

BRAC Bank Limited

**Condensed Interim Financial Report as at and
for the 3rd quarter ended 30 September 2019**

BRAC BANK LIMITED
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 September 2019

Particulars	30 September 2019 Taka	31 December 2018 Taka
PROPERTY AND ASSETS		
Cash	21,596,427,032	22,394,474,142
Cash in hand (Including foreign currency)	6,271,191,651	6,674,699,654
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	15,325,235,381	15,719,774,488
Balance with other banks and financial institutions	43,522,913,422	44,651,943,921
Inside Bangladesh	42,760,482,359	41,918,719,170
Outside Bangladesh	762,431,063	2,733,224,751
Money at call and short notice	1,069,000,000	-
Investments	50,669,085,675	35,133,273,327
Government	44,075,918,785	27,925,905,144
Others	6,593,166,890	7,207,368,183
Loans and advances	251,550,319,776	238,400,399,660
Loans, cash credit, overdrafts etc.	153,166,060,299	154,792,422,586
Small and medium enterprises	94,711,679,619	80,422,409,963
Bills purchased and discounted	3,672,579,858	3,185,567,111
Fixed assets including premises, furniture and fixture	6,499,018,560	6,265,160,203
Other assets	12,211,619,976	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	388,612,325,127	358,004,626,083
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	20,522,531,968	22,958,478,616
Borrowings from Bangladesh Bank	11,941,918,870	8,344,796,525
Money at call and short notice	3,552,500,000	-
Deposits and other accounts	273,351,747,710	255,073,828,613
Current accounts and other accounts	88,120,902,787	80,225,826,007
Bills payable	1,072,940,432	1,528,433,733
Savings deposits	41,834,993,859	38,320,761,103
Fixed deposits	141,524,337,075	133,388,177,229
Other deposits	798,573,557	1,610,630,541
Other liabilities	34,348,447,252	29,927,337,027
Total liabilities	343,717,145,801	316,304,440,781
Capital and shareholders' equity		
Paid up share capital	12,333,753,270	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	63,251,330	5,593,264
Assets revaluation reserve	478,558,600	478,558,600
Fair value reserve	78,920,073	78,920,073
Translation reserve	(32,192,365)	(17,674,822)
Surplus in profit and loss account/Retained earnings	15,134,337,845	13,342,589,185
Total shareholders' equity	38,693,702,327	35,250,062,723
Non controlling interest	6,201,476,999	6,450,122,579
Total equity	44,895,179,326	41,700,185,302
Total liabilities and shareholders' equity	388,612,325,127	358,004,626,083

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BRAC BANK LIMITED
Condensed Consolidated Balance Sheet (Unaudited)
As at 30 September 2019

Particulars	30 September 2019 Taka	31 December 2018 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	30,362,618,399	31,170,526,059
Irrevocable letter of credits	11,845,010,238	16,394,979,800
Letter of guarantees	15,431,793,976	10,218,069,408
Bills for collection	20,086,518,000	5,092,871,749
Other contingent liabilities	15,439,511,069	16,666,535,551
Total contingent liabilities	93,165,451,682	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	93,165,451,682	79,542,982,567
Net Assets Value (NAV) Per Share, Note: 3.1	31.37	28.58

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



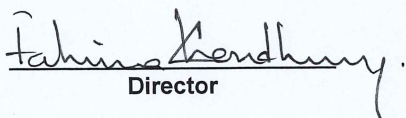
Chief Financial Officer



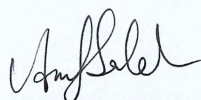
Company Secretary



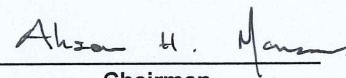
Managing Director and CEO



Director



Director



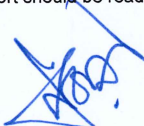

Chairman

Date: 24 October 2019

BRAC BANK LIMITED
Condensed Consolidated Profit and Loss Account (Unaudited)
For the 3rd quarter ended 30 September 2019

Particulars	Quarter ended Jul to Sep 2019 Taka	Quarter ended Jul to Sep 2018 Taka	Cumulative Jan to Sep 2019 Taka	Cumulative Jan to Sep 2018 Taka
Interest income	7,613,020,045	7,017,868,924	22,524,163,718	19,963,706,532
Interest paid on deposits and borrowing etc.	3,794,823,661	3,013,272,582	10,636,431,755	8,458,107,218
Net interest income	3,818,196,384	4,004,596,342	11,887,731,963	11,505,599,314
Investment income	747,436,073	873,654,003	2,035,038,063	2,253,101,918
Commission, exchange and brokerage	2,474,381,327	1,729,802,272	7,536,208,072	5,328,721,129
Other operating income	74,958,929	27,521,704	147,696,852	121,522,525
Total operating income	7,114,972,713	6,635,574,321	21,606,674,950	19,208,944,886
Salaries and allowances	2,047,570,415	1,705,195,410	5,836,045,947	4,922,533,644
Rent, taxes, insurance, electricity etc.	497,306,233	386,693,922	1,414,186,552	1,137,874,537
Legal expenses	17,645,681	15,914,068	46,639,719	51,968,918
Postage, stamps, telecommunication etc.	81,422,218	82,095,013	243,860,770	234,748,621
Stationery, printing, advertisement etc.	1,102,279,404	725,207,018	2,503,471,431	1,739,551,717
Chief Executive's salary and fees	4,575,000	4,335,000	13,675,000	10,909,000
Directors' fees and expenses	705,250	758,973	2,493,031	2,415,980
Auditors' fee	2,343,250	2,558,326	6,051,310	4,885,474
Depreciation and repairs to bank's assets	666,902,859	550,727,375	1,879,918,010	1,470,138,186
Other expenses	959,349,780	985,439,405	2,891,612,434	2,854,436,460
Total operating expenses	5,380,100,090	4,458,924,510	14,837,954,204	12,429,462,537
Operating profit	1,734,872,623	2,176,649,811	6,768,720,746	6,779,482,349
Share of profit/(loss) of associates	7,745,894	(3,933,288)	(30,870,968)	(22,995,770)
Gain/(loss) on disposal of associate	-	-	5,001,679	-
Profit/(loss) before provisions	1,742,618,517	2,172,716,523	6,742,851,457	6,756,486,579
Provision for:				
Loans and advances	247,186,382	211,921,632	841,298,913	593,418,997
Diminution in value of investments	209,000,000	-	449,000,000	-
Off balance sheet items	25,000,000	93,000,000	(167,000,000)	58,000,000
Others	930,092	292,000	6,120,279	618,500
Total provision	482,116,474	305,213,632	1,129,419,192	652,037,497
Profit/(loss) before taxes	1,260,502,043	1,867,502,891	5,613,432,265	6,104,449,082
Provision for Tax:				
Current tax expense	746,545,058	667,696,526	2,830,986,143	1,909,279,575
Deferred tax expense/(income)	(114,700,756)	(44,279,516)	(372,768,279)	78,656,498
Total provision for Tax	631,844,302	623,417,010	2,458,217,864	1,987,936,073
Total profit/(loss) after taxes	628,657,741	1,244,085,881	3,155,214,401	4,116,513,009
Attributable to:				
Equity holders of BRAC Bank Ltd.	866,240,494	1,307,815,289	3,400,499,080	3,986,245,512
Non controlling interest	(237,582,753)	(63,729,408)	(245,284,679)	130,267,497
	628,657,741	1,244,085,881	3,155,214,401	4,116,513,009
Retained earnings brought forward from previous period/year	14,268,097,351	11,013,665,306	13,342,589,185	8,606,876,878
Net profit attributable to the equity holders of the Bank	866,240,494	1,307,815,289	3,400,499,080	3,986,245,512
Net effect of all items directly recognized in Equity (Note: 2.6)	-	(21,614,770)	-	1,851,744,005
Profit available for appropriation	15,134,337,845	12,299,865,825	16,743,088,265	14,444,866,395
Appropriations:				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividend	-	-	1,608,750,420	2,145,000,570
Dividend equalization fund	-	-	-	-
	-	-	1,608,750,420	2,145,000,570
Retained surplus	15,134,337,845	12,299,865,825	15,134,337,845	12,299,865,825
Earnings Per Share (EPS), Note: 4.1	0.70	1.06	2.76	3.23

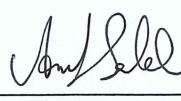
These interim financial report should be read in conjunction with the annexed notes.




Chief Financial Officer


Company Secretary


Managing Director and CEO


Director


Director


Chairman

Date: 24 October 2019

BRAC BANK LIMITED
Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the 3rd quarter ended 30 September 2019

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	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	-	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	57,658,066	-	-	-	-	-	57,658,066
Effect of change of shareholding in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Changes in translation reserve	-	-	-	-	-	-	-	(14,517,543)	-	(1,090,070)	(15,607,613)
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	63,251,330	478,558,600	78,920,073	(32,192,365)	13,342,589,185	6,449,032,609	41,742,235,756
Net profit for the period	-	-	-	-	-	-	-	-	3,400,499,080	(245,284,679)	3,155,214,401
Dividend for the year 2018:	-	-	-	-	-	-	-	-	-	-	-
Stock dividend	1,608,750,420	-	-	-	-	-	-	-	(1,608,750,420)	-	-
Cash dividend (Note - 6.5)	-	-	-	-	-	-	-	-	-	-	-
Ordinary share issue against bond conversion	-	-	-	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-	-	-	-
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid by BRAC Saajan Ltd. (Note - 7)	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2019	12,333,753,270	3,853,767,032	6,428,088,086	355,218,455	63,251,330	478,558,600	78,920,073	(32,192,365)	16,134,337,845	6,201,476,999	44,895,179,326
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 30 September 2018	10,725,002,850	3,853,767,032	4,813,606,868	355,218,455	65,610,346	516,373,535	-	(8,856,306)	12,299,865,825	4,748,901,373	37,369,489,978

BRAC BANK LIMITED
Condensed Consolidated Cash Flow Statement (Unaudited)
For the 3rd quarter ended 30 September 2019

Particulars	30 September 2019 Taka	30 September 2018 Taka
A. Cash flows from operating activities		
Interest receipts	23,717,580,871	19,892,350,344
Interest payment	(10,119,935,120)	(6,766,165,019)
Dividend receipts	115,804,954	100,926,016
Fees and commission receipts	9,739,383,627	5,345,870,080
Recoveries on loans previously written off	539,590,338	528,264,784
Cash payments to employees	(5,929,626,351)	(5,068,317,709)
Cash payments to suppliers	(3,928,765,192)	(3,147,317,025)
Income tax paid	(4,347,063,380)	(2,857,682,554)
Receipts from other operating activities	715,922,310	1,076,923,876
Payment for other operating activities	(3,325,849,416)	(2,580,857,954)
Operating cash flow before changes in operating assets and liabilities (i)	7,177,042,642	6,523,994,838
Increase/decrease in operating assets & liabilities		
Loans and advances	(12,673,630,950)	(18,238,332,643)
Other assets	157,581,390	(887,173,833)
Deposits from other banks/borrowings	7,223,548,788	(598,672,038)
Deposits from customers	15,012,125,436	18,778,744,506
Other liabilities	(583,332,005)	(1,451,036,647)
Cash utilized in operating assets and liabilities (ii)	9,136,292,658	(2,396,470,654)
Net cash (used)/flows from operating activities (i+ii) (a)	16,313,335,300	4,127,524,184
B. Cash flows from investing activities		
Treasury bills	(11,512,822,767)	(4,408,544,082)
Bangladesh Bank Bills	-	2,497,936,800
Treasury bonds	(4,635,611,774)	(805,167,906)
Sale/ (Investment) in shares	267,761,100	(917,490,879)
Investment in bonds	240,641,100	360,000,000
Redemption of BBL Bond	-	(2,706,965,700)
Acquisition of fixed assets	(1,516,624,482)	(1,040,443,292)
Disposal of fixed assets	3,197,015	3,407,898
Net cash used in investing activities (b)	(17,153,459,808)	(7,017,267,161)
C. Cash flows from financing activities		
Proceeds from issue of convertible preference shares	-	4,693,088,333
Dividend paid	(2,317,547)	(347,296)
Net cash flows from financing activities (c)	(2,317,547)	4,692,741,037
Net increase/decrease in cash (a+b+c)	(842,442,055)	1,802,998,060
Cash and cash equivalents at beginning of the year	67,047,515,664	61,659,571,597
Effect of exchange rate changes on cash and cash equivalent	(14,056,456)	(7,023,429)
Cash and cash equivalents at end of the year	66,191,017,154	63,455,546,228
Cash and cash equivalents at end of the year:		
Cash in hand (including foreign currency)	6,271,191,651	5,804,200,835
Balance with Bangladesh Bank and its agents bank(s)	15,325,235,381	11,523,901,221
Balance with other banks and financial institutions	43,522,913,422	46,125,674,772
Money at call and short notice	1,069,000,000	-
Prize bond	2,676,700	1,769,400
	66,191,017,154	63,455,546,228
Net Operating Cash Flow Per Share (NOCFPS), Note: 5.1	13.23	3.35

BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 30 September 2019

Particulars	30 September 2019 Taka	31 December 2018 Taka
PROPERTY AND ASSETS		
Cash	21,486,509,541	22,374,550,269
Cash in hand	6,161,274,160	6,654,775,781
(Including foreign currency)		
Balance with Bangladesh Bank and its agent bank(s)	15,325,235,381	15,719,774,488
(Including foreign currency)		
Balance with other banks and financial institutions	12,499,147,462	14,878,545,136
Inside Bangladesh	12,022,007,926	12,484,067,930
Outside Bangladesh	477,139,536	2,394,477,206
Money at call and short notice	1,069,000,000	-
Investments	41,656,543,717	25,765,118,241
Government	36,707,336,031	20,341,016,406
Others	4,949,207,686	5,424,101,835
Loans and advances	250,746,309,227	238,008,103,268
Loans, cash credit, overdrafts etc.	152,362,049,750	154,400,126,194
Small and medium enterprises	94,711,679,619	80,422,409,963
Bills purchased and discounted	3,672,579,858	3,185,567,111
Fixed assets including premises, furniture and fixture (Note-9)	4,407,481,565	4,300,651,117
Other assets	10,383,837,632	10,023,235,468
Non-banking assets	66,471,775	66,471,775
Total property and assets	342,315,300,919	315,416,675,274
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	19,938,073,203	22,958,478,616
Borrowings from Bangladesh Bank	11,941,918,870	8,344,796,525
Money at call and short notice	3,552,500,000	-
Deposits and other accounts	244,858,986,213	228,622,409,702
Current accounts and other accounts	57,616,076,165	53,562,341,970
Bills payable	1,072,940,432	1,528,433,733
Savings deposits	41,834,993,859	38,320,761,103
Fixed deposits	143,536,402,200	133,600,242,355
Other deposits	798,573,557	1,610,630,541
Other liabilities	26,572,413,615	23,853,038,592
Total liabilities	306,863,891,901	283,778,723,435
Capital and shareholders' equity		
Paid up share capital	12,333,753,270	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	63,251,330	5,593,264
Assets revaluation reserve	478,558,600	478,558,600
Translation reserve	(13,902,755)	(3,001,421)
Surplus in profit and loss account/Retained earnings	11,952,675,000	9,794,724,973
Total shareholders' equity	35,451,409,018	31,637,951,839
Total liabilities and shareholders' equity	342,315,300,919	315,416,675,274




BRAC BANK LIMITED
Condensed Balance Sheet (Unaudited)
As at 30 September 2019

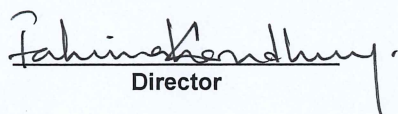
Particulars	30 September 2019 Taka	31 December 2018 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	30,362,618,399	31,170,526,059
Irrevocable letter of credits	11,845,010,238	16,394,979,800
Letter of guarantees	15,431,793,976	10,218,069,408
Bills for collection	20,086,518,000	5,092,871,749
Other contingent liabilities	15,439,511,069	16,666,535,551
Total Contingent liabilities	93,165,451,682	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	93,165,451,682	79,542,982,567
Net Assets Value (NAV) Per Share, Note: 3.2	28.74	25.66

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

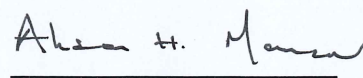

 Chief Financial Officer


 Company Secretary


 Managing Director and CEO


 Director


 Director


 Chairman

Date: 24 October 2019

BRAC BANK LIMITED
Condensed Profit and Loss Account (Unaudited)
For the 3rd quarter ended 30 September 2019

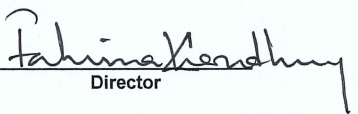
Particulars	Quarter ended Jul to Sep 2019 Taka	Quarter ended Jul to Sep 2018 Taka	Cumulative Jan to Sep 2019 Taka	Cumulative Jan to Sep 2018 Taka
Interest income	7,452,443,367	6,330,482,825	22,017,991,207	18,234,739,510
Interest paid on deposits and borrowing etc.	3,824,432,429	2,978,527,929	10,712,292,154	8,386,990,718
Net interest income	3,628,010,938	3,351,954,896	11,305,699,053	9,847,748,792
Investment income	893,676,836	880,032,286	2,105,395,877	2,351,544,327
Commission, exchange and brokerage	691,599,006	633,964,688	2,254,217,838	1,821,250,433
Other operating income	63,919,734	17,405,124	117,180,369	56,919,683
Total operating income	5,277,206,514	4,883,356,994	15,782,493,137	14,077,463,235
Salaries and allowances	1,401,745,077	1,210,154,247	4,046,877,622	3,588,310,575
Rent, taxes, insurance, electricity etc.	394,409,552	351,423,190	1,142,741,728	1,041,789,429
Legal expenses	6,941,501	13,394,387	27,560,822	47,504,838
Postage, stamps, telecommunication etc.	63,105,460	72,455,761	186,064,087	197,982,777
Stationery, printing, advertisement etc.	79,249,910	64,717,172	231,901,341	221,653,019
Chief Executive's salary and fees	4,575,000	4,335,000	13,675,000	10,909,000
Directors' fees and expenses	392,000	304,800	1,054,400	1,036,800
Auditors' fee	469,666	411,125	1,439,333	1,233,375
Depreciation and repairs to bank's assets	338,133,236	303,083,052	994,840,734	841,338,079
Other expenses	603,261,210	540,712,751	1,832,682,148	1,783,014,446
Total operating expenses	2,892,282,610	2,560,991,485	8,478,837,215	7,734,772,338
Profit/(loss) before provisions	2,384,923,903	2,322,365,509	7,303,655,922	6,342,690,897
Provision for:				
Loans and advances	247,186,382	211,921,632	841,298,913	593,418,997
Diminution in value of investments	209,000,000	-	449,000,000	-
Off balance sheet items	25,000,000	93,000,000	(167,000,000)	58,000,000
Others	(0)	292,000	3,227,674	618,500
Total provision	481,186,381	305,213,632	1,126,526,587	652,037,497
Profit/(loss) before taxes	1,903,737,522	2,017,151,877	6,177,129,335	5,690,653,400
Provision for Tax:				
Current tax expense	701,063,343	688,145,763	2,669,289,721	1,682,639,523
Deferred tax expense/(income)	-	(36,491,105)	(258,860,833)	91,234,804
Total provision for Tax	701,063,343	651,654,658	2,410,428,888	1,773,874,327
Total profit/(loss) after taxes	1,202,674,179	1,365,497,219	3,766,700,447	3,916,779,073
Retained earnings brought forward from previous period/year	10,750,000,821	8,397,994,832	9,794,724,973	7,991,713,548
Profit available for appropriation	11,952,675,000	9,763,492,051	13,561,425,420	11,908,492,621
Appropriations:				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividend	-	-	1,608,750,420	2,145,000,570
Dividend equalization fund	-	-	-	-
	-	-	1,608,750,420	2,145,000,570
Retained surplus	11,952,675,000	9,763,492,051	11,952,675,000	9,763,492,051
Earnings Per Share (EPS), Note: 4.2	0.98	1.11	3.05	3.18


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

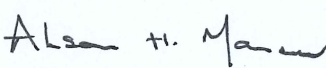

Chief Financial Officer


Company Secretary


Managing Director and CEO


Director


Director


Chairman

Date: 24 October 2019

BRAC BANK LIMITED
Condensed Statement of Changes in Equity (Unaudited)
For the 3rd quarter ended 30 September 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	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	57,658,066	-	-	-	57,658,066
Currency translation difference	-	-	-	-	-	-	(10,901,334)	-	(10,901,334)
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	63,251,330	478,558,600	(13,902,755)	9,794,724,973	31,684,708,571
Net profit for the period	-	-	-	-	-	-	-	3,766,700,447	3,766,700,447
Dividends for the year 2018:	1,608,750,420	-	-	-	-	-	-	(1,608,750,420)	-
Stock dividend	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-	-	-	-
Ordinary share issue against bond conversion	-	-	-	-	-	-	-	-	-
Share premium against bond conversion	-	-	-	-	-	-	-	-	-
Dividend equalization fund	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2019	12,333,753,270	3,853,767,032	6,428,088,086	355,218,455	63,251,330	478,558,600	(13,902,755)	11,952,675,000	35,451,409,018
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 30 September 2018	10,725,002,850	3,853,767,032	4,813,606,868	355,218,455	65,610,346	516,373,535	1,176,993	9,763,492,051	30,094,248,130

BRAC BANK LIMITED
Condensed Cash Flow Statement (Unaudited)
For the 3rd quarter ended 30 September 2019

Particulars	30 September 2019 Taka	30 September 2018 Taka
A. Cash flows from operating activities		
Interest receipts	23,433,617,167	19,251,355,599
Interest payment	(10,213,899,235)	(6,647,829,169)
Dividend receipts	111,979,163	92,584,799
Fees and commission receipts	2,254,217,838	1,821,250,433
Recoveries on loans previously written off	539,590,338	528,264,784
Cash payments to employees	(4,103,445,132)	(3,773,867,982)
Cash payments to suppliers	(402,879,171)	(503,276,374)
Income tax paid	(1,901,660,602)	(2,623,108,174)
Receipts from other operating activities	572,489,203	1,010,565,129
Payment for other operating activities	(3,095,522,229)	(2,130,246,259)
Operating Cash flow before changes in operating assets and liabilities (i)	7,194,487,340	7,025,692,785
Increase/decrease in operating assets & liabilities		
Loans and advances to customers	(12,738,643,534)	(18,534,858,979)
Other assets	1,980,915	(1,134,272,097)
Deposits from other banks/borrowings	4,129,216,932	(869,401,313)
Deposits from customers	16,237,014,087	16,141,929,560
Other liabilities	(355,324,671)	(1,452,527,374)
Cash utilized in operating assets and liabilities (ii)	7,274,243,729	(5,849,130,203)
Net cash (used)/flows from operating activities (i+ii) (a)	14,468,731,068	1,176,562,582
B. Cash flows from investing activities		
Treasury bills	(11,729,128,751)	(4,408,544,082)
Bangladesh Bank Bills	-	2,497,936,800
Treasury bonds	(4,635,611,774)	(805,167,906)
Sale/ (Investment) in shares	234,253,049	(815,156,270)
Investment in bonds	240,641,100	360,000,000
Redemption of BBL Bond	-	(2,706,965,700)
Acquisition of fixed assets	(778,803,366)	(676,532,295)
Disposal of fixed assets	3,173,015	565,698
Net cash used in investing activities (b)	(16,665,476,727)	(6,553,863,755)
C. Cash flows from financing activities		
Cash dividend paid	(113,643)	(347,296)
Net cash flows from financing activities (c)	(113,643)	(347,296)
Net increase/decrease in cash (a+b+c)	(2,196,859,302)	(5,377,648,469)
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	35,057,333,703	32,305,021,307
Cash in hand (including foreign currency)	6,161,274,160	5,764,053,728
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	15,325,235,381	11,523,901,221
Balance with other banks and financial institutions	12,499,147,462	15,015,296,958
Money at call and short notice	1,069,000,000	-
Prize bond	2,676,700	1,769,400
	35,057,333,703	32,305,021,307
Net Operating Cash Flow Per Share (NOCFPS) (Note: 5.2)	11.73	0.95

BRAC BANK LIMITED
Selective notes to the Condensed Interim Financial Report
As at and for the 3rd quarter ended 30 September 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 half year ended 30 September 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 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 consolidated financial statements of the Bank are made up to 30 September 2019 and prepared under the historical cost convention and in accordance with the "First Schedule (sec-38)" of the Bank Companies Act 1991 as amended, BRPD Circular # 14 dated 25 June, 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Companies Act 1994, the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 1987, Financial Reporting Act 2012 and other prevailing laws and rules applicable in Bangladesh.
- 2.6** With reference to the annual report 2018 (note no. 38.1) regarding the reversal of impairment of goodwill, we have restated the comparative figures of goodwill as on 30 September 2018.
- 2.7** Earning Per Share (EPS) of previous year/period has been restated due to issue of stock dividend of 2018 during the period as per IAS 33.
- 2.8** These interim condensed financial reports were approved by the Board of Directors on October 24, 2019.

3 Net Assets Value

Previous period's/year's NAV have been restated due to issuance of stock dividend for 2018.

3.1 Consolidated Net Assets Value (NAV) per share

Net Assets Value at the end of the reporting period/year	38,693,702,327	35,250,062,723	32,620,588,605
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,168,904	1,233,168,904
	<u>31.37</u>	<u>28.58</u>	<u>26.45</u>

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

Net Assets Value at the end of the reporting period/year	35,451,409,018	31,637,951,839	30,094,248,130
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,168,904	1,233,168,904
	<u>28.74</u>	<u>25.66</u>	<u>24.40</u>

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)

Previous period's EPS have been restated due to issuance of stock dividend for 2018 as per IAS 33.

4.1 Consolidated Earning Per Share

Net profit/(loss) after taxes attributable to equity holders of the Bank	3,400,499,080	3,986,245,512
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,168,904
	<u>2.76</u>	<u>3.23</u>

4.2 Separate/Standalone Earnings Per Share

Net profit/(loss) after taxes	3,766,700,447	3,916,779,073
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,168,904
	<u>3.05</u>	<u>3.18</u>

4.1a Consolidated Earning Per Share

Net profit/(loss) after taxes attributable to equity holders of the Bank	866,240,494	1,307,815,289
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,375,327
	<u>0.70</u>	<u>1.06</u>

4.2a Separate/Standalone Earnings Per Share

Net profit/(loss) after taxes	1,202,674,179	1,365,497,219
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,375,327
	<u>0.98</u>	<u>1.11</u>

4.3 Explanation regarding significant change in quarterly financial statements:

The consolidated and Bank's separate/standalone EPS up to/for the 3rd quarter has been reduced mainly due to increased operating expenditure and provision requirement against loans and advances and diminution in investment in shares during the 3rd quarter.

5 Net Operating Cash Flow per Share (NOCFPS)

Previous period's/year's NOCFPS have been restated due to issuance of stock dividend for 2018.

5.1 Consolidated Net Operating Cash Flow per Share (NOCFPS)

Net cash (used in)/flows from operating activities
Weighted average number of outstanding ordinary shares during the period/year

Jan-Sep 2019 Taka	Jan-Sep 2018 Taka
16,313,335,300	4,127,524,184
1,233,375,327	1,233,168,904
13.23	3.35

5.2 Separate/Standalone Net Operating Cash Flow per Share (NOCFPS)

Net cash (used in)/flows from operating activities
Weighted average number of outstanding ordinary shares during the period/year

14,468,731,068	1,176,562,582
1,233,375,327	1,233,168,904
11.73	0.95

5.3 Explanation regarding significant change quarterly basis financial statements:

Net operating cash flow per share on standalone and consolidated basis both increased primarily due to lower disbursement of loans and advances and higher mobilization of deposit from customers for the 3rd quarter of 2019 over the same period of 2018.

6 Performance Highlights of BRAC Bank Limited as of September 30, 2019 are given below:

6.1 Key Financial indicators (Standalone basis) :

Sl no.	Particulars	30 September 2019	31 December 2018
1	Deposits	244,858,986,213	228,622,409,702
2	Loans and advances	250,746,309,227	238,008,103,268
3	Capital Fund	35,175,551,656	31,937,287,194
4	Core Capital	32,270,940,845	28,779,980,403
5	Supplementary Capital	2,904,610,811	3,157,306,791
6	CRAR	14.86%	13.67%
7	No. of Branches	187	186
8	No. of Full Time Employees	8,111	6,835
9	Statutory Reserves	6,428,088,086	6,428,088,086
10	Shareholders' Equity	35,451,409,018	31,637,951,839

6.2 Key Financial indicators (Consolidated basis) :

Sl no.	Particulars	30 September 2019	31 December 2018
1	Deposits	273,351,747,710	255,073,828,613
2	Loans and advances	251,550,319,776	238,400,399,660
3	Capital Fund	41,772,183,349	39,451,759,342
4	Core Capital	38,867,572,538	36,294,452,551
5	Supplementary Capital	2,904,610,811	3,157,306,791
6	CRAR	16.27%	15.70%
7	Shareholders' Equity	38,693,702,327	35,250,062,723

6.3 Key Financial Ratios (Solo basis):

Sl no.	Particulars	30 September 2019	31 December 2018
1	AD Ratio	82.00%	82.78%
2	ROE*	14.97%	19.25%
3	ROA*	1.53%	1.87%

* Figures are annualized.

6.4 Key Financial Ratios (Consolidated basis):

Sl no.	Particulars	30 September 2019	31 December 2018
1	ROE*	12.26%	17.94%
2	ROA*	1.21%	1.66%

* Figures are annualized.

7 Dividend paid by BRAC Saajan Ltd. relating to non-controlling shareholders has been shown as a payout from NCI and dividend paid to the Bank has been netted-off as an inter-company transaction in the consolidated financial statements of the Bank.

8 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, 2019
Moody's	Ba3	NP	Stable	December, 2019

BRAC BANK LIMITED
As at 30 September 2019

Particulars	Cost			Depreciation			Written down value as at 30.06.2019	
	Opening balance as on 01.01.2019	Addition/Revaluation during the year	Disposals/Transfer/Adjustments during the year	Total balance as at 30.06.2019	Opening balance as on 01.01.2019	Charge during the year		Disposals/Adjustments during the year
<u>Property, plant & equipments</u>								
Land	1,047,743,750	-	-	1,047,743,750	-	-	-	1,047,743,750
Leasehold Building	4,034,334	-	-	4,034,334	620,615	75,644	-	696,259
Furniture & fixture	2,206,895,912	49,695,277	5,398,215	2,251,192,974	1,305,123,043	134,570,833	5,240,254	1,434,453,621
Office equipments	1,600,079,746	39,916,436	5,340,467	1,634,655,715	1,290,139,284	90,672,579	5,292,734	1,375,519,129
IT Hardware	2,774,382,706	355,015,134	191,191,518	2,938,206,322	2,059,158,590	245,752,961	191,097,192	2,113,814,358
Motor vehicles	321,040,060	5,678,836	-	326,718,896	106,338,615	46,386,316	-	152,724,931
Capital expenditure work in progress	222,254,800	328,108,852	175,955,550	374,408,102	-	-	-	374,408,102
Sub-total	8,176,431,308	778,414,535	377,885,750	8,576,960,093	4,761,380,147	517,458,331	201,630,180	5,077,208,298
<u>Intangible assets:</u>								
With Indefinite useful lives:	50,000	-	-	50,000	-	-	-	50,000
License								
With definite useful lives:								
IT Software	1,941,732,424	176,344,382	16,414,760	2,101,662,046	1,056,182,468	154,214,568	16,414,760	1,193,982,276
Sub-total	1,941,782,424	176,344,382	16,414,760	2,101,712,046	1,056,182,468	154,214,568	16,414,760	907,729,769
As at 30 September 2019	10,118,213,732	954,758,916	394,300,510	10,678,672,138	5,817,562,615	671,672,900	218,044,940	6,271,190,574
As at 31 December 2018	9,328,924,987	1,892,169,572	1,102,880,827	10,118,213,732	5,053,744,127	779,233,451	15,414,963	5,817,562,615

N/A

10 Share capital

10.1 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	8,580,002,280
Fresh Issue against Bond, 3rd Conversion of Bond	2018	2,790,534		858,000,228	27,905,340	10,725,002,850
Bonus Share 25%	2018	214,500,057		1,072,500,285	2,145,000,570	12,333,753,270
Bonus Share 15%	2019	160,875,042		1,233,375,327	1,608,750,420	12,333,753,270
Total					12,333,753,270	

10.2 Share Premium

30 September 2019	31 December 2018
Taka	Taka
350,000,000	350,000,000
1,056,000,000	1,056,000,000
2,216,522,880	2,216,522,880
37,419,151	37,419,151
78,548,041	78,548,041
115,276,960	115,276,960
3,853,767,032	3,853,767,032

5,000,000 ordinary shares @ Tk. 70 per share in the year 2006
2,640,000 ordinary shares @ Tk. 400 per share in the year 2008
221,652,288 ordinary shares @ Tk. 10 per share in the year 2014
1,149,589 ordinary shares @ Tk. 32.55 per share in the year 2016
2,237,835 ordinary shares @ Tk. 35.10 per share in the year 2017
2,790,534 ordinary shares @ Tk. 41.31 per share in the year 2018

11. Statement of Consolidated Segment Reporting

A. Segmental operating profit and loss

There are 8 (eight) operating segments including subsidiaries as on 30 September 2019. Out of 8 (eight) operating segments only 5 (five) are reportable as per latest evaluation as on 30 September 2018 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.

BRAC Bank Limited										Consolidation			Amount in Taka
Particulars	SME	Retail	Corporate	Treasury	Total	bKash	Others	Inter company elimination	Total				
Interest income	10,750,017,059	3,772,325,585	6,195,138,261	1,300,164,434	22,017,645,340	660,552,073	38,401,197	(192,780,759)	22,523,817,851				
Interest Expense on Deposits	1,021,239,905	4,770,128,340	3,387,686,059	1,533,677,080	10,712,731,385	-	116,920,360	(192,780,759)	10,636,870,986				
Inter segment income /(expenses)	(5,456,289,365)	5,401,973,394	(455,718,785)	510,324,756	290,000	-	-	-	290,000				
Net interest income	4,272,487,789	4,404,170,639	2,351,733,417	276,812,110	11,305,203,955	660,552,073	(78,519,163)	-	11,887,236,865				
Investment income				2,105,395,877	2,105,395,877	-	(63,891,318)	(6,466,496)	2,035,038,063				
Commission, fees and others	264,172,413	964,503,676	747,490,838	278,042,420	2,254,209,347	4,378,655,994	909,322,584	(5,988,343)	7,536,199,582				
Other operating income	13,219,590	7,188,160	17,637,884	79,134,735	117,180,369	1,316,698	33,872,704	(4,672,919)	147,696,851				
Total Segment Revenue	4,549,879,792	5,375,862,475	3,116,862,140	2,739,386,143	15,781,989,549	5,040,524,765	800,784,805	(17,127,758)	21,606,171,360				
Staff costs	2,046,839,066	1,476,061,502	450,467,716	87,184,338	4,060,552,623	1,539,762,024	249,406,301	(5,988,343)	5,849,720,949				
Other operating costs	1,767,070,998	1,994,173,491	536,707,965	119,828,550	4,417,781,003	3,944,238,867	631,698,143	(5,988,343)	8,987,729,670				
Total segment expenditure	3,813,910,064	3,470,234,993	987,175,681	207,012,889	8,478,333,627	5,484,000,891	881,104,444	(5,988,343)	14,837,450,619				
Reportable segment operating profit	735,969,728	1,905,627,482	2,129,686,458	2,532,372,254	7,303,655,922	(443,476,126)	(80,319,639)	(11,139,416)	6,768,720,742				

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.

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

Particulars	30 September 2019 Taka	30 September 2018 Taka
Profit before tax as per profit and loss account	6,177,129,336	5,690,653,399
Adjustment for non-cash items:		
Non-cash expenses	1,870,386,593	1,091,575,482
Non-cash income	(2,872,996)	(332,758)
Increase/decrease in operating assets & liabilities:		
Loans and advances to customers	(12,738,205,960)	(18,534,858,979)
Other operating assets	(84,579,695)	(1,529,455,937)
Deposits from other banks/borrowings	4,129,216,932	(869,401,313)
Deposits from customers	16,236,576,512	16,141,929,560
Other operating liabilities	782,740,947	1,809,561,303
Income tax paid	(1,901,660,602)	(2,623,108,174)
Cash flows from operating activities as per cash flow statement	14,468,731,068	1,176,562,582