reserve	6,428,088,086	6,428,088,086
Dividend equalization fund	355,218,455	355,218,455
Revaluation reserve on govt. securities	14,201,677	5,593,264
Assets revaluation reserve	478,558,600	478,558,600
Fair value reserve	78,920,073	78,920,073
Translation reserve	(24,755,456)	(17,674,822)
Surplus in profit and loss account/Retained earnings	14,648,626,277	13,342,589,185
Total shareholders' equity	36,557,627,594	35,250,062,723
Non controlling interest	6,466,258,861	6,450,122,579
Total equity	43,023,886,455	41,700,185,302
Total liabilities and shareholders' equity	369,683,021,854	358,004,626,083

BRAC BANK LIMITED
Condensed Consolidated Balance Sheet (Unaudited)
As at 31 March 2019

Particulars	March 2019 Taka	December 2018 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	32,225,894,384	31,170,526,059
Irrevocable letter of credits	14,605,047,523	16,394,979,800
Letter of guarantees	13,852,193,521	10,218,069,408
Bills for collection	10,228,180,703	5,092,871,749
Other contingent liabilities	27,357,611,768	16,666,535,551
Total contingent liabilities	98,268,927,898	79,542,982,567
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	98,268,927,898	79,542,982,567
Net Assets Value (NAV) Per Share, Note: 3.1	34.09	32.87

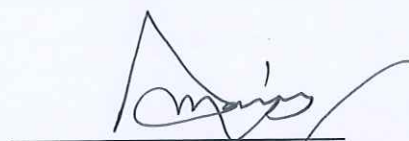
These interim financial report should be read in conjunction with the annexed notes.


Acting Chief Financial Officer


Company Secretary


Managing Director and CEO


Director


Director


Chairman

Date: 29 April 2019

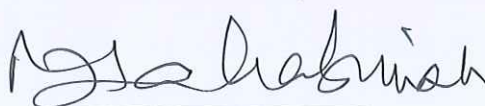
BRAC BANK LIMITED

Condensed Consolidated Profit and Loss Account (Unaudited)

For the 1st quarter ended 31 March 2019

Particulars	Jan to Mar 2019 Taka	Jan to Mar 2018 Taka
Interest income	7,372,936,573	6,077,929,433
Interest paid on deposits and borrowing etc.	3,320,577,478	2,528,112,947
Net interest income	4,052,359,095	3,549,816,486
Investment income	753,077,311	723,294,734
Commission, exchange and brokerage	2,554,024,389	1,774,041,487
Other operating income	37,661,082	46,353,739
Total operating income (a)	7,397,121,877	6,093,506,446
Salaries and allowances	1,828,112,392	1,663,187,074
Rent, taxes, insurance, electricity etc.	405,361,029	372,025,793
Legal expenses	18,867,907	19,521,875
Postage, stamps, telecommunication etc.	79,103,878	75,776,561
Stationery, printing, advertisement etc.	651,274,880	333,342,930
Chief Executive's salary and fees	3,525,000	2,400,000
Directors' fees and expenses	850,407	703,524
Auditors' fee	1,830,983	1,180,739
Depreciation and repairs to bank's assets	567,938,002	428,144,786
Other expenses	968,987,122	873,782,417
Total operating expenses (b)	4,525,851,600	3,770,065,699
Operating profit (c = a-b)	2,871,270,277	2,323,440,747
Share of profit/(loss) of associates	(22,751,598)	(11,175,314)
Gain/(loss) on wind up of associate	5,001,679	-
Profit/(loss) before provisions (d)	2,853,520,358	2,312,265,433
Provision for loans/investments:		
Loans and advances	656,914,792	(47,881,202)
Diminution in value of investments	120,000,000	-
Off balance sheet items	(139,000,000)	25,000,000
Others	994,689	326,500
Total provision (e)	638,909,481	(22,554,702)
Total profit/(loss) before taxes (f= d-e)	2,214,610,877	2,334,820,135
Provision for Tax:		
Current tax expense	1,111,418,786	970,245,921
Deferred tax expense/(income)	(217,278,167)	(129,188,515)
Total provision for taxation (g)	894,140,619	841,057,406
Net profit/(loss) after taxation (f-g)	1,320,470,258	1,493,762,729
Attributable to:		
Equity holders of BRAC Bank Limited	1,306,037,092	1,376,265,086
Non controlling interest	14,433,166	117,497,643
	1,320,470,258	1,493,762,729
Retained earnings brought forward from previous period/year	13,342,589,185	8,606,876,878
Net profit attributable to the equity holders of the Bank	1,306,037,092	1,376,265,086
Net effect of all items directly recognized in Equity	-	-
Profit available for appropriation	14,648,626,277	9,983,141,964
Appropriations:		
Statutory reserve	-	-
General reserve	-	-
Dividend	-	-
Dividend equalization fund	-	-
	-	-
Retained surplus	14,648,626,277	9,983,141,964
Earnings Per Share (EPS), Note: 4.1	1.22	1.28

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



Acting Chief Financial Officer



Company Secretary



Managing Director and CEO



Director



Director



Chairman

Date: 29 April 2019

BRAC BANK LIMITED
Consolidated Statement of Changes in Equity
For the 1st quarter ended 31 March 2019

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on Govt. securities	Assets revaluation reserve	OCI fair value reserve - EPSL	Translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2019	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	78,920,073	(17,674,822)	13,342,589,185	6,450,122,579	41,700,185,302
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Restated balance	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	78,920,073	(17,674,822)	13,342,589,185	6,450,122,579	41,700,185,302
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-	-
Recognition of Deferred Tax on revaluation reserve of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	8,608,413	-	-	-	-	-	8,608,413
Fair value reserve	-	-	-	-	-	-	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-	-	-
Changes in translation reserve	-	-	-	-	-	-	-	(7,080,634)	-	1,703,116	(5,377,518)
Net gains and losses not recognized in the income statement	-	-	-	-	14,201,677	478,558,600	78,920,073	(24,755,456)	13,342,589,185	6,451,825,695	41,703,416,197
Net profit for the year	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	-	-	-	-	1,306,037,092	14,433,166	1,320,470,286
Dividend for the year 2018:	-	-	-	-	-	-	-	-	-	-	-
Stock dividend	-	-	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-	-	-	-
Ordinary share issue against bond conversion	-	-	-	-	-	-	-	-	-	-	-
Preference share & Share premium-bKash	-	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-	-	-	-	-	-
Adjustment for subsidiaries holdings change	-	-	-	-	-	-	-	-	-	-	-
Dividend of BRAC EPL Stock Brokerage Ltd.	-	-	-	-	-	-	-	-	-	-	-
Reserve for stock dividend from BRAC EPL Stock Brokerage Ltd.	-	-	-	-	-	-	-	-	-	-	-
Cash dividend distributed by BRAC Saaajan Ltd.	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	14,201,677	478,558,600	78,920,073	(24,755,456)	14,648,626,277	6,466,258,861	43,023,886,455
Balance as at 31 December 2018	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	78,920,073	(17,674,822)	13,342,589,185	6,450,122,579	41,700,185,302
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	-	1,110,068	9,983,141,964	1,949,508,840	30,058,845,785

BRAC BANK LIMITED
Condensed Consolidated Cash Flow Statement (Unaudited)
For the 1st quarter ended 31 March 2019

Particulars	Jan to Mar 2019 Taka	Jan to Mar 2018 Taka
A. Cash flows from operating activities		
Interest receipts	7,200,942,757	6,423,849,596
Interest payment	(3,153,866,825)	(2,018,253,984)
Dividend receipts	63,688,334	30,125,742
Fees and commission receipts	3,303,744,373	1,787,498,349
Recoveries on loans previously written off	179,837,038	176,906,592
Cash payments to employees	(1,536,074,290)	(1,301,772,443)
Cash payments to suppliers	(1,443,525,571)	(1,621,231,555)
Income tax paid	(1,465,854,834)	(491,940,026)
Receipts from other operating activities	405,496,461	78,057,598
Payment for other operating activities	(962,455,827)	(1,282,835,943)
Operating cash flow before changes in operating assets and liabilities (i)	2,591,931,615	1,780,403,926
Increase/decrease in operating assets & liabilities		
Loans and advances	(5,150,654,145)	(499,401,592)
Other assets	(262,452,920)	(1,326,974,205)
Deposits from other banks/borrowings	5,889,854,557	(1,373,929,201)
Deposits from customers	2,829,177,770	6,225,203,553
Other liabilities	349,416,363	1,274,789,312
Cash utilized in operating assets and liabilities (ii)	3,655,341,625	4,299,687,867
Net cash (used in)/flows from operating activities (i+ii) (a)	6,247,273,240	6,080,091,793
B. Cash flows from investing activities		
Treasury bills	(1,803,450,969)	1,487,397,269
Bangladesh Bank Bills	-	2,497,936,800
Treasury bonds	(1,543,197,790)	(5,439,997,363)
Sale/ (Investment) in shares	(200,403,623)	28,953,177
Investment in bonds	110,000,000	130,000,000
Redemption of BBL bond	-	(2,706,965,700)
Acquisition of fixed assets	(613,622,899)	(263,555,179)
Disposal of fixed assets	108,047	(297,981,504)
Net cash (used in)/flows from investing activities (b)	(4,050,567,234)	(4,564,212,500)
C. Cash flows from financing activities		
Dividend paid	(126,450)	(46,317)
Net cash (used in)/flows from financing activities (c)	(126,450)	(46,317)
Net increase/decrease in cash (a+b+c)	2,196,579,556	1,515,832,976
Cash and cash equivalents at beginning of the year	67,047,515,663	61,659,571,597
Effect of exchange rate changes on cash and cash equivalent	22,629,246	15,085,258
Cash and cash equivalents at end of the year	69,266,724,465	63,190,489,831
Cash and cash equivalents at end of the year:		
Cash in hand (including foreign currency)	6,161,298,205	5,516,330,600
Balance with Bangladesh Bank and its agents bank(s)	11,695,664,257	13,336,037,573
Balance with other banks and financial institutions	48,708,480,003	44,336,430,658
Money at call and short notice	2,700,000,000	-
Prize bond	1,282,000	1,691,000
	69,266,724,465	63,190,489,831
Net Operating Cash Flow Per Share (NOCFPS), Note: 5.1	5.82	5.67

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BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 31 March 2019

Particulars	March 2019 Taka	December 2018 Taka
PROPERTY AND ASSETS		
Cash	17,774,330,841	22,374,550,269
Cash in hand	6,078,666,584	6,654,775,781
(Including foreign currency)		
Balance with Bangladesh Bank and its agent bank(s)	11,695,664,257	15,719,774,488
(Including foreign currency)		
Balance with other banks and financial institutions	17,221,538,810	14,878,545,136
Inside Bangladesh	15,512,266,102	12,484,067,930
Outside Bangladesh	1,709,272,708	2,394,477,206
Money at call on short notice	2,700,000,000	-
Investments	29,792,000,125	25,765,118,241
Government	24,298,032,342	20,341,016,406
Others	5,493,967,783	5,424,101,835
Loans and advances	243,016,203,971	238,008,103,268
Loans, cash credit, overdrafts etc.	157,985,969,132	139,491,321,275
Small and medium enterprises	81,768,712,130	80,422,409,963
Bills purchased and discounted	3,261,522,709	18,094,372,030
Fixed assets including premises, furniture and fixture	4,268,325,097	4,300,651,117
Other assets	10,449,441,949	10,023,235,468
Non-banking assets	66,471,775	66,471,775
Total property and assets	325,288,312,568	315,416,675,274
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	23,273,921,111	22,958,478,616
Borrowings from Bangladesh Bank	11,197,836,127	8,344,796,525
Money at call on short notice	972,900,000	-
Deposits and other accounts	231,299,814,618	228,622,409,702
Current accounts and other accounts	54,589,676,380	53,562,341,970
Bills payable	1,104,961,388	1,528,433,733
Savings deposits	39,757,481,284	38,320,761,103
Fixed deposits	134,656,522,050	133,600,242,355
Other deposits	1,191,173,516	1,610,630,541
Other liabilities	25,642,400,542	23,853,038,592
Total liabilities	292,386,872,398	283,778,723,435
Capital and shareholders' equity		
Paid up capital	10,725,002,850	10,725,002,850
Share premium	3,853,767,032	3,853,767,032
Statutory reserve	6,428,088,086	6,428,088,086
Dividend equalization fund	355,218,455	355,218,455
Revaluation reserve on govt. securities	14,201,677	5,593,264
Assets revaluation reserve	478,558,600	478,558,600
Translation reserve	(15,191,405)	(3,001,421)
Surplus in profit and loss account/Retained earnings	11,061,794,875	9,794,724,973
Total shareholders' equity	32,901,440,170	31,637,951,839
Total liabilities and shareholders' equity	325,288,312,568	315,416,675,274

BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 31 March 2019

Particulars	March 2019 Taka	December 2018 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	32,225,894,384	31,170,526,059
Irrevocable letter of credits	14,605,047,523	16,394,979,800
Letter of guarantees	13,852,193,521	10,218,069,408
Bills for collection	10,228,180,703	5,092,871,749
Other contingent liabilities	27,357,611,768	16,666,535,551
Total Contingent liabilities	98,268,927,898	79,542,982,567
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	98,268,927,898	79,542,982,567
Net Assets Value (NAV) Per Share, Note: 3.2	30.68	29.50


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


Acting Chief Financial Officer


Company Secretary


Managing Director and CEO


Director


Director


Chairman

Date: 29 April 2019

BRAC BANK LIMITED

Condensed Profit and Loss Account (Unaudited)
For the 1st quarter ended 31 March 2019

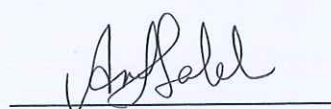
Particulars	Jan to Mar 2019 Taka	Jan to Mar 2018 Taka
Interest income	7,179,915,774	5,608,715,901
Interest paid on deposits and borrowing etc.	3,325,001,847	2,505,673,907
Net interest income	3,854,913,927	3,103,041,994
Investment income	685,051,601	773,120,768
Commission, exchange and brokerage	906,422,537	594,526,138
Other operating income	29,533,426	21,554,738
Total operating income (a)	5,475,921,491	4,492,243,638
Salaries and allowances	1,309,068,807	1,201,118,278
Rent, taxes, insurance, electricity etc.	370,607,356	345,505,209
Legal expenses	12,426,280	18,521,356
Postage, stamps, telecommunication etc.	60,003,654	63,030,352
Stationery, printing, advertisement etc.	73,265,436	63,251,119
Chief Executive's salary and fees	3,525,000	2,400,000
Directors' fees and expenses	322,000	322,000
Auditors' fee	500,000	411,125
Depreciation and repairs to bank's assets	320,633,120	268,243,643
Other expenses	586,934,666	608,632,078
Total operating expenses (b)	2,737,286,319	2,571,435,160
Profit before provisions (c = a-b)	2,738,635,172	1,920,808,478
Provision for loans/investments:		
Loans and advances	656,914,792	(47,881,202)
Diminution in value of investments	120,000,000	-
Off balance sheet items	(139,000,000)	25,000,000
Others	-	326,500
Total provision (d)	637,914,792	(22,554,702)
Total Profit/(loss) before taxes (e = c-d)	2,100,720,380	1,943,363,180
Provision for taxation:		
Current tax expense	1,053,367,197	802,914,074
Deferred tax expense/(income)	(219,716,719)	(106,601,373)
Total provision for taxation (f)	833,650,478	696,312,701
Net profit after taxation (e-f)	1,267,069,902	1,247,050,479
Retained earnings brought forward from previous period/year	9,794,724,973	7,991,713,548
Net effect of all items directly recognized in Equity-retained earnings		
Profit available for appropriation	11,061,794,875	9,238,764,027
Appropriations:		
Statutory reserve	-	-
General reserve	-	-
Dividend	-	-
Dividend equalization fund	-	-
Retained surplus	11,061,794,875	9,238,764,027
Earnings Per Share (EPS), Note: 4.2	1.18	1.16

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


Acting Chief Financial Officer


Company Secretary


Managing Director and CEO


Director


Director


Chairman

Date: 29 April 2019

BRAC BANK LIMITED
Statement of Changes in Equity
For the 1st quarter ended 31 March 2019

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 2019	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	(3,001,421)	9,794,724,973	31,637,951,839
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	(3,001,421)	9,794,724,973	31,637,951,839
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-
Recognition of Deferred Tax on revaluation reserve of fixed assets	-	-	-	-	8,608,413	-	-	-	8,608,413
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	(12,189,984)	-	(12,189,984)
Changes in translation reserve	-	-	-	-	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	14,201,677	478,558,600	(15,191,405)	9,794,724,973	31,634,370,268
Net profit for the period	-	-	-	-	-	-	-	1,267,069,902	1,267,069,902
Dividends for the year 2018:	-	-	-	-	-	-	-	-	-
Stock dividend	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-	-
Ordinary share issue against bond conversion	-	-	-	-	-	-	-	-	-
Share premium against bond conversion	-	-	-	-	-	-	-	-	-
Dividend equalization fund	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	14,201,677	478,558,600	(15,191,405)	11,061,794,875	32,901,440,170
Balance as at 31 December 2018	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	(3,001,421)	9,794,724,973	31,637,951,839
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

BRAC BANK LIMITED
Condensed Cash Flow Statement (Unaudited)
For the 1st quarter ended 31 March 2019

Particulars	Jan to Mar 2019 Taka	Jan to Mar 2018 Taka
A. Cash flows from operating activities		
Interest receipts	7,322,236,277	6,194,592,884
Interest payment	(3,319,039,964)	(2,031,507,258)
Dividend receipts	51,771,471	28,079,427
Fees and commission receipts	906,422,538	594,526,138
Recoveries on loans previously written off	179,837,038	176,906,592
Cash payments to employees	(1,111,638,228)	(986,741,669)
Cash payments to suppliers	(121,582,287)	(109,659,735)
Income tax paid	(690,735,925)	(419,345,021)
Receipts from other operating activities	284,602,446	27,540,346
Payment for other operating activities	(880,152,414)	(1,110,881,284)
Operating Cash flow before changes in operating assets and liabilities (i)	2,621,720,952	2,363,510,420
Increase/decrease in operating assets & liabilities		
Loans and advances to customers	(5,008,100,703)	(649,192,022)
Other assets	(451,161,287)	(1,320,213,929)
Deposits from other banks/borrowings	4,141,382,097	(1,655,968,631)
Deposits from customers	2,677,404,915	4,538,363,199
Other liabilities	671,924,823	1,273,782,518
Cash utilized in operating assets and liabilities (ii)	2,031,449,846	2,186,771,135
Net cash (used in)/flows from operating activities (i+ii) (a)	4,653,170,799	4,550,281,555
B. Cash flows from investing activities		
Treasury bills	(2,413,633,746)	1,487,397,269
Bangladesh Bank Bills	-	2,497,936,800
Treasury bonds	(1,543,197,790)	(5,439,997,363)
Sale/ (Investment) in shares	(179,865,948)	32,890,714
Investment in bonds	110,000,000	130,000,000
Redemption of BBL bond	-	(2,706,965,700)
Acquisition of fixed assets	(183,496,266)	(155,009,369)
Disposal of fixed assets	108,047	(300,823,704)
Net cash (used in)/flows from investing activities (b)	(4,210,085,703)	(4,454,571,353)
C. Cash flows from financing activities		
Dividend paid	(126,450)	(46,317)
Net cash (used in)/flows from financing activities (c)	(126,450)	(46,317)
Net increase/decrease in cash (a+b+c)	442,958,646	95,663,885
Cash and cash equivalents at beginning of year	37,254,193,005	37,682,669,776
Cash and cash equivalents at end of the year	37,697,151,651	37,778,333,661
Cash in hand (including foreign currency)	6,078,666,584	5,505,494,724
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	11,695,664,257	13,336,037,573
Balance with other banks and financial institutions	17,221,538,810	18,935,110,364
Money at call and short notice	2,700,000,000	-
Prize bond	1,282,000	1,691,000
	37,697,151,651	37,778,333,661
Net Operating Cash Flow Per Share (NOCFPS) (Note: 5.2)	4.34	4.24

BRAC BANK LIMITED
SELECTIVE NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT
As at and for the 1st quarter ended 31 March 2019

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 2019 are same as that were applied in its last annual financial statements of 31 December 2018. 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-2018 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 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 wherever necessary to conform with the current year's/period's presentation.
- 2.5 The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as banks. The Bank Company Act, 1991 was amended to require banks to prepare their financial statements under such financial reporting standards.

As the FRS is yet to be issued by FRC hence as per the provisions of the FRA (section-69), the consolidated and separate financial statements of the Group and the Bank respectively have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and in addition to this the Bank complied with the requirements of following laws and regulations from various Government bodies:

- i) The Bank Company Act, 1991 and amendment thereon;
- ii) The Companies Act, 1994;
- iii) Circulars, Rules and Regulations Issued by Bangladesh Bank (BB) time to time;
- iv) Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange ordinance 1969, Bangladesh Securities and Exchange Act 1993, Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;
- v) The Income Tax ordinance, 1984 and amendment thereon;
- vi) The Value Added Tax Act, 1991 and amendment thereon;
- vii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and
- viii) Financial Reporting Act 2015.

In case any requirement of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank (BB) differ with those of IFRSs, the requirements of the Bank Company Act 1991, and provisions and circulars issued by BB shall prevail.

- 2.6 These interim condensed financial reports were approved by the board of directors on April 29, 2019.

3 Net Assets Value

3.1 Consolidated Net Assets Value (NAV) per share

	Mar 2019 Taka	Dec 2018 Taka	Mar 2018 Taka
Net Assets Value at the end of the reporting period/year	36,557,627,594	35,250,062,723	28,109,336,944
Weighted average number of outstanding ordinary shares during the period/year	1,072,500,285	1,072,500,285	1,072,293,862
	<u>34.09</u>	<u>32.87</u>	<u>26.21</u>

3.2 Separate/Standalone Net Assets Value (NAV) per share

	Mar 2019 Taka	Dec 2018 Taka	Mar 2018 Taka
Net Assets Value at the end of the reporting period/year	32,901,440,170	31,637,951,839	27,363,848,939
Weighted average number of outstanding ordinary shares during the period/year	1,072,500,285	1,072,500,285	1,072,293,862
	<u>30.68</u>	<u>29.50</u>	<u>25.52</u>

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, 2019 from its regular operation.

4 Earnings Per Share (EPS)

4.1 Consolidated Earning Per Share

	Jan-Mar 2019 Taka	Jan-Mar 2018 Taka
Net profit/(loss) after taxes attributable to equity holders of the Bank	1,306,037,092	1,376,265,086
Weighted average number of outstanding ordinary shares during the period/year	1,072,500,285	1,072,293,862
	<u>1.22</u>	<u>1.28</u>

Prior period's EPS have been restated due to issuance of stock dividend for 2017 as per IAS/BAS 33.

4.2 Separate/Standalone Earnings Per Share

	Jan-Mar 2019 Taka	Jan-Mar 2018 Taka
Net profit/(loss) after taxes	1,267,069,902	1,247,050,479
Weighted average number of outstanding ordinary shares during the period/year	1,072,500,285	1,072,293,862
	<u>1.18</u>	<u>1.16</u>

Previous period's EPS have been restated due to issuance of stock dividend for 2017 as per IAS/BAS 33.

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 14% in consolidated and 24% in standalone BRAC Bank respectively the first quarter 2019 over same quarter in 2018.

	Jan-Mar 2019 Taka	Jan-Mar 2018 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	6,247,273,240	6,080,091,793
Weighted average number of outstanding ordinary shares during the period/year	1,072,500,285	1,072,293,862
	5.82	5.67
5.2 Separate/Standalone Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	4,653,170,799	4,550,281,555
Number of ordinary shares at the end of the period/year	1,072,500,285	1,072,293,862
	4.34	4.24

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 mobilization of deposit from customers in first quarter 2019 over same quarter of 2018.

6 Performance Highlights of BRAC Bank Limited as of March 31, 2019 are given below:

6.1 Key Financial indicators (Standalone basis) :

SI no.	Particulars	March 2019	December 2018
1	Deposits	231,299,814,618	228,622,409,702
2	Loans and Advances	243,016,203,971	238,008,103,268
3	Risk based Capital under BASEL III	32,842,442,228	31,937,287,194
4	Core Capital	29,807,283,023	28,779,980,403
5	Supplementary Capital	3,035,159,206	3,157,306,791
6	CRAR	12.83%	13.67%
7	No. of Branches	186	186
8	No. of Full Time Employees	7,129	6,835
9	Statutory Reserves	6,428,088,086	6,428,088,086
10	Shareholders' Equity	32,901,440,170	31,637,951,839

6.2 Key Financial indicators (Consolidated basis) :

SI no.	Particulars	March 2019	December 2018
1	Deposits	259,926,964,787	255,073,828,613
2	Loans and Advances	243,380,567,421	238,400,399,660
3	Risk based Capital under BASEL III	40,207,765,688	39,451,759,342
4	Core Capital	37,172,606,482	36,294,452,551
5	Supplementary Capital	3,035,159,206	3,157,306,791
6	CRAR	14.66%	15.70%
7	Shareholders' Equity	36,557,627,594	35,250,062,723

6.3 Key Financial Ratios (Standalone basis):

SI no.	Particulars	March 2019	December 2018
1	AD Ratio	83.2%	82.78%
2	ROE*	15.71%	19.25%
3	ROA*	1.58%	1.87%

* Figures are annualized.

6.4 Key Financial Ratios (Consolidated basis):

SI no.	Particulars	March 2019	December 2018
1	ROE*	14.55%	17.94%
2	ROA*	1.44%	1.66%

* Figures are annualized.

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7 Segmental operating profit and loss

There are 8 (eight) operating segments including subsidiaries as on 31 March 2019. Out of 8 (eight) operating segments only 5 (five) are reportable. A reportable segment is considered only when its revenue, profit or loss and assets contributes 10% or more of the combined revenue, reported profit or loss and assets of all operating segments in accordance with IFRS 8. Other non-reportable segments have been shown under 'Others'.

Particulars	BRAC Bank Limited					Consolidation				Amount in Taka
	SME	Retail	Corporate	Treasury	Total	bKash	Others	Inter company elimination	Total	
Interest income	3,444,527,965	1,212,012,072	2,115,433,589	407,942,148	7,179,915,774	222,426,093	13,289,530	(42,694,825)	7,372,936,573	
Interest Expense on Deposits	339,558,703	1,511,772,119	1,113,842,622	256,831	2,965,430,275	1,650,781	-	-	2,967,081,056	
Interest Expense on Borrowings	193,029	-	16,375,812	343,002,731	359,571,572	-	36,619,674	(42,694,825)	353,496,422	
Inter segment income /(expenses)	(1,717,253,134)	1,630,900,318	(226,377,717)	312,730,534	-	-	-	-	-	
Net interest income	1,387,523,099	1,331,140,270	758,837,437	377,413,119	3,854,913,927	220,775,313	(23,330,144)	-	4,052,359,095	
Investment income	-	-	-	685,051,601	685,051,601	-	68,025,710	-	753,077,311	
Commission, fees and others	87,305,364	304,879,304	347,494,485	166,743,385	906,422,538	1,331,415,073	317,486,055	(1,299,277)	2,554,024,389	
Other operating income	267,264	322,201	7,570,491	21,373,470	29,533,426	455,528	7,672,128	-	37,661,082	
Total Segment Revenue	1,475,095,728	1,636,341,775	1,113,902,413	1,250,581,575	5,475,921,491	1,552,645,913	369,853,749	(1,299,277)	7,397,121,877	
Staff costs	654,177,831	480,137,004	149,800,553	28,478,418	1,312,593,806	437,997,080	81,046,505	-	1,831,637,391	
Other operating costs	565,542,665	637,366,843	178,073,743	43,709,261	1,424,692,513	1,063,163,284	207,657,689	(1,299,277)	2,694,214,209	
Total segment expenditure	1,219,720,496	1,117,503,847	327,874,296	72,187,679	2,737,286,319	1,552,645,913	288,704,194	(1,299,277)	4,525,851,600	
Reportable segment operating profit	255,375,231	518,837,928	786,028,117	1,178,393,896	2,738,635,172	1,552,645,913	81,149,556	-	2,871,270,277	