

BRAC Bank Limited

**Condensed Interim Financial Report as at and
for the 1st quarter ended 31 March 2020**

BRAC BANK LIMITED
Condensed Consolidated Balance Sheet (Unaudited)
As at 31 March 2020


Particulars	31 March 2020 Taka	31 December 2019 Taka
PROPERTY AND ASSETS		
Cash	25,053,141,709	23,064,121,754
Cash in hand	7,952,166,083	6,961,056,855
(Including foreign currency)		
Balance with Bangladesh Bank and its agent bank(s)	17,100,975,626	16,103,064,899
(Including foreign currency)		
Balance with other banks and financial institutions	38,346,919,182	46,597,711,756
Inside Bangladesh	35,489,441,880	43,826,875,635
Outside Bangladesh	2,857,477,302	2,770,836,121
Money at call and short notice	1,400,000,000	-
Investments	55,714,947,981	55,951,591,605
Government	47,703,439,713	47,735,405,086
Others	8,011,508,268	8,216,186,519
Loans and advances	260,142,921,320	264,870,263,857
Loans, cash credit, overdrafts etc.	141,144,391,981	146,519,000,734
Small and medium enterprises	116,195,670,291	114,908,783,595
Bills purchased and discounted	2,802,859,048	3,442,479,528
Fixed assets including premises, furniture and fixture	10,800,669,954	10,873,480,720
Other assets	14,542,347,073	12,003,986,066
Non-banking assets	66,471,775	66,471,775
Goodwill	1,427,468,911	1,427,468,911
Total property and assets	407,494,887,905	414,855,096,444
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	15,514,522,996	23,461,531,027
Borrowings from Bangladesh Bank	13,061,171,715	12,487,885,372
Money at call and short notice	-	1,273,500,000
Deposits and other accounts	295,545,275,588	297,754,929,671
Current accounts and other accounts	99,040,290,378	101,846,330,888
Bills payable	1,389,954,676	1,911,038,678
Savings deposits	43,910,538,610	44,538,393,041
Fixed deposits	149,010,880,107	147,365,718,274
Other deposits	2,193,611,817	2,093,448,790
Other liabilities	35,803,516,360	33,213,605,195
Total liabilities	359,924,486,659	368,191,451,265
Capital and shareholders' equity		
Paid up share capital	12,333,753,270	12,333,753,270
Share premium	3,853,767,032	3,853,767,032
Statutory reserve	8,129,149,416	8,129,149,416
Dividend equalization fund	355,218,455	355,218,455
Revaluation reserve on govt. securities	259,157,509	98,965,051
Assets revaluation reserve	478,558,600	478,558,600
Fair value reserve	78,920,073	78,920,073
Translation reserve	13,391,788	23,670,247
Surplus in profit and loss account/Retained earnings	16,101,213,585	15,230,405,214
Total shareholders' equity	41,603,129,728	40,582,407,358
Non controlling interest	5,967,271,518	6,081,237,821
Total equity	47,570,401,246	46,663,645,179
Total liabilities and shareholders' equity	407,494,887,905	414,855,096,444

BRAC BANK LIMITED
Condensed Consolidated Balance Sheet (Unaudited)
As at 31 March 2020


Particulars	31 March 2020 Taka	31 December 2019 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	21,700,345,015	27,669,571,296
Irrevocable letter of credits	18,875,751,621	12,226,956,921
Letter of guarantees	11,639,480,335	13,089,590,151
Bills for collection	21,936,920,139	20,918,191,150
Other contingent liabilities	18,213,512,102	26,232,850,181
Total contingent liabilities	92,366,009,211	100,137,159,699
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	92,366,009,211	100,137,159,699
Net Assets Value (NAV) Per Share, Note: 3.1	33.73	32.90

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: 14 May 2020

BRAC BANK LIMITED
Condensed Consolidated Profit and Loss Account (Unaudited)
For the 1st quarter ended 31 March 2020

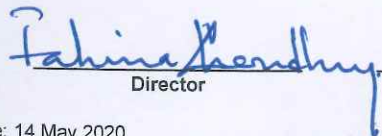
Particulars	Quarter ended Jan to Mar 2020 Taka	Quarter ended Jan to Mar 2019 Taka
Interest income	8,635,740,530	7,876,317,912
Interest paid on deposits and borrowing etc.	3,991,343,150	3,377,966,754
Net interest income	4,644,397,380	4,498,351,158
Investment income	1,085,962,909	754,106,638
Commission, exchange and brokerage	1,623,611,092	2,114,687,460
Other operating income	31,853,400	31,108,343
Total operating income	7,385,824,781	7,398,253,599
Salaries and allowances	2,278,278,235	1,828,112,392
Rent, taxes, insurance, electricity etc.	196,004,296	209,442,187
Legal expenses	12,787,854	19,118,607
Postage, stamps, telecommunication etc.	87,863,535	79,103,878
Stationery, printing, advertisement etc.	582,282,537	651,274,880
Chief Executive's salary and fees	3,525,000	3,525,000
Directors' fees and expenses	735,265	979,712
Auditors' fee	1,560,066	1,830,983
Depreciation and repairs to bank's assets	954,864,892	788,446,193
Other expenses	997,362,466	977,200,762
Total operating expenses	5,115,264,146	4,559,034,593
Operating profit	2,270,560,635	2,839,219,005
Share of profit/(loss) of associates	-	(22,751,598)
Gain/(loss) on disposal of associate	-	5,001,679
Profit/(loss) before provisions	2,270,560,635	2,821,469,086
Provision for:		
Loans and advances	750,262,102	656,914,792
Diminution in value of investments	76,800,000	120,000,000
Off balance sheet items	23,000,000	(139,000,000)
Others	973,370	994,689
Total provision	851,035,472	638,909,481
Profit/(loss) before taxes	1,419,525,163	2,182,559,605
Provision for Tax:		
Current tax expense	1,007,031,895	1,111,128,691
Deferred tax expense/(income)	(348,017,688)	(220,621,779)
Total provision for Tax	659,014,207	890,506,912
Total profit/(loss) after taxes	760,510,956	1,292,052,693
Attributable to:		
Equity holders of BRAC Bank Ltd.	870,808,371	1,283,972,879
Non controlling interest	(110,297,415)	8,079,814
	760,510,956	1,292,052,693
Retained earnings brought forward from previous period/year	15,230,405,214	13,342,589,185
Net profit attributable to the equity holders of the Bank	870,808,371	1,283,972,879
Net effect of all items directly recognized in Equity	-	-
Profit available for appropriation	16,101,213,585	14,626,562,064
Appropriations:		
Statutory reserve	-	-
General reserve	-	-
Dividend	-	-
Dividend equalization fund	-	-
Retained surplus	16,101,213,585	14,626,562,064
Earnings Per Share (EPS), Note: 4.1	0.71	1.04

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

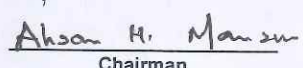

Chief Financial Officer


Company Secretary


Managing Director and CEO


Director


Director


Chairman

Date: 14 May 2020

BRAC BANK LIMITED
Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the 1st quarter ended 31 March 2020

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Assets revaluation reserve	Fair value reserve	Translation reserve	Retained earnings	Non-controlling interest	Amount in Taka
Balance as at 01 January 2020	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	478,558,600	78,920,073	23,670,247	15,230,405,214	6,081,237,821	48,683,645,179
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Restated balance	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	478,558,600	78,920,073	23,670,247	15,230,405,214	6,081,237,821	48,683,645,179
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	160,192,458	-	-	-	-	-	160,192,458
Effect of change of shareholding in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Changes in translation reserve	-	-	-	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	(10,278,459)	-	(3,668,888)	(13,947,347)
Net profit for the period	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	259,157,509	478,558,600	78,920,073	13,391,788	15,230,405,214	6,077,568,933	48,809,890,290
Dividend for the year 2019:	-	-	-	-	-	-	-	-	870,808,371	(110,297,415)	760,510,956
Stock dividend	-	-	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-	-	-	-
Ordinary share issue against bond conversion	-	-	-	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-	-	-	-
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	259,157,509	478,558,600	78,920,073	13,391,788	16,101,213,585	5,967,271,518	47,570,401,246
Balance as at 31 December 2019	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	478,558,600	78,920,073	23,670,247	15,230,405,214	6,081,237,821	48,683,645,179
Balance as at 31 March 2019	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	14,201,877	478,558,600	78,920,073	(24,755,457)	14,528,562,064	6,459,905,310	42,995,468,890

BRAC BANK LIMITED
Condensed Consolidated Cash Flow Statement (Unaudited)
For the 1st quarter ended 31 March 2020

Particulars	Jan to Mar 2020 Taka	Jan to Mar 2019 Taka
A. Cash flows from operating activities		
Interest receipts	9,100,336,703	7,640,934,423
Interest payment	(4,086,744,394)	(3,233,753,320)
Dividend receipts	57,109,621	63,688,334
Fees and commission receipts	7,099,544,325	6,426,818,760
Recoveries on loans previously written off	213,884,735	179,837,038
Cash payments to employees	(1,957,239,580)	(1,562,757,957)
Cash payments to suppliers	(6,064,693,163)	(4,875,679,385)
Income tax paid	(1,562,385,926)	(1,465,854,835)
Receipts from other operating activities	148,770,221	342,271,461
Payment for other operating activities	(1,281,097,095)	(1,042,264,699)
Operating cash flow before changes in operating assets and liabilities (i)	1,667,485,447	2,473,239,820
Increase/decrease in operating assets & liabilities		
Loans and advances	4,754,440,468	(5,150,654,145)
Other assets	(562,033,696)	(262,452,920)
Deposits from other banks/borrowings	(8,786,542,761)	3,852,231,064
Deposits from customers	(2,052,614,720)	4,866,801,267
Other liabilities	523,187,485	382,970,420
Cash utilized in operating assets and liabilities (ii)	(6,123,563,224)	3,688,895,686
Net cash (used)/flows from operating activities (i+ii) (a)	(4,456,077,778)	6,162,135,506
B. Cash flows from investing activities		
Treasury bills	6,620,338,927	(1,803,450,969)
Bangladesh Bank Bills	-	-
Treasury bonds	(6,588,306,654)	(1,543,197,790)
Sale/ (Investment) in shares	145,140,138	(200,403,623)
Investment in bonds	(2,231,914)	110,000,000
Redemption of BBL Bond	-	-
Acquisition of fixed assets	(617,885,160)	(613,622,899)
Disposal of fixed assets	6,834,984	108,047
Net cash used in investing activities (b)	(436,109,679)	(4,050,567,234)
C. Cash flows from financing activities		
Proceeds from issue of convertible preference shares	-	-
Dividend paid	(900)	(126,450)
Net cash flows from financing activities (c)	(900)	(126,450)
Net increase/decrease in cash (a+b+c)	(4,892,188,357)	2,111,441,822
Cash and cash equivalents at beginning of the year	69,663,701,210	67,047,515,663
Effect of exchange rate changes on cash and cash equivalent	30,482,637	107,766,980
Cash and cash equivalents at end of the year	64,801,995,491	69,266,724,465
Cash and cash equivalents at end of the year:		
Cash in hand (including foreign currency)	7,952,166,083	6,161,298,205
Balance with Bangladesh Bank and its agents bank(s)	17,100,975,626	11,695,664,257
Balance with other banks and financial institutions	38,346,919,182	48,708,480,003
Money at call and short notice	1,400,000,000	2,700,000,000
Prize bond	1,934,600	1,282,000
	64,801,995,491	69,266,724,465
Net Operating Cash Flow Per Share (NOCFPS), Note: 5.1	(3.61)	5.00


BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 31 March 2020

Particulars	31 March 2020 Taka	31 December 2019 Taka
PROPERTY AND ASSETS		
Cash	24,720,331,016	22,829,508,087
Cash in hand (Including foreign currency)	7,619,355,389	6,726,443,188
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	17,100,975,627	16,103,064,899
Balance with other banks and financial institutions	11,884,918,260	15,799,498,546
Inside Bangladesh	9,243,769,148	13,203,670,424
Outside Bangladesh	2,641,149,112	2,595,828,122
Money at call and short notice	1,400,000,000	-
Investments	39,732,484,320	45,943,571,923
Government	33,050,730,773	39,175,469,934
Others	6,681,753,546	6,768,101,989
Loans and advances	259,328,909,364	264,091,181,535
Loans, cash credit, overdrafts etc.	140,330,380,025	145,739,918,412
Small and medium enterprises	116,195,670,291	114,908,783,595
Bills purchased and discounted	2,802,859,048	3,442,479,528
Fixed assets including premises, furniture and fixture (Note-9)	8,009,912,499	8,188,718,148
Other assets	12,203,300,794	11,001,406,183
Non-banking assets	66,471,775	66,471,775
Total property and assets	357,346,328,028	367,920,356,197
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	14,956,590,910	22,901,981,186
Borrowings from Bangladesh Bank	13,061,171,715	12,487,885,372
Money at call and short notice	-	1,273,500,000
Deposits and other accounts	263,478,568,329	268,309,328,462
Current accounts and other accounts	64,778,787,114	70,387,783,800
Bills payable	1,389,954,676	1,911,038,678
Savings deposits	43,910,538,610	44,538,393,041
Fixed deposits	151,023,825,986	149,378,664,153
Other deposits	2,375,461,943	2,093,448,790
Other liabilities	26,954,578,380	25,289,530,935
Total liabilities	318,450,909,334	330,262,225,955
Capital and shareholders' equity		
Paid up share capital	12,333,753,270	12,333,753,270
Share premium	3,853,767,032	3,853,767,032
Statutory reserve	8,129,149,416	8,129,149,416
Dividend equalization fund	355,218,455	355,218,455
Revaluation reserve on govt. securities	259,157,509	98,965,051
Assets revaluation reserve	478,558,600	478,558,600
Translation reserve	30,642,362	29,914,158
Surplus in profit and loss account/Retained earnings	13,455,172,050	12,378,804,260
Total shareholders' equity	38,895,418,693	37,658,130,242
Total liabilities and shareholders' equity	357,346,328,028	367,920,356,197


BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 31 March 2020

Particulars	31 March 2020 Taka	31 December 2019 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	21,700,345,015	27,669,571,296
Irrevocable letter of credits	18,875,751,621	12,226,956,921
Letter of guarantees	11,639,480,335	13,089,590,151
Bills for collection	21,936,920,139	20,918,191,150
Other contingent liabilities	18,213,512,102	26,232,850,181
Total Contingent liabilities	92,366,009,211	100,137,159,699
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	92,366,009,211	100,137,159,699
Net Assets Value (NAV) Per Share, Note: 3.2	31.54	30.53

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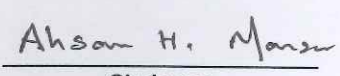

Chief Financial Officer


Company Secretary


Managing Director and CEO


Director


Director



Chairman


Date: 14 May 2020

BRAC BANK LIMITED
Condensed Profit and Loss Account (Unaudited)
For the 1st quarter ended 31 March 2020


Particulars	Quarter ended Jan to Mar 2020 Taka	Quarter ended Jan to Mar 2019 Taka
Interest income	7,903,646,629	7,201,389,805
Interest paid on deposits and borrowing etc.	3,979,316,841	3,339,614,529
Net interest income	3,924,329,788	3,861,775,276
Investment income	1,029,947,790	651,471,055
Commission, exchange and brokerage	729,283,444	939,731,522
Other operating income	22,371,657	22,980,686
Total operating income	5,705,932,679	5,475,958,539
Salaries and allowances	1,591,122,134	1,309,068,807
Rent, taxes, insurance, electricity etc.	163,832,797	184,929,514
Legal expenses	10,259,705	12,426,280
Postage, stamps, telecommunication etc.	62,211,446	60,003,655
Stationery, printing, advertisement etc.	83,126,524	73,265,436
Chief Executive's salary and fees	3,525,000	3,525,000
Directors' fees and expenses	386,800	322,000
Auditors' fee	460,000	500,000
Depreciation and repairs to bank's assets	547,847,976	491,192,394
Other expenses	720,752,736	630,225,489
Total operating expenses	3,183,525,117	2,765,458,575
Profit/(loss) before provisions	2,522,407,562	2,710,499,964
Provision for:		
Loans and advances	750,262,102	656,914,792
Diminution in value of investments	76,800,000	120,000,000
Off balance sheet items	23,000,000	(139,000,000)
Others	-	-
Total provision	850,062,102	637,914,792
Profit/(loss) before taxes	1,672,345,460	2,072,585,172
Provision for Tax:		
Current tax expense	938,669,492	1,053,367,197
Deferred tax expense/(income)	(342,691,822)	(230,125,233)
Total provision for Tax	595,977,670	823,241,964
Total profit/(loss) after taxes	1,076,367,790	1,249,343,209
Retained earnings brought forward from previous period/year	12,378,804,260	9,794,724,973
Profit available for appropriation	13,455,172,050	11,044,068,182
Appropriations:		
Statutory reserve	-	-
General reserve	-	-
Dividend	-	-
Dividend equalization fund	-	-
Retained surplus	13,455,172,050	11,044,068,182
Earnings Per Share (EPS), Note: 4.2	0.87	1.01

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

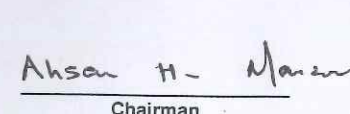

Chief Financial Officer


Company Secretary


Managing Director and CEO


Director


Director


Chairman

Date: 14 May 2020

BRAC BANK LIMITED
Condensed Statement of Changes in Equity (Unaudited)
For the 1st quarter ended 31 March 2020

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 2020	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	478,558,600	29,914,158	12,378,804,260	37,658,130,242
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	478,558,600	29,914,158	12,378,804,260	37,658,130,242
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	160,192,458	-	-	-	160,192,458
Currency translation difference	-	-	-	-	-	-	728,204	-	728,204
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-	-
Net profit for the period	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	259,157,509	478,558,600	30,642,362	12,378,804,260	37,819,050,903
Dividend for the year 2019:	-	-	-	-	-	-	-	1,076,367,790	1,076,367,790
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 2020	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	259,157,509	478,558,600	30,642,362	13,455,172,050	38,895,418,693
Balance as at 31 December 2019	12,333,753,270	3,853,767,032	8,129,149,416	355,218,455	98,965,051	478,558,600	29,914,158	12,378,804,260	37,658,130,242
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)	11,044,068,182	32,883,713,477

BRAC BANK LIMITED
Condensed Cash Flow Statement (Unaudited)
For the 1st quarter ended 31 March 2020

Particulars	Jan to Mar 2020 Taka	Jan to Mar 2019 Taka
A. Cash flows from operating activities		
Interest receipts	8,542,724,837	7,322,236,277
Interest payment	(4,157,421,180)	(3,319,039,964)
Dividend receipts	39,808,211	51,771,471
Fees and commission receipts	729,283,444	906,422,538
Recoveries on loans previously written off	213,884,735	179,837,038
Cash payments to employees	(1,398,420,757)	(1,111,638,228)
Cash payments to suppliers	(122,128,896)	(121,582,287)
Income tax paid	(687,170,058)	(690,735,925)
Receipts from other operating activities	181,149,925	284,602,446
Payment for other operating activities	(1,193,176,977)	(965,290,147)
Operating Cash flow before changes in operating assets and liabilities (i)	2,148,533,283	2,536,583,219
Increase/decrease in operating assets & liabilities		
Loans and advances to customers	4,762,272,171	(5,008,100,703)
Other assets	(653,247,921)	(451,161,287)
Deposits from other banks/borrowings	(8,645,603,933)	4,141,382,097
Deposits from customers	(4,661,316,217)	2,677,404,915
Other liabilities	367,081,939	671,924,823
Cash utilized in operating assets and liabilities (ii)	(8,830,813,961)	2,031,449,846
Net cash (used)/flows from operating activities (i+ii) (a)	(6,682,280,678)	4,568,033,065
B. Cash flows from investing activities		
Treasury bills	12,713,112,715	(2,413,633,746)
Bangladesh Bank Bills	-	-
Treasury bonds	(6,588,306,654)	(1,543,197,790)
Sale/ (Investment) in shares	88,580,356	(179,865,948)
Investment in bonds	(2,231,914)	110,000,000
Redemption of BBL Bond	-	-
Acquisition of fixed assets	(216,328,943)	(183,496,266)
Disposal of fixed assets	6,834,984	108,047
Net cash used in investing activities (b)	6,001,660,544	(4,210,085,703)
C. Cash flows from financing activities		
Cash dividend paid	(900)	(126,450)
Net cash flows from financing activities (c)	(900)	(126,450)
Net increase/decrease in cash (a+b+c)	(680,621,033)	357,820,913
Effect of exchange rate changes on cash and cash equivalent	56,930,576	85,137,733
Cash and cash equivalents at beginning of year	38,630,874,333	37,254,193,005
Cash and cash equivalents at end of the year	38,007,183,876	37,697,151,651
Cash in hand (including foreign currency)	7,619,355,389	6,078,666,584
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	17,100,975,627	11,695,664,257
Balance with other banks and financial institutions	11,884,918,260	17,221,538,810
Money at call and short notice	1,400,000,000	2,700,000,000
Prize bond	1,934,600	1,282,000
	38,007,183,876	37,697,151,651
Net Operating Cash Flow Per Share (NOCFPS) (Note: 5.2)	(5.42)	3.70

BRAC BANK LIMITED
Selective notes to the Condensed Interim Financial Statements
As at and for the 1st quarter ended 31 March 2020

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 Bank's 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 applied in the interim financial reports as at and for the 1st quarter ended 31 March 2020 are same as that were applied in its last annual financial statements of 31 December 2019. Consolidated financial statements included 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.

2.5 Relevant comparative information has been restated wherever necessary to conform with the current year's/period's presentation.

2.6 The consolidated financial statements of the Bank are made up to 31 March 2020 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) and Financial Reporting Council, Companies Act 1994, the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 1987, Financial Reporting Act 2015 and other prevailing laws and rules applicable in Bangladesh.

2.7 Earning Per Share (EPS) of previous year/period has been restated as per IAS 33 due to issue of stock dividend of 2018 during the period.

2.8 These interim condensed financial reports were approved by the Board of Directors on May 14, 2020.

	31 Mar 2020 Taka	31 Dec 2019 Taka	31 Mar 2019 Taka
3 Net Assets Value			
3.1 Consolidated Net Assets Value (NAV) per share			
Net Assets Value at the end of the reporting period/year	41,603,129,728	40,582,407,358	36,535,563,380
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,375,327	1,233,375,327
	<u>33.73</u>	<u>32.90</u>	<u>29.62</u>
3.2 Separate/Standalone Net Assets Value (NAV) per share			
Net Assets Value at the end of the reporting period/year	38,895,418,693	37,658,130,242	32,883,713,477
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,375,327	1,233,375,327
	<u>31.54</u>	<u>30.53</u>	<u>26.66</u>

3.2a Considering 7.5% stock dividend proposed for the year ended 31 December 2019 but yet to be approved in 21st AGM of the Bank to be held on 25 June 2020, the restated Consolidated NAV Per Share as at 31 March 2020 will stand at BDT 31.38 (31 December 2019 NAV Per Share: BDT 30.61 and 31 March 2019 NAV Per Share: BDT 27.56) and standalone NAV Per Share of BRAC Bank at BDT 29.34 (31 December 2019 NAV Per Share: BDT 28.40 and 31 March 2019 NAV Per Share: BDT 24.80). The restated weighted average no. of outstanding shares for 31 March 2020, 31 December 2019 and 31 March 2019 were 1,325,878,477 used for the computation of NAV Per Share.

3.3 Explanation regarding significant change in quarterly financial statements:

The consolidated and standalone Bank's net asset value increased mainly as a result of growth in the profit of the bank during the period ended on 30 September 2019 from its regular operation.

4 Earnings Per Share (EPS)

4.1 Consolidated Earning Per Share

	Jan-Mar 2020 Taka	Jan-Mar 2019 Taka
Net profit/(loss) after taxes attributable to equity holders of the Bank	870,808,371	1,283,972,879
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,375,327
	<u>0.71</u>	<u>1.04</u>

4.2 Separate/Standalone Earnings Per Share

	Jan-Mar 2020 Taka	Jan-Mar 2019 Taka
Net profit/(loss) after taxes	1,076,367,790	1,249,343,209
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,375,327
	<u>0.87</u>	<u>1.01</u>

4.2a Considering 7.5% stock dividend proposed for the year ended 31 December 2019 but yet to be approved in 21st AGM of the Bank to be held on 25 June 2020, the restated Consolidated EPS for the quarter ended 31 March 2020 will stand at BDT 0.66 (31 March 2019 EPS: BDT 0.97) and standalone EPS of BRAC Bank at BDT 0.81 (31 March 2019 EPS: BDT 0.94). The restated weighted average no. of outstanding shares for first quarter, 2020 and 2019 were 1,325,878,477 used for the computation of EPS.

4.3 Explanation regarding significant change in quarterly financial statements:

The consolidated and Bank's separate/standalone EPS for the 1st quarter reduced significantly mainly due to less income earned for COVID-19 pandemic particularly commission and fees income as well as increased operating expenditure and provision requirement against loans and advances and off balance sheet exposures.

	Jan-Mar 2020 Taka	Jan-Mar 2019 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	(4,456,077,778)	6,162,135,506
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,375,327
	<u>(3.61)</u>	<u>5.00</u>
5.2 Separate/Standalone Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	(6,682,280,678)	4,568,033,065
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,375,327
	<u>(5.42)</u>	<u>3.70</u>

5.2a Considering 7.5% stock dividend proposed for the year ended 31 December 2019 but yet to be approved in 21st AGM of the Bank to be held on 25 June 2020, the restated Consolidated NOCFPS for the quarter ended 31 March 2020 will stand at negative BDT 3.36 (31 March 2019 NOCFPS: BDT 4.65) and standalone NOCFPS of BRAC Bank at negative BDT 5.04 (31 March 2019 NOCFPS: BDT 3.45). The restated weighted average no. of outstanding shares for first quarter, 2020 and 2019 were 1,325,878,477 used for the computation of NOCFPS.

5.3 Explanation regarding significant change quarterly basis financial statements:

Net operating cash flow per share on standalone and consolidated basis decreased significantly because of decrease in deposits and borrowings from customers and banks as COVID-19 pandemic spread out in Bangladesh as well. The operating cash flows are also affected by central bank's circular for postponing the collection of loan installments from customers.

6 Performance Highlights of BRAC Bank Limited as of March 31, 2020 are given below:

6.1 Key Financial indicators (Standalone basis) :

Sl no.	Particulars	31 March 2020	31 December 2019
1	Deposits	263,478,568,329	268,309,328,462
2	Loans and advances	259,328,909,364	264,091,181,535
3	Capital Fund	37,568,205,912	36,822,026,702
4	Core Capital	34,528,826,221	33,793,683,815
5	Supplementary Capital	3,037,379,690	3,038,342,887
6	CRAR	15.08%	15.07%
7	No. of Branches	187	187
8	No. of Full Time Employees	8,278	8,160
9	Statutory Reserves	8,129,149,416	8,129,149,416
10	Shareholders' Equity	38,895,418,693	37,658,130,242

6.2 Key Financial indicators (Consolidated basis) :

Sl no.	Particulars	31 March 2020	31 December 2019
1	Deposits	295,545,275,588	297,754,929,671
2	Loans and advances	260,142,921,320	264,870,263,857
3	Capital Fund	43,169,567,405	42,771,175,182
4	Core Capital	40,132,187,714	39,732,832,295
5	Supplementary Capital	3,037,379,690	3,038,342,887
6	CRAR	16.01%	16.16%
7	Shareholders' Equity	41,603,129,728	40,582,407,358

6.3 Key Financial Ratios (Solo basis):

Sl no.	Particulars	31 March 2020	31 December 2019
1	AD Ratio	83.70%	82.10%
2	AD Ratio including OBU	86.10%	83.90%
3	ROE*	11.25%	16.29%
4	ROA*	1.19%	1.65%

* Figures are annualized.

6.4 Key Financial Ratios (Consolidated basis):

Sl no.	Particulars	31 March 2020	31 December 2019
1	ROE*	8.48%	13.06%
2	ROA*	0.85%	1.28%

* Figures are annualized.

7 Credit Rating information

Rating agency	Long-term rating	Short-term rating	Outlook	Valid up to
CRAB	AA1	ST-1	Stable	June, 2020
CRISL	AA+	ST-1	Stable	June, 2020
ECRL	AA+	ST-1	Stable	June, 2020
S&P	B+	B	Stable	December, 2020
Moody's	Ba3	NP	Negative	December, 2020

8 Schedule of fixed assets

BRAC BANK LIMITED
As at 31 March 2020

Particulars	Cost			Depreciation				Written down value as at 31 March 2020
	Opening balance as on 01 January 2020	Addition/Revaluation during the period	Disposals/Transfer/Adjustments during the period	Total balance as at 31 March 2020	Charge during the period	Disposals/Adjustments during the period	Total balance as at 31 March 2020	
Property, plant & equipments								
Land	1,047,743,750	-	-	1,047,743,750	-	-	-	1,047,743,750
Office floor space	4,034,334	-	-	4,034,334	25,215	-	746,688	3,287,646
Furniture & fixture	2,204,586,559	48,016,430	11,003,114	2,241,599,875	42,072,191	6,531,236	1,442,295,293	799,304,581
Office equipments	1,493,892,852	15,009,037	23,878,770	1,485,023,119	29,084,023	22,577,593	1,240,067,143	244,955,976
IT Hardware	2,986,716,243	62,006,117	9,790,016	3,038,932,344	90,263,290	9,711,682	2,205,340,517	833,591,827
Motor vehicles	337,603,953	20,042,013	-	357,645,966	16,564,021	-	184,910,579	172,735,387
Right of use assets (ROU)	4,306,897,358	38,820,695	-	4,345,718,053	198,247,491	-	932,190,539	3,413,527,514
Capital expenditure work in progress	608,506,435	87,518,869	26,838,225	669,187,079	-	-	-	669,187,079
Sub-total	12,989,981,483	271,413,162	71,510,125	13,189,884,520	376,256,231	38,820,511	6,005,550,760	7,184,333,760
Intangible assets:								
With Indefinite useful lives:								
License	50,000	-	-	50,000	-	-	-	50,000
With definite useful lives:								
IT Software	2,112,289,585	10,574,701	-	2,122,864,286	51,847,667	-	1,297,335,546	825,528,739
Sub-total	2,112,339,585	10,574,701	-	2,122,914,286	51,847,667	-	1,297,335,546	825,528,739
As at 31 March 2019	15,102,321,068	281,987,862	71,510,125	15,312,798,806	428,103,897	38,820,511	7,302,886,307	8,009,912,499
As at 31 December 2019	10,118,213,732	5,737,975,993	753,868,657	15,102,321,068	1,636,380,809	540,340,503	6,913,602,920	8,188,718,148

9 Share capital

9.1 History of paid-up capital

Face value of BRAC Bank's each share is BDT 10. Given below the history of raising of share capital of BRAC Bank Limited:

Particulars	Allotment Year	Number of Shares Issued		No. of shares (outstanding)	Amount of Share Capital issued (BDT)	Total Paid up Capital (Cumulative)
		Share issued	Subscription			
First (Subscription to the Memorandum and Articles of Association) at the time of Incorporation	1999		2,000,000	2,000,000	200,000,000	200,000,000
BRAC (subscription)	2001		500,000	2,500,000	50,000,000	250,000,000
BRAC (subscription)	2003		674,500	3,174,500	67,450,000	317,450,000
ShoreCap International Ltd.	2004		875,700	4,050,200	87,570,000	405,020,000
International Finance Corporation	2004		949,800	5,000,000	94,980,000	500,000,000
IPO	2006	5,000,000		10,000,000	500,000,000	1,000,000,000
Bonus 20%	2007	2,000,000		12,000,000	200,000,000	1,200,000,000
Bonus 10%	2008	1,200,000		13,200,000	120,000,000	1,320,000,000
Right Share 20%	2008	2,640,000		15,840,000	264,000,000	1,584,000,000
Bonus Share 30%	2009	4,752,000		20,592,000	475,200,000	2,059,200,000
Bonus Share 30%	2010	6,177,600		26,769,600	617,760,000	2,676,960,000
Bonus Share 20%	2011	5,353,920		32,123,520	535,392,000	3,212,352,000
Change in denomination from Tk.100 to Tk.10	2011			321,235,200	-	3,212,352,000
Bonus Share 20%	2012	64,247,040		385,482,240	642,470,400	3,854,822,400
Bonus Share 15%	2013	57,822,336		443,304,576	578,223,360	4,433,045,760
Bonus Share 10%	2014	44,330,457		487,635,033	443,304,570	4,876,350,330
Right share 50%	2014	221,652,288		709,287,321	2,216,522,880	7,092,873,210
Fresh Issue against Bond, 1st Conversion of Bond	2016	1,149,589		710,436,910	11,495,890	7,104,369,100
Fresh Issue against Bond, 2nd Conversion of Bond	2017	2,237,835		712,674,745	22,378,350	7,126,747,450
Bonus Share 20%	2017	142,534,949		855,209,694	1,425,349,490	
Fresh Issue against Bond, 3rd Conversion of Bond	2018	2,790,534		858,000,228	27,905,340	8,580,002,280
Bonus Share 25%	2018	214,500,057		1,072,500,285	2,145,000,570	10,725,002,850
Bonus Share 15%	2019	160,875,042		1,233,375,327	1,608,750,420	12,333,753,270
Total					12,333,753,270	

9.2 Share Premium

	31 March 2020	31 December 2019
	Taka	Taka
5,000,000 ordinary shares @ Tk. 70 per share in the year 2006	350,000,000	350,000,000
2,640,000 ordinary shares @ Tk. 400 per share in the year 2008	1,056,000,000	1,056,000,000
221,652,288 ordinary shares @ Tk. 10 per share in the year 2014	2,216,522,880	2,216,522,880
1,149,589 ordinary shares @ Tk. 32.55 per share in the year 2016	37,419,151	37,419,151
2,237,835 ordinary shares @ Tk. 35.10 per share in the year 2017	78,548,041	78,548,041
2,790,534 ordinary shares @ Tk. 41.31 per share in the year 2018	115,276,960	115,276,960
	3,853,767,032	3,853,767,032

10. Statement of Consolidated Segment Reporting

A. Segmental operating profit and loss

There are 8 (eight) operating segments including subsidiaries as on 31 March 2020. Out of 8 (eight) operating segments only 5 (five) are reportable as per latest evaluation as on 31 March 2020 in accordance with IFRS 8: Operating segments. A segment is considered reportable 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. Hence other non-reportable segments have been shown under 'Others'. Comparative figures have been disclosed accordingly.

Particulars	BRAC Bank Limited							Consolidation			
	SME	Retail	Corporate	Treasury	Total	bKash	Others	Inter company elimination	Total	Amount in Taka	
Interest income	4,279,323,212	1,398,451,819	1,906,230,064	319,641,533	7,903,646,629	809,300,730	11,342,269	(88,549,098)	8,635,740,530		
Interest Expense on Deposits	427,571,256	1,864,535,281	1,194,457,136	492,753,167	3,979,316,840	55,161,981	44,413,426	(88,549,098)	3,991,343,149		
Inter segment income (expenses)	(2,054,742,096)	1,926,014,735	24,079,460	104,647,901	-	-	-	-	-		
Net interest income	1,797,009,861	1,459,931,273	735,852,388	(68,463,733)	3,924,329,788	753,138,749	(33,071,157)	-	4,644,397,380		
Investment income	-	-	-	1,029,947,790	1,029,947,790	154,343,630	(98,328,511)	-	1,085,962,909		
Commission, fees and others	82,332,466	347,348,905	189,332,430	110,269,643	729,283,444	620,133,250	279,843,227	(5,648,829)	1,623,611,092		
Other operating income	317,518	1,271,363	1,937,742	18,845,033	22,371,656	430,527	9,051,216	-	31,853,399		
Total Segment Revenue	1,879,659,845	1,808,551,542	927,122,560	1,090,598,733	5,705,932,679	1,528,046,156	157,494,775	(5,648,829)	7,385,824,781		
Staff costs	819,159,752	580,126,558	165,718,931	29,641,894	1,594,647,134	609,739,590	77,416,511	-	2,281,803,235		
Other operating costs	630,300,385	721,434,724	190,935,071	46,207,803	1,588,877,983	1,043,214,232	207,017,525	(5,648,829)	2,833,460,911		
Total segment expenditure	1,449,460,136	1,301,561,282	356,654,002	75,849,697	3,183,525,117	1,652,953,822	284,434,036	(5,648,829)	5,115,264,146		
Reportable segment operating profit	430,199,708	506,990,260	570,468,558	1,014,749,036	2,522,407,562	(124,907,666)	(126,939,261)	-	2,270,560,635		

B. Segmental assets and liabilities

The necessary information regarding assets and liabilities of operating segments (excluding subsidiaries) are not separable and individually identifiable and so the assets and liabilities of the respective segments have not been presented here.

11 Reconciliation of net profit with cash flows from operating activities (standalone basis)

Particulars	Jan to Mar 2020 Taka	Jan to Mar 2019 Taka
Profit before tax as per profit and loss account	1,672,345,460	2,072,585,172
Adjustment for non-cash items:		
Provision for Loans and advances	750,262,102	656,914,792
Provision for Diminution in value of investments	76,800,000	120,000,000
Provision for Off balance sheet items	23,000,000	(139,000,000)
Depreciation of Property plant and equipment	428,103,897	386,342,529
Foreign exchange gain/(loss)	(30,332,210)	(22,173,366)
Profit on sale of fixed assets	(983,595)	(69,015)
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	4,762,272,171	(5,008,100,703)
Other operating assets	(837,206,532)	(685,725,915)
Deposits from other banks/borrowings	(8,645,603,933)	4,141,382,097
Deposits from customers	(4,661,316,217)	2,677,404,915
Other operating liabilities	467,548,237	1,059,208,483
Income tax paid	(687,170,058)	(690,735,925)
Cash flows from operating activities as per cash flow statement	(6,682,280,678)	4,568,033,065